
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): March 11, 2021

Applied Materials, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

000-06920
(Commission
File Number)

94-1655526
(IRS Employer
Identification No.)

**3050 Bowers Avenue
P.O. Box 58039
Santa Clara, CA 95052-8039**
(Address of principal executive offices)

Registrant's telephone number, including area code: (408) 727-5555

N/A

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol	Name of Each Exchange on Which Registered
Common Stock, par value \$.01 per share	AMAT	The NASDAQ Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

Amended and Restated Employee Stock Incentive Plan

On March 11, 2021, at the Annual Meeting of Shareholders (the “Annual Meeting”) of Applied Materials, Inc. (“Applied” or the “Company”), the Company’s shareholders approved Applied’s amended and restated Employee Stock Incentive Plan (the “ESIP”). The ESIP became effective upon shareholder approval and was amended to, among other changes, (i) add 10 million shares to the number of shares of Applied common stock authorized for issuance, (ii) remove the fungible share provision, (iii) increase the maximum term for stock options from seven to ten years, (iv) modify the exception to minimum vesting periods for stock option and stock appreciation right awards granted to employees and consultants, and (v) remove the provisions previously included to comply with the historical performance-based compensation exemption under Section 162(m) of the Internal Revenue Code.

Omnibus Employees’ Stock Purchase Plan

At the Annual Meeting, the Company’s shareholders also approved an amendment and restatement of the Applied Employees’ Stock Purchase Plan (the “U.S. ESPP” and, as amended, the “Omnibus ESPP”). Prior to such amendment, the Company maintained the U.S. ESPP and the Applied Stock Purchase Plan for Offshore Employees (the “Offshore ESPP”). With the shareholders’ approval, the Omnibus ESPP will become effective on September 1, 2021 (the “Effective Date”) in accordance with its terms, and amends and restates the U.S. ESPP to, among other changes, (i) incorporate the Offshore ESPP as a sub-plan, and (ii) add 11.3 million shares to the number of shares of Applied common stock authorized for issuance. The Offshore ESPP will terminate as an independent plan on the Effective Date.

The amended and restated ESIP and Omnibus ESPP are each described in more detail in the Company’s definitive proxy statement for the Annual Meeting filed with the Securities and Exchange Commission on January 28, 2021 (the “Proxy Statement”). The foregoing description and the summaries contained in the Proxy Statement do not purport to be complete and are qualified in their entirety by reference to the full texts of the amended and restated ESIP and the Omnibus ESPP, respectively, which are incorporated by reference as Exhibits 10.1 and 10.2.

Item 5.07 Submission of Matters to a Vote of Security Holders.

At the Annual Meeting, the Company’s shareholders cast their votes on seven proposals, as set forth below.

Proposal 1. Election of Directors.

<u>Name of Nominee</u>	<u>For</u>	<u>Against</u>	<u>Abstain</u>	<u>Broker Non-Votes</u>
Rani Borkar	703,803,590	725,057	961,375	87,437,701
Judy Bruner	688,199,904	16,375,485	914,633	87,437,701
Xun (Eric) Chen	699,555,037	4,947,175	987,810	87,437,701
Aart J. de Geus	694,671,330	9,829,414	989,278	87,437,701
Gary E. Dickerson	700,598,988	4,142,059	748,975	87,437,701
Thomas J. Iannotti	663,561,862	40,707,567	1,220,593	87,437,701
Alexander A. Karsner	678,190,709	26,295,025	1,004,288	87,437,701
Adrianna C. Ma	703,718,685	827,965	943,372	87,437,701
Yvonne McGill	703,355,358	1,191,719	942,945	87,437,701
Scott A. McGregor	703,845,357	691,474	953,191	87,437,701

Each of the ten nominees was elected to serve as a director for a one-year term and until he or she is succeeded by another qualified director who has been elected, or, if earlier, until his or her death, resignation or removal.

Proposal 2. Approval, on an Advisory Basis, of the Compensation of the Company's Named Executive Officers for Fiscal Year 2020.

<u>For</u>	<u>Against</u>	<u>Abstain</u>	<u>Broker Non-Votes</u>
613,925,140	89,562,559	2,002,323	87,437,701

The compensation of the Company's named executive officers, as disclosed in the Company's Proxy Statement for the Annual Meeting, was approved on an advisory basis.

Proposal 3. Ratification of the Appointment of KPMG LLP as the Company's Independent Registered Public Accounting Firm for Fiscal Year 2021.

<u>For</u>	<u>Against</u>	<u>Abstain</u>
785,024,604	6,711,312	1,191,807

The appointment of KPMG LLP as the Company's independent registered public accounting firm for fiscal year 2021 was ratified.

Proposal 4. Approval of the Amended and Restated Employee Stock Incentive Plan.

<u>For</u>	<u>Against</u>	<u>Abstain</u>	<u>Broker Non-Votes</u>
679,920,012	24,434,777	1,135,233	87,437,701

The amended and restated Employee Stock Incentive Plan was approved.

Proposal 5. Approval of the Omnibus Employees' Stock Purchase Plan.

<u>For</u>	<u>Against</u>	<u>Abstain</u>	<u>Broker Non-Votes</u>
701,286,085	3,102,990	1,100,947	87,437,701

The Omnibus Employees' Stock Purchase Plan was approved.

Proposal 6. Shareholder Proposal Regarding Independent Chair Policy.

<u>For</u>	<u>Against</u>	<u>Abstain</u>	<u>Broker Non-Votes</u>
227,181,425	476,449,231	1,859,366	87,437,701

The shareholder proposal to adopt a policy, and amend the Company's governing documents as necessary, to require the Chairman of the Board to be independent whenever possible, including the next Chairman of the Board transition, was not approved.

Proposal 7. Shareholder Proposal Regarding Executive Compensation Program and Policy.

<u>For</u>	<u>Against</u>	<u>Abstain</u>	<u>Broker Non-Votes</u>
58,265,603	642,770,813	4,453,606	87,437,701

The shareholder proposal regarding executive compensation program and policy to include CEO pay ratio and other factors was not approved.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
10.1	Applied Materials, Inc. Employee Stock Incentive Plan, as amended and restated, effective March 11, 2021
10.2	Applied Materials, Inc. Omnibus Employees' Stock Purchase Plan, effective September 1, 2021
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: March 15, 2021

Applied Materials, Inc.
(Registrant)

By: /s/ Teri A. Little
Teri A. Little
Senior Vice President, Chief Legal Officer and Corporate Secretary

**APPLIED MATERIALS, INC.
EMPLOYEE STOCK INCENTIVE PLAN**

(March 11, 2021 Amendment and Restatement)

SECTION 1
BACKGROUND AND PURPOSE

1.1 Background and Effective Date. The Plan permits the grant of Nonqualified Stock Options, Incentive Stock Options, Stock Appreciation Rights, Restricted Stock Awards, Performance Units, Performance Share Units, and Restricted Stock Units. The Plan, as amended and restated, is effective as of March 11, 2021 (the "Effective Date"), subject to approval by an affirmative vote of the holders of a majority of the Shares that are present in person or by proxy and entitled to vote at the 2021 Annual Meeting of Stockholders of the Company.

1.2 Purpose of the Plan. The Plan is intended to attract, motivate, and retain (a) Employees, (b) Consultants, and (c) Nonemployee Directors. The Plan also is designed to encourage stock ownership by Participants, thereby aligning their interests with those of the Company's stockholders.

SECTION 2
DEFINITIONS

The following words and phrases shall have the following meanings unless a different meaning is plainly required by the context:

2.1 "1933 Act" means the Securities Act of 1933, as amended. Reference to a specific section of the 1933 Act or regulation thereunder shall include such section or regulation, any valid regulation promulgated under such section, and any comparable provision of any future legislation or regulation amending, supplementing or superseding such section or regulation.

2.2 "1934 Act" means the Securities Exchange Act of 1934, as amended. Reference to a specific section of the 1934 Act or regulation thereunder shall include such section or regulation, any valid regulation promulgated under such section, and any comparable provision of any future legislation or regulation amending, supplementing or superseding such section or regulation.

2.3 "Affiliate" means any corporation or any other entity (including, but not limited to, partnerships and joint ventures) controlling, controlled by, or under common control with the Company.

2.4 "Annual Meeting" means the Company's annual meeting of stockholders.

2.5 “Applicable Laws” means the requirements relating to the administration of equity-based awards under U.S. federal and state corporate laws, U.S. federal and state securities laws, the Code, any stock exchange or quotation system on which the Company’s common stock is listed or quoted and the applicable laws of any foreign country or jurisdiction where Awards are, or will be, granted under the Plan.

2.6 “Award” means, individually or collectively, a grant under the Plan of Incentive Stock Options, Nonqualified Stock Options, SARs, Restricted Stock Awards, Restricted Stock Units, Performance Units or Performance Share Units.

2.7 “Award Agreement” means the written agreement (which may be in electronic form) setting forth the terms and conditions applicable to each Award granted under the Plan.

2.8 “Board” or “Board of Directors” means the Board of Directors of the Company.

2.9 “Cause” means the occurrence of any of the following:

(a) an act of personal dishonesty taken by the Participant in connection with the Participant’s responsibilities as an employee and intended to result in the Participant’s substantial personal enrichment;

(b) the Participant being convicted of, or pleading no contest or guilty to, (i) a misdemeanor that the Company reasonably believes has had or will have a material detrimental effect on the Company; or (ii) any felony;

(c) a willful act by the Participant that constitutes gross misconduct;

(d) the Participant’s willful and continued failure to perform the reasonable duties and responsibilities of the Participant’s position after there has been delivered to the Participant a written demand for performance from the Company that describes the basis for the Company’s belief that the Participant has not substantially performed the Participant’s duties and/or responsibilities and the Participant has not corrected such failure within thirty (30) calendar days of such written demand; or

(e) a material violation by the Participant of any written, material Company employment policy or standard of conduct.

2.10 “Change of Control” means the occurrence of any of the following events:

(a) A change in the ownership of the Company that occurs on the date that any one person, or more than one person acting as a group (as defined under U.S. Department of Treasury Regulation (“Treasury Regulation”) § 1.409A-3(i)(5)(v)(B)) (“Person”), acquires ownership of the stock of the Company that, together with the stock held by such Person, constitutes more than fifty percent (50%) of the total voting power of the stock of the Company. For purposes of this subsection (a), the acquisition of additional stock by any one Person, who is considered to own more than fifty percent (50%) of the total voting power of the stock of the Company will not be considered an additional Change of Control; or

(b) A change in the effective control of the Company that occurs on the date that a majority of members of the Board is replaced during any twelve (12) month period by directors whose appointment or election is not endorsed by a majority of the members of the Board prior to the date of the appointment or election; for purposes of this subsection (b), once any Person is considered to be in effective control of the Company, the acquisition of additional control of the Company by the same Person will not be considered an additional Change of Control; or

(c) A change in the ownership of a “substantial portion of the Company’s assets,” as defined herein. For this purpose, a “substantial portion of the Company’s assets” shall mean assets of the Company having a total gross fair market value equal to or more than fifty percent (50%) of the total gross fair market value of all of the assets of the Company immediately prior to such change in ownership. For purposes of this subsection (c), a change in ownership of a substantial portion of the Company’s assets occurs on the date that any Person acquires (or has acquired during the twelve (12) month period ending on the date of the most recent acquisition by such Person or Persons) assets from the Company that constitute a “substantial portion of the Company’s assets.” For purposes of this subsection (c), the following will not constitute a change in the ownership of a substantial portion of the Company’s assets: (i) a transfer to an entity that is controlled by the Company’s stockholders immediately after the transfer, or (ii) a transfer of assets by the Company to: (1) a stockholder of the Company (immediately before the asset transfer) in exchange for or with respect to the Company’s stock, (2) an entity, fifty percent (50%) or more of the total value or voting power of which is owned, directly or indirectly, by the Company, (3) a Person, that owns, directly or indirectly, fifty percent (50%) or more of the total value or voting power of all the outstanding stock of the Company, or (4) an entity, at least fifty percent (50%) of the total value or voting power of which is owned, directly or indirectly, by a Person described in this subsection (c). For purposes of this subsection (c), gross fair market value means the value of the assets determined without regard to any liabilities associated with such assets.

For purposes of this Section 2.10, Persons will be considered to be acting as a group if they are owners of a corporation that enters into a merger, consolidation, purchase or acquisition of stock, or similar business transaction with the Company.

Notwithstanding the foregoing, if a Change of Control constitutes a payment event with respect to any Award (or portion of any Award) that provides for the deferral of compensation that is subject to Section 409A of the Code, to the extent required to avoid the imposition of additional taxes under Section 409A, the transaction or event described in subsections (a), (b) or (c) with respect to such Award (or portion thereof) shall only constitute a Change of Control for purposes of the payment timing of such Award if such transaction also constitutes a “change in control event,” as defined in Treasury Regulation § 1.409A-3(i)(5).

Further and for the avoidance of doubt, a transaction will not constitute a Change of Control if its primary purpose is to: (A) change the state of the Company's incorporation, or (B) create a holding company that will be owned in substantially the same proportions by the persons who held the Company's securities immediately before such transaction.

2.11 "Code" means the Internal Revenue Code of 1986, as amended. Reference to a specific section of the Code or regulation thereunder shall include such section or regulation, any valid regulation promulgated under such section, and any comparable provision of any future legislation or regulation amending, supplementing or superseding such section or regulation.

2.12 "Committee" means the committee appointed by the Board (pursuant to Section 3.1) to administer the Plan.

2.13 "Company" means Applied Materials, Inc., a Delaware corporation, or any successor thereto.

2.14 "Consultant" means any consultant, independent contractor, or other person who provides significant services to the Company or its Affiliates, but who is not an Employee or a Director.

2.15 "Director" means any individual who is a member of the Board of Directors of the Company.

