

Registration No. 333-_____

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549FORM S-8
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933APPLIED MATERIALS, INC.
(Exact name of issuer as specified in its charter)Delaware
(State or other jurisdiction
of incorporation or organization)94-1655526
(I.R.S. employer
identification number)3050 Bowers Avenue, Santa Clara, California 95054
(Address of principal executive offices) (Zip Code)ETEC SYSTEMS, INC.
1990 EMPLOYEE STOCK OPTION PLAN
1990 EXECUTIVE STOCK PLAN
1991 ATEQ STOCK OPTION PLAN
1994 EMPLOYEE STOCK OPTION PLAN
1995 DIRECTORS' STOCK OPTION PLAN
1995 OMNIBUS INCENTIVE PLANJoseph J. Sweeney
Applied Materials, Inc.
3050 Bowers Avenue, Santa Clara, California 95054
(Name and address of agent for service)
Telephone number, including area code, of agent for service: (408) 727-5555Copy to:
John E. Aguirre
Wilson Sonsini Goodrich & Rosati, PC
650 Page Mill Road
Palo Alto, California 94304

CALCULATION OF REGISTRATION FEE

Title of Securities to be Registered	Amount to be Registered*	Proposed Maximum Offering Price Per Share**	Proposed Maximum Aggregate Offering Price**	Amount of Registration Fee**
1990 Employee Stock Option Plan Common Stock*** and Options to Purchase Common Stock	26,932	\$ 0.35	\$ 9,426.20	\$ 2.49
1990 Executive Stock Plan Common Stock *** and Options to Purchase Common Stock	2	\$ 0.35	\$ 0.70	\$ 0.00
1991 Ateq Stock Option Plan Common Stock *** and Options to Purchase Common Stock	6,891	\$ 0.01	\$ 68.91	\$ 0.02
1994 Employee Stock Option Plan Common Stock*** and Options to Purchase Common Stock	14,945	\$ 3.34	\$ 49,916.30	\$ 13.18
1995 Directors' Stock Option Plan	66,199	\$28.44	\$ 1,822,699.56	\$ 481.19

Common Stock*** and
Options to Purchase
Common Stock

1995 Omnibus Incentive Plan	3,320,690	\$27.96	\$92,846,492.40	\$24,511.47
Common Stock*** and Options to Purchase Common Stock				

=====

* This Registration Statement shall also cover any additional shares of Registrant's Common Stock that become issuable under the Etec Systems, Inc. 1990 Employee Stock Option Plan, 1990 Executive Stock Plan, 1991 Ateq Stock Option Plan, 1994 Employee Stock Option Plan, 1995 Directors' Stock Option Plan and 1995 Omnibus Incentive Plan by reason of any stock dividend, stock split, recapitalization or other similar transaction effected without the Registrant's receipt of consideration that results in an increase in the number of the Registrant's outstanding shares of Common Stock.

** Calculated solely for purposes of this offering under Rule 457(h) of the Securities Act of 1993, as amended, on the basis of the weighted average exercise price of the outstanding options.

*** Includes associated rights (the "Rights") to purchase preferred or common stock. Until the occurrence of certain prescribed events, none of which has occurred, the Rights are not exercisable.

=====

INFORMATION REQUIRED IN THE REGISTRATION STATEMENT

ITEM 3. INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The following documents are incorporated by reference in this registration statement: (i) the latest annual report of Applied Materials, Inc. (the "Registrant") filed pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"); (ii) all other reports filed by the Registrant pursuant to Sections 13(a) or 15(d) of the Exchange Act since the end of the fiscal year covered by the annual report referred to in clause (i) above; and (iii) the description of the Registrant's common stock set forth in the Registrant's Registration Statement on Form 8-A relating thereto, including any amendment or report filed for the purpose of updating such description. All documents filed by the Registrant after the date of this registration statement pursuant to Sections 13(a), 13(c), 14, and 15(d) of the Exchange Act, prior to the filing of a post-effective amendment (that indicates all securities offered have been sold or deregisters all securities then remaining unsold), shall be deemed to be incorporated by reference in this registration statement and to be a part hereof from the date of filing of such documents.

ITEM 4. DESCRIPTION OF SECURITIES

Inapplicable.

ITEM 5. INTERESTS OF NAMED EXPERTS AND COUNSEL

Inapplicable.

ITEM 6. INDEMNIFICATION OF DIRECTORS AND OFFICERS

Section 145 of the Delaware General Corporation Law (the "Delaware Law") authorizes a court to award, or a corporation's board of directors to grant, indemnity to directors and officers in terms sufficiently broad to permit such indemnification under certain circumstances for liabilities (including reimbursement for expenses incurred) arising under the Securities Act of 1933, as amended. The Registrant's Certificate of Incorporation provides for indemnification of the Registrant's directors, officers, employees and other agents to the maximum extent permitted by Delaware Law. In addition, the Registrant has entered into indemnification agreements with its directors and certain of its officers.

ITEM 7. EXEMPTION FROM REGISTRATION CLAIMED

Inapplicable.

ITEM 8. EXHIBITS

4.1 Etec Systems, Inc. 1990 Employee Stock Option Plan

4.2 Etec Systems, Inc. 1990 Executive Stock Plan

4.3 Etec Systems, Inc. 1994 Employee Stock Option Plan

4.4 Etec Systems, Inc. 1995 Directors' Stock Option Plan

4.5 Etec Systems, Inc. 1995 Omnibus Incentive Plan

5.1 Opinion of Wilson Sonsini Goodrich & Rosati, PC.

23.1 Consent of Independent Accountants.

23.2 Consent of Wilson Sonsini Goodrich & Rosati, PC is included in Exhibit 5.1 to this Registration Statement.

24.1 Power of Attorney of Directors.

ITEM 9. UNDERTAKINGS

(a) The undersigned registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) To include any prospectus required by section 10(a)(3) of the Securities Act of 1933;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement;

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;

Provided, however, that paragraphs (a)(1)(i) and (a)(1)(ii) do not apply if the registration statement is on Form S-3 or Form S-8 and the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed by the registrant pursuant to section 13 or section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the registration statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(b) The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report

pursuant to section 13(a) or section 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(c) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

Signatures

THE REGISTRANT

Pursuant to the requirements of the Securities Act of 1933, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-8 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Santa Clara, State of California on the 5th day of April, 2000.

APPLIED MATERIALS, INC.
(Registrant)

/s/ James C. Morgan

James C. Morgan
Chairman of the Board and
Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
Principal Executive Officer:		
/s/ James C. Morgan		
_____ James C. Morgan	Chairman of the Board and Chief Executive Officer	April 5, 2000
Principal Financial Officer:		
/s/ Joseph R. Bronson		
_____ Joseph R. Bronson	Senior Vice President, Office of the President, Chief Financial Officer and Chief Administrative Officer	April 5, 2000
Principal Accounting Officer:		
/s/ Patrick Crom		
_____ Patrick Crom	Vice President, Global Controller, Chief Accounting Officer and Assistant Secretary	April 5, 2000

Directors:

* ----- James C. Morgan	Director	April 5, 2000
* ----- Dan Maydan	Director	April 5, 2000
* ----- Michael H. Armacost	Director	April 5, 2000
* ----- Deborah A. Coleman	Director	April 5, 2000
* ----- Herbert M. Dwight, Jr.	Director	April 5, 2000
* ----- Philip V. Gerdine	Director	April 5, 2000
* ----- Tsuyoshi Kawanishi	Director	April 5, 2000
* ----- Paul R. Low	Director	April 5, 2000

*By /s/ James C. Morgan

James C. Morgan
Attorney-in-Fact

A majority of the members of the Board of Directors.

EXHIBIT INDEX

- 4.1 Etec Systems, Inc. 1990 Employee Stock Option Plan.
- 4.2 Etec Systems, Inc. 1990 Executive Stock Plan
- 4.3 Etec Systems, Inc. 1994 Employee Stock Option Plan
- 4.4 Etec Systems, Inc. 1995 Directors' Stock Option Plan
- 4.5 Etec Systems, Inc. 1995 Omnibus Incentive Plan
- 5.1 Opinion of Wilson Sonsini Goodrich & Rosati, PC.
- 23.1 Consent of Independent Accountants.
- 23.2 Consent of Wilson Sonsini Goodrich & Rosati, PC is included in Exhibit 5.1 to this Registration Statement.
- 24.1 Power of Attorney of Directors.

1990 EMPLOYEE STOCK OPTION PLAN OF ETEC

SECTION 1. ESTABLISHMENT AND PURPOSE.

The Plan was established in 1990 to offer selected employees, directors and consultants an opportunity to acquire a proprietary interest in the success of the Company, or to increase such interest, by purchasing Shares of the Company's Common Stock. The Plan provides for the grant of Options to purchase Shares. Options granted under the Plan may include Nonstatutory Options as well as ISOs intended to qualify under section 422 of the Code.

SECTION 2. DEFINITIONS.

- (a) "Board of Directors" shall mean the Board of Directors of the

Company, as constituted from time to time.
- (b) "Code" shall mean the Internal Revenue Code of 1986, as amended.

- (c) "Committee" shall mean the Compensation Committee of the Board of

Directors, as described in Section 3(a).
- (d) "Company" shall mean Etec Systems, Inc., a Nevada corporation.

- (e) "Employee" shall mean any individual who is (i) a common-law

employee of the Company or of a Subsidiary, (ii) a member of the Board of Directors, or (iii) an independent contractor who performs services for the Company or a Subsidiary. Service as a member of the Board of Directors or as an independent contractor shall be considered employment for all purposes of the Plan except the second sentence of Section 4(a).
- (f) "Exercise Price" shall mean the amount for which one Share may be

purchased upon exercise of an Option, as specified by the Committee in the applicable Stock Option Agreement.
- (g) "Fair Market Value" shall mean the fair market value of a Share,

as determined by the Committee in good faith. Such determination shall be conclusive and binding on all persons .
- (h) "ISO" shall mean an employee incentive stock option described in section 422(b) of the Code.
- (i) "Nonstatutory Option" shall mean an employee stock option not

described in sections 422(b) or 423(b) of the Code.

- (j) "Option" shall mean an ISO or Nonstatutory Option granted under

the Plan and entitling the holder to purchase Shares.
- (k) "Optionee" shall mean an individual who holds an Option.

- (l) "Plan" shall mean this 1990 Employee Stock Option Plan of Etec.

- (m) "Service" shall mean service as an Employee.

- (n) "Share" shall mean one share of Stock, as adjusted in accordance

with Section 8 (if applicable).
- (o) "Stock" shall mean the Common Stock of the Company.

- (p) "Stock Option Agreement" shall mean the agreement between the

Company and an Optionee which contains the terms, conditions and restrictions
pertaining to his Option.
- (q) "Subsidiary" shall mean any corporation, if the Company and/or one

or more other Subsidiaries own not less than 50 percent of the total combined
voting power of all classes of outstanding stock of such corporation. A
corporation that attains the status of a Subsidiary on a date after the adoption
of the Plan shall be considered a Subsidiary commencing as of such date.
- (r) "Total and Permanent Disability" shall mean that the Optionee is
q -----
unable to engage in any substantial gainful activity by reason of any medically
determinable physical or mental impairment which can be expected to result in
death or which has lasted, or can be expected to last, for a continuous period
of not less than twelve months.

SECTION 3. ADMINISTRATION.

- (a) Committee Membership. The Plan shall be administered by the

Committee, which shall consist of members of the Board of Directors. The members
of the Committee shall be appointed by the Board of Directors. If no Committee
has been appointed, the entire Board of Directors shall constitute the
Committee.
- (b) Committee Procedures. The Board of Directors shall designate one

of the members of the Committee as chairman. The Committee may hold meetings at
such times and places as it shall determine. The acts of a majority of the
Committee members present at meetings at which a quorum exists, or acts reduced
to and approved in writing by all Committee members, shall be valid acts of the
Committee.
- (c) Committee Responsibilities. Subject to the provisions of the Plan,

the Committee shall have full authority and discretion to take the following
actions:
- (i) To interpret the Plan and to apply its provisions;

(ii) To adopt, amend or rescind rules, procedures and forms relating to the Plan;

(iii) To authorize any person to execute, on behalf of the Company, any instrument required to carry out the purposes of the Plan;

(iv) To determine when Options are to be granted under the Plan; (v) To select the Optionees;

(vi) To determine the number of Shares to be made subject to each Option;

(vii) To prescribe the terms and conditions of each Option, including (without limitation) the Exercise Price, to determine whether such Option is to be classified as an ISO or as a Nonstatutory Option, and to specify the provisions of the Stock Option Agreement relating to such Option;

(viii) To amend any outstanding Stock Option Agreement, subject to applicable legal restrictions and to the consent of the Optionee who entered into such agreement; and

(ix) To take any other actions deemed necessary or advisable for the administration of the Plan.

All decisions, interpretations and other actions of the Committee shall be final and binding on all Optionees and all persons deriving their rights from an Optionee. No member of the Committee shall be liable for any action that he has taken or has failed to take in good faith with respect to the Plan or any Option to acquire Shares under the Plan.

(d) Financial Reports. Not less often than annually, the Company shall -----
furnish to Optionees reports of its financial condition, unless such Optionees have access to equivalent information through their employment. Such reports need not be audited.

SECTION 4. ELIGIBILITY.

(a) General Rule. Only Employees shall be eligible for designation as -----
Optionees by the Committee. In addition, only individuals who are employed as common-law employees by the Company or a Subsidiary shall be eligible for the grant of ISOs.

(b) Ten-Percent Shareholders. An Employee who owns more than 10 percent of -----
the total combined voting power of all classes of outstanding stock of the Company or any of its Subsidiaries shall not be eligible for designation as an Optionee unless (i) the Exercise Price is at least 110 percent of the Fair Market Value of a Share on the date of grant and (ii) in the case of an ISO, the Option granted by its term is not exercisable after the expiration of five years from the date of grant.

(c) Attribution Rules. For purposes of Subsection (b) above, in

determining stock ownership, an Employee shall be deemed to own the stock owned, directly or indirectly, by or for his brothers, sisters, spouse, ancestors and lineal descendants. Stock owned, directly or indirectly, by or for a corporation, partnership, estate or trust shall be deemed to be owned proportionately by or for its shareholders, partners or beneficiaries. Stock with respect to which such Employee holds an option shall not be counted.

(d) Outstanding Stock. For purposes of Subsection (b) above, "outstanding

stock" shall include all stock actually issued and outstanding immediately after the grant. "Outstanding stock" shall not include shares authorized for issuance under outstanding options held by the Employee or by any other person.

SECTION 5. STOCK SUBJECT TO PLAN.

(a) Basic Limitation. Shares offered under the Plan shall be authorized

but unissued Shares and treasury stock. The aggregate number of Shares which may be issued under the Plan shall not exceed 600,000 Shares, subject to adjustment pursuant to Section 8. The number of Shares which are subject to Options outstanding at any time under the Plan shall not exceed the number of Shares which then remain available for issuance under the Plan. The Company, during the term of the Plan, shall at all times reserve and keep available sufficient Shares to satisfy the requirements of the Plan.

(b) Additional Shares. In the event that any outstanding Option for any

reason expires or is cancelled or otherwise terminated, the Shares allocable to the unexercised portion of such Option shall again be available for the purposes of the Plan. In the event that Shares issued under the Plan are reacquired by the Company pursuant to a forfeiture provision, a right of repurchase, a right of first refusal or a transaction under Section 7(b), such Shares shall again be available for the purposes of the Plan.

SECTION 6. TERMS AND CONDITIONS OF OPTIONS.

