STANDARDS OF BUSINESS CONDUCT
Ethics, Everyone, Every Day
Applied Materials is committed to upholding the highest ethical standards in our workplace and in our business dealings. Our values, including close to the customer, mutual trust and respect, and world class performance, are the cornerstone of Applied Materials’ success. Each of us is responsible for embracing the high standards we set for ourselves and being a role model for our values.

Each of us makes decisions every day for Applied Materials. These decisions – both large and small – define our values and our business, and may have a direct impact on our financial results, our co-workers and business partners, our communities and our reputation. It is critical that we have a shared understanding of and commitment to ethical business conduct, especially given the complexity and variety of issues that can arise.

To promote a strong and consistent culture of ethics, Applied Materials has one set of Standards of Business Conduct that applies to its entire workforce around the globe. These Standards are intended to help guide you in making the best possible decisions. As a member of Applied Materials’ worldwide workforce, it is your personal responsibility to read, understand and comply with these Standards, as well as other Company policies. We believe that good ethical decisions are made when adequate information and resources are readily available. Nothing short of ethical and legal conduct is acceptable.

If you are ever in doubt about an action, unclear about Applied Materials’ expectations, or asked to engage in or become aware of conduct that is not consistent with Company values, speak up and seek guidance from the resources available to assist you. Contact your manager, the Human Resources Department, the Law Department or our Company Ombudsman. You may also call the 24-hour toll-free Ethics hotline for your region, the global toll-free Ethics Hotline at 1-877-225-5554, or email the Ombudsman at The_Ombudsman@amat.com.

Applied Materials’ reputation for honest and fair business dealings developed and continues today through your dedicated efforts. Applied Materials is committed to conducting business using the highest ethical standards, and this same commitment is expected from every member of our global workforce.

Gary E. Dickerson
President and Chief Executive Officer
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Introduction

Applied Materials’ Standards of Business Conduct are the Company’s guide for upholding the highest ethical standards in our work. Our reputation for honest and fair business dealings is one of our greatest assets. Living up to and protecting that reputation is the responsibility of each and every member of our global workforce.
These Standards of Business Conduct (the “Standards”) are a set of guidelines intended to reinforce and uphold the values of Applied Materials, Inc. and its subsidiaries (collectively, “Applied Materials” or the “Company”). They define what we expect of each member of our workforce. In this guidebook, you will find policies and resources, as well as questions and answers, to help in your ethical decision-making and conduct. These Standards, which are the foundation of our Global Ethics and Compliance Program, are updated periodically as part of our commitment to continuous improvement in all aspects of our business.

It is your personal responsibility to read and understand these Standards, as well as other Company policies; comply with them both in letter and spirit; and seek guidance when appropriate.

The Standards Apply to Everyone at Applied Materials and to our Suppliers

All members of Applied Materials’ workforce – namely, all persons who work for or provide services to the Company, including directors, officers, employees, contractors, temporary workers and consultants – are expected to understand and comply with these Standards. Where noted, certain provisions apply only to a specific sector of the workforce, such as employees. We also expect our suppliers to comply with these Standards.

Exercise Good Judgment

These Standards identify the legal and ethical rules under which we conduct business around the globe. Because it is not possible to anticipate all situations that may arise, the following questions can help you reach the appropriate decision when faced with a potential ethical issue:

Would my conduct be legal?
Would my conduct be ethical?
Does my conduct comply with Applied Materials’ policies?
Does my conduct appear appropriate or would I be embarrassed if someone knew about my conduct?
Who will be affected by my conduct?
Would it be improper for me to act or fail to act?
Would acting or failing to act make the situation worse?
Would my conduct put Applied Materials or me in a compromised position?
Ask Questions & Report Concerns

Maintaining our reputation for ethical behavior depends upon all of us working together to make ethical decisions. It is important that any ethics-related concern or issue be brought promptly to the Company’s attention so that it can be appropriately addressed. Remaining silent while aware of inappropriate or unlawful conduct is simply not acceptable.

Non-Retaliation Policy

Applied Materials forbids retaliation against any member of its workforce for reporting in good faith a possible violation of these Standards or any other Company policies, or for initiating or testifying, assisting, or participating in any manner in any investigation, proceeding, or hearing. You should not be afraid to report any misconduct, ask questions about your ethical responsibilities, or raise concerns about potentially unethical or questionable behavior of others. Employees who retaliate or attempt to retaliate are subject to disciplinary action, up to and including termination of employment. Retaliation is not tolerated.

