



Document Title: Time Off Practice US

Topic Area	Document Content
<p>What is the purpose of this document?</p>	<p>To provide the following practices for U.S. employees who work 20 hours or more, unless otherwise noted or as limited by applicable law: Paid Time Off (including paid sick leave where required by law), Holiday Pay, Bereavement Leave, Catastrophic Leave, Jury Duty Leave, School and Day Care Activity Leave and Voting Leave.</p>
<p>Who does it cover?</p> <p>Coverage/ Scope</p>	<p>These provisions apply to all U.S. regular full and part time employees (excluding Silfex employees unless otherwise noted) working 20 hours a week or more (except that the 20 hours-per-week threshold will not apply if not permitted by an applicable law, such as California’s paid sick leave). All other employees are excluded, including, but not limited to, employees who work less than 20 hours per week, and individuals classified by Lam as interns, temporary workers, or independent contractors, unless otherwise required by applicable law. Employees based outside of the U.S. are excluded except as otherwise specifically designated by Lam Research.</p> <p>For Bereavement, Jury Duty, School and Day Care Leave, employees may be allowed to take unpaid time off even if they have exhausted or are ineligible to take paid time off under these provisions, with manager approval.</p> <p>Paid time off incorporates the requirements of paid sick leave benefits as mandated by applicable state laws. Employees not eligible for paid time off such as directors and above, and interns are provided with accrued paid sick leave in accordance with their respective state’s sick-leave laws. For employees below director, paid sick leave is provided and accrued as part of their existing Paid-Time-Off accruals. The provisions set out below will continue to govern time off for sick leave, subject to any applicable state sick-leave laws.</p>
<p>General Description:</p>	<p><u>PAID TIME OFF</u></p> <p>The Company provides eligible employees with paid time off (PTO) from work. Directors and above are ineligible under this provision. PTO may be taken for vacation, sick leave, medical appointments, or any other purpose. Eligible employees accrue PTO in accordance with a schedule that can be accessed via the LamBenefits.com website. Service is determined based on date of hire or the employee’s adjusted service date if applicable. There is no waiting period before PTO may be taken. Employees may request an advance of unearned PTO time, up to 40 hours. PTO Time is not considered “hours worked” for purposes of calculating overtime.</p> <p>Employees working 20 hours or more, but less than 32 hours, on a weekly basis, accrue at two-thirds the rate of employees working 32 hours or more on a weekly basis.</p>



Topic Area	Document Content
	<p>All employees, except Directors and above should use PTO for vacation and personal leave purposes.</p> <p>Exempt employees are not required to draw down their PTO bank for sick leave purposes and should not report partial days off.</p> <p>Nonexempt hourly employees are required to record all time off and draw down their PTO bank for sick leave purposes.</p> <p>Employees filing for a personal leave of absence (PLOA), must use accrued PTO hours at the beginning of the PLOA.</p> <p>Employees earn PTO based on a schedule and accrued per pay period by spreading the appropriate amount over 26 pay periods to a maximum number of hours as noted on the schedule. Once the maximum accrual amount has been reached, no additional PTO will be earned until previously accrued PTO is used. No retroactive credit will be given. At year end, unused PTO at or below the maximum accrual amount will carry over to the subsequent year.</p> <p>PTO accruals cease on the 1st calendar day of a leave of absence.</p> <p>If the employee wants to use accrued PTO for a vacation, the employee should request the time off as far in advance as possible. PTO will be scheduled at the discretion of management to provide adequate coverage of jobs and staff requirements.</p> <p>When using PTO for illness or injury, employees must notify their supervisor prior to the scheduled starting time; if unable, employees should do so as soon as possible thereafter. For absences beyond seven (7) calendar days, employees are required to file a leave of absence as the absences may be protected under the Family Medical Leave Act (FMLA) or other State protected leaves. The company reserves the right to require medical documentation as allowed or required by regulation or the company's benefit program. Employees who exhaust their PTO leave bank, including advanced PTO, by taking vacation, sick time, or other personal time off, will not be granted additional time for paid sick leave, other than the usual accrual.</p> <p>If state law provides greater or different sick leave benefits, the Company will comply with all requirements. Without limiting the scope of this provision, States with applicable paid-sick-leave laws include: California (as of July 1, 2015), Massachusetts (as of January 2016), Oregon (as of January 2016), Arizona (as of July 2017) and New Jersey (as of October 2018).</p> <p>Non-exempt employees may use their PTO in hourly increments for partial days off. If taking full days, the employee is required to post the equivalent PTO hours to cover the full days of absences (for example, if an employee working a 12-hour shift has a day off, he/she should submit PTO for the full working hours of that shift). Management has the discretion to approve partial posting of PTO hours if the employee does not have the accrued PTO hours to cover the full day.</p>



Accrued unused PTO will be paid out at departure from employment. For employees who have received an advance of unearned PTO time, the Company will request repayment at the time of departure from employment.