(a) Stock Option Agreement. Each grant of an Option under the Plan shall

be evidenced by a Stock Option Agreement between the Optionee and the Company. Such Option shall be subject to all applicable terms and conditions of the Plan and may be subject to any other terms and conditions which are not inconsistent with the Plan and which the Committee deems appropriate for inclusion in a Stock Option Agreement. The provisions of the various Stock Option Agreements entered into under the Plan need not be identical.

(b) Number of Shares. Each Stock Option Agreement shall specify the number

of Shares that are subject to the Option and shall provide for the adjustment of such number in accordance with Section 8. The Stock Option Agreement shall also specify whether the Option is an ISO or a Nonstatutory Option.

(c) Exercise Price. Each Stock Option Agreement shall specify the Exercise

Price. The Exercise Price shall not be less than 100 percent of the Fair Market Value of a Share on the date

of grant, except as otherwise provided in Section 4(b). Subject to the preceding sentence, the Exercise Price under any Option shall be determined by the Committee at its sole discretion. The Exercise Price shall be payable in a form described in Section 7.

(d) Withholding Taxes. As a condition to the exercise of an Option, the

 Optionee shall make such arrangements as the Committee may require for the satisfaction of any federal, state or local withholding tax obligations that may arise in connection with such exercise. The Optionee shall also make such arrangements as the Committee may require for the satisfaction of any federal, state or local withholding tax obligations that may arise in connection with the disposition of Shares acquired by exercising an Option .

(e) Exercisability and Term. Each Stock Option Agreement shall specify the

 date when all or any installment of the Option is to become exercisable. An Option shall become exercisable at least as rapidly as set forth in the following schedule:

Anniversary of Date of Grant -----	Minimum Percentage Exercisable -----
First.....	20%
Second.....	40%
Third.....	60%
Fourth.....	80%
Fifth.....	100%

Subject to the preceding sentence, the vesting of any Option shall be determined by the Committee at its sole discretion. The Stock Option Agreement shall also specify the term of the Option. The term shall not exceed 10 years from the date of grant, except as otherwise provided in Section 4(b). Subject to the preceding sentence, the Committee at its sole discretion shall determine when an Option is to expire.

(f) Nontransferability. During an Optionee's lifetime, his Option(s)

 shall be exercisable only by him and shall not be transferable. In the event of an Optionee's death, his Option(s) shall not be transferable other than by will or by the laws of descent and distribution .

(g) Termination of Service (Except by Death). If an Optionee's Service

 terminates for any reason other than his death, then his Option(s) shall expire on the earliest of the following occasions:

- (i) The expiration date determined pursuant to Subsection (e) above;
- (ii) The date 60 days after the termination of his Service for any reason other than Total and Permanent Disability; or

(iii) The date six months after the termination of his Service by reason of Total and Permanent Disability. The Optionee may exercise all or part of his Option(s) at any time before the expiration of such Option(s) under the preceding sentence, but only to the extent that such Option(s) had become exercisable before his Service terminated or became exercisable as a result of the termination. The balance of such Option(s) shall lapse when the Optionee's Service terminates. In the event that the Optionee dies after the termination of his Service but before the expiration of his Option(s), all or part of such Option(s) may be exercised (prior to expiration) by the executors or administrators of the Optionee's estate or by any person who has acquired such Option(s) directly from him by bequest or inheritance, but only to the extent that such Option(s) had become exercisable before his Service terminated or became exercisable as a result of the termination.

(h) Leaves of Absence. For purposes of Subsection (g) above, Service shall

be deemed to continue while the Optionee is on military leave, sick leave or other bona fide leave of absence (as determined by the Committee). The foregoing notwithstanding, in the case of an ISO granted under the Plan, Service shall not be deemed to continue beyond the first 90 days of such leave, unless the Optionee's reemployment rights are guaranteed by statute or by contract.

(i) Death of Optionee. If an Optionee dies while he is in Service, then

his Option(s) shall expire on the earlier of the following dates:

(i) The expiration date determined pursuant to Subsection (e) above;

or

(ii) The date six months after his death. All or part of the Optionee's Option(s) may be exercised at any time before the expiration of such Option(s) under the preceding sentence by the executors or administrators of his estate or by any person who has acquired such Option(s) directly from him by bequest or inheritance, but only to the extent that such Option(s) had become exercisable before his death or became exercisable as a result of his death. The balance of such Option(s) shall lapse when the Optionee dies.

(j) No Rights as a Shareholder. An Optionee, or a transferee of an

Optionee, shall have no rights as a shareholder with respect to any Shares covered by his Option until the date of the issuance of a stock certificate for such Shares. No adjustments shall be made, except as provided in Section 8.

(k) Modification, Extension and Renewal of Options. Within the limitations

of the Plan, the Committee may modify, extend or renew outstanding Options or may accept the cancellation of outstanding Options (to the extent not previously exercised) in return for the grant of new Options at the same or a different price. The foregoing notwithstanding, no modification of an Option shall, without the consent of the Optionee, impair his rights or increase his obligations under such Option.

(l) Restrictions on Transfer of Shares. Any Shares issued upon exercise of

an Option shall be subject to such special forfeiture conditions, rights of repurchase, rights of first refusal and other transfer restrictions as the Committee may determine. Such restrictions shall be set forth in the applicable Stock Option Agreement or in any agreement referred to therein and shall

apply in addition to any general restrictions that may apply to all holders of Shares. Any service-based vesting conditions shall not be less rapid than the schedule set forth in Subsection (e) above.

SECTION 7. PAYMENT FOR SHARES.

(a) General Rule. The entire Exercise Price of Shares issued under

the Plan shall be payable in cash at the time when such Shares are purchased, except as provided in Subsections (b) and (c) below.

(b) Surrender of Stock. To the extent that a Stock Option Agreement

so provides, payment may be made all or in part with Shares which have already been owned by the Optionee or his representative for more than six months and which are surrendered to the Company in good form for transfer. Such Shares shall be valued at their Fair Market Value on the date when the new Shares are purchased under the Plan.

(c) Promissory Note. To the extent that the Stock Option Agreement so

provides, a portion of the Exercise Price for Shares issued under the Plan may be payable by a full recourse promissory note, provided that (i) the par value of such Shares must be paid in lawful money of the United States of America at the time when such Shares are purchased, (ii) the Shares are security for payment of the principal amount of the promissory note and interest thereon, and (iii) the interest rate payable under the terms of the promissory note shall be no less than the minimum rate (if any) required to avoid the imputation of additional interest under the Code. Subject to the foregoing, the Committee (at its sole discretion) shall specify the term, interest rate, amortization requirements (if any), and other provisions of such note.

SECTION 8. ADJUSTMENT OF SHARES.

(a) General. In the event of a subdivision of the outstanding Stock,

a declaration of a dividend payable in Shares, a declaration of a dividend payable in a form other than Shares in an amount that has a material effect on the value of Shares, a combination or consolidation of the outstanding Stock (by reclassification or otherwise) into a lesser number of Shares, a recapitalization or a similar occurrence, the Committee shall make appropriate adjustments in one or more of (i) the number of Shares available for future grants under Section 5, (ii) the number of Shares covered by each outstanding Option or (iii) the Exercise Price under each outstanding Option.

(b) Reorganizations. In the event that the Company is a party to a

merger or other reorganization, outstanding Options shall be subject to the agreement of merger or reorganization. Such agreement shall provide for the assumption of outstanding Options by the surviving corporation or its parent, for their continuation by the Company (if the Company is a surviving corporation), or for the acceleration of their exercisability followed by the cancellation of Options (as long as such Options have been outstanding for twelve months or more) not exercised, in all cases without the Optionees' consent; provided, however, that, as an alternative for the Optionee, such agreement may provide for payment of a cash settlement equal to the difference between the amount to be paid for one Share under such agreement and the Exercise Price if the Optionee

consents to such cash settlement. Any cancellation shall not occur earlier than 30 days after such acceleration is effective and Optionees have been notified of such acceleration.

(c) Reservation of Rights. Except as provided in this Section 8, an

Optionee shall have no rights by reason of any subdivision or consolidation of shares of stock of any class, the payment of any dividend or any other increase or decrease in the number of shares of stock of any class. Any issue by the Company of shares of stock of any class, or securities convertible into shares of stock of any class, shall not affect, and no adjustment by reason thereof shall be made with respect to, the number or Exercise Price of Shares subject to an Option. The grant of an Option pursuant to the Plan shall not affect in any way the right or power of the Company to make adjustments, reclassifications, reorganizations or changes of its capital or business structure, to merge or consolidate or to dissolve, liquidate, sell or transfer all or any part of its business or assets.

SECTION 9. LEGAL REQUIREMENTS.

Shares shall not be issued under the Plan unless the issuance and delivery of such Shares complies with (or is exempt from) all applicable requirements of law, including (without limitation) the Securities Act of 1933, as amended, the rules and regulations promulgated thereunder, state securities laws and regulations, and the regulations of any stock exchange on which the Company's securities may then be listed.

SECTION 10. NO EMPLOYMENT RIGHTS.

No provision of the Plan, nor any right or Option granted under the Plan, shall be construed to give any person any right to become, to be treated as, or to remain an Employee. The Company and its Subsidiaries reserve the right to terminate any person's Service at any time and for any reason.

SECTION 11. DURATION AND AMENDMENTS.

(a) Term of the Plan. The Plan, as set forth herein, shall become

effective on March 5, 1990 subject to the approval of the Company's shareholders. In the event that the shareholders fail to approve the Plan within 12 months after its adoption by the Board of Directors, any Option grants already made shall be null and void, and no additional Option grants shall be made after such date. The Plan shall terminate automatically 10 years after its adoption by the Board of Directors and may be terminated on any earlier date pursuant to Subsection (b) below.

(b) Right to Amend or Terminate the Plan. The Board of Directors may

amend, suspend or terminate the Plan at any time and for any reason; provided, however, that any amendment of the Plan which increases the number of Shares available for issuance under the Plan (except as provided in Section 8), or which materially changes the class of persons who are eligible for the grant of ISOs, shall be subject to the approval of the Company's shareholders. Shareholder approval shall not be required for any other amendment of the Plan.

(c) Effect of Amendment or Termination. No Shares shall be issued or

sold under the Plan after the termination thereof, except upon exercise of an Option granted prior to such termination. The termination of the Plan, or any amendment thereof, shall not affect any Option previously granted under the Plan.

SECTION 12. EXECUTION.

To record the adoption of the Plan by the Board of Directors on March 5, 1990, the Company has caused its authorized officer to execute the same.

Etec Systems, Inc.

By /s/ Stephen E. Cooper

Chief Executive Officer

AMENDMENT NO. 1 TO THE
ETEC SYSTEMS, INC.
1990 EMPLOYEE STOCK OPTION PLAN

ETEC SYSTEMS, INC., having established the Etec Systems, Inc. 1990 Employee Stock Option Plan (the "Plan"), hereby amends the Plan, effective as of March 29, 2000 as follows:

1. Section 11 of the Plan is hereby amended in its entirety as follows:

SECTION 11. TERM OF THE PLAN. In connection with the merger

(the "Merger") of Etec Systems, Inc. ("Etec") and Boston Acquisition Sub, Inc. ("Boston"), a Nevada corporation and a wholly-owned subsidiary of Applied Materials, Inc. ("AMAT"), Options previously granted to Optionees under the Plan that remain outstanding as of March 29, 2000 (the "Outstanding Options"), have been modified pursuant to the Agreement and Plan of Reorganization and Merger dated as of January 12, 2000 (the "Merger Agreement"), among Etec, Boston and AMAT, so as to be exercisable only into shares of common stock of AMAT, par value \$0.01 per share (the "Stock"), all as set forth in the Merger Agreement and subject to its terms and conditions. Effective as of March 29, 2000, except with respect to the Outstanding Options, the Plan is terminated. Accordingly no Shares remain available for future grant under the Plan, other than pursuant to the Outstanding Options.

2. Section 2.(c) of the Plan is amended in its entirety as follows:

2.(c) "Committee" shall mean the Stock Option and Compensation

Committee of the Board of Directors of AMAT.

3. Section 2.(o) of the Plan is amended in its entirety as follows:

2.(o) "Stock" shall mean the Common Stock of Applied Materials,

Inc., a Delaware company.

4. Section 3.(a) and 3.(b) are hereby amended in their entirety to read as follows, and each remaining provision in Section 3 shall be renumbered accordingly:

3.(a) Administration. The Plan shall be administered by the Stock

Option and Compensation Committee of the Board of Directors of AMAT. As used throughout this Plan, the "Board" and "Committee" shall mean the Stock Option and Compensation Committee of the Board of Directors of AMAT.

5. Section 4 is hereby amended in its entirety to read as follows:

SECTION 4. NO FURTHER OPTION GRANTS. Effective March 29, 2000,

except with respect to the Outstanding Options, the Plan is terminated. Accordingly, no further Options shall be granted under the Plan. Optionees holding Outstanding Options may continue to exercise such Outstanding Options in accordance with their terms, subject to the terms and conditions of the Merger Agreement.

6. Section 5 is hereby amended in its entirety to read as follows:

SECTION 5. STOCK SUBJECT TO PLAN. AMAT has reserved such number

of Shares as are necessary to satisfy the Outstanding Options.

7. Section 12 is hereby amended by changing its title to "Execution

and Termination" and by adding the following sentence to the end thereto

to read as follows:

Except with respect to the Outstanding Options, the Plan shall terminate effective as of March 29, 2000.

IN WITNESS WHEREOF, Etec Systems, Inc., by the officer identified below, who has been duly authorized by the Board of Directors of the Company, has executed this Amendment No. 1 on the date indicated below.

ETEC SYSTEMS, INC.

By: _____

Title: _____

Date: _____

1990 EXECUTIVE STOCK PLAN OF ETEC
-----SECTION 1. ESTABLISHMENT AND PURPOSE.

The Plan was established in 1990 to offer selected employees, directors and consultants an opportunity to acquire a proprietary interest in the success of the Company, or to increase such interest, by purchasing Shares of the Company's Common Stock. The Plan provides both for the direct sale of Shares and for the grant of Options to purchase Shares. Options granted under the Plan may include Nonstatutory Options as well as ISOs intended to qualify under section 422A of the Code.

SECTION 2. DEFINITIONS.

(a) "Board of Directors" shall mean the Board of Directors of the Company, as constituted from time to time.

(b) "Cause" shall mean any acts committed by an Executive involving fraud or misappropriation with respect to the business of the Company or intentional material damage to the property or business of the Company, willful failure by an Executive to perform reasonable duties and responsibilities after written notice thereof from the Board of Directors and a reasonable opportunity after such notice to perform such duties and responsibilities, willful malfeasance or misfeasance or willful breach of fiduciary duty or willful material misrepresentation to the Company or any stockholder, willful failure to act in accordance with any specific reasonable and lawful instructions of a majority of the Board of Directors of the Company, conviction of an Executive of a felony, the willful violation by an Executive of any noncompetition agreement between such Executive and the Company, improper disclosure of confidential information to any competitor of the Company, or termination in accordance with applicable law due to habitual abuse by an Executive of alcohol, drugs, or controlled substances.

(c) "Code" shall mean the Internal Revenue Code of 1986, as amended.

(d) "Committee" shall mean the Compensation Committee of the Board of Directors, as described in Section 3(a).

(e) "Company" shall mean ETEC, a Nevada corporation.

(f) "Executive" shall mean any individual who (i) is a common-law employee of the Company or of a Subsidiary, (ii) a member of the Board of Directors, or (iii) an independent contractor who performs services for the Company or a Subsidiary. Service as a member of the

Board of Directors or as an independent contractor shall be considered employment for all purposes of the Plan except the second sentence of Section 4(a).

(g) "Exercise Price" shall mean the amount for which one Share may

be purchased upon exercise of an Option, as specified by the Committee in the applicable Stock Option Agreement.

