

**Lam Research Corporation**  
**1999 Employee Stock Purchase Plan**  
**Prospectus**

The date of this prospectus is November 7, 2018

This document constitutes part of a prospectus covering securities that have been registered  
under the Securities Act of 1933

# TABLE OF CONTENTS

	Page
<b>INTRODUCTION.....</b>	<b>1</b>
<b>OVERVIEW.....</b>	<b>1</b>
1.    What is the Employee Stock Purchase Plan?.....	1
2.    Who administers the Purchase Plan? .....	1
3.    How many shares are available for purchase under the Plan?.....	1
4.    Is the Purchase Plan covered by the provisions of ERISA? .....	2
5.    Is the Purchase Plan a qualified deferred compensation plan?.....	2
6.    What is the history of the Plan? When and how can it be amended or terminated?.....	2
<b>OPERATION OF THE PURCHASE PLAN .....</b>	<b>3</b>
7.    How does the Purchase Plan work? .....	3
8.    What are Offering Periods, Interim Offering Periods and Offering Dates? .....	3
9.    What are Purchase Periods and Purchase Dates? .....	4
10.   What happens to my participation once an Offering Period ends?.....	4
<b>ELIGIBILITY AND ENROLLMENT .....</b>	<b>4</b>
11.   Who is eligible to participate in the Plan? .....	4
12.   How do I enroll in the Plan? .....	4
13.   How much may I contribute to the Plan and how is the payroll deduction calculated?.....	5
14.   What happens to my contributions before I purchase shares? .....	5
15.   May I increase or decrease my payroll deductions during an Offering Period? .....	5
16.   May I make cash contributions to the Purchase Plan in addition to my payroll deductions? .....	6
<b>PURCHASE OF SHARES.....</b>	<b>6</b>
17.   When do I get to purchase shares of Common Stock with my payroll deductions? .....	6
18.   How is the discounted price determined? .....	6
19.   Will I make a guaranteed profit if I participate in the Plan?.....	7
20.   How many shares can I buy? .....	7
21.   May I withdraw from the Purchase Plan at any time? .....	8
22.   If I elect to contribute zero percent (0%) during a Purchase Period, how will my purchase price be determined if I increase my contribution percentage in a subsequent Purchase Period within the same Offering Period? .....	8
23.   May I transfer my Purchase Rights or payroll deductions to someone else? .....	8

## TABLE OF CONTENTS

(continued)

	<b>Page</b>
24. Can anyone create a lien on payroll deductions, shares or other property held under the Plan?.....	8
25. What records will I receive regarding my account? .....	9
26. What happens if my employment is terminated?.....	9
27. What happens if I go on a leave of absence? .....	9
28. What happens in the event of a proposed dissolution, liquidation, sale or merger of the Company?.....	10
<b>TAX INFORMATION .....</b>	<b>10</b>
29. Am I taxed on the money withheld to purchase shares?.....	10
30. Do I pay any federal income tax when I purchase shares under the Purchase Plan? .....	10
31. Am I taxed when I sell the shares I purchased under the Plan?.....	11
32. Is any tax withheld when I sell Purchase Plan shares? .....	11
33. How is my federal income tax liability determined when I sell my shares? .....	11
34. How is my tax calculated If I make a qualifying disposition?.....	11
35. How is my tax calculated if I make a disqualifying disposition? .....	12
36. What if I die before disposing of the shares?.....	12
37. What are the federal tax consequences to Lam Research? .....	12
<b>ADDITIONAL INFORMATION ABOUT THE PURCHASE PLAN AND THIS PROSPECTUS .....</b>	<b>13</b>
38. Does the Purchase Plan limit my ability to resell shares acquired under the Purchase Plan? .....	13
39. What other conditions are associated with the purchase, issuance and delivery of my shares? .....	13
40. What else should I know about this prospectus? .....	13
41. What if I need more information?.....	14
<b>INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE .....</b>	<b>14</b>
<b>Exhibit A: Lam Research Corporation 1999 Employee Stock Purchase Plan</b>	

## INTRODUCTION

The Employee Stock Purchase Plan (the “Purchase Plan” or the “Plan”) is a stock plan offered by Lam Research Corporation (“Lam Research” or the “Company”) to give employees the opportunity to purchase shares of the Company’s Common Stock through accumulated payroll deductions and at a discounted price.