2.16 "Disability" means a permanent and total disability within the meaning of Section 22(e)(3) of the Code. In the case of Awards other than Incentive Stock Options, the Committee, in its discretion, may determine that a different definition of Disability shall apply in accordance with standards adopted by the Committee from time to time.

2.17 "Employee" means any employee of the Company or of an Affiliate, whether such employee is so employed at the time the Plan is adopted or becomes so employed subsequent to the adoption of the Plan. Neither service as a Director nor payment of a Director's fee by the Company will constitute "employment" by the Company.

2.18 "Exchange Program" means a program under which outstanding Awards are amended to provide for a lower Exercise Price or surrendered or cancelled in exchange for (a) Awards with a lower Exercise Price, (b) a different type of Award, (c) cash or (d) a combination of (a), (b) and/or (c). Notwithstanding the preceding, the term Exchange Program does not include any (i) action described in Sections 4.3 or 4.4 nor (ii) transfer or other disposition permitted under Sections 12.7 and 12.8. The implementation of any Exchange Program is subject to stockholder approval as required under Section 3.2.

2.19 "Exercise Price" means the price at which a Share may be purchased by a Participant pursuant to the exercise of an Option or SAR.

2.20 "Fair Market Value" means the closing per share selling price for Shares on the relevant date, or if there were no sales on such date, the average of the closing sale prices on the immediately following and preceding trading dates, in either case as reported by the Nasdaq Global Select Market/National Market or such other source selected in the discretion of the Committee (or its delegate). Notwithstanding the preceding, for federal, state and local income tax reporting purposes, fair market value shall be determined by the Committee (or its delegate) in accordance with uniform and nondiscriminatory standards adopted by it from time to time.

2.21 "Fiscal Quarter" means a fiscal quarter within a Fiscal Year of the Company.

2.22 "Fiscal Year" means the fiscal year of the Company.

2.23 "Good Reason" means without the Participant's written consent: (a) a material reduction in the Participant's level of base salary, unless such reduction is no greater (in terms of percentage) than base salary reductions imposed on all or substantially all of the Company's employees; or (b) a material relocation of the Participant's principal place of employment by at least fifty (50) miles. In order for a termination to be for "Good Reason," the Participant must (i) provide notice to the Company of the Good Reason condition within ninety (90) calendar days of the initial existence of the condition, (ii) give the Company at least thirty (30) calendar days to remedy such condition, and (iii) actually terminate the Participant's employment within six (6) months following the initial existence of the condition.

2.24 "Grant Date" means, with respect to an Award, the date on which the Committee makes the determination granting such Award, or such later date as is determined by the Committee at the time it approves the grant. With respect to an Award granted under the automatic grant provisions of Section 11, "Grant Date" means the applicable date of grant specified in Section 11. The Grant Date of an Award shall not be earlier than the date the Award is approved by the Committee.

2.25 "Incentive Stock Option" means an Option to purchase Shares that by its terms qualifies as and is intended to qualify as an incentive stock option within the meaning of Section 422 of the Code.

2.26 "Nonemployee Director" means a Director who is not an employee of the Company or any Affiliate.

2.27 "Nonqualified Stock Option" means an Option to purchase Shares that by its terms does not qualify or is not intended to qualify as an Incentive Stock Option.

2.28 "Option" means an Incentive Stock Option or a Nonqualified Stock Option.

2.29 "Participant" means the holder of an outstanding Award.

2.30 "Performance Objectives" means the objective(s) (or combined objective(s)) determined by the Committee (in its discretion) to be applicable to a

Participant with respect to an Award. As determined by the Committee, the Performance Objectives applicable to an Award shall provide for a targeted level or levels of achievement using measures that include, but are not limited to, one or more of the following: (a) cash flow, (b) customer satisfaction, (c) earnings per share, (d) margin, (e) market share, (f) operating profit, (g) product development and quality, (h) profit, (i) return on capital, (j) return on equity, (k) revenue, (l) total shareholder return and (m) environmental, human capital or other sustainability-related factors. Any Performance Objective used may be measured (i) in absolute terms, (ii) in combination with another Performance Objective or Objectives (for example, but not by way of limitation, as a ratio or matrix), (iii) in relative terms (including, but not limited to, as compared to results for other periods of time, and/or against another company, companies or an index or indices), (iv) on a per-share or per-capita basis, (v) against the performance of the Company as a whole or a specific business unit(s), business segment(s) or product(s) of the Company and/or (vi) on a pre-tax or after-tax basis. As determined in the discretion of the Committee, achievement of Performance Objectives for a particular Award may be calculated in accordance with the Company's financial statements, prepared in accordance with generally accepted accounting principles, or as adjusted for certain costs, expenses, gains and losses to provide non-GAAP measures of operating results.

2.31 "Performance Period" means any Fiscal Year (or period of four (4) consecutive Fiscal Quarters) or such other period longer than a Fiscal Year or, with respect to any person at the time that they first become eligible to be a Participant in the Plan, a period of shorter than a Fiscal Year, as determined by the Committee in its sole discretion.

2.32 "Performance Share Unit" means an Award granted to a Participant pursuant to Section 9.

2.33 "Performance Unit" means an Award granted to a Participant pursuant to Section 8.

2.34 "Plan" means the Applied Materials, Inc. Employee Stock Incentive Plan, as set forth in this instrument and as hereafter amended from time to time.

2.35 "Restricted Stock" means restricted Shares granted pursuant to a Restricted Stock Award.

2.36 "Restricted Stock Award" means an Award granted to a Participant pursuant to Section 7.

2.37 "Restricted Stock Unit" means an Award granted to a Participant pursuant to Section 10.

2.38 "Retirement" means, in the case of an Employee, a Termination of Service after: (a) obtaining at least sixty (60) years of age and whose age plus Years of Service with the Company is not less than seventy (70), or (b) obtaining at least sixty-five (65) years of age. With respect to a Consultant, no Termination of Service shall be deemed to be on account of "Retirement."

2.39 “Rule 16b-3” means Rule 16b-3 promulgated under the 1934 Act, and any future regulation amending, supplementing or superseding such regulation.

2.40 “Section 16(b)” means Section 16(b) of the 1934 Act.

2.41 “Section 16 Person” means an individual who, with respect to Shares, is subject to Section 16 of the 1934 Act and the rules and regulations promulgated thereunder.

2.42 “Section 409A” means Section 409A of the Code and the regulations and guidance thereunder, as they may be amended or modified from time to time.

2.43 “Shares” means the shares of common stock of the Company.

2.44 “Stock Appreciation Right” or “SAR” means an Award, granted alone or in connection with a related Option, that pursuant to Section 6 is designated as an SAR.

2.45 “Subsidiary” means any corporation in an unbroken chain of corporations beginning with the Company as the corporation at the top of the chain, but only if each of the corporations below the Company (other than the last corporation in the unbroken chain) then owns stock possessing fifty percent (50%) or more of the total combined voting power of all classes of stock in one of the other corporations in such chain, or if Section 424(f) of the Code is modified after the Effective Date, a “subsidiary corporation” as defined in Section 424(f) of the Code.

2.46 “Tax Obligations” means tax and social insurance liability obligations and requirements in connection with the Awards, including, without limitation, (a) all federal, state and local taxes (including the Participant’s Federal Insurance Contributions Act (FICA) obligation) that are required to be withheld by the Company or the employing Affiliate, (b) the Participant’s and, to the extent required by the Company (or Affiliate), the Company’s (or Affiliate’s) fringe benefit tax liability, if any, associated with the grant, vesting, or exercise of an Award or sale of Shares, and (c) any other Company (or Affiliate) taxes the responsibility for which the Participant has, or has agreed to bear, with respect to such Award (or exercise thereof or issuance of Shares thereunder).

2.47 “Termination of Service” means (a) in the case of an Employee, a cessation of the employee-employer relationship between the Employee and the Company or an Affiliate for any reason, including, but not by way of limitation, a termination by resignation, discharge, death, Disability, Retirement, or the disaffiliation of an Affiliate, but excluding any such termination where there is a simultaneous reemployment by the Company or an Affiliate; (b) in the case of a Consultant, a cessation of the service relationship between the Consultant and the Company or an Affiliate for any reason, including, but not by way of limitation, a termination by resignation, discharge, death, Disability or the disaffiliation of an Affiliate, but excluding any such termination where there is a simultaneous re-engagement of the Consultant by

the Company or an Affiliate; and (c) in the case of a Nonemployee Director, a cessation of the Director's service on the Board for any reason, including, but not by way of limitation, a termination by resignation, death, Disability or non-reelection to the Board. The Committee, in its discretion, may specify in an Award Agreement whether or not a Termination of Service will be deemed to occur when a Participant changes capacities (for example, when an Employee ceases to be such but immediately thereafter becomes a Consultant).

2.48 "Years of Service" means, in the case of an Employee, the number of full months from the Employee's latest hire date with the Company or an Affiliate to the date in question, divided by twelve (12). The Employee's latest hire date shall be determined after giving effect to the non-401(k) Plan principles of North American Human Resources Policy No. 2-06, Re-Employment of Former Employees/Bridging of Service, as such Policy may be amended or superseded from time to time. With respect to a Nonemployee Director, "Years of Service" means the number of years of continuous service on the Board of Directors.

SECTION 3 ADMINISTRATION

3.1 The Committee. The Plan shall be administered by the Committee. The Committee shall consist of not less than two (2) Directors who shall be appointed from time to time by, and shall serve at the pleasure of, the Board of Directors. The Committee shall be comprised solely of Directors who are "non-employee directors" under Rule 16b-3. Until and unless determined otherwise by the Board, the Committee shall be the Human Resources & Compensation Committee of the Board.

3.2 Authority of the Committee. It shall be the duty of the Committee to administer the Plan in accordance with the Plan's provisions. The Committee shall have all powers and discretion necessary or appropriate to administer the Plan and to control its operation, including, but not limited to, the power to (a) determine which Employees, Consultants and Directors shall be granted Awards, (b) prescribe the terms and conditions of the Awards, (c) interpret the Plan and the Awards, (d) adopt such procedures and subplans as are necessary or appropriate for the purpose of satisfying applicable foreign laws or for qualifying for favorable tax treatment under applicable foreign laws, (e) adopt rules for the administration, interpretation and application of the Plan as are consistent therewith and (f) interpret, amend or revoke any such rules. Notwithstanding the preceding, the Committee shall not implement an Exchange Program without the approval of the holders of a majority of the Shares that are present in person or by proxy and entitled to vote at any Annual or special Meeting of Stockholders of the Company.

3.3 Minimum Vesting Periods. Notwithstanding any contrary provision of the Plan (but subject to the following sentence), the vesting period for an Award shall expire in full no earlier than (a) the third (3rd) annual anniversary of the Grant Date if the vesting period expires solely as the result of continued employment or service, and (b) the first (1st) annual anniversary of the Grant Date if expiration of the vesting period is

conditioned on achievement of Performance Objectives and does not expire solely as the result of continued employment or service. The preceding minimum vesting periods shall not apply with respect to Awards to Nonemployee Directors under Section 11 or to an Award if determined by the Committee (in its discretion): (a) due to death, Disability, Retirement or major capital change or (b) with respect to Awards covering, in the aggregate, no more than five percent (5%) of the shares reserved for issuance under the Plan.

3.4 Delegation by the Committee. The Committee, in its sole discretion and on such terms and conditions as it may provide, may delegate all or any part of its authority and powers under the Plan to one or more Directors or officers of the Company, except that the Committee may not delegate all or any part of its authority under the Plan with respect to Awards granted to any Section 16 Person. To the extent of any delegation by the Committee, references to the Committee in this Plan and any Award Agreement shall be deemed also to include reference to the applicable delegate(s).

3.5 Decisions Binding. All interpretations, determinations and decisions made by the Committee, the Board, and any delegate of the Committee pursuant to the provisions of the Plan shall be final, conclusive and binding on all persons, and shall be given the maximum deference permitted by law.

SECTION 4 SHARES SUBJECT TO THE PLAN

4.1 Number of Shares. Subject to adjustment as provided in Section 4.3, the total number of Shares available for issuance under the Plan shall not exceed 62,280,998. Shares granted under the Plan may be either authorized but unissued Shares or treasury Shares.

4.2 Lapsed Awards. If an Award expires without having been exercised in full, or, with respect to Restricted Stock, Restricted Stock Units, Performance Share Units or Performance Units, is forfeited to or repurchased by the Company, the unpurchased Shares (or for Awards other than Options and Stock Appreciation Rights, the forfeited or repurchased Shares) which were subject thereto will become available for future grant or sale under the Plan (unless the Plan has terminated). Upon exercise of a Stock Appreciation Right settled in Shares, the gross number of Shares covered by the portion of the Award so exercised will cease to be available under the Plan. Shares that have been issued under the Plan under any Award will not be returned to the Plan and will not become available for future distribution under the Plan; provided, however, that if unvested Shares of Restricted Stock, Restricted Stock Units, Performance Share Units or Performance Units are repurchased by the Company or are forfeited to the Company, such Shares will become available for future grant under the Plan. Shares used to pay the exercise or purchase price of an Award and/or to satisfy the Tax Obligations related to an Award will not become available for future grant or sale under the Plan. To the extent an Award under the Plan is paid out in cash rather than Shares, such cash payment will not reduce the number of Shares available for issuance under the Plan. Notwithstanding anything in the Plan or any Award Agreement to the contrary, Shares

covered by Awards that are surrendered or cancelled under any Exchange Program will not again be available for grant under the Plan. Notwithstanding the foregoing provisions of this Section 4.2, subject to adjustment provided in Section 4.3, the maximum number of Shares that may be issued upon the exercise of Incentive Stock Options will equal the aggregate Share number stated in Section 4.1, plus, to the extent allowable under Section 422 of the Code, any Shares that become available for issuance under the Plan under this Section 4.2.