(h) "Fair Market Value" shall mean the fair market value of a

Share, as determined by the Committee in good faith. Such determination shall be conclusive and binding on all persons.

(i) "ISO" shall mean an employee incentive stock option described

in section 422A(b) of the Code.

(j) "Nonstatutory Option" shall mean an employee stock option not

described in sections 422(b), 422A(b), 423(b) or 424(b) of the Code.

(k) "Offeree" shall mean an individual to whom the Committee has

offered the right to acquire Shares under the Plan (other than upon exercise of an Option).

(l) "Operating Income" shall mean the Company's income from

operations before other charges, interest and taxes.

(m) "Option" shall mean an ISO or Nonstatutory Option granted under

the Plan and entitling the holder to purchase Shares.

(n) "Optionee" shall mean an individual who holds an Option.

(o) "Plan" shall mean this 1990 Executive Stock Plan of ETEC.

(p) "Purchase Price" shall mean the consideration for which one

Share may be acquired under the Plan (other than upon exercise of an Option), as specified by the Committee.

(q) "Service" shall mean service as an Executive.

(r) "Share" shall mean one share of Stock, as adjusted in

accordance with Section 9 (if applicable).

(s) "Shareholders Agreement" shall mean that certain Shareholders

Agreement by and among the Company, The Perkin-Elmer Corporation, International Business Machines Corporation, DuPont Chemicals and Energy Operations, Inc., Grumman Aerospace Corporation, Micron Technology, Inc., Zitel Corporation and the Management Investors, dated as of March 16, 1990.

(t) "Stock" shall mean the Common Stock of the Company.

(u) "Stock Option Agreement" shall mean the agreement between the

Company and an Optionee which contains the terms, conditions and restrictions pertaining to his Option.

(v) "Stock Purchase Agreement" shall mean the agreement between

the Company and an Offeree who acquires Shares under the Plan which contains the terms, conditions and restrictions pertaining to the acquisition of such Shares.

(w) "Subsidiary" shall mean any corporation, if the Company and/or

one or more other Subsidiaries own not less than 50 percent of the total combined voting power of all classes of outstanding stock of such corporation. A corporation that attains the status of a Subsidiary on a date after the adoption of the Plan shall be considered a Subsidiary commencing as of such date.

(x) "Total and Permanent Disability" shall mean that the Optionee

is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted, or can be expected to last, for a continuous period of not less than six months.

SECTION 3. ADMINISTRATION.

(a) Committee Membership. The Plan shall be administered by the

Committee, which shall consist of members of the Board of Directors. The members of the Committee shall be appointed by the Board of Directors. If no Committee has been appointed, the entire Board of Directors shall constitute the Committee.

(b) Committee Procedures. The Board of Directors shall designate

one of the members of the Committee as chairman. The Committee may hold meetings at such times and places as it shall determine. The acts of a majority of the Committee members present at meetings at which a quorum exists, or acts reduced to or approved in writing by all Committee members, shall be valid acts of the Committee.

(c) Committee Responsibilities. Subject to the provisions of the

Plan, the Committee shall have full authority and discretion to take the following actions:

(i) To interpret the Plan and to apply its provisions;

(ii) To adopt, amend or rescind rules, procedures and forms relating to the Plan;

(iii) To authorize any person to execute, on behalf of the Company, any instrument required to carry out the purposes of the Plan;

(iv) To determine when Shares are to be offered for sale and when Options are to be granted under the Plan;

(v) To select the Offerees and Optionees;

(vi) To determine the number of Shares to be offered to each Offeree or to be made subject to each option;

(vii) To prescribe the terms and conditions of each sale of Shares, including (without limitation) the Purchase Price, and to specify the provisions of the Stock Purchase Agreement relating to such sale;

(viii) To prescribe the terms and conditions of each Option, including (without limitation) the Exercise Price, to determine whether such Option is to be classified as an ISO or as a Nonstatutory Option, and to specify the provisions of the Stock Option Agreement relating to such Option;

(ix) To amend any outstanding Stock Purchase Agreement or Stock Option Agreement, subject to applicable legal restrictions and to the consent of the Offeree or Optionee who entered into such agreement; and

(x) To take any other actions deemed necessary or advisable for the administration of the Plan.

All decisions, interpretations and other actions of the Committee shall be final and binding on all Offerees, all Optionees, and all persons deriving their rights from an Offeree or Optionee. No member of the Committee shall be liable for any action that he has taken or has failed to take in good faith with respect to the Plan, any Option, or any right to acquire Shares under the Plan.

(d) Financial Reports. Not less often than annually, the Company

shall furnish to Optionees and Offerees reports of its financial condition, unless such Optionees and Offerees have access to equivalent information through their employment. Such reports need not be audited.

SECTION 4. ELIGIBILITY. -----

(a) General Rule. Only Executives shall be eligible for

designation as Optionees or Offerees by the Committee. In addition, only individuals who are employed as common-law employees by the Company or a Subsidiary shall be eligible for the grant of ISOs.

(b) Ten-Percent Shareholders. An Executive who owns more than 10

percent of the total combined voting power of all classes of outstanding stock of the Company or any of its Subsidiaries shall not be eligible for designation as an Optionee or Offeree unless (i) the Exercise Price or Purchase Price is at least 110 percent of the Fair Market Value of a Share on the date of grant and (ii) in the case of ISOs and Nonstatutory Options, such ISOs and Nonstatutory Options by their terms are not exercisable after the expiration of five years from the date of grant.

(c) Attribution Rules. For purposes of Subsection (b) above, in

determining stock ownership, an Executive shall be deemed to own the stock owned, directly or indirectly, by or for his brothers, sisters, spouse, ancestors and lineal descendants. Stock owned, directly or indirectly, by or for a corporation, partnership, estate or trust shall be deemed to be owned proportionately by or for

its shareholders, partners or beneficiaries. Stock with respect to which such Executive holds an option shall not be counted.

(d) Outstanding Stock. For purposes of Subsection (b) above,

"outstanding stock" shall include all stock actually issued and outstanding immediately after the grant. "Outstanding stock" shall not include shares authorized for issuance under outstanding options held by the Executive or by any other person.

SECTION 5. STOCK SUBJECT TO PLAN.

(a) Basic Limitation. Shares offered under the Plan shall be

authorized but unissued Shares or treasury stock. The aggregate number of Shares which may be issued under the Plan (upon exercise of Options or other rights to acquire Shares) shall not exceed 1,333,333.4 Shares, subject to adjustment pursuant to Section 9. The number of Shares which are subject to Options or other rights outstanding at any time under the Plan shall not exceed the number of Shares which then remain available for issuance under the Plan. The Company, during the term of the Plan, shall at all times reserve and keep available sufficient Shares to satisfy the requirements of the Plan.

(b) Additional Shares. In the event that any outstanding Option

(which has not been cancelled pursuant to Section 7(e) because performance targets have not been met) for any reason lapses or expires, the Shares allocable to the unexercised portion of such Option shall again be available for the purposes of the Plan. In the event that Shares are reacquired by the Company pursuant to a forfeiture provision, a right of repurchase, a right of first refusal or a transaction under Section 8(b), such Shares shall again be available for the purposes of the Plan.

SECTION 6. TERMS AND CONDITIONS OF SALES.

(a) Stock Purchase Agreement. Each sale of Shares under the Plan

(other than upon exercise of an Option) shall be evidenced by a Stock Purchase Agreement between the Offeree and the Company. Such sale shall be subject to all applicable terms and conditions of the Plan and may be subject to any other terms and conditions which are not inconsistent with the Plan and which the Committee deems appropriate for inclusion in a Stock Purchase Agreement. The provisions of the various Stock Purchase Agreements entered into under the Plan need not be identical.

(b) Duration of Offers and Nontransferability of Rights. Any

right to acquire Shares under the Plan (other than an Option) shall automatically expire if not exercised by the Offeree within 30 days after the grant of such right was communicated to him by the Committee. Such right shall not be transferable and shall be exercisable only by the Offeree to whom such right was granted.

(c) Purchase Price. The Purchase Price of Shares to be offered

under the Plan shall not be less than 100 percent of the Fair Market Value of such Shares, except as otherwise provided in Section 4(b). Subject to the preceding sentence, the Purchase Price shall be determined by the Committee at its sole discretion. The Purchase Price shall be payable in a form described in Section 8.

(d) Withholding Taxes. As a condition to the purchase of Shares,

the Offeree shall make such arrangements as the Committee may require for the satisfaction of any federal, state or local withholding tax obligations that may arise in connection with such purchase.

(e) Restrictions on Transfer of Shares. Any Shares sold under

the Plan shall be subject to such special forfeiture conditions, rights of repurchase, rights of first refusal and other transfer restrictions as the Committee may determine. As a condition to the transfer of Shares pursuant to the Plan, the Offeree shall enter into the Shareholders Agreement, in addition to any other agreement required by the applicable Stock Purchase Agreement and the restrictions set forth therein shall be in addition to any general restrictions that may apply to all holders of Shares.

SECTION 7. TERMS AND CONDITIONS OF OPTIONS.

(a) Stock Option Agreement. Each grant of an Option under the Plan

shall be evidenced by a Stock Option Agreement between the Optionee and the Company. Such Option shall be subject to all applicable terms and conditions of the Plan and may be subject to any other terms and conditions which are not inconsistent with the Plan and which the Committee deems appropriate for inclusion in a Stock Option Agreement. The provisions of the various Stock Option Agreements entered into under the Plan need not be identical.

(b) Number of Shares. Each Stock Option Agreement shall specify

the number of Shares that are subject to the Option and shall provide for the adjustment of such number in accordance with Section 9. The Stock Option Agreement shall also specify whether the Option is an ISO or a Nonstatutory Option.

(c) Exercise Price. Each Stock Option Agreement shall specify the

Exercise Price. The Exercise Price shall not be less than 100 percent of the Fair Market Value of a Share on the date of grant, except as otherwise provided in Section 4(b). Subject to the preceding sentence, the Exercise Price under any Option shall be determined by the Committee at its sole discretion. The Exercise Price shall be payable in a form described in Section 8.

(d) Withholding Taxes. As a condition to the exercise of an

Option, the Optionee shall make such arrangements as the Committee may require for the satisfaction of any federal, state or local withholding tax obligations that may arise in connection with such exercise. The Optionee shall also make such arrangements as the Committee may require for the satisfaction of any federal, state or local withholding tax obligations that may arise in connection with the disposition of Shares acquired by exercising an Option.

(e) Exercisability. Each Stock Option Agreement shall specify the

date when all or any installment of the Option is to become exercisable. An Option shall become exercisable at least as rapidly as set forth in Schedule A attached hereto. In the event that any performance target is not met as set forth in Schedule A, the related installment of the Option shall be cancelled unless the Committee determines, in its discretion, to modify, extend or renew the Option. Shares allocable to a cancelled installment of an Option shall not be available again for purposes of the Plan. All outstanding Options which have not previously been cancelled shall become exercisable in full 30

days prior to the effective date of (i) a transfer of ownership of outstanding stock of the Company possessing 80 percent or more of the total combined voting power of all classes of the Company's stock entitled to vote; (ii) a sale of all or substantially all of the Company's assets; or (iii) a merger, consolidation or other reorganization to which the Company is a party and as a result of which the persons who previously held the Company's voting stock collectively will hold less than 20 percent of the total combined voting power of all classes of the surviving entity's outstanding stock entitled to vote. Notwithstanding any other provision in this Plan, an Option shall not become exercisable by an Optionee until the Optionee has been in the Service of the Company or any Subsidiaries for at least six months from the date of grant.

(f) Term. The Stock Option Agreement shall also specify the term

of the Option. The term shall not exceed 10 years from the date of grant, except as otherwise provided in Section 4(b). Subject to the preceding sentence, the Committee at its sole discretion shall determine when an Option is to expire.

(g) Nontransferability. During an Optionee's lifetime, his

Option(s) shall be exercisable only by him and shall not be transferable. In the event of an Optionee's death, his Option(s) shall not be transferable other than by will or by the laws of descent and distribution.

(h) Termination of Service (Except for Cause or by Death). If an

Optionee's Service terminates for any reason other than Cause or death, then his Option(s) shall expire on the earliest of the following occasions:

(i) The expiration date determined pursuant to Subsection (f) above;

(ii) The date 60 days after the termination of his Service for any reason other than Total and Permanent Disability; or

(iii) The date six months after the termination of his Service by reason of Total and Permanent Disability.

The Optionee may exercise all or part of his Option(s) at any time before the expiration of such Option(s) under the preceding sentence, but only to the extent that such Option(s) had become exercisable before his Service terminated or became exercisable as a result of the termination. The balance of such Option(s) shall lapse when the Optionee's Service terminates. In the event that the Optionee dies after the termination of his Service but before the expiration of his Option(s), all or part of such Option(s) may be exercised (prior to expiration) by the executors or administrators of the Optionee's estate or by any person who has acquired such Option(s) directly from him by bequest or inheritance, but only to the extent that such Option(s) had become exercisable before his Service terminated or became exercisable as a result of the termination.

(i) Leaves of Absence. For purposes of Subsection (h) above,

Service shall be deemed to continue while the Optionee is on military leave, sick leave or other bona fide leave of absence (as determined by the Committee). The foregoing notwithstanding, in the case of an ISO

granted under the Plan, Service shall not be deemed to continue beyond the first 90 days of such leave, unless the Optionee's reemployment rights are guaranteed by statute or by contract.

(j) Termination for Cause. In the event that an Optionee's Service

is terminated for Cause, the Optionee's Options shall expire automatically on the date of such termination.

(k) Death of Optionee. If an Optionee dies while he is in Service,

then his Option(s) shall expire on the earlier of the following dates:

(i) The expiration date determined pursuant to Subsection (f)

above; or

(ii) The date six months after his death.

All or part of the Optionee's option(s) may be exercised at any time before the expiration of such Option(s) under the preceding sentence by the executors or administrators of his estate or by any person who has acquired such Option(s) directly from him by bequest or inheritance, but only to the extent that such Option(s) had become exercisable before his death or became exercisable as a result of his death. The balance of such Option(s) shall lapse when the Optionee dies.

(l) No Rights as a Shareholder. An Optionee, or a transferee of an

Optionee, shall have no rights as a shareholder with respect to any Shares covered by his Option until the date of the issuance of a stock certificate for such Shares.

(m) Modification, Extension and Renewal of Options. Within the

limitations of the Plan, the Committee may modify, extend or renew outstanding Options or may accept the cancellation of outstanding Options (to the extent not previously exercised) in return for the grant of new Options at the same or a different price. The foregoing notwithstanding, no modification of an Option shall, without the consent of the Optionee, impair his rights or increase his obligations under such Option.

(n) Restrictions on Transfer of Shares. Any Shares issued upon

exercise of an Option shall be subject to such special forfeiture conditions, rights of repurchase, rights of first refusal and other transfer restrictions as the Committee may determine. As a condition to the exercise of an Option pursuant to the Plan, the Optionee shall enter into the Shareholders Agreement, in addition to any other agreement required by the applicable Stock Option Agreement and restrictions set forth therein shall be in addition to any general restrictions that may apply to all holders of Shares.

SECTION 8. PAYMENT FOR SHARES.

(a) General Rule. The entire Purchase Price or Exercise Price of

Shares issued under the Plan shall be payable in cash at the time when such Shares are purchased, except as provided in Subsections (b) and (c) below.

(b) Surrender of Stock. To the extent that a Stock Option

Agreement or the Stock Option Agreement, as the case may be, so provides, payment may be made all or in part with Shares which have already been owned by the Optionee or his representative for more than 6 months and which are surrendered to the Company in good form for transfer. Such Shares shall be valued at their Fair Market Value on the date when the new Shares are purchased under the Plan.