The questions and answers (Q&A) in this prospectus give a summary of the main features of the Plan. The Q&A does not contain all of the terms and conditions of the official Purchase Plan document. Accordingly, if there is any difference between the terms and conditions of the Purchase Plan as described in the Q&A and the provisions of the Purchase Plan document, the Purchase Plan document will govern. A copy of the Purchase Plan is attached as Exhibit A to this prospectus for your reference. You should read the Plan document carefully before deciding whether to participate.

Capitalized terms used in this prospectus have the meanings given to them in Section 2 of the Plan unless otherwise indicated.

## OVERVIEW

### 1. What is the Employee Stock Purchase Plan?

The Employee Stock Purchase Plan is a stock plan offered by Lam Research to give employees the opportunity to purchase shares of the Company’s Common Stock from the Company through accumulated payroll deductions and at a discounted price.

### 2. Who administers the Purchase Plan?

The Purchase Plan is administered by the Compensation Committee (the “Compensation Committee”) of the Lam Research Board of Directors (the “Board”). The Board designated this committee to administer the Plan on its behalf. The Compensation Committee will serve as Administrator until the Board, in its discretion, selects a different Administrator. The Administrator oversees all aspects of design and operation of the Plan. It has delegated its authority with respect to the day-to-day administration of the Plan to the Company’s ESPP Committee. The Administrator has final authority on all questions of interpretation, construction and application under the Plan. For non-U.S. sub-plans, the VP of Human Resources has been delegated the authority of the Administrator.

### 3. How many shares are available for purchase under the Plan?

As of the date of this prospectus, a total of 7,550,771 shares of Lam Research Common Stock had been authorized for issuance under the Plan, of which 273,328 have been purchased by employees.

The number of shares of Common Stock covered by each right to purchase shares under the Plan (a “Purchase Right”), the purchase price per share of those Purchase Rights, and the number of shares of Common Stock that have been authorized for issuance under the Plan but are not yet subject to a Purchase Right, will generally be proportionately adjusted for any increase or

decrease in the total number of the Company's issued shares of Common Stock resulting from a stock split, reverse stock split, stock dividend, combination or reclassification of the Common Stock, or any other increase or decrease in the number of shares of Common Stock that occurs without receipt of consideration by the Company. Section 18 of the Plan describes these types of adjustments in more detail.

All adjustments will be made by the Administrator of the Plan, whose determination in that respect will be final, binding, and conclusive.

**4. Is the Purchase Plan covered by the provisions of ERISA?**

The Plan is not subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

**5. Is the Purchase Plan a qualified deferred compensation plan?**

The Plan is not a qualified deferred compensation plan under Section 401(a) of the Internal Revenue Code of 1986, as amended (the "Code").

**6. What is the history of the Plan? When and how can it be amended or terminated?**

The Plan was adopted by the Company's Board of Directors on September 30, 1998 and approved by our stockholders on November 5, 1998. The Plan was most recently amended and restated effective August 29, 2018 and approved by stockholders on November 6, 2018. The Plan has a term of 10 years until August 28, 2028, unless it is terminated earlier as provided in the Plan. The Compensation Committee or the Board may amend the Plan from time to time. However, the following amendments also require prior approval of the stockholders of the Company:

- Any increase to the number of shares that may be issued under the Plan
- Any change in the class of employees eligible to participate in the Plan
- Any amendment that materially increases the benefits that may accrue to Participants under the Plan

The Board may terminate the Plan or any outstanding Purchase Rights at any time, except to the extent that exercisability of Purchase Rights has been accelerated as described in Q&A 28 below. If the Board terminates the Plan, it may elect to either (i) terminate Purchase Rights upon completion of the purchase of shares on the next Exercise Date (or "Purchase Date"), or (ii) permit Purchase Rights to expire in accordance with their terms, through the end of the then-current Offering Period. If Purchase Rights are terminated before they expire, any funds contributed to the Plan that have not been used to purchase shares will be refunded to Participants as soon as administratively feasible.

## **OPERATION OF THE PURCHASE PLAN**

### **7. How does the Purchase Plan work?**

Employees participate in the Purchase Plan by enrolling in an Offering Period or Interim Offering Period and indicating how much they want to contribute to the Purchase Plan through payroll deductions. An Offering Period will consist of up to two Purchase Periods. An Interim Offering Period will consist of one Purchase Period. Payroll deductions during a Purchase Period will be used to purchase shares at the end of the Purchase Period at a discount. The amount of the discount will vary depending on the fair market value of the Company's Common Stock on the first day of the Offering Period or Interim Offering Period or on the Purchase Date. However, the percentage of the discount will be 15%.