Resources

A number of resources are available to answer questions and help you determine an appropriate course of conduct. You may bring your questions and concerns to the attention of the Company by discussing them with your supervisor or another member of management.

If you are uncomfortable speaking with your supervisor, contact another manager in your organization, a representative in the Human Resources Department, an attorney in the Law Department, or the Office of the Ombudsman. Please refer to page 41 for information on how to contact the Office of the Ombudsman, including through Applied’s Global and Regional Ethics Hotlines.
Our Core Values

Our values shape the culture and define the character of our company. They are fundamental to who we are and what we do.
Core Values

By creating and maintaining an environment that supports our core values of mutual trust and respect, being close to the customer, and world class performance, each of us individually and the Company as a whole are better positioned to succeed. Acting with honesty and integrity is fundamental to achieving our core values. While everyone at Applied Materials is responsible for modeling these core values, our executives and others in management have a special responsibility to lead by example and to set and communicate standards that allow all of us to excel.

Positive Work Environment

All members of our workforce share the responsibility for promoting mutual understanding and cooperation and for creating and maintaining a work environment in which discrimination and harassment are not tolerated. We do not unlawfully discriminate or tolerate harassment based on: race, color, national origin, ancestry, religion, age, sex (including pregnancy, childbirth or related medical conditions), sexual orientation, gender identity, marital status, physical disability, mental disability, medical condition, genetic information, family care leave status, veteran status, or any other basis prohibited by law. This applies to all workforce-related decisions and actions, including but not limited to recruitment, hiring, training, compensation, benefits, promotion and social and recreational programs.

Issues can only be addressed and resolved if they are brought to the Company’s attention. For that reason, we are each responsible for reporting concerns we may have. Please remember that Applied Materials’ Non-Retaliation Policy forbids retaliation against any member of its workforce for reporting in good faith a possible violation of these Standards or any other Company policies. You should not be afraid to report any misconduct.

Please refer to Applied Materials’ Human Resources Policy Manual for additional information concerning appropriate conduct in the workplace. Some Human Resources policies may vary by region due to differences in local law.
Obligations to Applied Materials and Members of our Workforce

Applied Materials can only achieve its goals if each of us is open and honest in our interactions, protects the information that drives our success, and ensures that we comply with the laws in every country that we do business.
Conflicts of Interest

Q: Can you give me an example of a conflict of interest?

A: Here’s an example: Your sister Tara owns a business that has submitted a bid to provide services to Applied Materials and you are on the team reviewing the bid. You should disclose your relationship and recuse yourself from reviewing any bid involving your sister’s business.

Q: Where can I find the forms to disclose a conflict of interest or a potential conflict of interest?

A: Conflict of interest disclosure and approval forms are available on the Ethics website at [http://ethics](http://ethics). Click on “Forms.”

Generally, members of our workforce may conduct their personal, social and financial affairs as they wish. However, there are situations and activities that may pose a conflict between your interests and the best interests of the Company, which can raise questions regarding your loyalty to Applied Materials. A conflict of interest occurs when you place, or give the appearance of placing, your personal interests ahead of Applied Materials’ interests. Conflicts of interest can also cast doubt on your ethical judgment and objectivity, and affect others’ perception of you and the basis upon which you make decisions.

You should avoid any relationship, influence or activity that would cause, or appears to cause, a conflict of interest. We expect that you will not directly or indirectly engage in activities in which your responsibilities or loyalties to the Company may be compromised. You are expected to make or participate in business decisions based on the best interests of Applied Materials and not based on personal relationships or personal benefit.

All Potential Conflicts of Interest Must be Disclosed

Transparency (i.e. making sure your actions are disclosed and visible) is essential to avoiding conflicts of interest. All members of our workforce are required to disclose any potential or actual activity in which their interests may be in conflict with the Company’s interest. The obligation to disclose potential conflicts of interest continues throughout the time you work at Applied Materials. Although such activities are not automatically prohibited, written approval from your first level manager and the Office of the Ombudsman is required to participate in any such activity.

When in Doubt, Seek Guidance

In light of the global nature and diverse scope of our business, a potential conflict may arise in areas with which you are not familiar. If you are uncertain whether your activities may constitute a conflict of interest, or even the appearance of a conflict of interest, consult with your supervisor, the Human Resources Department, the Law Department or the Office of the Ombudsman before taking action.
Q: My husband’s company is bidding on a contract with another Applied Materials business unit where I have no decision-making authority. Do I need to disclose this as a conflict of interest?

