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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

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**SCHEDULE 14A**

**(Rule 14a-101)  
INFORMATION REQUIRED IN PROXY STATEMENT  
SCHEDULE 14A INFORMATION  
Proxy Statement Pursuant to Section 14(a) of the  
Securities Exchange Act of 1934**

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Filed by the Registrant ☒

Filed by a Party other than the Registrant ☐

Check the appropriate box:

- ☐ Preliminary Proxy Statement
- ☐ **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- ☐ Definitive Proxy Statement
- ☒ Definitive Additional Materials
- ☐ Soliciting Material Pursuant to §240.14a-12

**LAM RESEARCH CORPORATION**

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- ☒ No fee required.
- ☐ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

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The following is a presentation to stockholders which Lam Research Corporation began using today in connection with its solicitation of proxies for its 2019 Annual Meeting of Stockholders.



# Lam Research Corporation Stockholder Outreach Presentation

October, 2019



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## Cautionary Statement Regarding Forward-Looking Statements

This presentation and the accompanying discussion contain “forward-looking statements” under U.S. securities laws. Forward-looking statements include any statements that are not statements of historical fact. Examples of forward-looking statements include, but are not limited to: (1) anticipated business, balance sheet, cash flow and financial measures and results, including guidance, whether on a GAAP or non-GAAP basis; (2) economic, market, industry and industry segment expectations; (3) product performance and changes in market share or customer demands; and (4) our ability to successfully execute business, capital allocation, product and growth plans or strategies, or otherwise deliver value for customers and stockholders. Forward-looking statements speak only as of the date they are made and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed, including the factors discussed in our filings with the Securities and Exchange Commission (“SEC”). You should not place undue reliance on forward-looking statements. Lam undertakes no obligation to update any forward-looking statements.

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# Lam's Vision to Create Stockholder Value

## Vision to Drive Value Creation

**Solve  
Our Customers'  
Grand Challenges**

Deliver  
disruptive  
technologies to  
enable success  
of customers

**Create  
and Capture  
Value**

Compete for  
and win  
a greater share  
of customers'  
investments

**Invest  
in the Future  
of the Company**

Continuously  
strengthen our  
product and  
services pipeline

**Deliver  
Value Creation  
for Stockholders**

Optimize capital  
allocation  
between  
investments  
and capital return

# Capital Allocation Strategy

Capital Return	Plan to return at least 50% of Free Cash Flow over the next five years
Dividend	Quarterly dividend at \$1.15/share, with a bias to grow over time
Share Repurchase	<ul style="list-style-type: none"><li>• Have repurchased ~ \$5B in shares in calendar year 2018 through end of June 2019</li><li>• \$3B remaining to repurchase from \$5B authorization</li></ul>

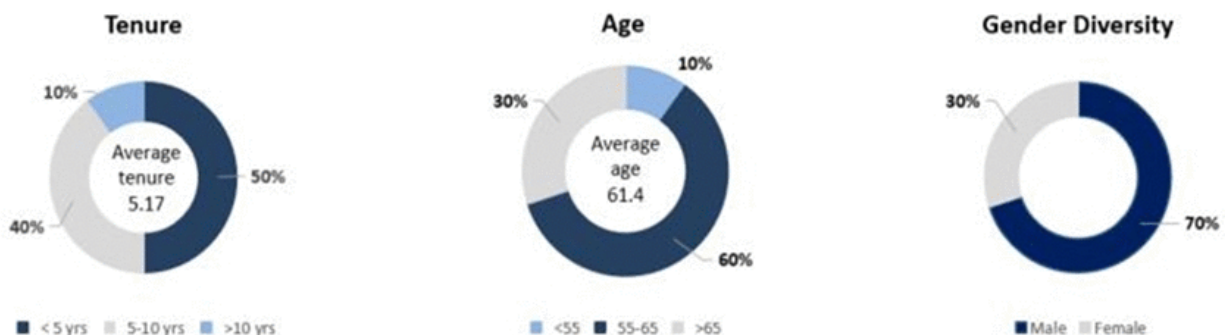




## Board of Directors

# Board Committed to Diversity and Balanced Tenure

## ► Balance of Tenure, Age and Gender



## ► Tenure

- New perspectives and ideas balanced with benefit of valuable Company and industry experience
  - Average tenure 5.17 years

## ► Diversity

- Broad range of experiences, areas of substantive expertise and geographic diversity
  - As shown in director biographies and skills/experiences matrix in proxy statement
- Three women nominees out of 10