Employees who are rehired to regular employment status within 2 years of the last day on paid status will have their prior service restored less the time away from Lam to determine their PTO accrual rate.

As PTO time is provided to afford employees a change in routine and an opportunity for relaxation and recreation, the Company encourages employees to use accrued PTO. Therefore, pay in lieu of PTO is authorized only under the following circumstance:

Severe Personal Hardship - When employees experience unusual or severe financial hardship, they may request payout of their earned PTO.

To request pay in lieu of PTO, employees must submit a request signed by their manager and a Vice President (exceptions to authorized signers require approval by HR).

HOLIDAY PAY

Lam Research Corporation generally provides twelve paid holidays each year. Some years Lam may schedule less than 12 holidays. Generally, the Company will schedule nine firm holidays with three additional holidays to be scheduled at the beginning of the year. For employees who work in states with specific holiday or day of rest requirements, the Company will comply with applicable law.

Holiday Schedule

The Holiday schedule can be accessed via GHR website and the LamBenefits.com website. Holidays that fall on Saturday are usually observed on Friday, while those occurring on Sunday are generally observed on Monday.

Holiday Pay Provisions

To be paid for a holiday, nonexempt employees must be on paid status the workday immediately preceding and following the holiday. Paid status includes, but is not limited to: paid PTO, bereavement, paid leave of absence, and jury duty. The only exception to this "paid status" rule is when the Company has designated specific plant shutdown days in which case shutdown days preceding or following a holiday need not be paid in order for employees to receive holiday pay.

Regular employees and Interns, both part-time and full-time, are paid according to the following guidelines:

Employees whose regular work schedule is 32 or more hours per week receive eight hours pay for each designated holiday. If you regularly work a compressed workweek and have shifts longer than 8 hours, you must use PTO to account for the additional hours not covered by holiday pay.



Topic Area	Document Content
	<p>Employees whose regular work schedule is at least 20 hours per week but less than 32 hours per week receive two-thirds the regular holiday benefit or pay for 5.36 hours.</p> <p>Employees whose regular work schedule is less than 20 hours per week receive no holiday pay, unless specifically authorized by the Company.</p> <p>Generally, employees are not scheduled to work Holidays, but those nonexempt employees required to work on a company-designated holiday will be paid their regular base pay rate plus an additional 8 hours of holiday pay.</p> <p>Exempt employees are not eligible to receive additional pay for working a company-designated holiday.</p> <p>Winter Shutdown and Other Mid-Year Shutdowns</p> <p>Lam is generally closed for winter break every year for one or two weeks from mid-December to early January with the specific dates and applicable holiday guidelines to be determined by the Company each year at its discretion. The company may also schedule additional shutdowns at different times of the year based on business needs. Employees may use paid time off (PTO) or unpaid time to cover non-holidays falling within the shutdown period. The numbers of paid and unpaid days vary every year due to the holiday schedule.</p> <p>Some employees may be required to work during the shutdown due to customer needs, shipping requirements or project deadlines. The Company will decide each year, depending on business conditions, whether these employees will be required to take PTO or unpaid days off equal to the number of non-holidays falling within the shutdown period within the next quarter.</p> <p><u>BEREAVEMENT LEAVE</u></p> <p>The purpose of this provision is to provide employees with paid bereavement leave for absences related to a recent death of a family member or a close family friend. Alternatively, the leave can be taken to be with the family member or the close family friend before they pass away. The bereavement leave is paid based on scheduled hours.</p> <p>Employees can take up to ten (10) days of paid bereavement leave for the death of an immediate family member: spouse or domestic partner, child, child of domestic partner, step-child, foster child, parent, step-parent, parent-in-law, sibling, step-sibling, brother-in-law, sister-in-law, grandparent or grandchild.</p> <p>For other family members or a close family friend, employees can take up to five (5) days of paid bereavement leave. A close family friend is a person who is important to you that you may have a strong connection, such as someone who has spent significant time with you and provided support to you and your family either financially or emotionally.</p>