If you elect to enroll in the Plan you will be granted a Purchase Right, at the start of the Offering Period or Interim Offering Period, to purchase shares of our Common Stock on the Purchase Date, with contributions you make through payroll deductions during the Purchase Period. You may designate the amount of your payroll deductions in whole percentages of up to fifteen (15%) of your eligible compensation.

See Q&A 18, "How is the discounted price determined?" for an explanation of how the length of an Offering Period is determined.

### **8. What are Offering Periods, Interim Offering Periods and Offering Dates?**

An Offering Period is a period during which a Participant is enrolled in the Plan. Offering Periods are twelve or six months long. The length of an Offering Period depends upon the price of the Company's Common Stock.

An Interim Offering Period is a partial Offering Period during which a Participant is enrolled in the Plan. An Interim Offering Period is six months long and begins six months into the Offering Period. A Participant can be enrolled in *only one* Offering Period or Interim Offering Period at a time.

An Offering Date is the first business day of an Offering Period or Interim Offering Period. All Offering Periods and Interim Offering Periods begin on either May 1 or November 1 (or the next U.S. business day if the specified date is not a business day, respectively).

See Q&A 18, "How is the discounted price determined?" for an explanation of how the length of an Offering Period is determined.

### **9. What are Purchase Periods and Purchase Dates?**

A Purchase Period is a period of time, within an Offering Period or Interim Offering Period, during which payroll deductions are accumulated and used to purchase shares. See Q&A 14 "What happens to my contributions before I purchase shares?" for additional details regarding how and when payroll deductions are accumulated. There can be up to two Purchase Periods during an Offering Period and up to one Purchase Period during an Interim Offering Period.

Purchase Periods begin on the first day of an Offering Period or Interim Offering Period (see Q&A 8 above), and end on the last U.S. business day in April and October each year.

The Purchase Date is the last day of each Purchase Period. The Purchase Dates are therefore the last U.S. business day(s) in April and October each year.

**10. What happens to my participation once an Offering Period ends?**

You will automatically be enrolled in the next Offering Period unless you actively withdraw from the Plan or become ineligible to participate.

**ELIGIBILITY AND ENROLLMENT**

**11. Who is eligible to participate in the Plan?**

Generally, you are eligible to participate in the Plan if, at the beginning of an Offering Period or Interim Offering Period, you are an “Employee” of Lam Research or a “Designated Subsidiary” of Lam Research (each as defined in the Plan) and you are customarily employed for at least twenty (20) hours per week. Whether an individual qualifies as an Employee will be determined by the Administrator, in its sole discretion, based on Section 3401(c) of the Code and the related regulations. Unless the Administrator makes, or applicable laws require, a contrary determination, the Employees of the Company will be those individuals who satisfy the customary employment criteria set forth above and are carried as employees by the Company or a Designated Subsidiary for regular payroll purposes.

You are not eligible to participate in the Plan if, taking into account your participation in the Plan, you would own five percent (5%) or more of the total combined voting power or value of all classes of our capital stock.

**12. How do I enroll in the Plan?**

If you are eligible to participate in the Plan, you may enroll in the Plan any time during any announced “Open Enrollment” period. The Open Enrollment period is generally during the last two weeks of a Purchase Period, and your enrollment is effective at the beginning of the next Offering Period or Interim Offering Period. Lam Research Stock Plan Services or your local HR team will send an email informing all employees of the Open Enrollment period.

Participants may enroll online through the Fidelity NetBenefits web site. If you become an Employee after the Offering Date of an Offering Period but before an Interim Offering Date during the Offering Period, you may enroll in the Plan effective as of the next Interim Offering Date after your employment begins.

**13. How much may I contribute to the Plan and how is the payroll deduction calculated?**

You may contribute to the Plan through payroll deductions of up to a maximum of fifteen percent (15%) of your eligible compensation, designated in whole percentages. You will be

asked to designate the payroll deduction rate in your subscription agreement. Eligible compensation generally means all regular, straight time gross earnings, but excludes payments for overtime, shift premiums, incentive compensation, incentive payments and compensation, bonuses, commissions and other compensation.