(c) Promissory Note. To the extent that the Stock Purchase

Agreement or the Stock Option Agreement, as the case may be, so provides, a portion of the Purchase Price or the Exercise Price, as the case may be, for Shares issued under the Plan may be payable by a full recourse promissory note provided that (i) the par value of such shares must be paid in lawful money of the United States of America at the time when such shares are purchased, (ii) the Shares are security for payment of the principal amount of the promissory note and interest thereon, and (iii) the interest rate payable under the terms of the promissory note shall be no less than the minimum rate (if any) required to avoid the imputation of additional interest under the Code. Subject to the foregoing, the Committee (at its sole discretion) shall specify the term, interest rate, amortization requirements (if any), and other provisions of such note.

SECTION 9. ADJUSTMENT OF SHARES.

(a) General. In the event of a subdivision of the outstanding

Stock, a declaration of a dividend payable in Shares, a declaration of a dividend payable in a form other than Shares in an amount that has a material effect on the value of Shares, a combination or consolidation of the outstanding Stock (by reclassification or otherwise) into a lesser number of Shares, a recapitalization or a similar occurrence, the Committee shall make appropriate adjustments in one or more of (i) the number of Shares available for future grants under Section 5, (ii) the number of Shares covered by each outstanding Option or (iii) the Exercise Price under each outstanding Option.

(b) Reorganizations. In the event that the Company is a party to

a merger or other reorganization, outstanding Options shall be subject to the agreement of merger or reorganization. Such agreement shall provide for the assumption of outstanding Options by the surviving corporation or its parent, for their continuation by the Company (if the Company is a surviving corporation), for payment of a cash settlement equal to the difference between the amount to be paid for one Share under such agreement and the Exercise Price, or for the acceleration of their exercisability followed by the cancellation of Options not exercised, in all cases without the Optionees' consent. Any cancellation shall not occur earlier than 30 days after such acceleration is effective and Optionees have been notified of such acceleration.

(c) Reservation of Rights. Except as provided in this Section 9,

an Optionee or Offeree shall have no rights by reason of any subdivision or consolidation of shares of stock of any class, the payment of any dividend or any other increase or decrease in the number of shares of stock of any class. Any issue by the Company of shares of stock of any class, or securities convertible into shares of stock of any class, shall not affect, and no adjustment by reason thereof shall be made with respect to, the number or Exercise Price of Shares subject to an Option. The grant of an Option pursuant to the Plan shall not affect in any way the right or power of the Company to make

adjustments, reclassifications, reorganizations or changes of its capital or business structure, to merge or consolidate or to dissolve, liquidate, sell or transfer all or any part of its business or assets.

SECTION 10. LEGAL REQUIREMENTS.

Shares shall not be issued under the Plan unless the issuance and delivery of such Shares complies with (or is exempt from) all applicable requirements of law, including (without limitation) the Securities Act of 1933, as amended, the rules and regulations promulgated thereunder, state securities laws and regulations, and the regulations of any stock exchange on which the Company's securities may then be listed.

SECTION 11. NO EMPLOYMENT RIGHTS.

No provision of the Plan, nor any right or Option granted under the Plan, shall be construed to give any person any right to become, to be treated as, or to remain an Executive. The Company and its Subsidiaries reserve the right to terminate any person's Service at any time and for any reason.

SECTION 12. DURATION AND AMENDMENTS.

(a) Term of the Plan. The Plan, as set forth herein, shall become

effective on March 5, 1990, subject to the approval of the Company's shareholders. In the event that the shareholders fail to approve the Plan within 12 months after its adoption by the Board of Directors, any Option grants or sales of Stock already made shall be null and void, and no additional Option grants or sales of Stock shall be made after such date. The Plan shall terminate automatically 10 years after its adoption by the Board of Directors and may be terminated on any earlier date pursuant to Subsection (b) below.

(b) Right to Amend or Terminate the Plan. The Board of Directors

may amend, suspend or terminate the Plan at any time and for any reason; provided, however, that no amendment may decrease the number of Shares available for issuance under the Plan (except as provided in Section 9) or impose more stringent vesting provisions than those set forth in Schedule A; and provided, further, that any amendment of the Plan which increases the number of Shares available for issuance under the Plan (except as provided in Section 9), or which materially changes the class of persons who are eligible for the grant of ISOs, shall be subject to the approval of the Company's shareholders. Shareholder approval shall not be required for any other amendment of the Plan.

(c) Effect of Amendment or Termination. No Shares shall be issued

or sold under the Plan after the termination thereof, except upon exercise of an Option granted prior to such termination. The termination of the Plan, or any amendment thereof, shall not affect any Share previously issued or any Option previously granted under the Plan.

SECTION 13. EXECUTION.

To record the adoption of the Plan by the Board of Directors on March 5, 1990, the Company has caused its authorized officer to execute the same.

ETEC

By _____
Its President

SCHEDULE A

Performance Target	Date Option Becomes Exercisable	Percentage of Option Exercisable
Company Operating Income equal to or greater than zero for the fiscal year ending July 31, 1991 or if this target is not met, then the Company's Operating Income is at least \$9,500,000 for the fiscal year ending July 31, 1992	August 1, 1991 or August 1, 1992	33-1/3%
Company backlog of at least \$50,000,000 for the fiscal year ending July 31, 1992	August 1, 1992	33-1/3%
Customer acceptance of the first EL-4 pursuant to Technology Agreement with IBM prior to July 31, 1993	August 1, 1993	33-1/3%

In addition to the above performance targets, each installment of options will be exercisable only if the cash flow requirements contained in Section 7.14 of the Credit and Security Agreement among ETEC and MNC Credit Corp. for itself and certain other lenders dated February 23, 1990 are met on an annual, cumulative basis for the fiscal years ended July 31, 1991, 1992 and 1993 with respect to those options otherwise exercisable, respectively, as of the end of fiscal years 1991, 1992 and 1993. The Board may, at any time prior to the end of the respective fiscal year, waive the cash flow requirement for that year.

AMENDMENT NO. 1 TO THE
ETEC SYSTEMS, INC.
1990 EXECUTIVE STOCK PLAN

ETEC SYSTEMS, INC., having established the Etec Systems, Inc. 1990 Executive Stock Plan (the "Plan"), hereby amends the Plan, effective as of March 29, 2000 as follows:

1. Section 12 of the Plan is hereby amended in its entirety as follows:

SECTION 12. TERM OF THE PLAN. In connection with the merger

(the "Merger") of Etec Systems, Inc. ("Etec") and Boston Acquisition Sub, Inc. ("Boston"), a Nevada corporation and a wholly-owned subsidiary of Applied Materials, Inc. ("AMAT"), Options previously granted to Optionees under the Plan that remain outstanding as of March 29, 2000 (the "Outstanding Options"), have been modified pursuant to the Agreement and Plan of Reorganization and Merger dated as of January 12, 2000 (the "Merger Agreement"), among Etec, Boston and AMAT, so as to be exercisable only into shares of common stock of AMAT, par value \$0.01 per share (the "Stock"), all as set forth in the Merger Agreement and subject to its terms and conditions. Effective as of March 29, 2000, except with respect to the Outstanding Options, the Plan is terminated. Accordingly no Shares remain available for future grant under the Plan, other than pursuant to the Outstanding Options.

2. Section 2.(d) of the Plan is amended in its entirety as follows:

2.(d) "Committee" shall mean the Stock Option and Compensation

Committee of the Board of Directors of AMAT.

3. Section 2.(t) of the Plan is amended in its entirety as follows:

2.(t) "Stock" shall mean the Common Stock of Applied Materials,

Inc., a Delaware company.

4. Section 3.(a) is hereby amended in its entirety to read as follows:

3.(a) Administration. The Plan shall be administered by the

Stock Option and Compensation Committee of the Board of Directors of AMAT. As used throughout this Plan, the "Board" and "Committee" shall mean the Stock Option and Compensation Committee of the Board of Directors of AMAT.

5. Section 4 is hereby amended in its entirety to read as follows:

SECTION 4. NO FURTHER OPTION GRANTS. Effective March 29, 2000

except with respect to the Outstanding Options, the Plan is terminated. Accordingly, no further Options or offers to purchase Shares shall be granted under the Plan. Optionees holding Outstanding Options may continue to exercise such Outstanding Options in accordance with their terms, subject to the terms and conditions of the Merger Agreement.

6. Section 5 is hereby amended in its entirety to read as follows:

SECTION 5. STOCK SUBJECT TO PLAN. AMAT has reserved such

number of Shares as are necessary to satisfy the Outstanding Options.

7. Section 13 is hereby amended by changing its title to "Execution

and Termination" and by adding the following sentence to the end thereto to

read as follows:

Except with respect to the Outstanding Options, the Plan shall terminate effective as of March 29, 2000.

IN WITNESS WHEREOF, Etec Systems, Inc., by the officer identified below, who has been duly authorized by the Board of Directors of the Company, has executed this Amendment No. 1 on the date indicated below.

ETEC SYSTEMS, INC.

By: _____

Title: _____

Date: _____

1994 EMPLOYEE STOCK OPTION PLAN OF ETEC SYSTEMS, INC.
-----SECTION 1. ESTABLISHMENT AND PURPOSE.

The Plan was established in 1994 to offer selected employees, directors and consultants an opportunity to acquire a proprietary interest in the success of the Company, or to increase such interest, by purchasing Shares of the Company's Common Stock. The Plan provides for the grant of Options to purchase Shares. Options granted under the Plan may include Nonstatutory Options as well as ISOs intended to qualify under section 422 of the Code.

SECTION 2. DEFINITIONS.

- (a) "Board of Directors" shall mean the Board of Directors of the

Company, as constituted from time to time.
- (b) "Code" shall mean the Internal Revenue Code of 1986, as amended.

- (c) "Committee" shall mean the Compensation Committee of the Board of

Directors, as described in Section 3(a).
- (d) "Company" shall mean Etec Systems, Inc., a Nevada corporation.

- (e) "Disability" shall mean that the Optionee is unable to engage in

any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted, or can be expected to last, for a continuous period of not less than twelve months.
- (f) "Employee" shall mean any individual who is (i) a common-law

employee of the Company or of a Subsidiary, (ii) a member of the Board of Directors, or (iii) an independent contractor who performs services for the Company or a Subsidiary. Service as a member of the Board of Directors or as an independent contractor shall be considered employment for all purposes of the Plan except the second sentence of Section 4(a).
- (g) "Exercise Price" shall mean the amount for which one Share may be

purchased upon exercise of an Option, as specified by the Committee in the applicable Stock Option Agreement.
- (h) "Fair Market Value" shall mean the fair market value of a Share,

as determined by the Committee in good faith. Such determination shall be conclusive and binding on all persons.
- (i) "ISO" shall mean an employee incentive stock option described in

section 422(b) of the Code.

(j) "Nonstatutory option" shall mean an employee stock option not described in sections 422(b) or 423(b) of the Code.

(k) "Option" shall mean an ISO or Nonstatutory Option granted under the Plan and entitling the holder to purchase Shares.

(l) "Optionee" shall mean an individual who holds an Option.

(m) "Plan" shall mean this 1994 Employee Stock Option Plan of Etec Systems, Inc.

(n) "Service" shall mean service as an Employee.

(o) "Share" shall mean one share of Stock, as adjusted in accordance with Section 8 (if applicable).

(p) "Stock" shall mean the Common Stock of the Company.

(q) "Stock Option Agreement" shall mean the agreement between the Company and an Optionee which contains the terms, conditions and restrictions pertaining to his Option.

(r) "Subsidiary" shall mean any corporation, if the Company and/or one or more other Subsidiaries own not less than 50 percent of the total combined voting power of all classes of outstanding stock of such corporation. A corporation that attains the status of a Subsidiary on a date after the adoption of the Plan shall be considered a Subsidiary commencing as of such date.

SECTION 3. ADMINISTRATION.

(a) Committee Membership. The Plan shall be administered by the

Committee, which shall consist of members of the Board of Directors. The members of the Committee shall be appointed by the Board of Directors. If no Committee has been appointed, the entire Board of Directors shall constitute the Committee.

(b) Committee Procedures. The Board of Directors shall designate one

of the members of the Committee as chairman. The Committee may hold meetings at such times and places as it shall determine. The acts of a majority of the Committee members present at meetings at which a quorum exists, or acts reduced to and approved in writing by all Committee members, shall be valid acts of the Committee.

(c) Committee Responsibilities. Subject to the provisions of the

Plan, the Committee shall have full authority and discretion to take the following actions:

(i) To interpret the Plan and to apply its provisions;

(ii) To adopt, amend or rescind rules, procedures and forms relating to the Plan;

(iii) To authorize any person to execute, on behalf of the Company, any instrument required to carry out the purposes of the Plan;

(iv) To determine when Options are to be granted under the Plan;

(v) To select the Optionees;

(vi) To determine the number of Shares to be made subject to each Option;

(vii) To prescribe the terms and conditions of each Option, including (without limitation) the Exercise Price, to determine whether such Option is to be classified as an ISO or as a Nonstatutory Option, and to specify the provisions of the Stock Option Agreement relating to such Option;

(viii) To amend any outstanding Stock Option Agreement, subject to applicable legal restrictions and to the consent of the Optionee who entered into such agreement; and

(ix) To take any other actions deemed necessary or advisable for the administration of the Plan.

All decisions, interpretations and other actions of the Committee shall be final and binding on all Optionees and all persons deriving their rights from an Optionee. No member of the Committee shall be liable for any action that he has taken or has failed to take in good faith with respect to the Plan or any Option to acquire Shares under the Plan.

SECTION 4. ELIGIBILITY.

(a) General Rule. Only Employees shall be eligible for designation as

Optionees by the Committee. In addition, only individuals who are employed as common-law employees by the Company or a Subsidiary shall be eligible for the grant of ISOs.

(b) Ten-Percent Shareholders. An Employee who owns more than 10

percent of the total combined voting power of all classes of outstanding stock of the Company or any of its Subsidiaries shall not be eligible for designation as an Optionee unless (i) the Exercise Price is at least 110 percent of the Fair Market Value of a Share on the date of grant and (ii) in the case of an ISO, the Option granted by its term is not exercisable after the expiration of five years from the date of grant.

(c) Attribution Rules. For purposes of Subsection (b) above, in

determining stock ownership, an Employee shall be deemed to own the stock owned, directly or indirectly, by or for his brothers, sisters, spouse, ancestors and lineal descendants. Stock owned, directly or indirectly, by or for a corporation, partnership, estate or trust shall be deemed to be owned proportionately by or for its shareholders, partners or beneficiaries. Stock with respect to which such Employee holds an option shall not be counted.

(d) Outstanding Stock. For purposes of Subsection (b) above,

"outstanding stock" shall include all stock actually issued and outstanding immediately after the grant. "Outstanding stock" shall not include shares authorized for issuance under outstanding options held by the Employee or by any other person.

SECTION 5. STOCK SUBJECT TO PLAN.

(a) Basic Limitation. Shares offered under the Plan shall be

authorized but unissued Shares and treasury stock. The aggregate number of Shares which may be issued under the Plan shall not exceed 448,374 Shares, subject to adjustment pursuant to Section 8. The number of Shares which are subject to Options outstanding at any time under the Plan shall not exceed the number of Shares which then remain available for issuance under the Plan. The Company, during the term of the Plan, shall at all times reserve and keep available sufficient Shares to satisfy the requirements of the Plan.

(b) Additional Shares. In the event that any outstanding Option for

any reason expires or is cancelled or otherwise terminated, the Shares allocable to the unexercised portion of such Option shall again be available for the purposes of the Plan. In the event that Shares issued under the Plan are reacquired by the Company pursuant to a forfeiture provision, a right of repurchase, a right of first refusal or a transaction under Section 7(b), such Shares shall again be available for the purposes of the Plan.

