

THIS IS A STATEMENT OF COVERAGE FOR THE LAM RESEARCH CORPORATION SHORT TERM DISABILITY PLAN. THE PROVISIONS OF THIS STATEMENT APPLY TO DISABILITY BENEFIT PERIODS BEGINNING ON OR AFTER JANUARY 1, 2017.



Who may participate? All Employees working in the United States other than those working in California and Silfex Employees.

How do I enroll? You must enroll to be covered under the Short Term Disability Plan and agree to have your Plan contribution deducted automatically from your paycheck.

Your participation in the Plan depends on when you make your enrollment: a) if on or before the date you become eligible, your participation begins on your eligibility date; b) if within thirty days of becoming eligible, your participation begins on the date you made your enrollment; or, c) if after thirty days (or if you have voluntarily withdrawn from the Plan but now wish to re-enroll), the Plan Administrator will determine your eligibility date after you provide evidence of good health, at your own expense (however, the Plan Administrator may, from time to time, waive this requirement in order to expedite enrollment). You must be at work on the day your participation in the Plan begins. If you are not at work on that day, your participation will be delayed until you are back at work.

How much do I pay? Your cost is 0.5% of your first \$68,829 of your base annual earnings.

When am I considered disabled? When you are unable to do your regular or customary work because of a mental or physical illness or injury. This includes pregnancy and childbirth. (If you participate in and complete a vocational rehabilitation program, your regular or customary work is the occupation for which you have been retrained.) You are considered disabled if you have been ordered to stay away from work by order of a bona fide health authority because you have or are suspected of having a communicable disease. Also, if you seek treatment for an alcohol or drug abuse problem, you are considered disabled, provided you are participating in an accredited residential or outpatient program. If you are being treated on an outpatient basis, you must attend the program for a minimum of six hours a day, five days a week. Benefits for alcohol and drug abuse treatment are limited to ninety days.

If you must take time off work to care for a Family Member with a Serious Health Condition or if you want to bond with your new minor Child within the first year of the birth, adoption, or foster care placement of that Child you may be eligible for up to six weeks of Paid Family Leave. Family Member means Child, Grandchild, Grandparent, Parent, Parent-in-law, Sibling, Spouse or Domestic Partner as defined in the Plan document.

How much will I receive? If you are disabled, you will be paid 66 2/3% of your basic weekly earnings with a minimum weekly benefit amount of \$50 to a weekly maximum benefit amount of \$3,250. Partial weeks are paid at a daily rate that is 1/7th of your weekly benefit.

Paid Family Leave benefits will be paid at 66 2/3% of your basic weekly earnings but not more than \$3,250 for six weeks of Paid Family Leave.

When do my benefits begin? Your benefits begin on the earliest of: 1) your eighth consecutive day of disability, provided you see a doctor at some point during that period; or, 2) the first full day of hospital confinement or when you have outpatient surgery, or 3) the eighth day that you are out on Paid Family Leave. However, in the case of a Paid Family Leave that is subsequent to a maternity leave, there will only be a single waiting period.

A disability is deemed to be continuous if you return or are able to return to work for thirty (30) days or less and become disabled again due to the same or related cause or condition.

On what are benefits based? Disability benefits are based on your earnings. Earnings mean base annual salary, plus target annual sales commissions in effect on the date immediately preceding the commencement of the Disability Benefit Period. Earnings do not include differentials, overtime, incentive pay, or any other forms of additional compensation.

What is the maximum benefit payable? The maximum benefit payable for any one period of your disability is 26 times your weekly benefit amount.

The maximum benefit payable for one period of Paid Family Leave is six times your weekly benefit amount during the twelve-month period that begins with the first day that you establish a valid claim for Paid Family Leave.