The Payroll deduction is calculated on a pre-tax basis, then deducted post-tax. Therefore, the amount of income you set aside to purchase shares has already been taxed. The compensation to which the payroll deduction percentage is applied is your base salary before any contributions to the 401(k) plan, the Elective Deferred Compensation Plan, or any other employee contribution plan that the Company may offer. It does not include expense reimbursements or allowances, long term disability payments or any income you may realize from options, RSUs or other awards under the Company's stock plans.

**14. What happens to my contributions before I purchase shares?**

The payroll deductions that you authorize will be deducted from your paycheck beginning with the first pay date after the Offering Date or Interim Offering Date starts, and ending on the last pay date in the Offering Period (unless your participation in the Purchase Plan has already terminated). Deductions will be held for you by the Company until the next Purchase Date, and then accumulated again during the remainder of the Offering Period, if any. You will not receive any interest on your accumulated payroll deductions.

The Company may use all payroll deductions received or held by it under the Plan for any corporate purpose, and the Company will not be obligated to segregate payroll deductions unless otherwise required under local law. Until shares of Common Stock are issued, Participants will only have the rights of an unsecured creditor with respect to the shares.

**15. May I increase or decrease my payroll deductions during an Offering Period?**

Yes. You may increase your rate of payroll deduction during an Open Enrollment Period. You may increase your rate through your Fidelity NetBenefits account. The rate change will not take effect until the first pay date in the next Offering Period or Interim Offering Period.

You may decrease your rate of payroll deductions at any time through your Fidelity NetBenefits account. However, the change will take effect at the end of the current or next subsequent pay period, depending on when the decrease is submitted.

**16. May I make cash contributions to the Purchase Plan in addition to my payroll deductions?**

No. Contributions to the Plan may be made only through payroll deductions.



## PURCHASE OF SHARES

### 17. When do I get to purchase shares of Common Stock with my payroll deductions?

Shares are purchased only on the last day of a Purchase Period, which will be the last U.S. business day in April and October each year. Fidelity will deposit your shares directly into the brokerage account for you and will deliver the shares as soon as practicable after each Purchase Date. You will receive a confirmation of purchase shortly after your purchase.

There are no commissions or other fees charged when you purchase shares under the Plan. However, when you sell your shares, brokerage commissions and/or fees may apply.

### 18. How is the discounted price determined?

The purchase price for any given Purchase Period is discounted 15% from the lower of the fair market value of the Company's Common Stock on either:

- (1) The first day of the Offering Period or Interim Offering Period, as applicable **OR**
- (2) The last date of the Purchase Period.

Example:

	Offering Date	First Purchase Date	Second Purchase Date
	Nov 1	Apr 30	Oct 31
FMV	\$170.00	\$175.00	\$180.00
Purchase Price	--	85% X \$170 = \$144.50	85% X \$170 = \$144.50
Benefit from Purchase Date FMV		\$30.50	\$35.50

In this example the purchase price stays the same for two Purchase Dates, because the fair market value of the Company's Common Stock increased throughout the two Purchase Periods.

If the fair market value of the Company's Common Stock on the first business day following a Purchase Date is lower than the fair market value on the Offering Date, the Offering Period ends on that Purchase Date. All Participants will automatically be included in a new Offering Period that begins on the first business day after the Purchase Date. Because of the stock price decline, the fair market value on the new Offering Date will be lower on the prior Offering Date. Plan Participants get the benefit of that lower price for up twelve months.

Example:

	Offering Date	First Purchase Date	New Offering Date	First Purchase Date
	Nov 1	April 30	May 1	Oct 31
FMV	\$170.00	\$160.00	\$160.00	\$176.00
Purchase Price	--	85% X \$160 = \$136.00	--	85% X \$160 = \$136.00

Benefit from Purchase Date FMV		\$24.00	--	\$40.00
--------------------------------------	--	---------	----	---------

**19. Will I make a guaranteed profit if I participate in the Plan?**

No. Whether you profit from your participation in the Plan depends on the price at which you sell the shares purchased under the Plan, as well as any costs of selling the shares (such as commissions), and other factors specific to your particular financial and/or tax situation. The market price for the Company's Common Stock is volatile and can fluctuate quickly and widely. This volatility may affect the price at which you are able to sell shares you purchase under the Plan.