SECTION 6. TERMS AND CONDITIONS OF OPTIONS.

(a) Stock Option Agreement. Each grant of an Option under the Plan

shall be evidenced by a Stock Option Agreement between the Optionee and the Company. Such Option shall be subject to all applicable terms and conditions of the Plan and may be subject to any other terms and conditions which are not inconsistent with the Plan and which the Committee deems appropriate for inclusion in a Stock Option Agreement. The provisions of the various Stock Option Agreements entered into under the Plan need not be identical.

(b) Number of Shares. Each Stock Option Agreement shall specify the

number of Shares that are subject to the Option and shall provide for the adjustment of such number in accordance with Section 8. The Stock Option Agreement shall also specify whether the Option is an ISO or a Nonstatutory Option.

(c) Exercise Price. Each Stock Option Agreement shall specify the

Exercise Price. The Exercise Price shall not be less than 100 percent of the Fair Market Value of a Share on the date of grant, and, if applicable, shall be subject to the additional limitation provided in Section 4(b). Subject to the preceding sentence, the Exercise Price under any Option shall be determined by the Committee at its sole discretion. The Exercise Price shall be payable in a form described in Section 7.

(d) Withholding Taxes. As a condition to the exercise of an Option,

the Optionee shall make such arrangements as the Committee may require for the satisfaction of any federal, state

or local withholding tax obligations that may arise in connection with such exercise. The Optionee shall also make such arrangements as the Committee may require for the satisfaction of any federal, state or local withholding tax obligations that may arise in connection with the disposition of Shares acquired by exercising an Option.

(e) Exercisability and Term. Each Stock Option Agreement shall

specify the date when all or any installment of the Option is to become exercisable. An Option shall become exercisable at least as rapidly as set forth in the following schedule:

<u>Anniversary of Date of Grant</u>	<u>Minimum Percentage Exercisable</u>
First.....	20%
Second.....	40%
Third.....	60%
Fourth.....	80%
Fifth.....	100%

Subject to the preceding sentence, the vesting of any Option shall be determined by the Committee at its sole discretion. The Stock Option Agreement shall also specify the term of the Option. The term shall not exceed 10 years from the date of grant, except as otherwise provided in Section 4(b). Subject to the preceding sentence, the Committee at its sole discretion shall determine when an Option is to expire.

(f) Nontransferability. During an Optionee's lifetime, his Option(s)

shall be exercisable only by him and shall not be transferable. In the event of an Optionee's death, his Option(s) shall not be transferable other than by will or by the laws of descent and distribution.

(g) Termination of Service (Except by Death). If an Optionee's

Service terminates for any reason other than his death, then his Option(s) shall expire on the earliest of the following occasions:

(i) The expiration date determined pursuant to Subsection (e) above;

(ii) The date 60 days after the termination of his Service for any reason other than Disability; or

(iii) The date six months after the termination of his Service by reason of Disability.

The Optionee may exercise all or part of his Option(s) at any time before the expiration of such Option(s) under the preceding sentence, but only to the extent that such Option(s) had become exercisable before his Service terminated or became exercisable as a result of the termination. The balance of such Option(s) shall lapse when the Optionee's Service terminates. In the event that the

Optionee dies after the termination of his Service but before the expiration of his Option(s), all or part of such Option(s) may be exercised (prior to expiration) by the executors or administrators of the Optionee's estate or by any person who has acquired such Option(s) directly from him by bequest or inheritance, but only to the extent that such Option(s) had become exercisable before his Service terminated or became exercisable as a result of the termination.

(h) Leaves of Absence. For purposes of Subsection (g) above, Service

shall be deemed to continue while the Optionee is on military leave, sick leave or other bona fide leave of absence (as determined by the Committee). The foregoing notwithstanding, in the case of an ISO granted under the Plan, Service shall not be deemed to continue beyond the first 90 days of such leave, unless the Optionee's reemployment rights are guaranteed by statute or by contract.

(i) Death of Optionee. If an Optionee dies while he is in Service,

then his Option(s) shall expire on the earlier of the following dates:

(i) The expiration date determined pursuant to Subsection (e) above; or

(ii) The date six months after his death.

All or part of the Optionee's Option(s) may be exercised at any time before the expiration of such Option(s) under the preceding sentence by the executors or administrators of his estate or by any person who has acquired such Option(s) directly from him by bequest or inheritance, but only to the extent that such Option(s) had become exercisable before his death or became exercisable as a result of his death. The balance of such Option(s) shall lapse when the Optionee dies.

(j) No Rights as a Shareholder. An Optionee, or a transferee of an

Optionee, shall have no rights as a shareholder with respect to any Shares covered by his Option until the date of the issuance of a stock certificate for such Shares. No adjustments shall be made, except as provided in Section 8.

(k) Modification, Extension and Renewal of Options. Within the

limitations of the Plan, the Committee may modify, extend or renew outstanding Options or may accept the cancellation of outstanding Options (to the extent not previously exercised) in return for the grant of new Options at the same or a different price. The foregoing notwithstanding, no modification of an Option shall, without the consent of the Optionee, impair his rights or increase his obligations under such Option.

(l) Restrictions on Transfer of Shares. Any Shares issued upon

exercise of an Option shall be subject to such special forfeiture conditions, rights of repurchase, rights of first refusal and other transfer restrictions as the Committee may determine. Such restrictions shall be set forth in the applicable Stock Option Agreement or in any agreement referred to therein and shall apply in addition to any general restrictions that may apply to all holders of Shares. Any service-based vesting conditions shall not be less rapid than the schedule set forth in Subsection (e) above.

SECTION 7. PAYMENT FOR SHARES.

(a) General Rule. The entire Exercise Price of Shares issued under

the Plan shall be payable in cash at the time when such Shares are purchased, except as provided in Subsection (b) below.

(b) Surrender of Stock. To the extent that a Stock Option Agreement

so provides, payment may be made all or in part with Shares which have already and which are surrendered to the Company in good form for transfer. Such Shares shall be valued at their Fair Market Value on the date when the new Shares are purchased under the Plan.

SECTION 8. ADJUSTMENT OF SHARES.

(a) General. In the event of a subdivision of the outstanding Stock,

a declaration of a dividend payable in Shares, a declaration of a dividend payable in a form other than Shares in an amount that has a material effect on the value of Shares, a combination or consolidation of the outstanding Stock (by reclassification or otherwise) into a lesser number of Shares, a recapitalization or a similar occurrence, the Committee shall make appropriate adjustments in one or more of (i) the number of Shares available for future grants under Section 5, (ii) the number of Shares covered by each outstanding Option or (iii) the Exercise Price under each outstanding Option.

(b) Reorganizations. In the event that the Company is a party to a

merger or other reorganization, outstanding Options shall be subject to the agreement of merger or reorganization. Such agreement shall provide for the assumption of outstanding Options by the surviving corporation or its parent or for their continuation by the Company (if the Company is a surviving corporation); provided, however, that if assumption or continuation of the outstanding Options is not provided by said agreement, then the Committee shall have the option of offering the payment of a cash settlement equal to the difference between the amount to be paid for one Share under such agreement and the Exercise Price, in all cases without the Optionees' consent.

(c) Reservation of Rights. Except as provided in this Section 8, an

Optionee shall have no rights by reason of any subdivision or consolidation of shares of stock of any class, the payment of any dividend or any other increase or decrease in the number of shares of stock of any class. Any issue by the Company of shares of stock of any class, or securities convertible into shares of stock of any class, shall not affect, and no adjustment by reason thereof shall be made with respect to, the number or Exercise Price of Shares subject to an Option. The grant of an Option pursuant to the Plan shall not affect in any way the right or power of the Company to make adjustments, reclassifications, reorganizations or changes of its capital or business structure, to merge or consolidate or to dissolve, liquidate, sell or transfer all or any part of its business or assets.

SECTION 9. LEGAL REQUIREMENTS.

Shares shall not be issued under the Plan unless the issuance and delivery of such Shares complies with (or is exempt from) all applicable requirements of law, including (without limitation) the Securities Act of 1933, as amended, the rules and regulations promulgated thereunder, state

securities laws and regulations, and the regulations of any stock exchange on which the Company's securities may then be listed.

SECTION 10. NO EMPLOYMENT RIGHTS.

No provision of the Plan, nor any right or Option granted under the Plan, shall be construed to give any person any right to become, to be treated as, or to remain an Employee. The Company and its Subsidiaries reserve the right to terminate any person's Service at any time and for any reason.

SECTION 11. DURATION AND AMENDMENTS.

(a) Term of the Plan. The Plan, as set forth herein, shall become

effective on June 7, 1994 subject to the approval of the Company's shareholders. In the event that the shareholders fail to approve the Plan within 12 months after its adoption by the Board of Directors, any Option grants already made shall be null and void, and no additional Option grants shall be made after such date. The Plan shall terminate automatically 10 years after its adoption by the Board of Directors and may be terminated on any earlier date pursuant to Subsection (b) below.

(b) Right to Amend or Terminate the Plan. The Board of Directors may

amend, suspend or terminate the Plan at any time and for any reason; provided, however, that any amendment of the Plan which increases the number of Shares available for issuance under the Plan (except as provided in Section 8), or which materially changes the class of persons who are eligible for the grant of ISOs, shall be subject to the approval of the Company's shareholders. Shareholder approval shall not be required for any other amendment of the Plan.

(c) Effect of Amendment or Termination. No Shares shall be issued or

sold under the Plan after the termination thereof, except upon exercise of an Option granted prior to such termination. The termination of the Plan, or any amendment thereof, shall not affect any Option previously granted under the Plan.

SECTION 12. EXECUTION.

To record the adoption of the Plan by the Board of Directors on June 7, 1994, the Company has caused its authorized officer to execute the same.

Etec Systems, Inc.

By /s/ Stephen E. Cooper

Chief Executive Officer

AMENDMENT NO. 1 TO THE
ETEC SYSTEMS, INC.
1994 EMPLOYEE STOCK OPTION PLAN

ETEC SYSTEMS, INC., having established the Etec Systems, Inc. 1994 Employee Stock Option Plan (the "Plan"), hereby amends the Plan, effective as of March 29, 2000 as follows:

1. Section 11 of the Plan is hereby amended in its entirety as follows:

SECTION 11. TERM OF THE PLAN. In connection with the merger

(the "Merger") of Etec Systems, Inc. ("Etec") and Boston Acquisition Sub, Inc. ("Boston"), a Nevada corporation and a wholly-owned subsidiary of Applied Materials, Inc. ("AMAT"), Options previously granted to Optionees under the Plan that remain outstanding as of March 29, 2000 (the "Outstanding Options"), have been modified pursuant to the Agreement and Plan of Reorganization and Merger dated as of January 12, 2000 (the "Merger Agreement"), among Etec, Boston and AMAT, so as to be exercisable only into shares of common stock of AMAT, par value \$0.01 per share (the "Stock"), all as set forth in the Merger Agreement and subject to its terms and conditions. Effective as of March 29, 2000, except with respect to the Outstanding Options, the Plan is terminated. Accordingly no Shares remain available for future grant under the Plan, other than pursuant to the Outstanding Options.

2. Section 2.(c) of the Plan is amended in its entirety as follows:

2.(c) "Committee" shall mean the Stock Option and Compensation

Committee of the Board of Directors of AMAT.

3. Section 2.(p) of the Plan is amended in its entirety as follows:

2.(p) "Stock" shall mean the Common Stock of Applied Materials,

Inc., a Delaware company.

4. Section 3.(a) and 3.(b) are hereby amended in their entirety to read as follows, and each remaining provision in Section 3 shall be renumbered accordingly:

3.(a) Administration. The Plan shall be administered by the

Stock Option and Compensation Committee of the Board of Directors of AMAT. As used throughout this Plan, the "Board" and "Committee" shall mean the Stock Option and Compensation Committee of the Board of Directors of AMAT.

5. Section 4 is hereby amended in its entirety to read as follows:

SECTION 4. NO FURTHER OPTION GRANTS. Effective March 29, 2000,

except with respect to the Outstanding Options, the Plan is terminated. Accordingly, no further Options shall be granted under the Plan. Optionees holding Outstanding Options may continue to exercise such Outstanding Options in accordance with their terms, subject to the terms and conditions of the Merger Agreement.

6. Section 5 is hereby amended in its entirety to read as follows:

SECTION 5. STOCK SUBJECT TO PLAN. AMAT has reserved

such number of Shares as are necessary to satisfy the Outstanding Options.

7. Section 12 is hereby amended by changing its title to "Execution

and Termination" and by adding the following sentence to the end thereto to read

as follows:

Except with respect to the Outstanding Options, the Plan shall terminate effective as of March 29, 2000.

IN WITNESS WHEREOF, Etec Systems, Inc., by the officer identified below, who has been duly authorized by the Board of Directors of the Company, has executed this Amendment No. 1 on the date indicated below.

ETEC SYSTEMS, INC.

By: _____

Title: _____

Date: _____

1995 DIRECTORS' STOCK OPTION PLAN
OF ETEC SYSTEMS, INC.

SECTION 1. ESTABLISHMENT AND PURPOSE.

The Plan was adopted by the Board on March 7, 1995, subject to approval by the Company's stockholders at the Annual Meeting of Stockholders on September 12, 1995. The purpose of the Plan is to promote the long-term success of the Company by (a) encouraging Non-employee Directors to focus on critical long-range objectives, (b) encouraging the attraction and retention of Non-employee Directors with exceptional qualifications and (c) linking Non-employee Directors directly to stockholder interests through increased stock ownership. The Plan seeks to achieve this purpose by providing for the grant of Non-statutory options to purchase shares of Common Stock.

SECTION 2. DEFINITIONS.

- (a) "Board of Directors" shall mean the Board of Directors of the

Company, as constituted from time to time.
- (b) "Code" shall mean the internal Revenue Code of 1986, as amended.

- (c) "Company" shall mean Etec Systems, Inc., a Nevada Corporation, or

any successor.
- (d) "Exchange Act" shall mean the Securities and Exchange Act of

1934, as amended.
- (e) "Exercise Price" shall mean the amount for which one Share may be

purchased upon exercise of an Option, as specified in Section 5(c) and in the applicable Stock Option Agreement.
- (f) "Fair Market Value" shall mean (a) the closing price of a share

of Common Stock on the principal exchange on which the shares are trading, on the day on which the Fair Market Value is determined, or (b) if the shares of Common Stock are not traded on an exchange but are quoted on NASDAQ or a successor quotation system, the closing price on the day on which the Fair Market Value is determined, or (c) if the shares are not traded on an exchange or quoted on the NASDAQ or a successor quotation system, the Fair Market Value of a share, as determined by the Committee in good faith.
- (g) "Non-employee Director" shall mean a member of the Board of

Directors (i) who is not and has never been an employee (within the meaning or section 3401(c) of the Code and the regulations thereunder) (A) of the Company, (B) of a Subsidiary of the Company or (C) of

an affiliate of the Company the meaning of the Securities Act of 1933) and (ii) who is not prohibited under the terms of his or her employment from accepting the Options granted under this Plan.

(h) "Non-statutory Option" shall mean a stock option not described

in section 422(b) or 423(b) of the Code.

(i) "Option" shall mean a Non-statutory Option granted under the

Plan and entitling the holder to purchase Shares.

(j) "Optionee" shall mean an individual who holds an Option.

(k) "Plan" shall mean this 1995 Directors' Stock Option Plan of Etec

Systems, Inc., as amended pursuant to Section 8(b).

(l) "Service" shall mean service as a Non-Employee Director.

(m) "Share" shall mean one share of Stock, as adjusted in accordance

with Section 7 (if applicable).