Topic Area	Document Content
	<p>Other Bereavement Leave:</p> <p>With supervisor approval, employees may take one (1) day of paid bereavement leave to attend the funeral of someone other than those listed above - a former spouse, a nonfamily member or a classmate. This one (1) day of bereavement leave will be considered by the employee's supervisor on a case-by-case basis.</p> <p>Additional Time Off</p> <p>Management may elect to approve additional days off using paid time off (PTO) of up to one week or seven calendar days immediately following bereavement leave in order for the employee to meet family obligations. Any requests for unpaid time off after bereavement may also be considered under the Personal Leave of Absence Practice and is subject to management discretion and business needs.</p> <p>Deaths in The Family While on Leave of Absence</p> <p>Employees on leave of absence are ineligible to receive bereavement leave. If the employee has returned from a leave of absence within one week of the death, the employee is eligible for bereavement leave.</p> <p><u>CATASTROPHIC LEAVE</u></p> <p>The purpose of this provision is to provide time off with pay for regular Lam employees in the U.S. who work 20 or more hours per week immediately following circumstances outside Lam’s control. Paid time off may be provided when earthquakes, storms, fires, floods, incidents of civil unrest, or similar situations occur at the Company’s facilities and require evacuation of buildings.</p> <p>Since catastrophic situations are highly individualized each situation must be reviewed separately by senior management. The following guidelines are the minimum guidelines that can apply to catastrophic situations until further direction from senior management and Human Resources can be obtained.</p> <p>Nonexempt Employees</p> <p>Nonexempt employees who reported for work are guaranteed a minimum of four hours regular pay, unless otherwise required by applicable law. Nonexempt employees who work more than four but less than their full shifts are compensated for actual time worked, unless otherwise required by applicable law. The number of hours to be paid is compensated at the employees' regular rate.</p> <p>Exempt Employees:</p> <p>Exempt employees are paid for the regular pay period.</p>



Topic Area	Document Content
	<p><u>JURY DUTY</u></p> <p>Full-time and part-time North American employees are eligible for up to four weeks of pay per year while on jury duty, paid at their regular pay rate and scheduled hours, unless the employee works in a state with greater jury duty pay requirements, in which case the Company will comply with applicable law. Employees must give as much advance notice to their immediate supervisor as possible, submitting the official court notice when requested. While there is no time limit to the employee’s jury duty service, they will remain on paid status for only four weeks.</p> <p>Benefits</p> <p>Employees on jury duty will continue to receive all benefits as they would normally. Regular paycheck deductions for benefits coverage will continue throughout the four-week paid jury duty time period. In addition, employees will continue to accrue PTO throughout their court-verified jury duty.</p> <p>Work Schedules</p> <p>It is not Lam’s intent to have employees committed to both Jury Duty and work when the combination of the two will exceed a normal 40-hour week or create a seven-day work week except in periods of critical need. The Company will comply with all applicable return to work requirements.</p> <p>Shift Workers</p> <p>Employees with swing or graveyard schedules will not be required to work their scheduled shift if they have Jury Duty during the day except during periods of critical need, unless otherwise prohibited by applicable law.</p> <p>Overtime Pay</p> <p>Time spent on jury duty is not considered hours worked.</p> <p>Dismissal from Jury Service</p> <p>Employees who are dismissed from Jury duty will not be required to return to work on the dismissal day if the combination of Jury Duty and hours worked at Lam will exceed a 40-hour week except in periods of critical need, unless otherwise prohibited by applicable law.</p> <p>If the employee is excused from Jury Duty during the first half of a scheduled work shift the supervisor may ask the employee to report to work. If the employee is excused from Jury Duty after the first half of a scheduled work shift, the supervisor may excuse the employee until the following day. Employees should phone their supervisor when excused from Jury Duty to determine when the employee should report to work.</p>



Topic Area	Document Content
	<p>Compensation by the Courts</p> <p>Employees may keep any Jury Duty pay the court provides.</p> <p><u>SCHOOL AND DAY CARE ACTIVITY LEAVE</u></p> <p>The purpose of this provision is to provide Lam employees time off to participate in their children’s school programs.</p> <p>Employees are eligible to take time off up to forty (40) hours during each school year to participate in their children’s school activities. Time off per month may not exceed eight (8) hours without management approval.</p> <ul style="list-style-type: none"> • Exempt employees will be paid their regular hours • Non-exempt employee may use PTO or can take unpaid absence <p><u>VOTING LEAVE</u></p> <p>The purpose of this provision is to provide Lam employees time off to vote.</p> <p>Voting time off will be paid where legally required.</p> <p>If an employee does not have enough time outside of work hours to vote in an official state-sanctioned election, the employee may take time off during the work hours to vote. Such time off shall be taken at the beginning or the end of the regular work shift, whichever allows for more free time. The time taken off shall be combined with the voting time available outside of working hours to a maximum of three hours combined, unless otherwise required by applicable state law. Under these circumstances, an employee will be allowed a maximum of three hours of time off during an election day. When possible, an employee requesting time off to vote shall give his or her supervisor at least three days’ notice or as otherwise permitted by state law.</p>



