

THIS IS A STATEMENT OF COVERAGE FOR THE LAM RESEARCH CORPORATION CALIFORNIA VOLUNTARY DISABILITY PLAN. THE PROVISIONS OF THIS STATEMENT APPLY TO DISABILITY BENEFIT PERIODS BEGINNING ON OR AFTER JANUARY 1, 2019.



Who may participate? You, provided you are a California employee of the Company. There is no enrollment—your coverage begins on the day you become an employee. If you do not wish to participate in the Plan, you must reject coverage in writing. If you wish to participate at a later date, you may do so by submitting a written election to participate to the Benefits HelpDesk. You will be covered on the first day of the calendar quarter that follows the date on which you submit your notice.

How much do I pay? Your cost is 0.50% of the first \$110,902 of your calendar year wages.

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 twelve 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 70% 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 twelve 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.

A disability is deemed to be continuous if you return or are able to return to work not more than sixty (60) days or less and become disabled again due to the same or related cause or condition.

There is no waiting period for Paid Family Leave.

How do Voluntary Plan benefits compare to benefits from the State Disability Plan? As a Plan participant, you are guaranteed rights at least equal to those provided by the State Disability Plan. You will receive a weekly rate and maximum weekly benefit amount at least equal to the State Award rate and Maximum Benefit Award which you would have received if you were a participant in the State Disability Plan.

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 52 times your weekly benefit payable.

The maximum benefit payable for one period of Paid Family Leave is twelve 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 to the State Award rate 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 in excess of the State Disability Plan benefit, 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 (for instance, another Voluntary Plan or State Disability Plan)? Your benefit will equal the amount by which this Plan exceeds your State Award rate, plus the amount which results from dividing your State Award benefit by the number of Plans under which you are covered (for example, if you are covered by this Plan and State Disability 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 forty-five 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 (DE429D) from the State Disability Plan that shows the amount that the State Disability Plan would have paid you. You should note that the way the State Disability Plan calculates your wages is done using wage quarters. This may result in the State Disability Plan awarding you a different benefit amount. Furthermore, 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.

You will receive a weekly rate and maximum weekly benefit amount at least equal to the State Award rate and Maximum Benefit Award which you would have received if you were a participant in the State Disability Plan. If this award is greater than the benefits you are receiving under this Plan, your benefit level will be adjusted to meet this award amount. If this award amount is less than your benefit level under the Plan, you will continue to receive the Plan benefit level.

Under the provisions of the California Unemployment Insurance Code, 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.

What if my claim is denied? If you are denied benefits under this Plan, you may appeal the denial. You may appeal in person or in writing at any office of the Employment Development Department within thirty (30) days from the date the notice of the denial was mailed. Written appeals must be signed and include your name, Social Security Account Number, the name of your employer and the reason you are filing the appeal.

Appeals for Paid Family Leave benefits must be sent to the following address: Paid Family Leave, PO Box 997017, Sacramento, CA 95799-7017 within thirty (30) days of the denial.

This is a summary Statement of Coverage of the Lam Research Corporation California Voluntary 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 .