**20. How many shares can I buy?**

Subject to the limits described in the next paragraph, the number of shares you may purchase on any Purchase Date will be equal to your total accumulated payroll deductions for the Purchase Period, divided by the Purchase Price determined as described in Q&A 18. Your accumulated deductions will be used to purchase whole shares of Common Stock. You cannot buy a fraction of a share. Any funds that are less than the discounted price of one share are carried forward into the next Purchase Period. At the end of any Offering Period, excess dollars (ending carry forward amounts) will be refunded to you by Payroll as soon as practicable after the last Purchase Date of the Offering Period.

Notwithstanding the previous paragraph, under applicable U.S. tax regulations, no Participant may accrue Purchase Rights under the Plan (and any other similar plans of the Company and its subsidiaries) at a rate that exceeds \$25,000 of fair market value of the Company's Common stock (determined on the Offering Date) during any calendar year in which the Purchase Rights are outstanding. In addition, no Participant may purchase more than 10,000 shares of the Company's Common Stock during any Offering Period, or more than any other non-zero limit that the Administrator specifies as an alternate share limit, in its sole discretion, prior to the beginning of any Offering Period to which the alternative limit applies. If your contributions would allow you to purchase on any Purchase Date a number of shares that would result in your total purchases exceeding either of these limits, then your excess contributions will be returned to you promptly following the Purchase Date.

If the total number of shares that are to be purchased on a Purchase Date by all Participants exceeds the number of shares available under the Purchase Plan, the Company will make a pro rata allocation of the remaining shares in as uniform a manner as reasonably practicable and in a manner that the Administrator determines to be equitable. The Company will provide written notice of any pro rata allocation to all affected Participants.

**21. May I withdraw from the Purchase Plan at any time?**

Yes. Participants may withdraw through your Fidelity NetBenefits account. Your payroll deductions will stop, and you will receive a refund for the balance in your account with your next

regular paycheck. If you submit your withdrawal near the end of a payroll period, you might not receive your refund until the second regular paycheck.

If you do withdraw from the Purchase Plan, you cannot rejoin until the next Offering Period or Interim Offering Period. This means that you will not get the benefit of the Offering Date price for the Offering Period during which you withdraw from the Plan. Instead, the purchase price after you re-enroll will be based on the fair market value on the Offering Date for the new Offering Period or Interim Offering Period.

**22. If I elect to contribute zero percent (0%) during a Purchase Period, how will my purchase price be determined if I increase my contribution percentage in a subsequent Purchase Period within the same Offering Period?**

Even if you reduce your payroll deduction to 0% you continue to be enrolled in that Offering Period. Therefore, if you resume contributions in another Purchase Period within the same Offering Period you retain the “lock-in” price from the beginning of the Offering Period in which you enrolled. Therefore, your purchase price on the next Purchase Date will be calculated based on the lower of the locked-in price and the fair market value on the Purchase Date.

**23. May I transfer my Purchase Rights or payroll deductions to someone else?**

No. Neither your accumulated payroll deductions, Purchase Rights nor any other rights you have under the Plan can be assigned, transferred, pledged, or otherwise disposed of, with the exception of (i) a transfer pursuant to a will or the laws of descent and distribution, or (ii) a transfer to a designated beneficiary on your death, if you have designated a beneficiary under the Plan. Any attempt to assign, transfer, pledge, or otherwise dispose of your rights shall be ineffective, and the Administrator may treat any attempt as your election to withdraw from the Plan.

**24. Can anyone create a lien on payroll deductions, shares or other property held under the Plan?**

A third party could place a lien (such as a wage garnishment) on the payroll deductions of a specific Participant until the funds are used to purchase shares. The Company’s creditors could also place a lien on the aggregate payroll deductions of all Participants, because those deductions are held by the Company in its general funds. Once you purchase shares, the Company’s creditors have no claim against them, but your personal creditors could treat the shares like other assets you own.

**25. What records will I receive regarding my account?**

Individual accounts at Fidelity will be maintained for each Participant in the Purchase Plan. You will receive quarterly statements of your account from Fidelity. The statements will summarize for the covered period the amount of your payroll deductions, the purchase price of any shares you purchased, the number of shares you purchased, and any remaining cash balance. You may also review the status of your account through Fidelity NetBenefits.

**26. What happens if my employment is terminated?**

Upon termination of a Participant's employment for any reason, including retirement or death, the payroll deductions credited to the Participant's account will be promptly refunded to the Participant or, in the case of death, to the Participant's designated beneficiary.