## Director Nominees

- ▶ Name; year of election to Board
  - Sohail U. Ahmed (2019)
  - Timothy M. Archer
    - President and Chief Executive Officer (2018)
  - Eric K. Brandt (2010)
  - Michael R. Cannon (2011)
  - Youssef A. El-Mansy (2012)
  - Catherine P. Lego
    - Compensation & HR Committee Chair (2006)
  - Bethany J. Mayer (2019)
  - Abhijit Y. Talwalkar
    - Lead Independent Director & Nom/Gov Committee Chair (2011)
    - Chairman Elect pending November annual meeting
  - Lih Shyng (Rick L.) Tsai (2016)
  - Leslie F. Varon (2019)
- ▶ All independent except Mr. Archer

# Board Nomination Process

- ▶ Nominating and Governance Committee recommends nominees
- ▶ Independent directors make nominations
- ▶ Refreshment considerations
  - Diversity
    - Balance of tenure - new ideas; experience with Company and industry
    - History of gender diversity
  - Skills & experiences
    - Per matrix
  - Annual evaluations of board, committees & individuals



## Say on Pay

Executive Compensation Highlights

Annual Incentive Program Overview

Long-Term Incentive Program Overview

Special Equity Awards in connection with Leadership Transition

# Executive Compensation Highlights

## What We Do

**Pay for Performance** - Our executive compensation program is designed to pay for performance with 100% of the annual incentive program tied to company financial, strategic and operational performance metrics; 50% of the long-term incentive program tied to TSR performance; and 50% of the long-term incentive program awarded in stock options and restricted stock units.

**Three-Year Performance Period for our Long-Term Incentive Program** - Our current long-term incentive program is designed to pay for performance over a period of three years.

**Absolute and Relative Performance Metrics** - Our annual and long-term incentive programs for executive officers include the use of absolute and relative performance factors.

**Balance of Annual and Long-term Incentives** - Our incentive programs provide a balance of annual and longer-term incentives.

**Different Performance Metrics for Annual and Long-Term Incentive Programs** - Our annual and long-term incentive programs use different performance metrics.

**Capped Amounts** - Amounts that can be earned under the annual and long-term incentive programs are capped.

**Compensation Recovery/Clawback Policy** - We have a policy pursuant to which we can recover the excess amount of cash incentive-based compensation granted and paid to our Section 16 officers.

**Prohibit Option repricing** - Our stock incentive plans prohibit option repricing without stockholder approval.

**Hedging and Pledging Policy** - We have a policy applicable to our executive officers and directors that prohibits hedging and pledging.

**Stock Ownership Guidelines** - We have stock ownership guidelines for each of our executive officers and certain other senior executives; each of our NEOs has met his or her individual ownership level under the current program or has a period of time remaining under the guidelines to do so.

**Independent Compensation Advisor** - The compensation and human resources committee benefits from its utilization of an independent compensation advisor retained directly by the committee that provides no other services to the Company.

**Stockholder Engagement** - We engage with stockholders on an annual basis and stockholder advisory firms on an as needed basis to obtain feedback concerning our compensation program.

## What We Don't Do

**Tax "Gross-Ups" for Perquisites, for Other Benefits or upon a Change in Control** - Our executive officers do not receive tax "gross-ups" for perquisites, for other benefits or upon a change in control.<sup>(1)</sup>

**Single-trigger Change in Control Provisions** - None of our executive officers have single-trigger change in control agreements.

<sup>(1)</sup> Our executive officers may receive tax gross-ups in connection with relocation benefits that are widely available to all of our employees



# Annual Incentive Program Overview

- ▶ **Design: Attract and retain top talent, while maintaining cost-effectiveness**
- ▶ **Annual, performance-based compensation**
  - Targets based on achievement of pre-set metrics and stretch goals
  - Payout aligned with performance
  - Payouts limited by funding pool based on non-GAAP operating income
  - May exercise negative discretion against funding pool; positive or negative discretion within funding pool
- ▶ **Payouts based on two equally weighted performance factors**
  - Corporate Performance Factor: Corporate-wide metric and stretch goals
    - Non-GAAP operating income as a percentage of revenue
  - Individual Performance Factors: organization-specific metrics and stretch goals for individual NEOs
    - E.g., product market share; strategic operational and organizational metrics
    - For CEO, average of Individual Performance Factors of all executive and senior VPs reporting to him, subject to discretion based on Company performance
- ▶ **Metrics and targets for both Factors are set annually**

# Annual Incentive Program Results

- ▶ Our annual incentive program goals are established based on our business outlook, which considers our served available market, our market share goals and our operational targets
- ▶ Over the past six years we have steadily raised the Corporate Performance Factor target as our outlook and the industry have improved year over year
  - Significant increase in 2018 target
    - Stretch goal in context of business outlook for 2018 relative to 2017