Topic Area	Document Content																																
<p>What do I (employee) need to do?</p> <p>Steps and procedures</p>	<p>It is the responsibility of all Lam employees to follow these provisions.</p>																																
<p>What does my manager need to do?</p>	<p>Each manager and supervisor are responsible for implementing the provisions within his or her own area of responsibility.</p>																																
<p>Update Summary</p>	<table border="1"> <thead> <tr> <th data-bbox="293 783 475 848">Date</th> <th data-bbox="479 783 711 848">Name</th> <th data-bbox="714 783 1523 848">Type of Change</th> </tr> </thead> <tbody> <tr> <td data-bbox="293 852 475 890">12/3/2012</td> <td data-bbox="479 852 711 890">Ray Allsup</td> <td data-bbox="714 852 1523 890">Initial Release includes all Lam Time Off policies</td> </tr> <tr> <td data-bbox="293 894 475 978">1/1/2014</td> <td data-bbox="479 894 711 978">Ray Allsup</td> <td data-bbox="714 894 1523 978">Removed HR from PTO cash out approval, added paid time off to vote as required by state law</td> </tr> <tr> <td data-bbox="293 982 475 1020">7/1/2015</td> <td data-bbox="479 982 711 1020">Ray Allsup</td> <td data-bbox="714 982 1523 1020">Updated for Sick Leave & Holiday pay for Interns</td> </tr> <tr> <td data-bbox="293 1024 475 1062">2/5/2016</td> <td data-bbox="479 1024 711 1062">Herbert Kan</td> <td data-bbox="714 1024 1523 1062">Transfer to Template</td> </tr> <tr> <td data-bbox="293 1066 475 1104">7/5/2016</td> <td data-bbox="479 1066 711 1104">Jackie Simoni</td> <td data-bbox="714 1066 1523 1104">Updated for Hardship PTO cash out</td> </tr> <tr> <td data-bbox="293 1108 475 1146">1/26/2017</td> <td data-bbox="479 1108 711 1146">Ray Allsup</td> <td data-bbox="714 1108 1523 1146">Updated break in service rule to 2 years effective 1/1/2017</td> </tr> <tr> <td data-bbox="293 1150 475 1234">5/20/2019</td> <td data-bbox="479 1150 711 1234">Janet Yu</td> <td data-bbox="714 1150 1523 1234">Clarified Paid Sick Leave as part of PTO and revised Bereavement Leave to 5 days.</td> </tr> <tr> <td data-bbox="293 1239 475 1323">1/25/2021</td> <td data-bbox="479 1239 711 1323">Janet Yu</td> <td data-bbox="714 1239 1523 1323">Updated number of days of bereavement to 10 days for immediate family member and 5 days for other family members and close family friend.</td> </tr> <tr> <td data-bbox="293 1327 475 1365"></td> <td data-bbox="479 1327 711 1365"></td> <td data-bbox="714 1327 1523 1365"></td> </tr> </tbody> </table>			Date	Name	Type of Change	12/3/2012	Ray Allsup	Initial Release includes all Lam Time Off policies	1/1/2014	Ray Allsup	Removed HR from PTO cash out approval, added paid time off to vote as required by state law	7/1/2015	Ray Allsup	Updated for Sick Leave & Holiday pay for Interns	2/5/2016	Herbert Kan	Transfer to Template	7/5/2016	Jackie Simoni	Updated for Hardship PTO cash out	1/26/2017	Ray Allsup	Updated break in service rule to 2 years effective 1/1/2017	5/20/2019	Janet Yu	Clarified Paid Sick Leave as part of PTO and revised Bereavement Leave to 5 days.	1/25/2021	Janet Yu	Updated number of days of bereavement to 10 days for immediate family member and 5 days for other family members and close family friend.			
Date	Name	Type of Change																															
12/3/2012	Ray Allsup	Initial Release includes all Lam Time Off policies																															
1/1/2014	Ray Allsup	Removed HR from PTO cash out approval, added paid time off to vote as required by state law																															
7/1/2015	Ray Allsup	Updated for Sick Leave & Holiday pay for Interns																															
2/5/2016	Herbert Kan	Transfer to Template																															
7/5/2016	Jackie Simoni	Updated for Hardship PTO cash out																															
1/26/2017	Ray Allsup	Updated break in service rule to 2 years effective 1/1/2017																															
5/20/2019	Janet Yu	Clarified Paid Sick Leave as part of PTO and revised Bereavement Leave to 5 days.																															
1/25/2021	Janet Yu	Updated number of days of bereavement to 10 days for immediate family member and 5 days for other family members and close family friend.																															