4.3 Adjustments in Awards and Authorized Shares. In the event that there occurs any extraordinary dividend or other distribution (whether in the form of cash, Shares, other securities or other property (other than an ordinary cash dividend)), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase, or exchange of Shares or other securities of the Company, or other change in the corporate structure of the Company affecting the Shares such that an adjustment is determined by the Committee (in its sole discretion) to be appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan, then the Committee shall, in such manner as it may deem equitable, adjust the number and class of Shares which may be delivered under the Plan, the number, class and price of Shares subject to outstanding Awards or any other affected terms of outstanding Awards, and the numerical limits of Sections 5.1, 6.1, 7.1, 8.1, 9.1 and 10.1. Notwithstanding the preceding, the number of Shares subject to any Award always shall be a whole number.

4.4 Change of Control. In the event of a Change of Control, each outstanding Award will be assumed or an equivalent option or right be substituted by the successor corporation or a parent or Subsidiary of the successor corporation. The Committee will not be required to treat all Awards similarly in the transaction.

4.4.1 Non-Assumption of Awards. If, in connection with a Change of Control, the successor corporation (or a parent or Subsidiary of the successor corporation) does not agree to assume or substitute outstanding Awards, then, with respect to such Awards and no later than immediately prior to the Change of Control: (a) each such Award that is an Option or Stock Appreciation Rights will terminate upon the Change of Control provided that either (i) before the Change of Control, the Committee notifies the Participant in writing or electronically that the Option or SAR will be exercisable for a period of time determined by the Committee in its sole discretion, or (ii) promptly after the Change of Control, the Participant receives a cash payment equal to the Fair Market Value (calculated at the time of the Change of Control) of the Shares covered by the Option or SAR, minus the Exercise Price of the Shares covered by the Option or SAR (provided that if the result is \$0 or lower, the Participant will receive no payment) and (b) with respect to all other such Awards that are not Options or SARs, the Company will have the right to terminate such Award upon the Change in Control, in which case the Participant holding each such Award will have the right to receive promptly after the Change of Control a cash payment equal to the Fair Market Value (calculated at the time of the Change of Control) of the Shares covered by the Award, provided that all Performance Objectives or other vesting criteria will be deemed achieved at one hundred percent (100%) of target levels, and such payment must be made in compliance with Section 409A of the Code and all other terms and conditions of the Award must be met.

4.4.2 Assumption. For the purposes of Section 4.4, an Award will be considered assumed if, following the Change of Control, the Award confers the right to purchase or receive, for each Share subject to the Award immediately prior to the Change of Control, the consideration (whether stock, cash, or other securities or property) received in the Change of Control by holders of Shares held on the effective date of the transaction (and if holders were offered a choice of consideration, either the type of consideration chosen by the greatest number of holders of outstanding Shares or, at the Committee's discretion, a mix of consideration based on the consideration paid to the holders in the Change of Control transaction); provided, however, that if such consideration received in the Change of Control is not solely common stock of the successor corporation or its parent, the Committee may, with the consent of the successor corporation, provide for the consideration to be received upon the exercise of an Option or SAR or upon the payout of any other Award, for each Share subject to such Award, to be solely common stock of the successor corporation or its parent equal in fair market value to the per share consideration received by holders of Shares in the Change of Control. Notwithstanding anything in this Section 4.4 to the contrary, an Award that vests, is earned or paid-out upon the satisfaction of one or more Performance Objectives will not be considered assumed if the Company or its successor modifies any of such Performance Objectives without the Participant's consent in a manner that could reasonably be expected to have a material impact on the Participant; provided, however, a modification to such Performance Objectives only to reflect the successor corporation's post-Change of Control corporate structure will not be deemed to invalidate an otherwise valid Award assumption.

SECTION 5 STOCK OPTIONS

5.1 Grant of Options. Options may be granted to Employees, Directors and Consultants at any time and from time to time as determined by the Committee in its sole discretion. The Committee, in its sole discretion, shall determine the number of Shares subject to each Option, provided that during any Fiscal Year, no Participant shall be granted Options (and/or SARs) covering more than a total of 4,500,000 Shares. Notwithstanding the foregoing, during the Fiscal Year in which a Participant first becomes an Employee, the Participant may be granted Options (and/or SARs) to purchase up to a total of an additional 4,500,000 Shares. The Committee may grant Incentive Stock Options, Nonqualified Stock Options, or a combination thereof.

5.2 Award Agreement. Each Option shall be evidenced by an Award Agreement that shall specify the Exercise Price, the expiration date of the Option, the number of Shares covered by the Option, any conditions to exercise the Option, and such other terms and conditions as the Committee, in its discretion, shall determine. The Award Agreement shall also specify whether the Option is intended to be an Incentive Stock Option or a Nonqualified Stock Option.

5.3 Exercise Price. Subject to the provisions of this Section 5.3, the Exercise Price for each Option shall be determined by the Committee in its sole discretion.

5.3.1 Nonqualified Stock Options. The Exercise Price of each Nonqualified Stock option shall be determined by the Committee in its discretion but shall be not less than one hundred percent (100%) of the Fair Market Value of a Share on the Grant Date.

5.3.2 Incentive Stock Options. In the case of an Incentive Stock Option, the Exercise Price shall be not less than one hundred percent (100%) of the Fair Market Value of a Share on the Grant Date; provided, however, that if on the Grant Date, the Employee (together with persons whose stock ownership is attributed to the Employee pursuant to Section 424(d) of the Code) owns stock possessing more than 10% of the total combined voting power of all classes of stock of the Company or any of its Subsidiaries, the Exercise Price shall be not less than one hundred and ten percent (110%) of the Fair Market Value of a Share on the Grant Date.

5.3.3 Substitute Options. Notwithstanding the other provisions of this Section 5.3, in the event that the Company or a Subsidiary consummates a transaction described in Section 424(a) of the Code (e.g., the acquisition of property or stock from an unrelated corporation), persons who become Employees, Nonemployee Directors or Consultants on account of such transaction may be granted Options in substitution for options granted by their former employer. If such substitute Options are granted, the Committee, in its sole discretion and consistent with Section 424(a) of the Code, may determine that such substitute Options shall have an Exercise Price less than one hundred percent (100%) of the Fair Market Value of the Shares on the Grant Date.

5.4 Expiration of Options.

5.4.1 Expiration Dates. Unless otherwise determined by the Committee, in its sole discretion, subject to Sections 5.4.2 and 5.4.3 hereof, each Option shall terminate no later than the first to occur of the following events:

- (a) The date for termination of the Option set forth in the Award Agreement; or
- (b) The expiration of ten (10) years from the Grant Date.

5.4.2 Death of Participant. If a Participant dies prior to the expiration of the Participant's Options, the Committee, in its discretion, may provide that such Options shall be exercisable until the earlier of (a) the third anniversary of the date of death and (b) the expiration of the date of the Option set forth in the Award Agreement.

5.4.3 Committee Discretion. Subject to the ten (10) year limit of Section 5.4.1, the Committee, in its sole discretion, (a) shall provide in each Award Agreement when each Option will become unexercisable, including its expiration date and any earlier termination events, and (b) may, after an Option is granted, extend the exercisability of the Option (subject to Section 5.8.4 regarding Incentive Stock Options)

beyond the original expiration date or termination event set forth in the Award Agreement. With respect to the Committee's authority in Section 5.4.3(b), if at the time of any such extension of exercisability, the Exercise Price of the Option is less than the Fair Market Value of the Share, the extension shall, unless otherwise determined by the Committee, be limited to original expiration date of the Option set forth in the Award Agreement. Unless otherwise determined by the Committee, any extension of the term of an Option pursuant to this Section 5.4.3 shall comply with Section 409A to the extent possible.

5.5 Exercisability of Options. Options granted under the Plan shall be exercisable at such times and be subject to such restrictions and conditions as the Committee shall determine in its sole discretion. An Option may not be exercised for a fraction of a Share. After an Option is granted, the Committee, in its sole discretion, may accelerate the exercisability of the Option.

5.6 Payment. In order to exercise an Option, the Participant shall give notice in the form specified by the Company and follow such procedures as the Company (or its designee) may specify from time to time. Exercise of an Option also requires that the Participant make arrangements satisfactory to the Company for full payment of the Exercise Price for the Shares. All exercise notices shall be given in the form and manner specified by the Company from time to time. The Exercise Price shall be payable to the Company in full in cash or its equivalent. The Committee, in its sole discretion, also may permit exercise (a) by tendering previously acquired Shares having an aggregate Fair Market Value at the time of exercise equal to the total Exercise Price, or (b) by any other means which the Committee, in its sole discretion, determines to both provide legal consideration for the Shares, and to be consistent with the purposes of the Plan. As soon as practicable after receipt of a notification of exercise satisfactory to the Company and full payment for the Shares purchased, the Company shall deliver to the Participant (or the Participant's designated broker), Share certificates (which may be in book entry form) representing such Shares. Until the Shares are issued (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company), no right to vote or receive dividends or any other rights as a stockholder will exist with respect to the Shares subject to an Option, notwithstanding the exercise of the Option. The Company will issue (or cause to be issued) such Shares promptly after the Option is exercised. No adjustment will be made for a dividend or other right for which the record date is prior to the date the Shares are issued, except as provided in Section 4.3 of the Plan.

5.7 Restrictions on Share Transferability. The Committee may impose such restrictions on any Shares acquired pursuant to the exercise of an Option as it may deem advisable, including, but not limited to, restrictions related to applicable federal securities laws, the requirements of any national securities exchange or system upon which Shares are then listed or traded, or any blue sky or state securities laws.

5.8 Certain Additional Provisions for Incentive Stock Options.

5.8.1 Exercisability. The aggregate Fair Market Value (determined on the Grant Date(s)) of the Shares with respect to which Incentive Stock Options are exercisable for the first time by any Employee during any calendar year (under all plans of the Company and its Subsidiaries) shall not exceed \$100,000.

5.8.2 Termination of Service. No Incentive Stock Option may be exercised more than three (3) months after the Participant's Termination of Service for any reason other than Disability or death, unless (a) the Participant dies during such three-month period, and/or (b) the Award Agreement or the Committee permits later exercise (in which case the Option instead may be deemed to be a Nonqualified Stock Option). No Incentive Stock Option may be exercised more than one (1) year after the Participant's Termination of Service on account of Disability, unless (i) the Participant dies during such one-year period, and/or (ii) the Award Agreement or the Committee permit later exercise (in which case the option instead may be deemed to be a Nonqualified Stock Option).

5.8.3 Employees Only. Incentive Stock Options may be granted only to Employees who are employed by the Company or a Subsidiary on the Grant Date.

5.8.4 Expiration. No Incentive Stock Option may be exercised after the expiration of ten (10) years from the Grant Date; provided, however, that if the Option is granted to an Employee who, together with persons whose stock ownership is attributed to the Employee pursuant to Section 424(d) of the Code, owns stock possessing more than ten percent (10%) of the total combined voting power of all classes of the stock of the Company or any of its Subsidiaries, the Option may not be exercised after the expiration of five (5) years from the Grant Date.

5.8.5 Leave of Absence. For purposes of Incentive Stock Options, no leave of absence may exceed three (3) months, unless reemployment upon expiration of such leave is guaranteed by statute or contract. If reemployment upon expiration of a leave of absence approved by the Company is not so guaranteed, then six (6) months following the first (1st) day of such leave, any Incentive Stock Option held by the Participant will cease to be treated as an Incentive Stock Option and will be treated for tax purposes as a Nonqualified Stock Option.

SECTION 6 STOCK APPRECIATION RIGHTS

6.1 Grant of SARs. An SAR may be granted to Employees, Directors and Consultants at any time and from time to time as shall be determined by the Committee, in its sole discretion.

6.1.1 Number of Shares. The Committee shall have complete discretion to determine the number of SARs granted to any Participant, provided that during any Fiscal Year, no Participant shall be granted SARs (and/or Options) covering more than a total of 4,500,000 Shares. Notwithstanding the foregoing, during the Fiscal Year in which a Participant first becomes an Employee, the Participant may be granted SARs (and/or Options) covering up to a total of an additional 4,500,000 Shares.

6.1.2 Exercise Price and Other Terms. The Committee, subject to the provisions of the Plan, shall have complete discretion to determine the terms and conditions of SARs granted under the Plan. The Exercise Price of each SAR shall be determined by the Committee in its discretion but shall not be less than one hundred percent (100%) of the Fair Market Value of a Share on the Grant Date. Notwithstanding the foregoing, SARs may be granted with a per Share Exercise Price of less than one hundred percent (100%) of the Fair Market Value per Share on the Grant Date pursuant to the rules of Section 5.3.3, which also shall apply to SARs.

6.2 SAR Agreement. Each SAR grant shall be evidenced by an Award Agreement that shall specify the Exercise Price, the term of the SAR, the conditions of exercise and such other terms and conditions as the Committee, in its sole discretion, shall determine.

6.3 Expiration of SARs. An SAR granted under the Plan shall expire upon the date determined by the Committee, in its sole discretion, and set forth in the Award Agreement. Notwithstanding the foregoing, the rules of Section 5.4 also shall apply to SARs.

6.4 Payment of SAR Amount. Upon exercise of an SAR, a Participant shall be entitled to receive payment from the Company in an amount determined by multiplying:

- (a) The excess of the Fair Market Value of a Share on the date of exercise over the Exercise Price; and
- (b) The number of Shares with respect to which the SAR is exercised.

At the discretion of the Committee, the payment upon SAR exercise may be in cash, in Shares of equivalent value, or in some combination thereof.

No adjustment will be made for a dividend or other right for which the record date is prior to the date the Shares are issued under the SAR, except as provided in Section 4.3 of the Plan.