Are limits placed on my benefits? Yes. Your benefits will be limited if:

- you are a temporary employee;
- your disability begins during the first fifteen days of an unpaid LOA or a layoff without pay;
- you have declined alternative employment that is within your physical capabilities and is comparable in status and compensation to your former job;
- your disability is not substantiated by Objective Medical Evidence;
- you are not under the care or treatment of a Physician;
- your disability results from cosmetic surgery which is not necessary to correct an illness or injury;

In addition, benefits will be reduced by any benefits you are eligible to receive from any plan providing disability payments pursuant to a compulsory benefit act or law; workers' compensation settlements; any third party recovery; any group insurance policies or your employer's retirement plan.

Will I still be eligible for benefits if I receive wages while I am disabled? Yes, provided that the amount of wages you receive when combined with your benefits does not exceed the amount of wages you earned (excluding overtime) during the week immediately preceding your disability. In that case, you will receive a weekly benefit equal to the difference between the two, but not more than the benefit you would receive if no wages had been paid.

What if I am eligible to receive benefits from more than one plan? Your benefit will equal the amount divided by the number of plans under which you are covered (for example, if you are covered by this Plan and another plan, you will divide by two).

Are there conditions under which I will not be eligible for benefits?

- You will not receive benefits if a certificate from a physician does not support your disability or the need for care of a person for whom you are claiming Paid Family Leave benefits. Your doctor's conclusion as to your disability, or the need for care of a person under the Paid Family Leave benefit, must be based on a physical examination and a documented medical history.
- You will not receive benefits under this Plan if you receive (or are eligible to receive) WC temporary disability indemnity, permanent disability benefits (if such benefits are paid due to the same illness or injury), unless the amount you are receiving from WC is less than your Plan benefit. If this is the case, the Plan will pay the difference between your normal Plan benefit and what you are receiving from WC.
- You will not receive benefits if (i) you are incarcerated (in jail or any other facility) as a result of a criminal conviction, (ii) your disability arises out of your commission of a crime, or (iii) your disability stems from alcohol or drug addiction, or from aberrant sexual behavior, and you are confined by court order in an institution or some other place.
- If you intentionally make a false statement or representation (or you withhold material facts) in order to obtain benefits, you will be ineligible for benefits for at least seven days (starting on the date we notify you) but not more than thirty-five days. You will not receive benefits for an additional fifty-six days if there is a second infraction of this provision.
- You will not receive disability benefits if you are receiving or are entitled to receive unemployment or Paid Family Leave benefits.
- You will not receive benefits for any day that would otherwise qualify for Paid Family Leave benefits if another Family Member is ready, willing, able, and available for the same period of time in a day that you are providing the required care.

When does my coverage end? Your coverage ends when any of the following occurs:

- when you cease to be eligible;
- at midnight of the day your employment ends;
- at midnight of the fifteenth day after you begin an unpaid LOA or on the fifteenth day following a temporary layoff without pay; or
- on the first day of the quarter following your written request to withdraw from the Plan; or
- the date of termination of the Plan.

How do I file a claim? You must notify TRISTAR, the claims administrator, of your claim as soon as is reasonably possible at 1-844-610-1885. You must do this within twenty days after the first compensable day of disability; otherwise, you may lose some or all of the benefits. In order to qualify for benefits, you may also be required to submit information from your doctor regarding your condition and the expected day you will return to work and any records on file in a hospital or from another company that may be relevant to your claim.

When you file a claim, you will receive a Notice of Computation. If you were in the military service, received workers' compensation benefits or did not work because of a trade dispute during the base period, you may be able to substitute wages paid in prior quarters to make your claim valid or increase the benefit amount. If your claim is invalid because of extended unemployment during the base period, you may also be able to substitute wages paid in prior quarters to make the claim valid.

Under the provisions of the Plan, the Company or its authorized administrator shall have the right to (i) require supplemental forms from you, or the care recipient's, physician, or those authorized to certify to disabilities, as often as deemed necessary, and, (ii) have you, or the care recipient, examined by a physician while you are claiming benefits under the Plan. This may be done as often as may reasonably be required during the period benefit payments may be due under the Plan.

This is a summary Statement of Coverage of the Lam Research Corporation Short Disability Plan. The Plan document actually governs the Plan and describes all of the provisions in more detail. A copy of the complete Plan document is available for your review at www.lambenefits.com.