A: Yes. Even though you do not have decision-making authority, the connection may create the appearance of a conflict of interest and should be disclosed.

Q: I’ve been asked by my friend Amir to help him with his business on weekends for a small fee. The work I would do will not interfere with my job at Applied Materials and doesn’t directly relate to any Applied Materials product or technology. Do I need to disclose this to the Company and obtain approval?

A: Yes. All outside employment must be pre-approved by the Office of the Ombudsman to ensure that it does not present a conflict of interest. You’ll need to complete and submit the Outside Business Activities Approval Form available at http://ethics.

Types of Conflicts of Interest
The following sections outline requirements and approval processes for some specific areas in which conflicts of interest may arise. It is not intended to be an exclusive list. As noted above, all conflicts of interest must be disclosed and approved in advance.

Outside Employment, Business Activities and Consulting
- Employees may not be employed by, or contract or consult with, a customer, supplier or competitor of Applied Materials or its related entities while employed at Applied Materials.
- Employees may not engage in outside business activities, consulting or employment that competes or appears to compete with the interests of Applied Materials or that adversely affects performance at Applied Materials.
- Employees must obtain written approval from the Office of the Ombudsman before engaging in any outside business activities, consulting or employment.
- All other members of the workforce (including directors, contractors, temporary workers and consultants) must disclose to the Office of the Ombudsman any outside business, consulting or employment that conflicts or appears to conflict with the Company’s interests.

Outside Boards of Directors, Advisory Boards and Venture Capital Funds
- Prior approval from the Office of the Ombudsman is required for any employee to serve as a director, officer or advisor to an outside company or for-profit entity.
- Employees may not serve as a director, officer or advisor to any competitor of Applied Materials or a company in which Applied Materials has invested (except where service for a portfolio company is at the request of Applied Materials).
- Similarly, members of our workforce may not serve as a director, officer or advisor to an outside company, venture fund, or other entity if such service would create a conflict of interest or the appearance of a conflict of interest.
- Section 16 officers (as defined under U.S.
securities laws) may not serve as an officer or on the board of directors of any for-profit company without prior approval from the Human Resources and Compensation Committee of Applied Materials’ Board of Directors.

- Vice Presidents and above who are not Section 16 officers may not serve as an officer of or on the board of directors of any for-profit company without prior approval from Applied Materials’ Chief Executive Officer, the Vice President’s manager and the Office of the Ombudsman.

- Memberships on non-profit charitable boards do not require prior Company approval. However, if the charitable organization, in the past or currently, has a business relationship with Applied Materials, has received/receives significant funding from Applied Materials, or has received/receives a grant from the Applied Materials Foundation (other than through the employee matching program), then the employee’s board service with that particular charitable organization should be disclosed to Global Community Affairs or the Applied Materials Foundation and the Office of the Ombudsman for review and monitoring. Charitable board service must not interfere with your responsibilities to Applied Materials or reflect negatively on the Company.

- Members of our workforce who serve as a director, officer or advisor to an outside company or other entity must refrain from taking part in any discussions or decisions and abstain from voting on any matter directly or indirectly relating to Applied Materials.

**Outside Transactions**

- You may not direct or work on transactions on behalf of Applied Materials with any person or entity (i) in which you or a member of your family has a substantial beneficial interest or (ii) in which you serve as a trustee or in a similar fiduciary capacity.

- You may not engage in significant financial transactions with other members of Applied Materials’ workforce with whom you have a reporting relationship, or with whom you have a
Q: I own a substantial number of shares, but less than 2% of the outstanding stock, of Company X, a publicly-traded company. I just have been put in charge of a large project where Company X is a potential new vendor and will submit a bid to Applied. Does my substantial ownership of Company X’s shares create a conflict of interest, and what should I do in this situation?

A: There may be a conflict of interest, and it would be best to consult with the Office of the Ombudsman on this matter. While employees are allowed to own up to 2% of shares of a publicly-traded company, you may not work on transactions where you or a member of your family has a substantial beneficial interest. If your investment in Company X is significant, or if it appears that the investment could influence your decision on Company X’s bid, there may be a conflict of interest. You should contact the Office of the Ombudsman to discuss how best to deal with this matter.