SECTION 7 RESTRICTED STOCK AWARDS

7.1 Grant of Restricted Stock Awards. The Committee, at any time and from time to time, may grant Shares of Restricted Stock to Employees, Directors and Consultants as the Committee, in its sole discretion, shall determine. The Committee, in its sole discretion, shall determine the number of Shares to be granted to each Participant, provided that during any Fiscal Year, no Participant shall receive more than a total of 1,500,000 Shares of Restricted Stock, Performance Share Units and Restricted Stock Units (in the aggregate and taking into account the maximum number of Shares issuable under each Award). Notwithstanding the foregoing, during the Fiscal

Year in which a Participant first becomes an Employee, the Participant may be granted up to a total of an additional 1,500,000 Shares of Restricted Stock, Performance Share Units or Restricted Stock Units (in the aggregate and taking into account the maximum number of Shares issuable under each Award).

7.2 Restricted Stock Award Agreement. Each Restricted Stock Award shall be evidenced by an Award Agreement that shall specify any vesting conditions, the number of Shares granted and such other terms and conditions as the Committee, in its sole discretion, shall determine. Unless the Committee (or its designee(s)) determine otherwise, Shares of Restricted Stock shall be held by the Company as escrow agent until the restrictions on such Shares have lapsed.

7.3 Transferability. Except as provided in this Section 7 or Section 12.8, Shares of Restricted Stock may not be sold, transferred, pledged, assigned or otherwise alienated or hypothecated until the end of the applicable vesting period.

7.4 Other Restrictions. The Committee, in its sole discretion, may impose such other restrictions on Shares of Restricted Stock as it may deem advisable or appropriate, in accordance with this Section 7.4. The Committee, in its sole discretion, may set restrictions based upon the Participant's continued employment or service with the Company and its Affiliates, the achievement of specific Company-wide, departmental or individual Performance Objectives, applicable federal or state securities laws, or any other basis determined by the Committee in its discretion (for example, but not by way of limitation, continuous service as an Employee, Director or Consultant).

7.4.1 Legend on Certificates. The Committee, in its discretion, may require that a legend be placed on the certificates representing Restricted Stock to give appropriate notice of the applicable restrictions.

7.5 Removal of Restrictions. Except as otherwise provided in this Section 7, Shares of Restricted Stock covered by each Restricted Stock Award shall be released from escrow as soon as practicable after the last day of the vesting period. The Committee, in its discretion, may accelerate the time at which any restrictions shall lapse or be removed. After the restrictions have lapsed, the Participant shall be entitled to have any legend(s) under Section 7.4.1 removed from such Participant's Share certificate(s), and the Shares shall be freely transferable by the Participant. The Committee (in its discretion) may establish procedures regarding the release of Shares from escrow and the removal of legends, as necessary or appropriate to minimize administrative burdens on the Company.

7.6 Voting Rights. During the vesting period, Participants holding Shares of Restricted Stock granted hereunder may exercise full voting rights with respect to those Shares, unless the Committee determines otherwise.

7.7 Dividends and Other Distributions. During the vesting period, Participants holding Shares of Restricted Stock shall be entitled to receive all dividends and other distributions paid with respect to such Shares unless otherwise provided in the Award

Agreement. Any such dividends or distribution shall be subject to the same restrictions on transferability and forfeitability as the Shares of Restricted Stock with respect to which they were paid, unless otherwise provided in the Award Agreement.

7.8 Return of Restricted Stock to Company. On the date set forth in the Award Agreement, the Restricted Stock for which restrictions have not lapsed shall be forfeited to the Company and, except as otherwise determined by the Committee and subject to Section 4.2, again shall become available for grant under the Plan.

SECTION 8 PERFORMANCE UNITS

8.1 Grant of Performance Units. Performance Units may be granted to Employees, Directors and Consultants at any time and from time to time, as shall be determined by the Committee, in its sole discretion. The Committee shall have complete discretion in determining the number of Performance Units granted to each Participant provided that during any Fiscal Year, no Participant shall receive Performance Units having an initial value greater than \$15,000,000.

8.2 Value of Performance Units. Each Performance Unit shall have an initial value that is established by the Committee on or before the Grant Date.

8.3 Performance Objectives and Other Terms. The Committee, in its discretion, shall set Performance Objectives or other vesting criteria which, depending on the extent to which they are met, will determine the number or value of Performance Units that will be paid out to the Participants. Each Award of Performance Units shall be evidenced by an Award Agreement that shall specify any applicable Performance Period, and such other terms and conditions as the Committee, in its sole discretion, shall determine. The Committee may set Performance Objectives or vesting criteria based upon the achievement of specific Company-wide, departmental or individual Performance Objectives, applicable federal or state securities laws, or any other basis determined by the Committee in its discretion (for example, but not by way of limitation, continuous service as an Employee, Director or Consultant).

8.4 Earning of Performance Units. After the applicable Performance Period has ended, the holder of Performance Units shall be entitled to receive a payout of the number of Performance Units earned by the Participant over the Performance Period, to be determined as a function of the extent to which the corresponding Performance Objectives have been achieved. After the grant of a Performance Unit, the Committee, in its sole discretion, may reduce or waive any Performance Objectives for such Performance Unit and may accelerate the time at which any restrictions will lapse or be removed.

8.5 Form and Timing of Payment of Performance Units. Payment of earned Performance Units shall be made as soon as practicable after the expiration of the applicable Performance Period (subject to any deferral permitted under Section 12.1), or as otherwise provided in the applicable Award Agreement or as required by Applicable

Laws. The Committee, in its sole discretion, may pay earned Performance Units in the form of cash, in Shares (which have an aggregate Fair Market Value equal to the value of the earned Performance Units at the close of the applicable Performance Period) or in a combination thereof.

8.6 Cancellation of Performance Units. On the date set forth in the Award Agreement, all unearned or unvested Performance Units shall be forfeited to the Company, and, except as otherwise determined by the Committee and subject to Section 4.2, again shall be available for grant under the Plan.

SECTION 9 PERFORMANCE SHARE UNITS

9.1 Grant of Performance Share Units. Performance Share Units may be granted to Employees, Directors and Consultants at any time and from time to time, as shall be determined by the Committee, in its sole discretion. The Committee shall have complete discretion in determining the number of Performance Share Units granted to each Participant, provided that during any Fiscal Year, no Participant shall be granted more than a total of 1,500,000 Performance Share Units, Shares of Restricted Stock and Restricted Stock Units (in the aggregate and taking into account the maximum number of Shares issuable under each Award). Notwithstanding the foregoing, during the Fiscal Year in which a Participant first becomes an Employee, he or she may be granted up to a total of an additional 1,500,000 Performance Share Units, Shares of Restricted Stock or Restricted Stock Units (in the aggregate and taking into account the maximum number of Shares issuable under each Award).

9.2 Value of Performance Share Units. Each Performance Share Unit represents the right to receive the value of one (1) Share at the time the Performance Share Unit vests. Performance Share Units are granted at no cost to the Participant.

9.3 Performance Share Units Agreement. Each Award of Performance Share Units shall be evidenced by an Award Agreement that shall specify any vesting conditions, the number of Performance Share Units granted and such other terms and conditions as the Committee, in its sole discretion, shall determine.

9.4 Performance Objectives and Other Terms. The Committee, in its discretion, shall set Performance Objectives or other vesting criteria which, depending on the extent to which they are met, will determine the number or value of Performance Share Units that will be paid out to the Participants. The Committee may set Performance Objectives or vesting criteria based upon the achievement of specific Company-wide, departmental or individual Performance Objectives, applicable federal or state securities laws, or any other basis determined by the Committee in its discretion.

9.5 Earning of Performance Share Units. After the applicable Performance Period has ended, the holder of Performance Share Units shall be entitled to receive a payout of the number of Performance Share Units earned by the Participant over the

Performance Period, to be determined as a function of the extent to which the corresponding Performance Objectives or other vesting provisions have been achieved. After the grant of Performance Share Units, the Committee, in its sole discretion, may reduce or waive any Performance Objectives for such Performance Share Units and may accelerate the time at which any restrictions will lapse or be removed.

9.6 Form and Timing of Payment of Performance Share Units. Payment of vested Performance Share Units shall be made as soon as practicable after the expiration of the applicable Performance Period (subject to any deferral permitted under Section 12.1), or as otherwise provided in the applicable Award Agreement or as required by Applicable Laws. The Committee, in its sole discretion, may pay earned Performance Share Units in the form of cash, in Shares or in a combination thereof.

9.7 Cancellation of Performance Share Units. On the date set forth in the Award Agreement, all unvested Performance Share Units shall be forfeited to the Company, and except as otherwise determined by the Committee and subject to Section 4.2, again shall be available for grant under the Plan.

SECTION 10 RESTRICTED STOCK UNITS

10.1 Grant of Restricted Stock Units. Restricted Stock Units may be granted to Employees, Directors and Consultants at any time and from time to time, as shall be determined by the Committee, in its sole discretion. The Committee shall have complete discretion in determining the number of Restricted Stock Units granted to each Participant, provided that during any Fiscal Year, no Participant shall be granted more than a total of 1,500,000 Restricted Stock Units, Shares of Restricted Stock and Performance Share Units (in the aggregate and taking into account the maximum number of Shares issuable under each Award). Notwithstanding the foregoing, during the Fiscal Year in which a Participant first becomes an Employee, the Participant may be granted up to a total of an additional 1,500,000 Restricted Stock Units, Shares of Restricted Stock or Performance Share Units (in the aggregate and taking into account the maximum number of Shares issuable under each Award).

10.2 Value of Restricted Stock Units. Each Restricted Stock Unit represents the right to receive the value of one (1) Share at the time the Restricted Stock Unit vests.

10.3 Restricted Stock Unit Agreement. Each Award of Restricted Stock Units shall be evidenced by an Award Agreement that shall specify any vesting conditions, the number of Restricted Stock Units granted, and such other terms and conditions as the Committee, in its sole discretion, shall determine.

10.4 Vesting and Other Terms. The Committee, in its discretion, shall set Performance Objectives or other vesting criteria which, depending on the extent to which they are met, will determine the number or value of Restricted Stock Units that will be paid out to the Participants. Each Award of Restricted Stock Units shall be evidenced by an Award Agreement that shall specify the Performance Period, and such other

terms and conditions as the Committee, in its sole discretion, shall determine. The Committee may set Performance Objectives or vesting criteria based upon the achievement of specific Company-wide, departmental or individual Performance Objectives, applicable federal or state securities laws, or any other basis determined by the Committee in its discretion (for example, but not by way of limitation, continuous service as an Employee, Director or Consultant).

10.5 Earning of Restricted Stock Units. After the applicable vesting period has ended, the holder of Restricted Stock Units shall be entitled to receive a payout of the number of Restricted Stock Units earned by the Participant over the vesting period. After the grant of a Restricted Stock Unit, the Committee, in its sole discretion, may reduce or waive any vesting condition that must be met to receive a payout for such Restricted Stock Unit and may accelerate the time at which any restrictions will lapse or be removed.

10.6 Form and Timing of Payment of Restricted Stock Units. Payment of vested Restricted Stock Units shall be made as soon as practicable after the date(s) set forth in the Award Agreement (subject to any deferral permitted under Section 12.1) or as otherwise provided in the applicable Award Agreement or as required by Applicable Laws. The Committee, in its sole discretion, may pay Restricted Stock Units in the form of cash, in Shares or in a combination thereof.

10.7 Cancellation of Restricted Stock Units. On the date set forth in the Award Agreement, all unearned Restricted Stock Units shall be forfeited to the Company, and except as otherwise determined by the Committee and subject to Section 4.2, again shall be available for grant under the Plan.

SECTION 11 NONEMPLOYEE DIRECTOR AWARDS

11.1 General. During any Fiscal Year, each Nonemployee Director may be granted Awards covering an aggregate maximum number of Shares equal to \$400,000 divided by the Fair Market Value of a Share on the Grant Date of the applicable Award. As determined in the discretion of the Committee, Nonemployee Directors will be eligible to be granted all types of Awards under this Plan (other than Incentive Stock Options), including discretionary Awards not covered under this Section 11. All grants of Restricted Stock Units to Nonemployee Directors pursuant to this Section 11 will be automatic and nondiscretionary, except as otherwise provided herein, and will be made in accordance with the following provisions:

11.2 Awards.

11.2.1 Initial Awards. Each Nonemployee Director who first becomes a Nonemployee Director automatically shall receive, as of the date that the individual first is appointed or elected as a Nonemployee Director, an Award of Restricted Stock Units (the "Initial Award"). The number of Restricted Stock Units subject to the Initial Award will be equal to (a) the value obtained by multiplying (i) an amount as determined by the

Committee from time to time prior to such appointment or election and subject to the limitation set forth in Section 11.1 by (ii) a fraction, the numerator of which is the actual number of days between the date of the Nonemployee Director's appointment or election and the scheduled date of the next following Annual Meeting, and the denominator of which is 365, which such resulting value divided by (b) the Fair Market Value of a Share on the Grant Date, rounded down to the nearest whole Share. The Nonemployee Director shall not receive an Initial Award if such individual is first appointed or elected as a Nonemployee Director on the date of an Annual Meeting and instead shall receive an Ongoing Award pursuant to Section 11.2.2 on that date.

11.2.2 Ongoing Awards. On the date of each Annual Meeting, but after any stockholder votes taken on such date, each Nonemployee Director who is appointed or elected as a Nonemployee Director on the date of the Annual Meeting automatically shall receive, as of such date, an Award of the number of Restricted Stock Units equal to an amount as determined by the Committee from time to time prior to such Annual Meeting and subject to the limitation set forth in Section 11.1 divided by the Fair Market Value of a Share on the Grant Date, rounded down to the nearest whole Share (the "Ongoing Award"). Notwithstanding the foregoing, each Nonemployee Director who is required to tender a resignation following such Annual Meeting in accordance with the Company's majority voting policy for election of directors shall not receive an Ongoing Award, unless the Board determines not to accept such Nonemployee Director's resignation in accordance with the Company's policy, in which case such Nonemployee Director automatically shall receive the Ongoing Award on the date the Board makes a determination not to accept such resignation.