(n) "Stock" shall mean the Common Stock of the Company.

(o) "Stock Option Agreement" shall mean the agreement between the

Company and an Optionee which, subject to this Plan, contains the terms,
conditions and restrictions pertaining to his or her Option.

(p) "Subsidiary" shall mean any corporation, if the Company and/or

one or more other Subsidiaries own not less than 50 percent of the total
combined voting power of all classes or outstanding stock of such corporation. A
corporation that attains the status of a Subsidiary on a date after the adoption
of the Plan shall be considered a Subsidiary commencing as of such date.

SECTION 3. ADMINISTRATION.

(a) Plan Administrator. The Plan shall be administered by the Board

of Directors.

(b) Board Responsibilities. Subject to the provisions of the Plan

and, as of any date that the Company becomes registered under Section 12 of the
Exchange Act, the Rule 16b-3 requirements for "formula plans," the Board of
Directors shall have full authority and discretion to take the following
actions:

(i) To interpret the Plan and to apply its provisions;

(ii) To adopt, amend or rescind rules, procedures and forms
relating to the Plan;

(iii) To authorize any person to execute, on behalf of the Company, any instrument required to carry out the purposes of the Plan; and

(iv) To take any other actions deemed necessary or advisable for the administration of the Plan.

All decisions, interpretations and other actions of the Board of Directors shall be final and binding on all Optionees and all other persons deriving their rights from an Optionee. No member of the Board of Directors shall be liable for any action that he or she has taken or has failed to take in good faith with respect to the Plan or any option.

SECTION 4. STOCK SUBJECT TO PLAN.

(a) Basic Limitation. Shares offered under the Plan shall be

treasury Shares or authorized but unissued Shares. Subject to adjustment pursuant to Section 7, a total of 200,000 Shares are subject to Options and are available for issuance under the Plan. The Company, during the term of the Plan, shall at all times reserve and keep available sufficient Shares to satisfy the purposes of the Plan.

(b) Additional Shares. In the event that any outstanding option for

any reason expires or is canceled or otherwise terminated, the Shares allocable to the unexercised portion of such Option shall again be available for the purposes of this Plan.

SECTION 5. TERMS AND CONDITIONS OF OPTIONS.

(a) Stock Option Agreement. Each grant of an Option shall be

evidenced by a Stock Option Agreement between the Optionee and the Company. Such Option shall be subject to all applicable terms and conditions of the Plan and may be subject to any other terms and conditions that are not inconsistent with the Plan and that the Board of Directors deems appropriate for inclusion in a Stock Option Agreement.

(b) Eligibility and Time of Grant. Each Non-employee Director who

was a member of the Board on March 7, 1995 shall receive an Option covering 8,000 Shares on such date. Thereafter, each such Non-employee Director shall receive an option covering 3,000 Shares on the date of each succeeding Annual Meeting of Stockholders, on which he or she serves as a member of the Board of Directors. Each Non-employee Director who first joins the Board of Directors after March 7, 1995 shall receive an Option covering 8,000 Shares as of the first business day of his or her election to the Board of Directors. Thereafter, such Non-employee Director shall receive an Option covering 3,000 shares, on the date of each succeeding Annual Meeting of Stockholders provided he or she serves as a member of the Board of Directors on such date. (The number of Shares included in an Option shall be subject to adjustment under Section 7).

(c) Exercise Price. The Exercise Price under each option shall be

100 percent of the Fair Market value of the Shares subject to such Option on the date when such Option is granted.

The entire Exercise Price of Shares issued under the Plan shall be payable in cash or by check when the Option is exercised, except as follows:

(i) Payment may be made with Shares that have already been owned by the Optionee for more than six months and that are surrendered to the Company (in good form for transfer) in payment of all or part of the Exercise Price and any withholding taxes. Such Shares shall be valued at their Fair Market Value on the date when the new Shares are purchased under the Plan.

(ii) As of any date that the Company becomes registered under Section 12 of the Exchange Act, payment may be made by the delivery (on a form prescribed by the Company) of an irrevocable direction to a securities broker approved by the Company to sell Shares and to deliver all or part of the sales proceeds to the Company in payment of all or part of the Exercise Price and any withholding taxes.

(iii) As of any date that the Company becomes registered under Section 12 of the Exchange Act, payment may be made by the delivery (on a form prescribed by the Company) of an irrevocable direction to pledge Shares to a securities broker or lender approved by the Company as security for a loan and to deliver all or part of the loan proceeds to the Company in payment of all or part of the Exercise Price and any withholding taxes.

(d) Vesting. Subject to the stockholder approval requirement of

Subsection (h) below, each Option shall become exercisable as follows:

(i) With respect to the Options covering 8,000 Shares, 4,000 Shares shall become exercisable one year from the date of grant and the remaining 4,000 Shares shall become exercisable on the second anniversary of the date of grant, if the Optionee remains in Service on such anniversary date.

(ii) With respect to the Options covering 3,000 Shares, such option shall become exercisable the day prior to the Annual Meeting of Stockholders next following the date of grant, or, if earlier, the 365th day after the last Annual Meeting of Stockholders.

(iii) Notwithstanding 5d(i) and (ii) above, all outstanding options shall immediately vest on the death or total disability of the Optionee.

Notwithstanding the Service conditions in Subparagraph (i) (a) or (i) (b), if an Optionee is not in Service on the anniversary date because of removal from the Board of Directors, any Shares scheduled to become exercisable on the vesting date next following his or her removal shall nonetheless become exercisable.

(e) Term of Options. Each Option shall expire on the 10th anniversary of

the date when such Option was granted.

(f) Termination of Service. If an Optionee's Service terminates for any

reason, then his or her Option shall expire one year from the date of termination. The Optionee may

exercise all or part of his or her option at any time before its expiration under the preceding sentence, but only to the extent that such Option is exercisable in accordance with Section 5(d). The unexercisable balance of such Option shall lapse. In the event that the Optionee's service terminates because of his or her death or the Optionee dies after the termination of his or her service, but before the expiration of his or her Option, all or part of such option may be exercised (prior to expiration) by the executors or administrators of the Optionee's estate or by any person who has acquired such option directly from him or her by bequest, inheritance or beneficiary designation, but only to the extent that such Option is exercisable in accordance with Section 5(d).

(g) Non-transferability. During an Optionee's lifetime, his or her

Option shall be exercisable only by him or her and shall be non-transferable. In the event of an Optionee's death, his or her Option shall not be transferable other than by bequest, inheritance or beneficiary designation.

(h) Stockholder Approval. Subsection (d) above notwithstanding, no

Option shall be exercisable under any circumstances unless and until the Company's stockholders have approved the Plan.

SECTION 6. MISCELLANEOUS PROVISIONS.

(a) No Rights as a Stockholder. An Optionee, or a transferee of an

Optionee, shall have no rights as a stockholder with respect to any Shares covered by his or her option until such Optionee or transferee is entitled, pursuant to the terms of the Plan, to receive such Shares. No adjustment shall be made except as provided in Section 7.

(b) Restrictions on Issuance of Shares. Shares shall not be issued

under the Plan unless the issuance and delivery of such Shares complies with (or is exempt from) all applicable requirements of law, including (without limitation) the Securities Act of 1933, as amended, the rules and regulations promulgated thereunder, state securities laws and regulations, and the regulations of any stock exchange on which the Company's securities may then be listed. The Company may impose restrictions upon the sale, pledge or other transfer of such Common Shares (including the placement of appropriate legends on stock certificates) if, in the judgment of the Company and its counsel, such restrictions are necessary or desirable in order to achieve compliance with the provisions of the Securities Act of 1933, as amended, the securities laws of any state or any other law.

(c) No Retention Rights. No provision of the Plan, nor any Option

granted under the Plan, shall be construed as giving any person the right to become or to be treated as a Non-employee Director or to remain a Non-employee Director.

SECTION 7. ADJUSTMENT OF SHARES.

(a) General. In the event of a subdivision of the outstanding Stock,

a declaration of a dividend payable in Shares, a declaration of a dividend payable in a form other than Shares in an amount that has a material effect on the value of Shares, a combination or consolidation of the outstanding Stock (by reclassification or otherwise) into a lesser number of Shares, a recapitalization

or a similar occurrence, the Board of Directors shall make appropriate adjustments in one or more of (i) the number of options available for future grants under Section 4, (ii) the number of Shares to be covered by each new Option under Section 5(d), (iii) the number of Shares covered by each outstanding Option or (iv) the Exercise Price under each outstanding Option.

(b) Reorganizations. In the event that the Company is a party to a

merger or consolidation, outstanding Options shall be subject to the agreement of merger or consolidation. Such agreement may provide, without limitation, for the assumption of outstanding Options by the surviving corporation or its parent, for their continuation by the Company (if the Company is a surviving corporation), for payment of a cash settlement equal to the difference between the amount to be paid for one Share under such agreement and the Exercise Price, or for the acceleration of their exercisability followed by the cancellation of Options not exercised, in all cases without the Optionees' consent. Any cancellation shall not occur earlier than 30 days after such acceleration is effective and Optionees have been notified of such acceleration.

(c) Reservation of Rights. Except as provided in this Section 7, an

Optionee shall have no rights by reason of any subdivision or consolidation of shares of stock of any class, the payment of any dividend or any other increase or decrease in the number of shares of stock of any class. Any issue by the Company of shares of stock of any class, or securities convertible into shares of stock of any class, shall not affect, and no adjustment by reason thereof shall be made with respect to, the number or Exercise Price of Shares subject to an Option. The grant of an Option pursuant to the Plan shall not affect in any way the right or power of the Company to make adjustments, reclassifications, reorganizations or changes of its capital or business structure, to merge or consolidate or to dissolve, liquidate, sell or transfer all or any part of its business or assets.

SECTION 8. DURATION AND AMENDMENTS.

(a) Term of the Plan. The Plan, as set forth herein, shall become

effective on March 7, 1995 subject to approval of the Company's stockholders. The Plan shall remain effective until it is terminated pursuant to Subsection (b) below.

(b) Right to Amend or Terminate this Plan. The Board of Directors may

amend the Plan at any time and from time to time, provided that, as of any date

on which the Company becomes registered under Section 12 of the Exchange Act, the Board of Directors may amend the Plan no more than once every six months unless such amendment is required to comply with the Code, or the Employee Retirement Income Security Act of 1974, as amended, or the rules thereunder. Rights and obligations under any option granted before amendment of the Plan shall not be materially altered, or impaired by such amendment, except with consent of the person to whom the Option was granted. An amendment of the Plan shall be subject to the approval of the Company's stockholders only to the extent required by applicable laws, regulations or rules.

(c) Effect of Amendment or Termination. No Shares shall be issued or

sold under the Plan after termination thereof, except upon exercise of an Option granted prior to such termination. The termination of the Plan, or any amendment thereof, shall not affect any Option previously granted under the Plan.

AMENDMENT NO. 1 TO THE
ETEC SYSTEMS, INC.
1995 DIRECTORS' STOCK OPTION PLAN

ETEC SYSTEMS, INC., having established the Etec Systems, Inc. 1995 Directors' Stock Option Plan (the "Plan"), hereby amends the Plan, effective as of March 29, 2000 as follows:

1. Section 8 of the Plan is hereby amended in its entirety as follows:

SECTION 8 TERM OF THE PLAN. In connection with the merger

(the "Merger") of Etec Systems, Inc. ("Etec") and Boston Acquisition Sub, Inc. ("Boston"), a Nevada corporation and a wholly-owned subsidiary of Applied Materials, Inc. ("AMAT"), Options previously granted to Optionees under the Plan that remain outstanding as of March 29, 2000 (the "Outstanding Options"), have been modified pursuant to the Agreement and Plan of Reorganization and Merger dated as of January 12, 2000 (the "Merger Agreement"), among Etec, Boston and AMAT, so as to be exercisable only into shares of common stock of AMAT, par value \$0.01 per share (the "Stock"), all as set forth in the Merger Agreement and subject to its terms and conditions. Effective as of March 29, 2000, except with respect to the Outstanding Options, the Plan is terminated. Accordingly no Shares remain available for future grant under the Plan, other than pursuant to the Outstanding Options.

2. Section 2.(n) of the Plan is amended in its entirety as follows:

2.(n) "Stock" shall mean the Common Stock of Applied Materials,

Inc., a Delaware company.

3. Section 3.(a) is hereby amended in its entirety to read as follows:

3.(a) Plan Administrator. The Plan shall be administered by the

Stock Option and Compensation Committee of the Board of Directors of AMAT. As used throughout this Plan, the "Board" shall mean the Stock Option and Compensation Committee of the Board of Directors of AMAT.

4. Section 4 is hereby amended in its entirety to read as follows:

SECTION 4. STOCK SUBJECT TO PLAN.

AMAT has reserved such number of Shares as are necessary to satisfy the Outstanding Options.

5. Section 5(b) is hereby amended in its entirety to read as follows:

(b) No Further Option Grants. Effective March 29, 2000, except

with respect to the Outstanding Options, the Plan is terminated. Accordingly, no further Options shall be granted under the Plan. Optionees holding Outstanding Options may continue to exercise such Outstanding Options in accordance with their terms, subject to the terms and conditions of the Merger Agreement.

IN WITNESS WHEREOF, Etec Systems, Inc., by the officer identified below, who has been duly authorized by the Board of Directors of the Company, has executed this Amendment No. 1 on the date indicated below.

ETEC SYSTEMS, INC.

By: _____

Title: _____

Date: _____

1995 OMNIBUS INCENTIVE PLAN
OF ETEC SYSTEMS, INC.

ARTICLE 1. INTRODUCTION

The Plan was adopted by the Board of Directors on July 18, 1995, effective June 1, 1995. The Company's stockholders subsequently approved the Plan at the annual meeting of stockholders on September 12, 1995, subject to the Company becoming a registered company under section 12 of the Exchange Act. The Company became a company registered under section 12 of the Exchange Act on October 27, 1995.

The purpose of the Plan is to promote the long-term success of the Company and the creation of shareholder value by (a) encouraging Key Employees to focus on critical long-range objectives, (b) encouraging the attraction and retention of Key Employees and (c) linking the interests of Key Employees directly to those of shareholders through increased stock ownership. The Plan provides for Awards in the form of Restricted Shares, Stock Units, or Options (which may constitute incentive stock options or non-statutory stock options).

The Plan is intended to comply in all respects with Rule 16b-3 (or its successor) under the Exchange Act and shall be construed accordingly.

ARTICLE 2. DEFINITIONS

2.1 "Affiliate" means any entity other than a subsidiary, if the

Company and/or one or more Subsidiaries own not less than 50% of such entity.

2.2 "Award" means any award of an Option, a Restricted Share or a

Stock Unit under the Plan. Awards may be made in any combination of NSO, Restricted Shares or Stock Units.

2.3 "Board of Directors" means the Company's Board of Directors, as

constituted from time to time.

2.4 "Change in Control" means the shareholders of the Company approve

a merger or consolidation of the Company with, or the sale of substantially all the Company's assets to, any other person or corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) at least 80% of the total voting power represented by the voting securities of the Company or such surviving entity outstanding immediately after such merger or consolidation.

Any other provision of this Section 2.4 notwithstanding, the term "Change in Control" shall not include either of the following events, if undertaken at the election of the Company:

(a) A transaction, the sole purpose of which is to change the state of the Company's incorporation; or

(b) A transaction, the result of which is to sell all or substantially all of the assets of the Company to another corporation (the "surviving corporation"); provided that the surviving corporation is owned directly or indirectly by the shareholders of the Company immediately following such transaction in substantially the same proportions as their ownership of the Company's common stock immediately preceding such transaction; and provided, further, that the surviving corporation expressly assumes this Plan and all outstanding Awards.

2.5 "Code" means the Internal Revenue Code of 1986, as amended.