**27. What happens if I go on a leave of absence?**

If you cease to be an active employee due to a paid leave of absence that is agreed to by the Company in writing, your payroll deductions will continue and will be used to purchase shares on any Purchase Dates during your leave.

If you take an unpaid leave of absence of 90 days or less that is agreed to by the Company in writing, your payroll deductions will cease, but your accumulated payroll deductions will be used to purchase shares on the next Purchase Date during your leave. If a Purchase Date does not occur during your leave of absence, your payroll deductions will be used to purchase shares on the first Purchase Date after you return from your leave of absence.

If your unpaid leave extends beyond 90 days, in most cases your participation in the Plan will cease on the 91<sup>st</sup> day, and your accumulated payroll deductions will be returned to you. However, if your re-employment at the end of your leave of absence is guaranteed by law or under a contract between you and the Company, you will remain enrolled in the Plan during your leave and any remaining accumulated payroll deductions will be used to purchase shares on the next Purchase Date. No additional payroll deductions are possible during an unpaid leave.

If your enrollment in the Plan was terminated during your leave of absence (either by you or the Company) you may rejoin the Plan on your return to active employee status at the commencement of the next Offering Period or Interim Offering Period by following the normal enrollment process.

**28. What happens in the event of a proposed dissolution, liquidation, sale or merger of the Company?**

In the event of a proposed dissolution or liquidation of the Company, the then-current Offering Period will terminate immediately prior to the event, unless otherwise provided by the Board or the Administrator (if the Administrator is not the Board). In the event of a proposed sale of all or substantially all of the assets of the Company, or the merger of the Company with or into another corporation in which stockholders of the Company own less than 50% of the total outstanding voting power, each Purchase Right under the Plan will generally be assumed or an equivalent Purchase Right shall be substituted by the successor corporation. If the successor corporation does not agree to assume the Purchase Right or to substitute an equivalent Purchase Right, the Administrator may accelerate the exercisability of Purchase Rights, and allow Purchase Rights to be exercisable (if the Board approves) for shares as to which the Purchase Right would not otherwise be exercisable, on terms and for a period that the Administrator determines in its discretion.

## TAX INFORMATION

The following discussion is intended only as *a summary of the general United States federal income tax laws* that apply to participation in the Purchase Plan by U.S. employees. This discussion applies only to the 423(b) Plan (as defined in the Purchase Plan). *It does not cover the impact of state or local tax laws in the United States, or tax laws that apply outside of the United States.* The specific tax consequences for any particular taxpayer will depend upon his or her individual circumstances as well as applicable tax laws. Accordingly, we recommend that you seek advice from a qualified tax adviser regarding your participation in the Plan.

Except with respect to non-423(b) Plan Awards, the Purchase Plan is intended to be an “employee stock purchase plan” within the meaning of Section 423 of the Internal Revenue Code. Under such a plan, you will not have any taxable income to report when you receive or exercise Purchase Rights under the Plan. You will not recognize taxable income until you sell or otherwise dispose of shares you acquired under the Purchase Plan, or you die while you still own shares purchased under the Plan. The Purchase Plan is not a qualified plan under Section 401(a) of the Internal Revenue Code.

### **29. Am I taxed on the money withheld to purchase shares?**

Yes. The money withheld from your wages to purchase shares of Common Stock under the Purchase Plan is taxable income to you just as if you had actually received the money. The amount withheld under the Purchase Plan is subject to all payroll taxes such as Social Security and Medicare, as well as federal, state, and local income taxes.

### **30. Do I pay any federal income tax when I purchase shares under the Purchase Plan?**

No. Even though you are buying the shares of common stock at a discounted price on a Purchase Date, you do not have to pay income tax on this benefit to you at the time of purchase.

### **31. Am I taxed when I sell the shares I purchased under the Plan?**

Yes. You will generally recognize income in the year in which you dispose of your Purchase Plan shares.

### **32. Is any tax withheld when I sell Purchase Plan shares?**

Lam Research and its subsidiaries are not currently required to withhold any income, employment or other taxes when you dispose of Purchase Plan shares. However, if applicable law changes such that we are required to withhold any tax amounts, you must make adequate provision for us to meet these withholding obligations, which may include withholding from your compensation to meet any applicable requirements. Lam Research is required to report to you and the IRS in various instances. We may also, but will not be obligated to, withhold from your compensation the amount necessary for us to meet applicable withholding obligations, including any withholding required to make available to us any tax deductions or benefits attributable to the sale of your shares.