11.3 Terms of Initial Award and Ongoing Awards.

11.3.1 Award Agreement. Each Award of Restricted Stock Units granted pursuant to this Section 11 shall be evidenced by a written Award Agreement (which may be in electronic form) between the Participant and the Company.

11.3.2 Value of Restricted Stock Units. Each Restricted Stock Unit shall have an initial value equal to the Fair Market Value of a Share on the Grant Date.

11.3.3 Vesting and Other Terms. Subject to the other provisions of Section 11.3, each Initial Award and Ongoing Award shall be earned and paid out as to one hundred percent (100%) of the Shares subject to the Initial Award or Ongoing Award, as applicable, on the next following March 1 (or, if earlier, on the date immediately before the date of the Annual Meeting of Stockholders that next follows the Grant Date). Notwithstanding the preceding, once a Nonemployee Director ceases to be a Director, such Director's Restricted Stock Units which are not then earned shall never be earned or paid out and shall be immediately forfeited, except to the extent provided in Section 11.3.4 and Section 11.3.5.

11.3.4 Disability of Nonemployee Director. If a Nonemployee Director has a Termination of Service due to Disability prior to the vesting of Restricted Stock Units, then one hundred percent (100%) of the Restricted Stock Units shall immediately become vested and payable, subject to the terms and conditions of any deferral pursuant to Section 11.3.7.

11.3.5 Death of Nonemployee Director. If a Nonemployee Director dies while serving as a Director prior to the vesting of such Nonemployee Director's Restricted Stock Units, then one hundred percent (100%) of the Restricted Stock Units shall immediately become vested and payable, subject to the terms and conditions of any deferral pursuant to Section 11.3.7.

11.3.6 Earning of Restricted Stock Units. After the applicable vesting period has ended, the holder of Restricted Stock Units shall be entitled to receive a payout of the number of Restricted Stock Units earned by the Nonemployee Director over the vesting period, to be determined as a function of the extent to which the corresponding vesting provisions have been achieved.

11.3.7 Form and Timing of Payment of Restricted Stock Units. Payment of earned Restricted Stock Units shall be made as soon as practicable after the expiration of the applicable vesting period. The Committee, in its sole discretion, may pay earned Restricted Stock Units in the form of cash, in Shares (which have an aggregate Fair Market Value equal to the value of the earned Restricted Stock Units at the close of the applicable vesting period) or in a combination thereof. Notwithstanding the foregoing, the Committee may, in its sole discretion, provide a Nonemployee Director with the opportunity to defer the receipt of earned Restricted Stock Units that would otherwise be delivered to such Nonemployee Director under this Section 11. Any such deferral shall be subject to such rules, conditions and procedures as shall be determined by the Committee in its sole discretion, which rules, conditions and procedures shall comply with the requirements of Section 409A, unless otherwise specifically determined by the Committee.

11.3.8 Cancellation of Restricted Stock Units. On the date set forth in the Award Agreement, all unearned or unvested Restricted Stock Units shall be forfeited to the Company, and except as otherwise determined by the Committee and subject to Section 4.2, again shall be available for grant under the Plan.

11.3.9 Other Terms. All provisions of the Plan not inconsistent with this Section 11 shall apply to Restricted Stock Units granted to Nonemployee Directors, including but not limited to the provisions of Section 10.

11.4 Amendments. The Committee, in its sole discretion, at any time may change the number of Restricted Stock Units to be granted (after the date of the amendment) as the Initial Award and Ongoing Awards.

11.5 Elections by Nonemployee Directors. Pursuant to such procedures as the Committee (in its discretion) may adopt from time to time, each Nonemployee Director may elect to forgo receipt of all or a portion of the annual retainer, committee fees and meeting fees otherwise due to the Nonemployee Director in exchange for Shares or Awards granted under the Plan. The number of Shares (or covered by Awards) received

by any Nonemployee Director shall equal the amount of foregone compensation divided by the Fair Market Value of a Share (or of the Award) on the date that the compensation otherwise would have been paid to the Nonemployee Director, rounded down to the nearest whole number of Shares. The procedures adopted by the Committee for elections under this Section 11.5 shall be designed to ensure that any such election by a Nonemployee Director will not disqualify him or her as a “non-employee director” under Rule 16b-3. Unless otherwise expressly determined by the Committee, the elections permitted under this Section 11.5 shall comply with Section 409A.

SECTION 12 ADDITIONAL PROVISIONS

12.1 Deferrals. The Committee, in its sole discretion, may permit a Participant to defer receipt of the payment of cash or the delivery of Shares that would otherwise be due to such Participant under an Award. Any such deferral elections shall be subject to such rules and procedures as shall be determined by the Committee in its sole discretion and, unless otherwise expressly determined by the Committee, shall comply with the requirements of Section 409A.

12.2 Compliance with Section 409A. Awards will be designed and operated in such a manner that they are either exempt from the application of, or comply with, the requirements of Section 409A such that the grant, payment, settlement or deferral will not be subject to the additional tax or interest applicable under Section 409A, except as otherwise determined in the sole discretion of the Committee. The Plan and each Award Agreement under the Plan is intended to meet the requirements of Section 409A and will be construed and interpreted in accordance with such intent, including with respect to any ambiguities or ambiguous terms, except as otherwise determined in the sole discretion of the Committee. To the extent that an Award or payment, or the settlement or deferral thereof, is subject to Section 409A the Award will be granted, paid, settled or deferred in a manner that will meet the requirements of Section 409A, such that the grant, payment, settlement or deferral will not be subject to the additional tax or interest applicable under Section 409A. Each payment or benefit under this Plan and under each Award Agreement is intended to constitute a separate payment for purposes of Section 1.409A-2(b)(2) of the Treasury Regulations.

12.3 No Effect on Employment or Service. Nothing in the Plan or any Award shall interfere with or limit in any way the right of the Company to terminate any Participant’s employment or service at any time, with or without cause. For purposes of the Plan, transfer of employment of a Participant between the Company and any one of its Affiliates (or between Affiliates) shall not be deemed a Termination of Service. Employment with the Company and its Affiliates is on an at-will basis only.

12.4 Participation. No Employee, Director or Consultant shall have the right to receive an Award under this Plan, nor, having received any Award, have the right to receive a future Award, except as otherwise provided under Section 11.

12.5 Indemnification. Each person who is or shall have been a member of the Committee, or of the Board, shall be indemnified and held harmless by the Company against and from (a) any loss, cost, liability, or expense that may be imposed upon or reasonably incurred by such member in connection with or resulting from any claim, action, suit, or proceeding to which the member may be a party or in which the member may be involved by reason of any action taken or failure to act under the Plan or any Award Agreement, and (b) from any and all amounts paid by such member in settlement thereof, with the Company's approval, or paid by such member in satisfaction of any judgment in any such claim, action, suit, or proceeding against such member, provided that such member shall give the Company an opportunity, at its own expense, to handle and defend the same before undertaking to handle and defend it on such member's own behalf. The foregoing right of indemnification shall not be exclusive of any other rights of indemnification to which such persons may be entitled under the Company's Certificate of Incorporation or Bylaws, by contract, as a matter of law, or otherwise, or under any power that the Company may have to indemnify them or hold them harmless.

12.6 Successors. All obligations of the Company under the Plan, with respect to Awards granted hereunder, shall be binding on any successor to the Company, whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation, or otherwise, of all or substantially all of the business or assets of the Company.

12.7 Beneficiary Designations. If permitted by the Committee, a Participant under the Plan may name a beneficiary or beneficiaries to whom any vested but unpaid Award shall be paid in the event of the Participant's death. Each such designation shall revoke all prior designations by the Participant and shall be effective only if given in a form and manner acceptable to the Committee. In the absence of any such designation, any vested benefits remaining unpaid at the Participant's death shall be paid to the Participant's estate and, subject to the terms of the Plan and of the applicable Award Agreement, any unexercised vested Award may be exercised by the administrator or executor of the Participant's estate.

12.8 Limited Transferability of Awards. No Award granted under the Plan may be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated, other than by will, by the laws of descent and distribution, or to the limited extent provided in Section 12.7. All rights with respect to an Award granted to a Participant shall be available during the Participant's lifetime only to the Participant. Notwithstanding the foregoing, a Participant may, if the Committee (in its discretion) so permits, transfer an Award (other than an Incentive Stock Option) to an individual or entity other than the Company for estate planning or charitable purposes. Any such transfer shall be made as a gift (i.e., without consideration) and in accordance with such procedures as the Committee may specify from time to time.

12.9 No Rights as Stockholder. Except to the limited extent provided in Sections 7.6 and 7.7, no Participant (nor any beneficiary) shall have any of the rights or privileges of a stockholder of the Company with respect to any Shares issuable

pursuant to an Award (or exercise thereof), unless and until certificates representing such Shares (which may be in book entry form) shall have been issued, recorded on the records of the Company or its transfer agents or registrars, and delivered to the Participant (or beneficiary).

12.10 Vesting of Awards following Change of Control. If, within 12 months after a Change of Control, a Participant's employment is terminated by the Company without Cause, or the Participant voluntarily terminates the Participant's employment with Good Reason, the Participant shall have the right to receive a payment with respect to each outstanding Award held by such Participant at the time of such employment termination that was both granted prior to the Change of Control, whether or not such Award was vested at the time of such Change in Control, calculated in the manner described in Section 4.4.1 based on the values and other facts as of the date of such employment termination. If a Participant who is a Nonemployee Director ceases to be such as of the date of a Change of Control (and does not become a member of the board of directors of the successor corporation, or a parent of the successor corporation), each outstanding Award then held by the Participant shall be treated as described in Section 4.4.1, as if the Award was not assumed or substituted for in the Change of Control. This Section 12.10 shall not apply to an Award if: (a) the applicable Award Agreement specifically provides that the provisions of this Section 12.10 shall not apply to the Award, or (b) the Participant's employment or service on the Board is terminated due to the Participant's death or Disability.

SECTION 13 AMENDMENT, TERMINATION, AND DURATION

13.1 Amendment, Suspension, or Termination. The Board, in its sole discretion, may amend, suspend or terminate the Plan, or any part thereof, at any time and for any reason. The Company will obtain stockholder approval of any Plan amendment to the extent necessary and desirable to comply with applicable laws. In addition, an amendment will be subject to stockholder approval if the Committee or the Board, in their sole discretion, deems such amendment to be a material amendment, except with respect to such an amendment that will impact Awards covering, in the aggregate, no more than five percent (5%) of the shares reserved for issuance under the Plan. The following amendments shall be deemed material amendments for purposes of the preceding sentence: (a) material increases to the benefits accrued to Participants under the Plan; (b) increases to the number of securities that may be issued under the Plan; (c) material modifications to the requirements for participation in the Plan, and (d) the addition of a new provision allowing the Committee to lapse or waive restrictions at its discretion. The amendment, suspension, or termination of the Plan shall not, without the consent of the Participant, alter or impair any rights or obligations under any Award theretofore granted to such Participant. No Award may be granted during any period of suspension or after termination of the Plan. Termination of the Plan will not affect the Committee's ability to exercise the powers granted to it hereunder with respect to Awards granted under the Plan prior to the date of such termination.

13.2 Duration of the Plan. The Plan shall be effective as of the Effective Date, and subject to Section 13.1 (regarding the Board's right to amend or terminate the Plan), shall remain in effect thereafter. However, without further stockholder approval, no Incentive Stock Option may be granted under the Plan after December 4, 2030.

SECTION 14 TAX WITHHOLDING

14.1 Withholding Requirements. Prior to the delivery of any Shares or cash pursuant to an Award (or exercise thereof), or at such earlier time as the Tax Obligations are due, the Company shall have the power and the right to deduct or withhold, or require a Participant to remit to the Company, an amount sufficient to satisfy all Tax Obligations.

14.2 Withholding Arrangements. The Committee, in its sole discretion and pursuant to such procedures as it may specify from time to time, may designate the method or methods by which a Participant may satisfy such Tax Obligations. As determined by the Committee in its discretion from time to time, these methods may include one or more of the following: (a) paying cash, (b) electing to have the Company withhold otherwise deliverable cash or Shares having a Fair Market Value equal to the Tax Obligations, (c) delivering to the Company already-owned Shares having a Fair Market Value equal to the Tax Obligations, (d) selling a sufficient number of Shares otherwise deliverable to the Participant through such means as the Committee may determine in its sole discretion (whether through a broker or otherwise) equal to the Tax Obligations required to be withheld or remitted, (e) retaining from salary or other amounts payable to the Participant cash having a sufficient value to satisfy the Tax Obligations or (f) any other means which the Committee, in its sole discretion, determines to both comply with Applicable Laws, and to be consistent with the purposes of the Plan, provided any withholding or delivery of Shares will not result in any adverse accounting consequences as the Committee determines in its sole discretion. The amount of Tax Obligations will be deemed to include any amount that the Committee agrees may be withheld at the time the election is made, not to exceed the amount determined by using the maximum federal, state or local marginal income tax rates applicable to the Participant or the Company, as applicable, with respect to the Award on the date that the amount of tax or social insurance liability to be withheld or remitted is to be determined. The Fair Market Value of the Shares to be withheld or delivered shall be determined as of the date that the Tax Obligations are required to be withheld.

SECTION 15 LEGAL CONSTRUCTION

15.1 Number. Except where otherwise indicated by the context, the plural shall include the singular and the singular shall include the plural.