Corporate Performance Factor	Calendar 2013	Calendar 2014	Calendar 2015	Calendar 2016	Calendar 2017	Calendar 2018
Op Inc Target	18.0%	18.0%	19.0%	20.0%	22.0%	27.0%
Op Inc Actual	14.9%	19.4%	21.6%	22.9%	28.7%	29.6%

Note: Op Inc Target and Actual represent non-GAAP Operating Income as a percentage of revenue. Non-GAAP operating income is derived from GAAP results, with charges and credits in certain items excluded from GAAP results. Please refer to slide 25 for a list of line items for which charges and credits are excluded for applicable quarters during fiscal years 2013 through 2019.



# Long-Term Incentive Program Overview

## ► Design:

- Attract and retain top talent
- Provide competitive compensation
- Align pay with achievement of business objectives and stock performance over a multi-year period
- Reward outstanding company performance
- Create stockholder value over the long term

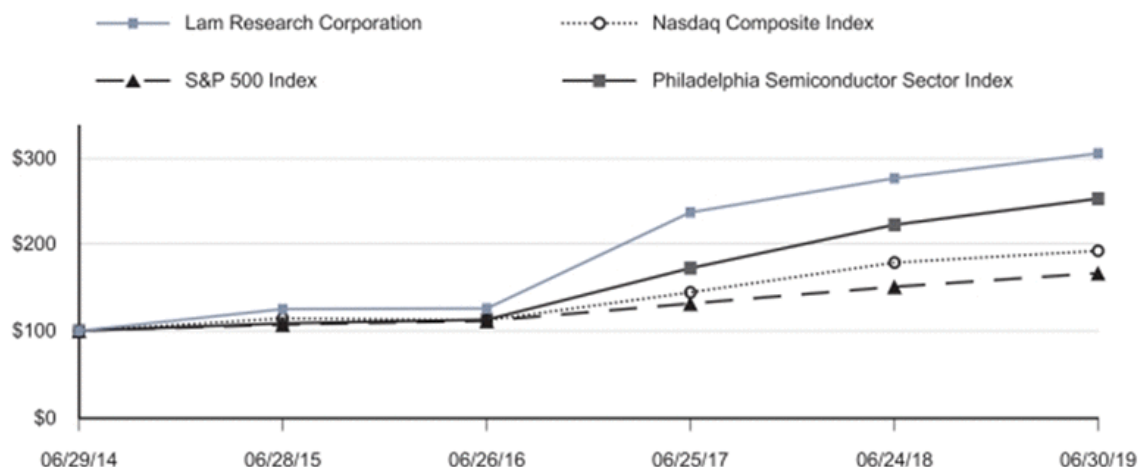
## ► Multi-year target opportunity (three-year vesting schedule)

- 50% market-based performance restricted stock units (RSUs)
  - Relative stock price performance compared to Philadelphia Semiconductor Sector Index (SOX)
  - Maximum payout = 150% of target; can be zero
- 50% service-based RSUs and options; at least 10% of each vehicle
- Company views options as performance-based so awards are between 60% - 90% performance-based

## ► Named Executive Officer (NEO) targets set based on position and responsibilities and assessment of competitive data

# Lam Total Stockholder Return Performance

- Track record of outperforming benchmarks and delivering value to our stockholders



	June 29, 2014	June 28, 2015	June 26, 2016	June 25, 2017	June 24, 2018	June 30, 2019
Lam Research Corporation	100.00	125.08	126.17	236.07	275.33	303.92
Nasdaq Composite Index	100.00	114.44	112.51	144.35	178.42	192.30
S&P 500 Index	100.00	107.42	111.71	131.70	150.64	166.33
Philadelphia Semiconductor Sector Index	100.00	108.97	113.07	172.12	222.22	251.80

\$100 invested on June 29, 2014 in stock or June 30, 2014 in index, including reinvestment of dividends. Indexes calculated on month-end basis.  
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## Background to Special Equity Awards in connection with Leadership Transition

- ▶ **Former CEO resigned in December 2018 amid allegations of misconduct**
  - Special investigation by independent board committee
  - No financial misconduct, no issues of integrity of financial systems or controls.
- ▶ **Important to maintain stable leadership at critical time**
  - Consistency and stability in leadership key to maintaining internal and external stakeholder confidence
  - Business outlook at the time indicated challenging 2019 semiconductor environment
  - Intense competition for tech company CEOs and CFOs heightened retention risks
- ▶ **Board acted immediately**
  - Implemented existing CEO succession plan by promoting President & COO - Tim Archer
  - Acted to retain CFO who also assumed greater responsibilities - Doug Bettinger
- ▶ **Created stability for both internal and external stakeholders**
  - Smooth transition; Company performance maintained