### **33. How is my federal income tax liability determined when I sell my shares?**

Your federal income tax liability will depend on whether you make a qualifying or disqualifying disposition of your Purchase Plan shares. A qualifying disposition is a sale or other disposition of shares that is (a) more than two years after the start of the Offering Period in which you acquired the shares AND (b) more than one year after the Purchase Date. A disqualifying disposition is generally any sale or other disposition that is made before either of these holding period requirements are met.

### **34. How is my tax calculated If I make a qualifying disposition?**

If you make a qualifying disposition, you will generally realize *ordinary income* in the year of disposition equal to the lesser of (a) the amount by which the fair market value of the shares on the date of the qualifying disposition exceeds the purchase price or (b) fifteen percent (15%) of the fair market value of the shares on the Offering Date for the Offering Period in which those shares were acquired. This amount of ordinary income will be added to your cost basis in the shares, and any additional gain you recognized upon the qualifying disposition will be a long-term capital gain. If the fair market value of the shares on the date of the qualifying disposition is less than the purchase price, there will be no ordinary income and any loss recognized will be a long-term capital loss.

**Example:** On November 1, 2020, the start date of the Offering Period, the fair market value of the common stock is \$170.00 per share. On the October 31, 2021 Purchase Date, you purchase 200 shares of common stock at a price of \$144.50 per share when the market value is \$175.00 per share. On June 1, 2023 you sell the shares for \$180.00 per share.

Because the sale of the shares is made (a) more than two years after the start date of the Offering Period in which the shares were acquired and (b) more than one year after the Purchase Date, the sale is a qualifying disposition. For federal income tax purposes, your gain will be divided into two components:

Ordinary Income: You will recognize ordinary income in the amount of \$25.50 per share, which is the lower of (a) fifteen percent (15%) of the \$170.00 market price on the Offering Date of the Offering Period or (b) the excess of the \$180.00 per share selling price over the \$144.50 purchase price.

Long-Term Capital: You will recognize a long-term capital gain of \$10.00 per share, which is the excess of the \$180.00 per share selling price over your new basis in the shares (\$144.50 purchase price plus \$25.50 ordinary income).

### **35. How is my tax calculated if I make a disqualifying disposition?**

If you make a disqualifying disposition, you will generally recognize *ordinary income* in the year of the disposition on the difference between (a) the fair market value of the shares on the Purchase Date and (b) the purchase price paid for the shares. The amount of this ordinary income will be added to your basis in the shares, and any resulting gain or loss recognized upon

the disposition will be a capital gain or loss. If the shares have been held for more than one year since the Purchase Date, the gain or loss will be long-term.

**Example:** On November 1, 2020, the start date of the Offering Period, the fair market value of the common stock is \$170.00 per share. On the October 31, 2021 Purchase Date, you purchase 200 shares of common stock at a price of \$144.50 per share when the market value is \$175.00 per share. On June 1, 2022 you sell the shares for \$180.00 per share.

Because the disposition of the shares is made less than one year after the Purchase Date, the sale is a disqualifying disposition of the shares. For federal income tax purposes, your gain upon the sale will be divided into two components:

**Ordinary Income:** You will recognize ordinary income in the amount of \$30.50 per share, the excess of the \$175.00 per share market value of the shares on the Purchase Date over the \$144.50 per share purchase price.

**Short-Term Capital Gain:** You will also recognize a short-term capital gain of \$5.00 per share, the excess of the \$180.00 per share selling price over the \$175.00 per share market value on the Purchase Date.

### **36. What if I die before disposing of the shares?**

Your estate will have ordinary income in the year of your death equal to the lesser of (a) the amount by which the fair market value of the shares on the date of your death exceeds the purchase price paid for the shares or (b) fifteen percent (15%) of the fair market value of the shares on the Offering Date for the Offering Period in which those shares were acquired.

### **37. What are the federal tax consequences to Lam Research?**

If shares purchased by a Participant are disposed of in a qualifying disposition, the Company generally will not be entitled to a federal income tax deduction. If the purchased shares are disposed of in a disqualifying disposition, we will be entitled to a deduction in the year of the disqualifying disposition equal to the amount of ordinary income recognized by the Participant upon the disposition.