15.2 Severability. In the event any provision of the Plan shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining parts of the Plan, and the Plan shall be construed and enforced as if the illegal or invalid provision had not been included.

15.3 Requirements of Law. Shares shall not be issued pursuant to the exercise or vesting of an Award unless the exercise or vesting of such Award and the issuance and delivery of such Shares shall comply with Applicable Laws and shall be further subject to the approval of counsel for the Company with respect to such compliance.

15.4 Securities Law Compliance. With respect to Section 16 Persons, transactions under this Plan are intended to qualify for the exemption provided by Rule 16b-3. To the extent any provision of the Plan, Award Agreement or action by the Committee fails to so comply, it shall be deemed null and void, to the extent permitted by law and deemed advisable or appropriate by the Committee.

15.5 Investment Representations. As a condition to the exercise of an Award, the Company may require the person exercising such Award to represent and warrant at the time of any such exercise that the Shares are being purchased only for investment and without any present intention to sell or distribute such Shares if, in the opinion of counsel for the Company, such a representation is required.

15.6 Inability to Obtain Authority. The Company will not be required to issue any Shares, cash or other property under the Plan unless all the following conditions are satisfied: (a) the admission of the Shares or other property to listing on all stock exchanges on which such class of stock or property then is listed; (b) the completion of any registration or other qualification or rule compliance of the Shares under any U.S. state or federal law or under the rulings or regulations of the Securities and Exchange Commission, the stock exchange on which Shares of the same class are then listed, or any other governmental regulatory body, as counsel to the Company, in its absolute discretion, deems necessary or advisable; (c) the obtaining of any approval or other clearance from any U.S. federal, state or other governmental agency, which counsel to the Company, in its absolute discretion, determines to be necessary or advisable; and (d) the lapse of such reasonable period of time following the Grant Date, vesting and/or exercise as the Company may establish from time to time for reasons of administrative convenience. If the Committee determines, in its absolute discretion, that one or more of the preceding conditions will not be satisfied, the Company automatically will be relieved of any liability with respect to the failure to issue the Shares, cash or other property as to which such requisite authority will not have been obtained.

15.7 Governing Law. The Plan and all Award Agreements shall be construed in accordance with and governed by the laws of the State of California (with the exception of its conflict of laws provisions).

15.8 Captions. Captions are provided herein for convenience only and shall not serve as a basis for interpretation or construction of the Plan.

**APPLIED MATERIALS, INC.
OMNIBUS EMPLOYEES' STOCK PURCHASE PLAN**

(Amended and Restated Effective as of September 1, 2021)

SECTION 1
PURPOSE

1.1 Applied Materials, Inc., having established the Applied Materials, Inc. Employees' Stock Purchase Plan (the "U.S. Plan") in order to provide Eligible Employees of the Company and Participating Companies with the opportunity to purchase Common Stock through payroll deductions or, if payroll deductions are not permitted under local laws, through other means as specified by the Committee, hereby amends, restates and renames the U.S. Plan in its entirety. Effective as of September 1, 2021, the amended plan shall be renamed the Applied Materials, Inc. Omnibus Employees' Stock Purchase Plan (the "Omnibus Plan"), and as amended and restated, the Omnibus Plan consists of the U.S. Plan and one or more separate sub-plans ("Non-U.S. Plans") that may be established by the Committee. The Omnibus Plan document is an omnibus document designed to permit offerings of grants under the U.S. Plan to Employees of the Company and Subsidiaries that are Participating Companies where such offerings are intended to satisfy the requirements of Section 423 of the Code, and the U.S. Plan shall be interpreted in a manner that is consistent with that intent; however, the Company makes no undertaking nor representation to obtain or maintain qualification under Section 423 for any Subsidiary, individual, offering or grant. Additionally, the Omnibus Plan permits offerings of grants to Employees of certain Participating Companies subject to the Non-U.S. Plans, which are not intended to satisfy the requirements of Section 423 of the Code.

1.2 The U.S. Plan is a separate and independent plan from the Non-U.S. Plans, provided, however, that the total number of shares of Common Stock authorized to be issued under the Omnibus Plan in Section 3.1 hereof applies in the aggregate to both the U.S. Plan and the Non-U.S. Plans. Offerings under the Non-U.S. Plans may be made to achieve desired tax or other objectives in particular locations outside the United States of America or to comply with local laws applicable to offerings in such foreign jurisdictions. Offerings under the Non-U.S. Plans may also be made to Employees of Participating Companies that are not Subsidiaries.

1.3 All Employees who participate in the U.S. Plan shall have the same rights and privileges except for differences that may be mandated by local law and are consistent with the requirements of Section 423(b)(5) of the Code. The terms of the U.S. Plan shall be those set forth in this Omnibus Plan document to the extent such terms are consistent with the requirements for qualification under Section 423 of the Code. The Committee may adopt Non-U.S. Plans applicable to particular Participating Companies or locations that are not participating in the U.S. Plan. The terms of each Non-U.S. Plan may take precedence over other provisions herein, with the exception of

Sections 3 and 11 with respect to the total number of shares available to be offered under the Omnibus Plan which includes shares available to be offered under the U.S. Plan and all Non-U.S. Plans in the aggregate. Unless otherwise superseded by the terms of such Non-U.S. Plan, the provisions of this Omnibus Plan document shall govern the operation of any Non-U.S. Plan. Except to the extent expressly set forth herein or where the context suggests otherwise, any reference herein to "Omnibus Plan" shall be construed to include a reference to the U.S. Plan and any Non-U.S. Plans that may be established by the Committee.

SECTION 2 DEFINITIONS

2.1 "1934 Act" means the Securities Exchange Act of 1934, as amended. Reference to a specific section of the 1934 Act or regulation thereunder shall include such section or regulation, any valid regulation promulgated under such section, and any comparable provision of any future legislation or regulation amending, supplementing or superseding such section or regulation.

2.2 "Affiliates" means an entity, other than a Subsidiary, in which the Company has an equity or other ownership interest whether or not such entity or interest exists now or is hereafter organized or acquired.

2.3 "Board" means the Board of Directors of the Company.

2.4 "Code" means the Internal Revenue Code of 1986, as amended. Reference to a specific Section of the Code or regulation thereunder shall include such Section or regulation, any valid regulation promulgated under such Section, and any comparable provision of any future legislation or regulation amending, supplementing or superseding such Section or regulation.

2.5 "Committee" shall mean the committee appointed by the Board to administer the Omnibus Plan. Until otherwise determined by the Board, the Omnibus Plan shall be administered by the Human Resources and Compensation Committee of the Board.

2.6 "Common Stock" means the common stock of the Company, \$0.01 par value per share.

2.7 "Company" means Applied Materials, Inc., a Delaware corporation.

2.8 "Compensation" means a Participant's base salary or base hourly wages payable for standard hours, excluding any other type of compensation such as commissions, overtime, bonuses, allowances or shift differential. The Committee, in its discretion, may, on a uniform and nondiscriminatory basis or as otherwise permitted by Treasury Regulation Section 1.423-2(f), establish a different definition of Compensation prior to an Enrollment Date for all options to be granted on such Enrollment Date in an Offering.

2.9 “**Eligible Employee**” means every Employee of an Employer, except (a) any Employee who immediately after the grant of an option under the Omnibus Plan, would own stock and/or hold outstanding options to purchase stock possessing five percent (5%) or more of the total combined voting power or value of all classes of stock of the Company or of any Subsidiary of the Company (including stock attributed to such Employee pursuant to Section 424(d) of the Code), or (b) as provided in this Section 2.9. The Committee, in its discretion, from time to time may, prior to an Enrollment Date for all options to be granted on such Enrollment Date in an Offering under the U.S. Plan, determine on a uniform and nondiscriminatory basis or as otherwise permitted by Treasury Regulation Section 1.423-2 that an Employee shall not be an Eligible Employee if he or she: (1) has not completed the required length of service with the Company, if any, as such length may be determined by the Committee in its discretion (such length of required service not to exceed two (2) years), (2) customarily works not more than twenty (20) hours per week (or such lesser period of time as may be determined by the Committee in its discretion), (3) customarily works not more than five (5) months per calendar year (or such lesser period of time as may be determined by the Committee in its discretion), (4) is a highly compensated employee under Section 414(q) of the Code and (5) is a highly compensated employee under Section 414(q) of the Code with compensation above a certain level or who is an officer or subject to the disclosure requirements of Section 16(a) of the 1934 Act, provided any exclusion be applied with respect to an individual Offering in a manner complying with Treasury Regulation Section 1.423-2(e)(2)(ii). The Committee may further impose restrictions on eligibility and participation of Employees who are officers and directors to facilitate compliance with federal or state securities laws or foreign laws, to extent permitted by Code Section 423, if applicable. Further, and notwithstanding the foregoing, Employees who are citizens or residents of a non-U.S. jurisdiction (without regard to whether they also are citizens or residents of the United States or resident aliens (within the meaning of Section 7701(b)(1)(A) of the Code)) may be excluded from the U.S. Plan or an Offering if the participation of such Employees is prohibited under the laws of the applicable jurisdiction or if complying with the laws of the applicable jurisdiction would cause the U. S. Plan or an Offering to violate Section 423 of the Code. An Employee who otherwise is an Eligible Employee shall be treated as continuing to be such while the Employee is on sick leave or other leave of absence approved in writing by the Employer, except that if the period of leave exceeds three (3) months and the Employee’s right to reemployment is not guaranteed by statute or contract, he or she shall cease to be an Eligible Employee on the date three (3) months and one (1) day following the start of such leave. Until and unless determined otherwise by the Committee, Eligible Employees shall exclude each Employee (other than as excluded by subsection (a) of this Section 2.9) of an Employer who is customarily employed by the Company and/or a Subsidiary to work less than or equal to twenty (20) hours per week or five (5) months per calendar year. In respect of any Non-U.S. Plan, the Committee may exclude from participation any Employees it deems necessary or advisable, including without limitation, for the purposes of achieving a desired tax treatment in a foreign jurisdiction or complying with the laws applicable to a non-U.S. Subsidiary or Affiliate.

2.10 “Employee” means an individual who is an employee of any Employer, whether such employee is so employed at the time the Omnibus Plan is adopted or becomes so employed subsequent to the adoption of the Omnibus Plan.

2.11 “Employer” or “Employers” means any one or all of the Company and those Subsidiaries or Affiliates which has been or may be designated by the Committee in writing from time to time as a Participating Company. With respect to a particular Participant, Employer means the Company or its Subsidiary or Affiliate, as the case may be, that directly employs the Participant.

2.12 “Enrollment Date” means such dates as may be determined by the Committee, in its discretion and on a uniform and nondiscriminatory basis, from time to time.

2.13 “Grant Date” means any date on which a Participant is granted an option under the Omnibus Plan.

2.14 “Offering” means an offer under this Omnibus Plan of an option that may be exercised during the period described in Section 5.2. For purposes of the Omnibus Plan, all Eligible Employees will be deemed to participate in the same Offering unless the Committee otherwise determines that Eligible Employees of one or more Employers will be deemed to participate in separate Offerings, in which case the Offerings will be considered separate even if the dates of each such Offering are identical and the provisions of the Omnibus Plan will separately apply to each Offering. To the extent permitted by Treasury Regulation Section 1.423-2(a)(1), the terms of each Offering need not be identical provided that the terms of the Omnibus Plan and the Offering together satisfy Treasury Regulation Sections 1.423-2(a)(2) and (a)(3).

2.15 “Omnibus Plan” means the renamed, amended and restated Applied Materials, Inc. Omnibus Employees’ Stock Purchase Plan, as set forth in this instrument and as hereafter amended from time to time.

2.16 “Participant” means an Eligible Employee who (a) has become a Participant in the Omnibus Plan pursuant to Section 4.1 and (b) has not ceased to be a Participant pursuant to Section 8 or Section 9.

2.17 “Participating Company” means the Company and any Subsidiary or Affiliate that has been designated by the Committee to participate in the Omnibus Plan. For purposes of participation in the U. S. Plan, only the Company and its Subsidiaries may be considered Participating Companies, and the Committee shall designate from time to time which Subsidiaries will be Participating Companies in the U. S. Plan. The Committee shall designate from time to time which Subsidiaries and Affiliates will be Participating Companies in particular Non-U. S. Plans, provided, however, that at any given time, a Subsidiary that is a Participating Company in the U. S. Plan will not be a Participating Company in a Non-U. S. Plan. The foregoing designations and changes in designation by the Committee shall not require shareholder approval. Notwithstanding the foregoing, the term “Participating Company” shall not include any Subsidiary or Affiliate that offers its employees the opportunity to participate in an employee stock purchase plan covering the Subsidiary’s or Affiliate’s common stock.

2.18 "Purchase Date" means such dates on which each outstanding option granted under the Omnibus Plan shall be exercised (except in such instance in which the Omnibus Plan has been terminated), as may be determined by the Committee, in its discretion and on a uniform and nondiscriminatory basis from time to time prior to an Enrollment Date for all options to be granted on such Enrollment Date.

2.19 "Purchase Period" means the period beginning on such date as may be determined by the Committee, in its discretion and on a uniform and nondiscriminatory basis and ending on a Purchase Date.

2.20 "Subsidiary" means any corporation, whether or not such corporation exists now or is hereafter organized or acquired, in an unbroken chain of corporations beginning with the Company if each of the corporations other than the last corporation in the unbroken chain then owns stock possessing fifty percent (50%) or more of the total combined voting power of all classes of stock in one of the other corporations in such chain.

2.21 "Treasury Regulations" means the Treasury regulations of the Code. Reference to a specific Treasury Regulation or Section of the Code shall include such Treasury Regulation or Section, any valid regulation promulgated under such Section, and any comparable provision of any future legislation or regulation amending, supplementing or superseding such Section or regulation.