2.6 "Committee" means a committee of the Board of Directors, as

described in Article 3.

2.7 "Company" means ETEC Systems, Inc., a Nevada corporation.

2.8 "Exchange Act" means the Securities Exchange Act of 1934, as

amended.

2.9 "Exercise Price" means the amount for which one Share may be

purchased upon exercise of an Option, as specified in the applicable Stock Option Agreement.

2.10 "Fair Market Value" means (a) the closing price of a Share on

the principal exchange on which the Shares are trading, on the date on which the Fair Market Value is determined, or (b) if the Shares are not traded on an exchange but are quoted on NASDAQ or a successor quotation system, the closing price on the date on which the Fair Market Value is determined, or (c) if the Shares are not traded on an exchange or quoted on the NASDAQ or a successor quotation system, the fair market value of a Share, as determined by the Committee in good faith. Such determination shall be conclusive and binding on all persons.

Whenever possible, the determination of Fair Market Value by the Committee shall be based on the prices reported in the Western Edition of The Wall Street

Journal. Determinations of Fair Market Value shall be conclusive and binding on

all persons.

2.11 "ISO" means an incentive stock option described in section 422(b)

of the Code.

2.12 "Key Employee" means (a) a common-law employee of the Company, a

Parent, a Subsidiary or an Affiliate or (b) a consultant or adviser who provides services to the Company, a Parent, a Subsidiary or an Affiliate as an independent contractor. Service as an independent contractor shall be considered employment for all purposes of the Plan, except as provided in Section 5.3.

2.13 "NSO" means an employee stock option not described in sections

422 or 423 of the Code.

2.14 "Option" means an ISO or NSO granted under the Plan and

entitling the holder to purchase one Share.

2.15 "Optionee" means an individual or estate who holds an Option.

2.16 "Outside Director" shall mean a member of the Board of Directors

who is not a common-law employee of the Company, a Parent, a Subsidiary or an Affiliate.

2.17 "Parent" means any corporation (other than the Company) in an

unbroken chain of corporations ending with the Company, if each of the corporations other than the Company owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in such chain. A corporation that attains the status of a Parent on a date after the adoption of the Plan shall be considered a Parent commencing as of such date.

2.18 "Participant" means an individual or estate who holds an Award.

2.19 "Plan" means this 1995 Omnibus Incentive Plan of ETEC Systems,

Inc, as it may be amended from time to time.

2.20 "Restricted Share" means a Share awarded under the Plan.

2.21 "Share" means one share of the common stock of the Company.

2.22 "Stock Award Agreement" means the agreement between the Company

and the recipient of a Restricted Share or Stock Unit which contains the terms, conditions and restrictions pertaining to such Restricted Share or Stock Unit.

2.23 "Stock Option Agreement" means the agreement between the Company

and an Optionee which contains the terms, conditions and restrictions pertaining to his or her Option.

2.24 "Stock Unit" means a bookkeeping entry representing the

equivalent of one Share, as awarded under the Plan.

2.25 "Subsidiary" means any corporation (other than the Company) in

an unbroken chain of corporations beginning with the Company, if each of the corporations other than the last corporation in the unbroken chain owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in such chain. A corporation that attains the status of a Subsidiary on a date after the adoption of the Plan shall be considered a Subsidiary commencing as of such date.

ARTICLE 3. ADMINISTRATION

3.1 Committee Composition. The Plan shall be administered by the

Committee.

(a) Except as provided in Subsection (b), the Board of Directors shall appoint a Committee to administer the Plan consisting of two or more Outside Directors of the

Company and meeting such other requirements as may be established from time to time by the Securities and Exchange Commission for plans intended to qualify for exemption under Rule 16b3 (or its successor) under the Exchange Act.

(b) The Board of Directors may also appoint one or more separate committees of the Board of Directors, each composed of one or more directors of the company who need not be Outside Directors, who may administer the Plan with respect to Key Employees who are not officers or directors of the Company, may grant Awards under the Plan to such Key Employees and may determine all terms of such Awards.

3.2 Committee Responsibilities. The Committee shall (a) select the

Key Employees who are to receive Awards under the Plan, (b) determine the type, number, vesting requirements and other features and conditions of such Awards, (c) interpret the Plan and (d) make all other decisions relating to the operation of the Plan. The Committee may adopt such rules or guidelines, as it deems appropriate to implement the Plan. The Committee's determinations under the Plan shall be final and binding on all persons.

ARTICLE 4. SHARES AVAILABLE FOR GRANTS

4.1 Basic Limitation. Shares issued pursuant to the Plan shall be

authorized but unissued Shares and Shares acquired in the open market. The aggregate number of Shares reserved for award as Restricted Shares, Stock Units, and Options shall be 4,775,000 Shares, provided that no more than 10% of the preceding amount may be awarded as Restricted Shares. Any Shares that have been reserved but not awarded as Restricted Shares, Stock Units, and Options during any calendar year shall remain available for award in any subsequent calendar year. The limitations of this Section 4.1 shall be subject to adjustment pursuant to Article 10.

4.2 Additional Shares. If Stock Units or Options are forfeited or if

Options terminate for any other reason before being exercised, then such Stock Units or Options shall again become available for Awards under the Plan. If Restricted Shares are forfeited before any dividends have been paid with respect to such Restricted Shares, then such Restricted Shares shall again become available for Awards under the Plan. In addition, any Shares previously issued under the Plan and repurchased by the Company shall again become available for Awards under the Plan.

4.3 Dividend. Any dividend equivalents distributed under the Plan

shall not be applied against the number of Restricted Shares, Stock Units, or Options available for Awards, whether or not such dividend equivalents are converted into Stock Units.

ARTICLE 5. ELIGIBILITY

5.1 General Rules. Only Key Employees shall be eligible for

designation as Participants by the Committee.

5.2 Outside Directors. Outside Directors are not eligible for Awards

under this Plan.

5.3 Incentive Stock Options. Only Key Employees who are common-law

employees of the Company, a Parent or a Subsidiary shall be eligible for the grant of ISOs. Independent contractors and consultants are not eligible for the grant of ISOs. In addition, a Key Employee who owns more than 10% of the total combined voting power of all classes of outstanding stock of the Company or any of its Parents or Subsidiaries shall not be eligible for the grant of an ISO unless the requirements set forth in section 422(c)(5) of the Code are satisfied.

ARTICLE 6. OPTIONS

6.1 Stock Option Agreement. Each grant of an Option under the Plan

shall be evidenced by a Stock Option Agreement between the Optionee and the Company. Such Option shall be subject to all applicable terms of the Plan and may be subject to any other terms that are not inconsistent with the Plan, as determined by the Committee. The Stock Option Agreement shall specify whether or to what extent the Option is an ISO or an NSO. The provisions of the various Stock Option Agreements entered into under the Plan need not be identical.

6.2 Number of Shares. Each Stock Option Agreement shall specify the

number of Shares subject to the Option subject to the adjustment of such number in accordance with Article 10. Options granted to an Optionee in a single calendar year shall in no event pertain to more than 100,000 Shares, subject to adjustment in accordance with Article 10.

6.3 Exercise Price. Each Stock Option Agreement shall specify the

Exercise Price, which shall in no event be less than 100% of the Fair Market Value of a Share on the date of grant (or, for a Key Employee who owns more than 10% of the total combined voting power of all classes of outstanding stock of the Company or any of its Parents or Subsidiaries, 110% of the Fair Market Value of a Share on the date of grant.)

6.4 Exercisability and Term. Each Stock Option Agreement shall

specify the date when all or any installment of the Option is to become exercisable. The Stock Option Agreement shall also specify the term of the Option; provided that the term of an option shall in no event exceed 10 years from the date of grant (or, for a Key Employee who owns more than 10% of the total combined voting power of all classes of outstanding stock of the Company or any of its Parents or Subsidiaries, five years from the date of grant). Options may not be exercised more than one year from the date of termination if the termination was caused by death or disability and more than 60 days from the date of termination if the termination was for any other reason. The vesting of any Option shall be determined by the Committee in its sole discretion, provided, however, that no Option is exercisable less than six months after the grant date, subject to the following exceptions: the Option shall be immediately exercisable in the event of the Optionee terminates employment as a result of his or her death or a disability that the Committee finds is a total and permanent disability. Otherwise, the Stock Option Agreement may provide for (1) accelerated exercisability in the event of the Optionee's retirement or (2) that such Option shall become fully exercisable as to all Shares subject to such Option in the event of a Change in Control.

6.5 Modification of Exercise Price. Neither the Board of Directors

nor the Committee may, without stockholder approval, make any adjustment or amendment to the Exercise

Price of a ny Option previously awarded under the Plan, whether through amendment, cancellation or replacement grants, or any other means.

ARTICLE 7. PAYMENT FOR OPTION

7.1 General Rule. The entire Exercise Price of Shares issued upon exercise of Options shall be payable in cash at the time when such Shares are purchased, except as follows:

(a) In the case of an ISO granted under the Plan, payment shall be made only pursuant to the express provisions of the applicable Stock Option Agreement. The Stock Option Agreement may specify that payment may be made in any form(s) described in this Article 7.

(b) In the case of an NSO, the Committee may at any time accept payment in any form(s) described in Section 7.2, 7.3, or 7.4.

7.2 Surrender of Stock. To the extent that this Section 7.2 is applicable, payment for all or any part of the Exercise Price may be made with Shares which have already been owned by the Optionee for more than six months. Such Shares shall be valued at their Fair Market Value on the date when the new Shares are purchased under the Plan.

7.3 Exercise/Sale. To the extent that this Section 7.3 is applicable, payment may be made by the delivery (on a form prescribed by the Company) of an irrevocable direction to a securities broker approved by the Company to sell Shares and to deliver all or part of the sales proceeds to the Company in payment of all or part of the Exercise Price and any withholding taxes.

7.4 Exercise/Pledge. To the extent that this Section 7.4 is applicable, payment may be made by the delivery (on a form prescribed by the Company) of an irrevocable direction to pledge Shares to a securities broker or lender approved by the Company, as security for a loan, and to deliver all or part of the loan proceeds to the Company in payment of all or part of the Exercise Price and any withholding taxes.

7.5 Other Forms of Payment. Payment may be made in any other form that is approved by the Committee and is consistent with applicable laws, regulations and rules.

ARTICLE 8. RESTRICTED SHARES AND STOCK UNITS

8.1 Time, Amount and Form of Awards. Awards under the Plan may be granted in the form of Restricted Shares, in the form of Stock Units, or in any combination of both. The amount of the Restricted Shares granted is limited to 10% of the Shares available for awards under Section 4.1.

8.2 Payment for Awards. Awards of Restricted Shares may be made for no consideration.

8.3 Vesting Conditions. Each Award of Restricted Shares or Stock

Units shall become vested, in full or in installments, upon satisfaction of the conditions specified in the Stock Award Agreement. A Restricted Share shall not vest less than one year from the grant date if the vesting is based on meeting performance targets established by the Committee, or in all other cases, less than three years from the grant date subject, in both cases, to the following exceptions: A Stock Award Agreement may provide for accelerated vesting in the event of the Participant's death, disability or retirement or other events. The Committee may determine, at the time of making an Award or thereafter, that such Award shall become fully vested in the event that a Change in Control occurs with respect to the Company.

8.4 Form and Time of Settlement of Stock Units. Settlement of

vested Stock Units may be made in the form of (a) cash, (b) Shares or (c) any combination of both. The actual number of Stock Units eligible for settlement may be smaller than the number included in the original Award, based on predetermined performance factors. Methods of converting Stock Units into cash may include (without limitation) a method based on the average Fair Market Value of Shares over a series of trading days. Vested Stock Units may be settled in a lump sum or in installments. The distribution may occur or commence when all vesting conditions applicable to the Stock Units have been satisfied or have lapsed, or it may be deferred to any later date. The amount of a deferred distribution may be increased by an interest factor or by dividend equivalents. Until an Award of Stock Units is settled, the number of such Stock Units shall be subject to adjustment pursuant to Article 10. Any Stock Units Award that becomes payable after the recipient's death shall be distributed to the recipient's designated beneficiary or beneficiaries or his or her estate in accordance with Section 14.1.

8.5 Creditors' Rights. A holder of Stock Units shall have no rights

other than those of a general creditor of the Company. Stock Units represent an unfunded and unsecured obligation of the Company, subject to the terms and conditions of the applicable Stock Award Agreement.

ARTICLE 9. VOTING AND DIVIDEND RIGHTS

9.1 Restricted Shares. The holders of Restricted Shares awarded

under the Plan shall have the same voting, dividend and other rights as the Company's other shareholders. A Stock Award Agreement, however, may require that the holders of Restricted Shares invest any cash dividends received in additional Restricted Shares. Such additional Restricted Shares shall be subject to the same conditions and restrictions as the Award with respect to which the dividends were paid. Such additional Restricted Shares shall not reduce the number of Shares available under Article 4.

9.2 Stock Units. The holders of Stock Units shall have no voting

rights. Prior to settlement or forfeiture, any Stock Unit awarded under the Plan may, at the Committee's discretion, carry with it a right to dividend equivalents. Such right entitles the holder to be credited with an amount equal to all cash dividends paid on one Share while the Stock Unit is outstanding. Dividend equivalents may be converted into additional Stock Units. Settlement of dividend equivalents may be made in the form of cash, in the form of Shares, or in a combination of both. Prior to distribution,

any dividend equivalents which are not paid shall be subject to the same conditions and restrictions as the Stock Units to which they attach.

ARTICLE 10. PROTECTION AGAINST DILUTION

10.1 Adjustments. In the event of a subdivision of the outstanding

Shares, a declaration of a dividend payable in Shares, a declaration of a dividend payable in a form other than Shares in an amount that has a material effect on the price of Shares, a combination or consolidation of the outstanding Shares (by reclassification or otherwise) into a lesser number of Shares, a recapitalization, a spinoff or a similar occurrence, the Committee shall make such adjustments as it, in its sole discretion, deems appropriate in one or more of (a) the number of Options, Restricted Shares and Stock Units available for future Awards under Article 4, (b) the number of Stock Units included in any prior Award which has not yet been settled, (c) the number of Shares covered by each outstanding Option or (d) the Exercise Price under each outstanding Option. Except as provided in this Article 10, a Participant shall have no rights by reason of any issue by the Company of stock of any class or securities convertible into stock of any class, any subdivision or consolidation of shares of stock of any class, the payment of any stock dividend or any other increase or decrease in the number of shares of stock of any class.

10.2 Reorganizations. In the event that the Company is a party to a

merger or other reorganization, outstanding Options, Restricted Shares and Stock Units shall be subject to the agreement of merger or reorganization. Such agreement may provide, without limitation, for the assumption of outstanding Awards by the surviving corporation or its parent, for their continuation by the Company (if the Company is a surviving corporation), for accelerated vesting and accelerated expiration, or for settlement in cash.

ARTICLE 11. LIMITATION ON RIGHTS

11.1 Retention Rights. Neither the Plan nor any Award granted under

the Plan shall be deemed to give any individual a right to remain an employee, consultant or director of the Company, a Parent, a Subsidiary or an Affiliate. The Company and its Parents and Subsidiaries reserve the right to terminate the service of any employee, consultant or director at any time, and for any reason, subject to applicable laws, the Company's certificate of incorporation and bylaws and a written employment agreement (if any).

11.2 Shareholders' Rights. A Participant shall have no dividend

rights, voting rights or other rights as a shareholder with respect to any Shares covered by his or her Award prior to the issuance of a stock certificate for such Shares. No adjustment shall be made for cash dividends or other rights for which the record date is prior to the date when such certificate is issued, except as expressly provided in Articles 8, 9 and 10.