Financial Interests in Other Companies
The following limitations apply to employees’ financial interests in companies that are customers, suppliers or competitors to Applied Materials.

- **Financial Interests in Public Companies:** Employees may hold up to two percent of the outstanding shares of a publicly-owned company that is a customer, supplier or competitor of Applied Materials.

- **Financial Interests in Private Companies (Customers and Suppliers):** Employees may hold up to five percent of the outstanding shares of a privately-owned company that is a customer or supplier of Applied Materials, provided that the financial interest does not compromise, or appear to compromise, the employee’s judgment, objectivity or loyalty to Applied Materials.

- **Financial Interests in Private Companies (Competitors):** Employees may not hold a financial interest in a privately-owned company that is a competitor of Applied Materials. You must obtain approval from Applied Materials’ Chief Executive Officer and General Counsel for any variance from the above limitations.

Applied Materials’ Board of Directors
Specific legal and ethical requirements apply to members of the Company’s Board of Directors. “Related party transactions” can present a heightened risk of potential or

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* U.S. Securities and Exchange Commission rules define a related party transaction to include any transaction, arrangement or relationship in which Applied Materials is a participant and in which any of the following persons has or will have a direct or indirect interest:
  (a) an executive officer, director or director nominee of Applied Materials;
  (b) any person who is known to be the beneficial owner of more than 5% of the Company’s common stock;
  (c) any person who is an immediate family member of an executive officer, director or director nominee or beneficial owner of more than 5% of the Company’s common stock; or
  (d) any firm, corporation or other entity in which any of the foregoing persons is employed or is a partner or principal or in a similar position or in which such person, together with any other of the foregoing persons, has a 5% or greater beneficial ownership interest.
actual conflicts of interest and accordingly (i) they must be disclosed to the Audit Committee of the Board, and (ii) they generally should be avoided, even if the Board member does not directly participate in the transaction.

The Audit Committee is responsible for reviewing and investigating any matters relating to the integrity of management, including conflicts of interest and compliance with the policies contained in these Standards of Business Conduct. All directors must recuse themselves from any discussion or decision affecting their personal, business or professional interests. Any waiver of the Standards of Business Conduct involving a director or an executive officer of Applied Materials may be granted only by Applied Materials’ Board of Directors and only if it is in the best interest of Applied Materials and its stockholders. Any such waiver shall be disclosed in Applied Materials’ applicable filings with the U.S. Securities and Exchange Commission as required.

Issues can only be addressed and resolved if they are brought to the Company’s attention. For that reason, we are each responsible for reporting concerns we may have. Please remember that Applied Materials’ Non-Retaliation Policy forbids retaliation against any member of its workforce for reporting in good faith a possible violation of these Standards or any other Company policies. You should not be afraid to report any misconduct.

**Use of Company Assets and Electronic Communications and Data Systems**

**Q: I do a lot of business travel. Does this policy mean that I can’t use my Applied Materials computer to read news articles or watch movies while on the road?**

**A:** Personal use of your Applied Materials computer is acceptable as long as it is limited, occasional and does not involve inappropriate content. All employees are expected to use good judgment and discretion when using Applied’s assets for personal use, whether during working or non-working hours.

We are each personally responsible for the proper use of Company property, facilities and equipment. In our dynamic business, we must use Company assets as efficiently as possible and remain alert to opportunities to improve performance and reduce costs. In addition, you are responsible for protecting the resources entrusted to you. You must not remove or borrow Company property without permission from the appropriate authority.

You are provided with access to Company telephones, computer systems, workstations, mobile devices, voice-mail, email, word-processing, internet, videoconferencing, teleconferencing, and other electronic communication or data storage systems for use in carrying out Company business. While the primary purpose of these systems is
business use, you may use these systems to send and receive occasional and incidental personal communications or to prepare and store incidental personal data (such as personal calendars, address lists, etc.), so long as such use: does not interfere with work duties, is not illegal, is not done for monetary or personal gain, does not involve “spamming” or other mass or excessive distributions, does not conflict with Applied Materials’ interests, and does not violate Applied Materials’ policies or procedures. You must not use Company resources to create, distribute, store, access or display messages or materials that are threatening, harassing or of an unprofessional nature. If you wish to engage in discussion or promotion of political, social, religious, personal, financial, or commercial views, you must do so on non-work time with your own personal email account and equipment.