SECTION 3 SHARES SUBJECT TO THE OMNIBUS PLAN

3.1 Number Available. A maximum of 106,500,000 shares of Common Stock shall be available for issuance pursuant to the Omnibus Plan. Shares issued under the Omnibus Plan may be newly issued shares or treasury shares.

3.2 Adjustments. In the event of any reorganization, recapitalization, stock split, reverse stock split, stock dividend, spin off, combination of shares, merger, consolidation, offering of rights or other similar change in the capital structure of the Company, the Committee shall proportionately adjust the number, kind and purchase price of the shares available for purchase under the Omnibus Plan, the per person share number limits on purchases and the purchase price and number of shares subject to any option under the Omnibus Plan which has not yet been exercised.

SECTION 4 ENROLLMENT

4.1 Participation. Each Eligible Employee may elect to become a Participant by enrolling or re-enrolling in the U.S. Plan or Non-U.S. Plans, as applicable, effective as of any Enrollment Date. In order to enroll, an Eligible Employee must complete, sign and submit to the Company, or such other entity designated by the Company for this

purpose, an enrollment form, which may be electronic, in such form, manner and by such deadline as may be specified by the Committee from time to time, in its discretion and on a nondiscriminatory basis or, with regard to the U.S. Plan, as otherwise permitted by Treasury Regulation Section 1.423-2. Any Participant whose option is exercised or expires and who has not withdrawn from the Omnibus Plan shall be automatically re-enrolled in the U. S. Plan or Non-U. S. Plans, as applicable, on the Enrollment Date immediately following the Purchase Date on which the Participant's option is exercised or expires.

4.2 Payroll Withholding and Contribution. On the enrollment form, each Participant must elect to make contributions via payroll withholding from the Participant's Compensation or, if payroll withholding is not permitted under local laws, via such other means as specified by the Committee and/or to the extent permitted by Treasury Regulation Section 1.423-2. Pursuant to such procedures as the Committee may specify from time to time (which may be in electronic form), a Participant may elect to have withholding equal to, or otherwise contribute, a whole percentage from one percent (1%) to twenty-five percent (25%) (or such greater or lesser percentage or dollar amount that the Committee may establish from time to time, in its discretion and on a uniform and nondiscriminatory basis or as otherwise permitted by Treasury Regulation Section 1.423-2, for all options to be granted on any Enrollment Date in an Offering). The Company may require current Participants to complete a new enrollment form at any time it deems necessary or desirable to facilitate Plan administration or for any other reason. Unless and until the Committee determines within its discretion to increase or decrease such dollar amount, no Participant may contribute more than \$6,500 during any one Purchase Period. If permitted by the Committee, a Participant instead may elect to have a specific amount withheld or to contribute a specific amount, in dollars or in the applicable local currency, subject to such uniform and nondiscriminatory rules (or as otherwise permitted by Treasury Regulation Section 1.423-2) as the Committee in its discretion may specify. A Participant may elect to increase or decrease such Participant's rate of payroll withholding or contribution by submitting an election (which may be in electronic form) in accordance with, and if and to the extent permitted by, procedures established by the Committee from time to time, which may, if permitted by the Committee, include a decrease to zero percent (0%), provided, however, that unless determined otherwise by the Committee, a decrease to zero percent (0%) shall be deemed a withdrawal from the Omnibus Plan. A Participant may stop such Participant's payroll withholding or contribution by submitting an election in accordance with and to the extent permitted by procedures as may be established by the Committee from time to time. In order to be effective as of a specific date, an enrollment election must be received by the Company no later than the deadline specified by the Committee, in its discretion and on a nondiscriminatory basis, from time to time. Any Participant who is automatically re-enrolled in the Omnibus Plan shall be deemed to have elected to continue payroll withholding or contributions at the percentage last elected by the Participant. Notwithstanding the foregoing, and to the extent necessary to comply with Section 423(b)(8) of the Code and Section 5.3 of the Omnibus Plan, the Company may automatically decrease a Participant's payroll deductions to zero percent (0%) at any time during an option period. Under such circumstances, payroll deductions shall recommence at the rate provided in such

Participant's enrollment form at the beginning of the first Purchase Period which is scheduled to begin in the following calendar year, unless terminated by the Participant as provided in Section 7 of the Omnibus Plan.

SECTION 5
OPTIONS TO PURCHASE COMMON STOCK

5.1 Grant of Option. On each Enrollment Date on which the Participant enrolls or re-enrolls in the Omnibus Plan, the Participant shall be granted an option to purchase shares of Common Stock.

5.2 Duration of Option. Each option granted under the Omnibus Plan shall expire on the earliest to occur of (a) the completion of the purchase of shares on the last Purchase Date occurring within twenty-seven (27) months of the Grant Date of such option, (b) such shorter option period as may be established by the Committee from time to time, in its discretion and on a uniform and nondiscriminatory basis or as otherwise permitted by Treasury Regulation Section 1.423-2, prior to an Enrollment Date for all options to be granted on such Enrollment Date, or (c) the date on which the Participant ceases to be such for any reason.

5.3 Number of Shares Subject to Option. The maximum number of shares available for purchase by each Participant under the option or on any given Purchase Date shall be established by the Committee from time to time prior to an Enrollment Date for all options to be granted on such Enrollment Date, subject to this Section 5.3. Unless and until otherwise determined by the Committee, a Participant may not purchase more than 1,000 shares of Common Stock (subject to adjustment in accordance with Section 3.2) on any given Purchase Date. Notwithstanding any contrary provision of the Omnibus Plan, to the extent required under Section 423(b) of the Code, an option (taken together with all other options then outstanding under this Omnibus Plan and under all other similar employee stock purchase plans of the Employers) shall not give the Participant the right to purchase stock of the Company or any Subsidiary at a rate which accrues in excess of \$25,000 worth of stock (determined using the fair market value of a share of the stock on the Grant Date of each such option) for each calendar year in which such option is outstanding, in accordance with Treasury Regulation Section 1.423-2(a)(3)(vi).

5.4 Other Terms and Conditions. Each option shall be subject to the following additional terms and conditions:

(a) payment for shares purchased under the option shall be made only through payroll withholding under Section 4.2, unless payroll withholding is not permitted under local laws as determined by the Committee, in which case the Participant may contribute by such other means as specified by the Committee to the extent permitted by Treasury Regulation Section 1.423-2 ;

(b) purchase of shares upon exercise of the option shall be accomplished only in accordance with Section 6.1;

(c) the price per share under the option shall be determined as provided in Section 6.1, subject to adjustment pursuant to Section 3.2;

(d) the option in all respects shall be subject to such other terms and conditions as the Committee shall determine from time to time in its discretion (applied on a uniform and nondiscriminatory basis or as otherwise permitted by Treasury Regulation Section 1.423-2); and

(e) each option will be granted under the same Offering unless the Committee otherwise designates separate Offerings for the Eligible Employees of one or more Participating Companies, in which case, each Participant's option will be granted under the Offering designated for the Eligible Employees of the Participant's Employer.

SECTION 6 PURCHASE OF SHARES

6.1 Exercise of Option. Subject to Section 6.2 and the limits established under Section 5.3, on each Purchase Date, the funds then credited to each Participant's account shall be used to purchase whole shares of Common Stock. Any cash remaining after whole shares of Common Stock have been purchased or that exceed the \$25,000 cap described in Section 5.3 above, shall be refunded to the Participant without interest (except as otherwise required under local laws, in which case the Committee may determine that interest must be paid to all Participants in the relevant Offering in order to comply with Section 423 of the Code, if applicable). The price per share of Common Stock of the shares purchased under any option granted under the Omnibus Plan shall be determined by the Committee from time to time, in its discretion and on a uniform and nondiscriminatory basis or as otherwise permitted by Treasury Regulation Section 1.423-2, for all options to be granted on an Enrollment Date in an Offering. However, in no event shall the price be less than eighty-five percent (85%) of the lower of:

(a) the closing price per share of Common Stock on the Grant Date for such option on the Nasdaq Global Select Market; or

(b) the closing price per share of Common Stock on the Purchase Date on the Nasdaq Global Select Market.

If a closing price is not available on the Grant Date or Purchase Date, then the closing price per share of Common Stock referred to in 6.1(a) and (b) above shall refer to the closing price per share of Common Stock on the first Nasdaq Global Select Market trading day immediately following the Grant Date or preceding the Purchase Date, respectively.

6.2 Delivery of Shares. As directed by the Committee in its sole discretion, shares purchased on any Purchase Date shall be delivered to the Participant by means of book entry system through a broker, including a broker, if any, designated by the Committee to hold shares for the benefit of the Participants.

6.3 Exhaustion of Shares. If at any time the shares available under the Omnibus Plan are over-enrolled, enrollments shall be reduced to eliminate the over-enrollment, as the Committee determines, which determination shall be on a uniform and nondiscriminatory manner. For example, the Committee may determine that such reduction method shall be “bottom up,” with the result that all option exercises for one share shall be satisfied first, followed by all exercises for two shares, and so on, until all available shares have been exhausted. Any funds that, due to over-enrollment, cannot be applied to the purchase of whole shares shall be refunded to the Participants without interest thereon, except as otherwise required under local laws (in which case the Committee may determine that interest must be paid to all Participants in the relevant Offering in order to comply with Section 423 of the Code, if applicable).

6.4 Tax Withholding. Prior to the delivery of any shares purchased under the Omnibus Plan (or at any other time that a taxable event related to the Omnibus Plan occurs), the Company shall have the power and the right to deduct or withhold, or require a Participant to remit to the Company, an amount sufficient to satisfy all tax and social insurance liability obligations and requirements in connection with the options and shares purchased thereunder, if any, including, without limitation, all federal, state, and local taxes (including the Participant’s FICA obligation, if any), and any other taxes imposed by any non-U.S. jurisdiction, that are required to be withheld by the Company or the Employer, the Participant’s and, to the extent required by the Company (or the Employer), the Company’s (or the Employer’s) fringe benefit tax liability, if any, associated with the grant, vesting, or sale of shares and any other Company (or Employer) taxes the responsibility for which the Participant has agreed to bear with respect to such shares.

SECTION 7 WITHDRAWAL

A Participant may withdraw from the Omnibus Plan by submitting a withdrawal form to the Company, or such other entity designated by the Company for this purpose, in such form and manner as the Committee may specify (which may be in electronic form). A withdrawal shall be effective only if it is received by the deadline specified from time to time by the Committee, in its discretion and on a uniform and nondiscriminatory basis or as otherwise permitted by Treasury Regulation Section 1.423-2. Unless otherwise determined by the Committee, when a withdrawal becomes effective, the Participant’s payroll contributions shall cease and all amounts then credited to the Participant’s account shall be distributed to such Participant, without interest thereon, except as otherwise required under local laws (in which case the Committee may determine that interest must be paid to all Participants in the relevant Offering in order to comply with Section 423 of the Code, if applicable).

SECTION 8 CESSATION OF PARTICIPATION

A Participant shall cease to be a Participant immediately upon the cessation of the Participant’s status as an Eligible Employee, except that the Committee, in its

discretion and on a uniform and nondiscriminatory basis, may permit an individual who has ceased to be an Eligible Employee to exercise that individual's option on the next Purchase Date to the extent permitted by Section 423 of the Code, if applicable. As soon as practicable after such cessation, the Participant's payroll contributions shall cease and all amounts then credited to the Participant's account shall be distributed to the Participant without interest thereon, except as otherwise required under local laws (in which case the Committee may determine that interest must be paid to all Participants in the relevant Offering in order to comply with Section 423 of the Code, if applicable).

SECTION 9 DESIGNATION OF BENEFICIARY

9.1 Designation. Each Participant may, pursuant to such uniform and nondiscriminatory procedures (or as otherwise permitted by Treasury Regulation Section 1.423-2) as the Committee may specify in its discretion from time to time, designate one or more individuals to receive any amounts credited to the Participant's account at the time of the Participant's death ("Beneficiaries"). Notwithstanding any contrary provision of this Section 9, Sections 9.1 and 9.2 shall be operative only after, and for so long as, the Committee determines on a uniform and nondiscriminatory basis (or as otherwise permitted by Treasury Regulation Section 1.423-2) to permit the designation of Beneficiaries.

9.2 Changes. A Participant may designate different Beneficiaries or may revoke a prior Beneficiary designation at any time by delivering a new designation or revocation of a prior designation, as applicable, in like manner. Any designation or revocation shall be effective only if it is received by the Committee. However, when so received, the designation or revocation shall be effective as of the date the designation or revocation is executed, whether or not the Participant still is living, but without prejudice to the Committee on account of any payment made before the change is recorded. The last effective designation received by the Committee shall supersede all prior designations.

9.3 Failed Designations. If a Participant dies without having effectively designated a Beneficiary, or if no Beneficiary survives the Participant, the Participant's account shall be payable to the Participant's estate.

SECTION 10 ADMINISTRATION

10.1 Plan Administrator. The Omnibus Plan shall be administered by the Committee. The Committee shall have the authority to control and manage the operation and administration of the Omnibus Plan.

10.2 Actions by Committee. Each decision of a majority of the members of the Committee then in office shall constitute the final and binding act of the Committee. The Committee may act with or without a meeting being called or held and shall keep minutes of all meetings held and a record of all actions taken by written consent.