## **ADDITIONAL INFORMATION ABOUT THE PURCHASE PLAN AND THIS PROSPECTUS**

### **38. Does the Purchase Plan limit my ability to resell shares acquired under the Purchase Plan?**

The Purchase Plan generally places no limitations upon your ability to sell shares acquired under the Purchase Plan. However, there are other limits as described below.

Our insider trading policy prohibits sales of shares purchased under the Plan during a designated trading blackout period or at any other time that you possess material non-public information about the Company. An exception to the insider trading policy permits automatic purchases of

shares under the Plan at any time, even during periods when sales would be prohibited. The reason for the exception for purchases is that the timing and price are not within the control of the Participants, so there is no opportunity to manipulate the purchase transaction.

There are additional limitations on sales by anyone who is an “affiliate” of the Company, as defined under the Securities Act of 1933, as amended (the “Securities Act”). Generally, our executive officers and members of our board of directors are considered to be “affiliates” for this purpose. If an executive officer purchases shares under the Purchase Plan, he or she is required to sell the shares in compliance with the requirements of Rule 144 under the Securities Act (or another resale exemption available under the Securities Act).

Also, Section 16(b) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”) permits us to recover any profit realized by any executive officer that results from certain sales and purchases, or purchases and sales, of shares of our Common Stock within any period of less than six (6) months. *Purchases* of shares under the Purchase Plan are exempt from Section 16. However, *sales* of shares purchased under the Purchase Plan must be in compliance with Section 16.

**39. What other conditions are associated with the purchase, issuance and delivery of my shares?**

Shares will not be issued under the Purchase Plan unless the issuance and delivery of the shares complies with all applicable provisions of law, domestic or foreign, including, without limitation, the Securities Act, the Exchange Act, their rules and regulations, and the requirements of any stock exchange upon which our common stock may then be listed, in the judgment of our legal counsel.

**40. What else should I know about this prospectus?**

We may update this prospectus in the future by furnishing to Participants an appendix, memorandum, notice or replacement page containing updated information. We generally will not send you a new prospectus, except upon request. Accordingly, you should keep this prospectus for future reference.

When you consider whether or not to participate in the Plan, you should rely only on the information provided in this prospectus, incorporated by reference or contained in any subsequent prospectus supplement. We have not authorized anyone to provide you with different or additional information. We are not making an offer to sell any stock in any state or country where such an offer is not permitted. You should not assume that the information in this prospectus or any prospectus supplement is accurate as of any date other than the date on the front of this document.

**41. What if I need more information?**

We will make available to you, free of charge, at your written or oral request to the Stock Plan Administrator, a copy of any or all of the documents incorporated by reference in this Prospectus and in the Registration Statement on Form S-8 filed with the SEC relating to the Plan (excluding



any exhibits to these documents). The available documents are listed below under “Incorporation of Documents by Reference.” We will also make available to you copies of all reports, proxy statements and communications distributed to our stockholders in the future.

You may contact our Stock Plan Administrator for documents or additional information as follows:

Lam Research Corporation  
Attn: Stock Plan Administration  
4650 Cushing Parkway  
Fremont, CA 94538

(510) 572-0200 at [stockplan@lamresearch.com](mailto:stockplan@lamresearch.com)

### **INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE**

The SEC allows us to “incorporate by reference” information we file with the SEC in our periodic reports. This means that those reports are considered part of this prospectus, and we can disclose important information to you by referring you to those reports. Any reports that we file with the SEC after the date of this prospectus will update and supersede information in this prospectus.

We are incorporating by reference the documents listed below, as well as any future filings we make with the SEC under Sections 13(a), 13(c), 14, or 15(d) of the Securities Exchange Act of 1934.

- Our latest annual report filed pursuant to Section 13(a) or 15(d) of the Securities Exchange Act, or the latest prospectus filed pursuant to Rule 424(a) under the Securities Act of 1933, that contains, either directly or by incorporation by reference, audited financial statements for our latest fiscal year for which such statements have been filed.
- All other reports and proxy statements filed pursuant to Section 13(a) or 15(d) of the Securities Exchange Act since the end of the fiscal year covered by the annual report or prospectus referred to in the paragraph above.
- The description of our common stock contained in our Registration Statement on Form 8-A, as it may have been amended from time to time.

**EXHIBIT A**

**LAM RESEARCH CORPORATION 1999 EMPLOYEE STOCK PURCHASE PLAN**