11.3 Regulatory Requirements. Any other provision of the Plan

notwithstanding, the obligation of the Company to issue Shares under the Plan shall be subject to all applicable laws, rules and regulations and such approval by any regulatory body as may be required. The Company reserves the right to restrict, in whole or in part, the delivery of Shares pursuant to any Award prior

to the satisfaction of all legal requirements relating to the issuance of such Shares, to their registration, qualification or listing or to an exemption from registration, qualification or listing.

ARTICLE 12. LIMITATION ON PAYMENTS

12.1 Basic Rule. Any provision of the Plan to the contrary

notwithstanding, in the event that the independent auditors most recently selected by the Board of Directors (the "Auditors") determine that any payment or transfer by the Company to or for the benefit of a Participant, whether paid or payable (or transferred or transferable) pursuant to the terms of this Plan or otherwise (a "Payment"), would be nondeductible by the Company for federal income tax purposes because of the provisions concerning "excess parachute payments" in section 280G of the Code, then the aggregate present value of all Payments shall be reduced (but not below zero) to the Reduced Amount; provided that the Committee, at the time of making an Award under this Plan or at any time thereafter, may specify in writing that such Award shall not be so reduced and shall not be subject to this Article 12. For purposes of this Article 12, the "Reduced Amount" shall be the amount, expressed as a present value, which maximizes the aggregate present value of the Payments without causing any Payment to be nondeductible by the Company because of section 280G of the Code.

12.2 Reduction of Payments. If the Auditors determine that any

Payment would be nondeductible by the Company because of section 280G of the Code, then the Company shall promptly give the Participant notice to that effect and a copy of the detailed calculation thereof and of the Reduced Amount, and the Participant may then elect, in his or her sole discretion, which and how much of the Payments shall be eliminated or reduced (as long as after such election the aggregate present value of the Payments equals the Reduced Amount) and shall advise the Company in writing of his or her election within 10 days of receipt of notice. If no such election is made by the Participant within such 10-day period, then the Company may elect which and how much of the Payments shall be eliminated or reduced (as long as after such election the aggregate present value of the Payments equals the Reduced Amount) and shall notify the Participant promptly of such election. For purposes of this Article 12, present value shall be determined in accordance with section 280G(d)(4) of the Code. All determinations made by the Auditors under this Article 12 shall be binding upon the Company and the Participant and shall be made within 60 days of the date when a payment becomes payable or transferable. As promptly as practicable following such determination and the elections hereunder, the Company shall pay or transfer to or for the benefit of the Participant such amounts as are then due to him or her under the Plan and shall promptly pay or transfer to or for the benefit of the Participant in the future such amounts as become due to him or her under the Plan.

12.3 Overpayments and Underpayments. As a result of uncertainty in

the application of section 280G of the Code at the time of an initial determination by the Auditors hereunder, it is possible that Payments will have been made by the Company which should not have been made (an "Overpayment") or that additional Payments which will not have been made by the Company could have been made (an "Underpayment"), consistent in each case with the calculation of the Reduced Amount hereunder. In the event that the Auditors, based upon the assertion of a deficiency by the Internal Revenue Service against the Company or the Participant which the

Auditors believe has a high probability of success, determine that an Overpayment has been made, such Overpayment shall be treated for all purposes as a loan to the Participant which he or she shall repay to the Company, together with interest at the applicable federal rate provided in section 7872(f)(2) of the Code; provided, however, that no amount shall be payable by the Participant to the Company if and to the extent that such payment would not reduce the amount which is subject to taxation under section 4999 of the Code. In the event that the Auditors determine that an Underpayment has occurred, such Underpayment shall promptly be paid or transferred by the Company to or for the benefit of the Participant, together with interest at the applicable federal rate provided in section 7872(f)(2) of the Code.

12.4 Related. For purposes of this Article 12, the term "Company"

shall include affiliated corporations to the extent determined by the Auditors in accordance with section 280G(d)(5) of the Code.

ARTICLE 13. WITHHOLDING TAXES

13.1 General. To the extent required by applicable federal, state,

local or foreign law, a Participant or his or her successor shall make arrangements satisfactory to the Company for the satisfaction of any withholding tax obligations that arise in connection with the Plan. The Company shall not be required to issue any Shares or make any cash payment under the Plan until such obligations are satisfied.

13.2 Share Withholding. The Committee may permit a Participant to

satisfy all or part of his or her withholding or income tax obligations by having the Company withhold all or a portion of any Shares that otherwise would be issued to him or her or by surrendering all or a portion of any Shares that he or she previously acquired. Such Shares shall be valued at their Fair Market Value on the date when taxes otherwise would be withheld in cash. Any payment of taxes by assigning Shares to the Company may be subject to restrictions, including any restrictions required by rules of the Securities and Exchange Commission.

ARTICLE 14. ASSIGNMENT OR TRANSFER OF AWARDS

14.1 General. Except as provided in Article 14, Subsections (a) and

(b), below, and Section 14.2, an Award granted under the Plan shall not be anticipated, assigned, attached, garnished, optioned, transferred or made subject to any creditor's process, whether voluntarily, involuntarily or by operation of law. An Option may be exercised during the lifetime of the Optionee only by him or her or by his or her guardian or legal representative. Any act in violation of this Article 14 shall be void.

(a) Each Participant shall designate a beneficiary or beneficiaries to receive or exercise any outstanding Awards at the time of the Participant's death. The designation shall be made on the form prescribed for the purpose by the Company. In the event no beneficiary is designated by the Participant or no designated beneficiary survives the Participant, any outstanding Awards at the time of the Participant's death shall be transferred by will or by the laws of descent and distribution.

(b) Rights under Awards may be assigned to an Alternate Payee pursuant to a QDRO. The assignment of an Award to an Alternate Payee pursuant to a QDRO shall not be treated as a new grant. The transfer of an ISO to an Alternate Payee may, however, cause it to fail to qualify as an ISO. If an Award is assigned to an Alternate Payee pursuant to a QDRO, the Alternate Payee generally has the same rights as the grantee under the terms of the Plan, except that (1) the Award shall be subject to the same vesting terms and exercise period as if the Award were held by the grantee, (2) an Alternate Payee may not transfer an Award and (3) an Alternate Payee is ineligible for re-load Options. For purposes of the Subsection (b), the word "QDRO" means a court order (1) that recognizes the right of the spouse, former spouse or child (an "Alternate Payee") of an individual who is granted an Award to an interest in such Award relating to marital property rights or support obligations and (2) that the Committee determines to be a "qualified domestic relations order," as that term is defined in section 414(p) of the Code, but for the fact that the Plan is not a plan described in section 3(3) of the Employee Retirement Income Security Act of 1974.

14.2 Trusts. Neither this Article 14 nor any other provision of the

Plan shall preclude a Participant from transferring or assigning Restricted Shares or Stock Units to (a) the trustee of a trust that is revocable by such Participant alone, both at the time of the transfer or assignment and at all times thereafter prior to such Participant's death, or (b) the trustee of any other trust to the extent approved in advance by the Committee in writing. A transfer or assignment of Restricted Shares or Stock Units from such trustee to any person other than such Participant shall be permitted only to the extent approved in advance by the Committee in writing, and Restricted Shares or Stock Units held by such trustee shall be subject to all of the conditions and restrictions set forth in the Plan and in the applicable Stock Award Agreement, as if such trustee were a party to such Agreement.

ARTICLE 15. FUTURE OF THE PLAN

15.1 Term of the Plan. The Plan, as set forth herein, shall become

effective on the date of its adoption by the Board of Directors; provided, however, it is approved by the Company's shareholders within 12 months before or after the date of adoption. In the event the Company's shareholders fail to approve the Plan within 12 months after its adoption by the Board of Directors, any Options granted under the Plan shall be null and void, shares received upon the exercise of such Options shall not be counted in determining whether shareholder approval has been obtained, and no additional Option grants shall be made. The Plan shall terminate automatically ten (10) years after its adoption by the Board of Directors and may be terminated on any earlier date pursuant to Section 15.2. No ISOs shall be granted after May 31, 2005.

15.2 Amendment or Termination. The Board of Directors may, at any

time and for any reason, amend or terminate the Plan. An amendment of the Plan shall be subject to the approval of the Company's shareholders only to the extent that the amendment materially increases the benefits available under the plan, or as required by applicable laws, regulations or rules. No Awards shall be granted under the Plan after the termination thereof. The termination of the Plan, or any amendment thereof, shall not affect any Award previously granted under the Plan.

AMENDMENT NO. 1 TO THE
ETEC SYSTEMS, INC.
1995 OMNIBUS INCENTIVE PLAN

ETEC SYSTEMS, INC., having established the Etec Systems, Inc. 1995 Omnibus Incentive Plan (the "Plan"), hereby amends the Plan, effective as of March 29, 2000 as follows:

1. Article 15 of the Plan is hereby amended in its entirety as follows:

ARTICLE 15. TERM OF THE PLAN. In connection with the merger

(the "Merger") of Etec Systems, Inc. ("Etec") and Boston Acquisition Sub, Inc. ("Boston"), a Nevada corporation and a wholly-owned subsidiary of Applied Materials, Inc. ("AMAT"), Options previously granted to Optionees under the Plan that remain outstanding as of March 29, 2000 (the "Outstanding Options"), have been modified pursuant to the Agreement and Plan of Reorganization and Merger dated as of January 12, 2000 (the "Merger Agreement"), among Etec, Boston and AMAT, so as to be exercisable only into shares of common stock of AMAT, par value \$0.01 per share (the "Stock"), all as set forth in the Merger Agreement and subject to its terms and conditions. Effective as of March 29, 2000, except with respect to the Outstanding Options, the Plan is terminated. Accordingly no Shares remain available for future grant under the Plan, other than pursuant to the Outstanding Options.

2. Section 2.6 of the Plan is amended in its entirety as follows:

2.6 "Committee" shall mean the Stock Option and Compensation

Committee of the Board of Directors of AMAT.

3. Section 2.21 of the Plan is amended in its entirety as follows:

2.21 "Share" means one share of the common stock

of Applied Materials, Inc., a Delaware company.

4. Section 3.1 is hereby amended in its entirety to read as follows:

3.1 Committee. The Plan shall be administered by the Stock

Option and Compensation Committee of the Board of Directors of AMAT. As used throughout this Plan, the "Board" and "Committee" shall mean the Stock Option and Compensation Committee of the Board of Directors of AMAT.

5. Article 4 is hereby amended in its entirety to read as follows:

ARTICLE 4. STOCK SUBJECT TO PLAN. AMAT has reserved such number

of Shares as are necessary to satisfy the Outstanding Options.

6. Article 5 is hereby amended in its entirety to read as follows:

ARTICLE 5. NO FURTHER AWARDS. Effective March 29, 2000, except

with respect to the Outstanding Options, the Plan is terminated. Accordingly, no

further Options or other Awards shall be granted under the Plan. Optionees holding Outstanding Options may continue to exercise such Outstanding Options in accordance with their terms, subject to the terms and conditions of the Merger Agreement.

7. Section 13 is hereby amended by changing its title to "Execution and Termination" and by adding the following sentence to the end thereto to read as follows:

Except with respect to the Outstanding Options, the Plan shall terminate effective as of March 29, 2000.

IN WITNESS WHEREOF, Etec Systems, Inc., by the officer identified below, who has been duly authorized by the Board of Directors of the Company, has executed this Amendment No. 1 on the date indicated below.

EETEC SYSTEMS, INC.

By: _____

Title: _____

Date: _____

April 5, 2000

Applied Materials, Inc.
3050 Bowers Avenue
Santa Clara, California 95054

Re: Registration Statement on Form S-8/Etec Systems, Inc. 1990
Employee Stock Option Plan, 1990 Executive Stock Plan, 1991 Ateq
Stock Option Plan, 1994 Employee Stock Option Plan, 1995
Directors' Stock Option Plan and 1995 Omnibus Incentive Plan

Ladies and Gentlemen:

At your request, we are rendering this opinion in connection with the proposed issuance of an aggregate of 3,435,659 shares of common stock (the "Common Stock") of Applied Materials, Inc., a Delaware corporation (the "Company") and related options under the Etec Systems, Inc. 1990 Employee Stock Option Plan, 1990 Executive Stock Plan, 1991 Ateq Stock Option Plan, 1994 Employee Stock Option Plan, 1995 Directors' Stock Option Plan and 1995 Omnibus Incentive Plan (collectively, the "Plans").

We have examined instruments, documents, and records which we deemed relevant and necessary for the basis of our opinion hereinafter expressed. In such examination, we have assumed the following: (a) the authenticity of original documents and the genuineness of all signatures; (b) the conformity to the originals of all documents submitted to us as copies; and (c) the truth, accuracy and completeness of the information, representations and warranties contained in the records, documents, instruments and certificates we have reviewed.

Based on such examination, we are of the opinion that the 3,435,659 shares of Common Stock to be issued by the Company pursuant to the Plans are validly authorized shares of Common Stock and, when issued in accordance with the provisions of the Plans, will be legally issued, fully paid and nonassessable.

We hereby consent to the filing of this opinion as an exhibit to this Registration Statement on Form S-8 and to the use of our name wherever it appears in said Registration Statement. In giving such consent, we do not consider that we are "experts" within the meaning of such term as used in the Securities Act of 1933, as amended, or the rules and regulations of the Securities and Exchange Commission issued thereunder, with respect to any part of the Registration Statement, including this opinion as an exhibit or otherwise.

Very truly yours,

/s/ Wilson Sonsini Goodrich & Rosati

WILSON SONSINI GOODRICH & ROSATI, PC

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in this Registration Statement on Form S-8 of our report dated November 17, 1999 relating to the financial statements, which appears in the 1999 Annual Report to Stockholders of Applied Materials, Inc., which is incorporated by reference in Applied Materials, Inc.'s Annual Report on Form 10-K for the year ended October 31, 1999. We also consent to the incorporation by reference of our report dated November 17, 1999 relating to the financial statement schedule, which appears in such Annual Report on Form 10-K.

/s/ PricewaterhouseCoopers LLP

San Jose, California
April 4, 2000

POWER OF ATTORNEY OF DIRECTORS

Each of the undersigned directors of Applied Materials, Inc., a Delaware corporation (the "Company"), hereby constitutes and appoints James C. Morgan, Joseph R. Bronson, and Michael K. O'Farrell and each of them with power to act alone, his or her true and lawful attorney-in-fact, with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, execute a Registration Statement or Registration Statements on Form S-8 or other appropriate form, under the Securities Act of 1933, as amended, with respect to shares of Common Stock of the Company, and any and all amendments (including post-effective amendments) to such Registration Statement, and to file such Registration Statement and any and all amendments thereto, with exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto such attorney-in-fact full power and authority to do and perform each and every act and thing necessary or desirable to be done in and about the premises, as fully to all intents and purposes, as he or she might do or could do in person, thereby ratifying and confirming all that said attorney-in-fact or his or her substitute or substitutes may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, we have hereunto set our hands this 7th day of December, 1999.

/s/ James C. Morgan ----- James C. Morgan	December 7, 1999
/s/ Dan Maydan ----- Dan Maydan	December 7, 1999
/s/ Michael H. Armacost ----- Michael H. Armacost	December 7, 1999
/s/ Deborah A. Coleman ----- Deborah A. Coleman	December 7, 1999
/s/ Herbert M. Dwight, Jr. ----- Herbert M. Dwight, Jr.	December 7, 1999
/s/ Philip V. Gerdine ----- Philip V. Gerdine	December 7, 1999
/s/ Tsuyoshi Kawanishi ----- Tsuyoshi Kawanishi	December 7, 1999

/s/ Paul R. Low

December 7, 1999

Paul R. Low

/s/ Alfred J. Stein

December 7, 1999

Alfred J. Stein