10.3 **Powers of Committee.** The Committee shall have all powers and discretion necessary or appropriate to administer the Omnibus Plan and to control its operation in accordance with its terms, including, but not by way of limitation, the following discretionary powers:

(a) To interpret and determine the meaning and validity of the provisions of the Omnibus Plan and the options and to determine any question arising under, or in connection with, the administration, operation or validity of the Omnibus Plan or the options;

(b) To determine the form and manner for Participants to make elections under the Omnibus Plan;

(c) To determine any and all considerations affecting the eligibility of any Employee to become a Participant or to remain a Participant in the Omnibus Plan;

(d) To cause an account or accounts to be maintained for each Participant and establish rules for the crediting of contributions and/or shares to the account(s);

(e) To determine the time or times when, and the number of shares for which, options shall be granted;

(f) To establish and revise an accounting method or formula for the Omnibus Plan;

(g) To designate a custodian or broker to receive shares purchased under the Omnibus Plan and to determine the manner and form in which shares are to be delivered to the designated custodian or broker;

(h) To determine the status and rights of Participants and their Beneficiaries or estates;

(i) To employ such brokers, counsel, agents and advisers, and to obtain such broker, legal, clerical and other services, as it may deem necessary or appropriate in carrying out the provisions of the Omnibus Plan;

(j) To establish, from time to time, rules for the performance of its powers and duties and for the administration of the Omnibus Plan;

(k) To designate from time to time which Subsidiaries will participate in the U.S. Plan and which Subsidiaries or Affiliates will participate in a Non-U.S. Plan. In respect of a Non-U.S. Plan, the Committee may exclude from participation any Subsidiary or Affiliate it deems necessary or advisable, including without limitation, for the purposes of achieving a desired tax treatment in a foreign jurisdiction or complying with the laws applicable to a non-U.S. Subsidiary or Affiliate.

(l) To establish Non-U. S. Plans and determine the terms of such sub-plans, including without limitation, modifications to eligibility criteria, maximum number or value of shares that may be purchased in a given period, currency flow for the purchase of shares of Common Stock, Participant ability to hold or sell purchased shares of Common Stock, or other requirements set forth herein, and procedural or administrative modifications, provided any modification relating to Offering under a Non-U. S. Plan of a particular Participating Company will apply only to that Participating Company and will apply equally to all similarly situated Employees of that Participating Company.

(m) To determine procedures for Eligible Employees to enroll in or withdraw from a sub-plan, setting or changing payroll deduction percentages, and obtaining necessary tax withholdings;

(n) To allocate the available shares of Common Stock under the Omnibus Plan to the sub-plans for particular offerings;

(o) To determine that, to the extent permitted by Treasury Regulation Section 1.423-2(f), the terms of an option granted under the Omnibus Plan or an Offering to citizens or residents of a non-U.S. jurisdiction (without regard to whether they also are citizens or residents of the United States or resident aliens (within the meaning of Section 7701(b)(1)(A) of the Code)) will be less favorable than the terms of options granted under the Omnibus Plan or the same Offering to Employees resident in the United States;

(p) To designate separate Offerings for the Eligible Employees of one or more Employers, in which case the Offerings will be considered separate even if the dates of each such Offering are identical and the provisions of the Omnibus Plan will separately apply to each Offering; and

(q) To delegate to any one or more of its members or to any other person including, but not limited to, employees of any Employer, severally or jointly, the authority to perform for and on behalf of the Committee one or more of the functions of the Committee under the Omnibus Plan.

10.4 Decisions of Committee. All actions, interpretations, and decisions of the Committee shall be made in the sole discretion of the Committee and shall be conclusive and binding on all persons and shall be given the maximum deference permitted by law.

10.5 Administrative Expenses. All expenses incurred in the administration of the Omnibus Plan by the Committee, or otherwise, including legal fees and expenses, shall be paid and borne by the Employers, except any stamp duties or transfer taxes applicable to the purchase of shares may be charged to the account of each Participant. Any brokerage fees for the purchase of shares by a Participant shall be paid by the Company, but fees and taxes (including brokerage fees) for the transfer, sale or resale of shares by a Participant, or the electronic delivery of shares, shall be borne solely by the Participant.

10.6 Eligibility to Participate. No member of the Committee who is also an Employee of an Employer shall be excluded from participating in the Omnibus Plan if otherwise eligible, but such person shall not be entitled, as a member of the Committee, to act or pass upon any matters pertaining specifically to the Committee member's own account under the Omnibus Plan.

10.7 Indemnification. Each of the Employers shall, and hereby does, indemnify and hold harmless the members of the Committee and the Board, from and against any and all losses, claims, damages or liabilities, including attorneys' fees and amounts paid, with the approval of the Board or the Committee, in settlement of any claim, arising out of or resulting from the implementation of a duty, act or decision with respect to the Omnibus Plan, so long as such duty, act or decision does not involve gross negligence or willful misconduct on the part of any such individual.

10.8 Participant's Rights as a Shareholder; Unfunded Plan. No Participant shall have any right as a shareholder with respect to any shares of Common Stock until the shares have been purchased in accordance with Section 6 above and have been issued by the Company. The Omnibus Plan shall be unfunded, and the Company shall not be required to segregate any assets that may at any time be represented by options granted under the Omnibus Plan. Any liability of the Company to any person with respect to any option granted under the Omnibus Plan shall be based solely upon any contractual obligations that may be created pursuant to this Omnibus Plan. No such obligation of the Company shall be deemed to be secured by any pledge of, or other encumbrance on, any property of the Company.

SECTION 11 AMENDMENT, TERMINATION, AND DURATION

11.1 Amendment, Suspension, or Termination. The Board or the Committee, in its sole discretion, may amend, suspend or terminate the Omnibus Plan, or any part thereof, at any time and for any reason. If the Omnibus Plan is amended, suspended or terminated, the Board or the Committee, in its discretion, may elect to terminate all outstanding options either immediately or upon completion of the purchase of shares on the next Purchase Date (which, notwithstanding Section 2.18, may be sooner than originally scheduled, if determined by the Board or the Committee in its discretion), or may elect to permit options to expire in accordance with their terms (and participation to continue through such expiration dates). If the options are terminated prior to exercise or expiration, all amounts then credited to Participants' accounts that have not been used to purchase shares shall be returned to the Participants (without interest thereon, except as otherwise required under local laws, in which case the Committee may determine that interest must be paid to all Participants in the relevant Offering in order to comply with Section 423 of the Code, if applicable) as soon as administratively practicable. Except as provided in Section 3.2 and this Section 11, no amendment may make any change in any option theretofore granted which adversely affects the rights of any Participant unless his or her consent is obtained. To the extent necessary to comply with Section 423 of the Code (or any successor rule or provision or any other applicable law, regulation or stock exchange rule), the Company shall obtain stockholder approval

of any amendment in such a manner and to such a degree as required. No option may be granted during any period of suspension or after termination of the Omnibus Plan. Without stockholder approval and without regard to whether any Participant rights may be considered to have been “adversely affected,” the Committee shall be entitled to change the duration of an option, limit the frequency and/or number of changes in the amount withheld during the duration of an option, establish the exchange ratio applicable to amounts withheld in a currency other than U.S. dollars, permit payroll withholding in excess of the amount designated by a Participant in order to adjust for delays or mistakes in the Company’s processing of properly completed withholding elections, establish reasonable waiting and adjustment periods and/or accounting and crediting procedures to ensure that amounts applied toward the purchase of Common Stock for each Participant properly correspond with amounts withheld from the Participant’s Compensation, and establish such other limitations or procedures as the Committee determines in its sole discretion advisable which are consistent with the Omnibus Plan.

11.2 Stockholder Approval for Amendments. An amendment will be subject to stockholder approval if the Committee or the Board, in their sole discretion, deems such amendment to be a material amendment. The following amendments shall be deemed material amendments for purposes of the preceding sentence (i) material increases to the benefits accrued to Participants under the Omnibus Plan; (ii) increases to the total number of securities that may be issued under the Omnibus Plan; (iii) material modifications to the requirements for participation in the Omnibus Plan, and (iv) the addition of a new provision allowing the Board or the Committee to lapse or waive restrictions at its discretion.

11.3 Committee’s Rights to Amend the Omnibus Plan. Without regard to whether any Participant’s rights may be considered to have been “adversely affected,” in the event the Committee determines that the ongoing operation of the Omnibus Plan may result in unfavorable financial accounting consequences, the Committee may, in its discretion and, to the extent necessary or desirable, modify or amend the Omnibus Plan to reduce or eliminate such accounting consequence including, but not limited to:

- (a) Amending the Omnibus Plan to conform with the safe harbor definition under ASC Topic 718, including with respect to an option issued at the time of the amendment;
- (b) Increasing or otherwise altering the exercise price for any option including an option issued at the time of the change in exercise price;
- (c) Reducing the maximum percentage of Compensation that a Participant may elect to set aside as payroll deductions;
- (d) Shortening the duration of any option so that the option ends on a new Purchase Date, including an option issued at the time of the Committee action; and
- (e) Reducing the number of shares that may be purchased upon exercise of outstanding options.

Such modifications or amendments shall not require stockholder approval or the consent of any Participants.

11.4 Duration of the Omnibus Plan. The Omnibus Plan shall commence on the date specified herein, and subject to Section 11.1 (regarding the Board's and the Committee's right to amend or terminate the Omnibus Plan), shall remain in effect thereafter.

SECTION 12 GENERAL PROVISIONS

12.1 Participation by Subsidiaries. One or more Subsidiaries or Affiliates of the Company may become participating Employers by adopting the Omnibus Plan and obtaining approval for such adoption from the Board or the Committee. By adopting the Omnibus Plan, a Subsidiary or Affiliate shall be deemed to agree to all of its terms, including, but not limited to, the provisions granting exclusive authority (a) to the Board and the Committee to amend the Omnibus Plan and (b) to the Committee to administer and interpret the Omnibus Plan. An Employer may terminate its participation in the Omnibus Plan at any time. The liabilities incurred under the Omnibus Plan to the Participants employed by each Employer shall be solely the liabilities of that Employer, and no other Employer shall be liable for benefits accrued by a Participant during any period when such Participant was not employed by such Employer.

12.2 Inalienability. In no event may either a Participant, a former Participant or a Participant's Beneficiary, spouse or estate sell, transfer, anticipate, assign, pledge, hypothecate, or otherwise dispose of any right or interest under the Omnibus Plan; and such rights and interests shall not at any time be subject to the claims of creditors nor be liable to attachment, execution or other legal process. Accordingly, for example, a Participant's interest in the Omnibus Plan is not transferable pursuant to a domestic relations order.

12.3 Severability. In the event any provision of the Omnibus Plan shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining parts of the Omnibus Plan, and the Omnibus Plan shall be construed and enforced as if the illegal or invalid provision had not been included.

12.4 Requirements of Law. The granting of options and the issuance of shares shall be subject to all applicable laws, rules and regulations, and to such approvals by any governmental agencies or securities exchanges as the Committee may determine are necessary or appropriate.

12.5 Compliance with Rule 16b-3. Any transactions under this Omnibus Plan with respect to officers, as defined in Rule 16a-1 promulgated under the 1934 Act, are intended to comply with all applicable conditions of Rule 16b-3. To the extent any provision of the Omnibus Plan or action by the Committee fails to so comply, it shall be

deemed null and void to the extent permitted by law and deemed advisable by the Committee. Notwithstanding any contrary provision of the Omnibus Plan, if the Committee specifically determines that compliance with Rule 16b-3 no longer is required, all references in the Omnibus Plan to Rule 16b-3 shall be null and void.

12.6 No Enlargement of Employment Rights. Neither the establishment or maintenance of the Omnibus Plan, the granting of options, the purchase of shares, nor any action of any Employer or the Committee, shall be held or construed to confer upon any individual any right to be continued as an employee of the Employer nor, upon dismissal, any right or interest in any specific assets of the Employers other than as provided in the Omnibus Plan. Each Employer expressly reserves the right to discharge any employee at any time, with or without cause.

12.7 Apportionment of Costs and Duties. All acts required of the Employers under the Omnibus Plan may be performed by the Company for itself and its Subsidiaries or Affiliates, and the costs of the Omnibus Plan may be equitably apportioned by the Committee among the Company and the other Employers. Whenever an Employer is permitted or required under the terms of the Omnibus Plan to do or perform any act, matter or thing, it shall be done and performed by any officer or employee of the Employers who is thereunto duly authorized by the Employers.

12.8 Construction and Applicable Law. The Omnibus Plan (other than any Non-U.S. Plan that may be established by the Committee) is intended to qualify as an "employee stock purchase plan" within the meaning of Section 423(b) of the Code, and the Omnibus Plan shall be interpreted in a manner that is consistent with that intent; however, the Company makes no undertaking nor representation to obtain or maintain qualification under Section 423 for any Subsidiary, individual, offering or grant. Any provision of the Omnibus Plan (other than any Non-U.S. Plan that may be established by the Committee) which is inconsistent with Section 423(b) of the Code shall, without further act or amendment by the Company or the Committee, be reformed to comply with the requirements of Section 423(b). The provisions of the Omnibus Plan shall be construed, administered and enforced in accordance with such Section and with the laws of the State of California, excluding California's conflict of laws' provisions.

12.9 Captions. The captions contained in and the table of contents prefixed to the Omnibus Plan are inserted only as a matter of convenience, and in no way define, limit, enlarge or describe the scope or intent of the Omnibus Plan nor in any way shall affect the construction of any provision of the Omnibus Plan.

12.10 Use of Funds. Payroll withholdings and other contributions received or held by the Company under the Omnibus Plan may be used by the Company for any corporate purpose, and the Company will not be obligated to segregate such payroll withholdings or other contributions except under Offerings in which applicable local law requires that such payroll withholdings or other contributions be segregated from the Company's general corporate funds and/or deposited with an independent third party for Participants in non-U.S. jurisdictions.

12.11 Automatic Transfer to Low Price Option Period. To the extent permitted by applicable laws and specified by the Committee in advance for particular option periods, if the fair market value of the Common Stock on any Enrollment Date is higher than the fair market value of the Common Stock on the first day of any later Purchase Period during the same option period, then all Participants in such option period shall be automatically withdrawn from such option period and automatically re-enrolled in the immediately following new option period.