## Special Equity Awards in connection with Leadership Transition - Award Details

- ▶ **Award amounts and vesting terms determined in consultation with Compensation Committee's compensation consultant**
  - Four-year vesting, longer than regular 3-year LTI awards, for increased retention
  - Total compensation consistent with peer group and market survey data
- ▶ **CEO award**
  - In light of critical need, promotion to CEO and for retention
  - \$5M total award value
    - 50/50 mix of stock options and service-based RSUs
    - Vesting: 4 years; 25% one-year cliff then monthly over the next 36 months
- ▶ **CFO award**
  - In light of critical need, greater responsibilities and for retention
  - \$8M total award value
    - 100% service-based RSUs
    - Vesting: 4 years; 25% one-year cliff then monthly over the next 36 months



## Governance Highlights

## Corporate Governance Highlights

Board and Other Governance Information	Lam	Notes
Directors Subject to Stock Ownership Guidelines	Y	
Hedging and Pledging Prohibited	Y	
Annual Election of Directors	Y	Declassified board & annual elections
Voting Standard	Majority	Majority voting in uncontested elections
Plurality Voting Carveout for Contested Elections	Y	
Separate Chairman and CEO	Y	
Lead Independent Director	Y	As of Nov 5, 2019, no LID and only an independent chairman
Independent Directors Meet Without Management Present	Y	
Annual Board (Including Individual Director) and Committee Self-Evaluations	Y	
Annual Independent Director Evaluation of CEO	Y	
Risk Oversight by Full Board and Committees	Y	
Commitment to Board Refreshment and Diversity	Y	
Robust Director Nomination Process	Y	
Significant Board Engagement	Y	
Board Orientation/Education Program	Y	
Code of Ethics Applicable to Directors	Y	
Stockholder Proxy Access	Y	Key terms: 3 yrs; ≥3%; greater of 2 or 20% of BOD, up to 20 stockholders
Stockholder Ability to Act by Written Consent	Y	
Stockholder Engagement Program	Y	
Poison Pill	N	
Publication of Corporate Social Responsibility Report on Our Website	Y	



## CSR Highlights



# 2018 Corporate Social Responsibility (CSR) Report

► 5<sup>th</sup> Annual Report - Published June 18, 2019

► 2018 CSR report:

- Overview of the company's products and operations relating to environmental, social, and economic performance
- Report encompasses four main pillars: Workplace, Operations, Supply Chain, Community
- Prepared in accordance with Global Reporting Initiative (GRI) Standards
- The CSR report has been reviewed by the Compensation and Nominating and Governance Committees of our Board of Directors and has been reviewed and approved by our President and CEO.



## Lam Research Corporate Social Responsibility Report 2018

Workplace



Operations



Supply Chain



Community



<https://www.lamresearch.com/company/corporate-social-responsibility/>



# 2018 CSR Report Overview

2018 CSR Report published on June 18, 2019



## Workplace

Our people are our most valuable asset

- Published global gender, U.S. ethnicity data
- Increased training enrollments by 43% over 2017
- Launched Tech Vision program



## Community

We support education and quality of life; employees are at the core of our activities

- Donated total of \$3.7M a 13% increase over 2017
- Employees volunteered 11,321 hours
- Surpassed \$1M in Core Values Scholarships



## Operations

We manage the social and environmental impacts of our operations

- Reached 75% of our 2020 energy savings goal
- Achieved a recordable injury rate of 0.29 - half the industry average




## Supply Chain

Lam conducts ethical supply chain management

- Participated in Intel's SPARC program to address forced and bonded labor
- Required compliance with Global Supplier Code of Conduct

Enhanced governance and continued commitment to Core Values guiding our CSR activities



## Explanation regarding non-GAAP operating income

## Explanation regarding non-GAAP operating income

► Non-GAAP operating income is derived from GAAP results, with charges and credits in the following line items excluded from GAAP results for applicable quarters during fiscal years 2013 through 2019:

- Acquisition-related inventory fair-value impact
- Acquisition-related costs
- Amortization related to intangible assets acquired in certain business acquisitions
- Cost associated with business process reengineering
- Costs associated with campus consolidation
- Costs associated with rationalization of certain product configurations
- Costs associated with disposition of business
- Gain on sale of assets, net associated exit costs
- Goodwill impairment
- Impairment of long-lived assets
- Integration-related costs
- Litigation settlement
- Product rationalization
- Restructuring charges
- Synthetic lease impairment



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