Data Privacy

Many countries have implemented, or are planning to implement privacy laws on the appropriate use, handling, storage, disclosure and transfer of personal information. Personal information is any information that can be used to identify a person, such as birth dates, social security numbers, national identification numbers, home addresses, telephone numbers, credit card numbers or other sensitive or personal information. We are committed to reasonably protecting the privacy expectations of everyone we do business with, including our customers, suppliers and workforce. Safeguarding personal information is critical in maintaining trust in the Applied Materials brand.

Each of us therefore has a responsibility to comply with information security and privacy requirements when personal information is collected, used, processed, transmitted and shared. When issues, concerns or questions arise, consult with the Office of the Ombudsman, the Law Department or Information Security and Risk Management.

Protection of Company Confidential Information and Intellectual Property

Our intellectual property and confidential information are the lifeblood of Applied Materials. All members of our
Q: What should I do to protect my electronic information?

A: Here are a few procedures you should follow to safeguard Company information stored on computers, mobile devices or other electronic media.

- Lock your screen and device(s) when not in use. Use a cable lock for your laptops when left unattended.
- Always use the available software security systems in place including, at a minimum, the Windows™ screen saver password.
- Be conscious of others who may observe the screen of the computer system you are using. Avoid working on proprietary information or handling data while traveling by aircraft or other common carrier where passengers are seated closely.
- Verify that file permissions limit access to Company information and access is granted only to those with a need to know.
- Do not share your password with other co-workers unless requested to do so by the Company and change your passwords regularly. This simple rule can keep data secure and avoid the possibility of your being held liable for others’ actions.

Confidential Information can include business information (such as plans, projections, customer lists, cost and customized pricing schedules, and market data) and technical information (such as designs, semiconductor process data, formulas, and “know how”). Much of the information accessible to you as an employee will qualify as Confidential Information.

As a member of our workforce, you must follow Company guidelines to protect our Confidential Information, including the following:

- Ensure that a nondisclosure agreement, approved by the Law Department, has been signed before providing any Confidential Information to any third party.
- Limit access to Confidential Information, even within Applied Materials, to only those persons who have a genuine need to know.
- Maintain control over all Confidential Information and label such information to indicate who may have access to it.
- Shred or securely store excess or obsolete documents containing Confidential Information.
- Keep information only for the purpose and length required. See Global Data Retention Policy for guidelines.

Even in social situations, you must remember that you represent the Company and your obligation to protect Confidential Information continues. Do not share Confidential Information with friends, family or former colleagues.

At Applied Materials, we are committed to protecting, maintaining and promoting a culture of information safety. We carry out this responsibility by ensuring that effective information safety training is provided and protective measures are in place. Each of us must adopt and enforce safe information handling and processing practices and comply with all applicable laws and regulations and Company policies in order to ensure those workforce must protect and not disclose information about the Company that is not generally available to the public or has not been published or widely disseminated (“Confidential Information”).
Q: What are some examples of Confidential Information?

A: Examples of Confidential Information include:
- Financial information such as actual or projected sales, earnings, forecasts, backlog, costs, gross margins, significant capital expenditures or significant borrowings;
- Customer and supplier lists;
- Customer or supplier confidential information, including sales, forecasts, or investment plans;
- Applied Materials technical and product information and plans;
- Applied Materials company information, such as staff information or information about major undisclosed corporate events.

Q: I am about to start a new project with a former supplier. I expect that we’ll need to exchange confidential information during the development phase of the project. Do I need a nondisclosure agreement in place?

A: Yes, you need a nondisclosure agreement (NDA) in place. Do not disclose Applied Materials’ confidential information to any third party who has not signed or is not covered by a NDA. It doesn’t matter if you have worked with the third party before or if believe them to be trustworthy and reliable.

Q: A newspaper reporter contacted me about an event at Applied Materials’ local facility? How should I respond?

A: Unless you have been specifically authorized to speak on this particular topic on Applied Materials’ behalf, you should refer the reporter to Corporate Affairs.

The Company’s policy on handling Confidential Information applies to you while you work at Applied Materials and after you leave the Company. This means that you have a continuing obligation not to disclose Confidential Information you learned while working at Applied Materials, and you must return any documents containing Confidential Information before you leave the Company.

Confidential Information and the Internet
You should not post or share nonpublic information about Applied Materials in Internet discussion groups, chat rooms, bulletin boards and/or other electronic communications media or social media site, even under an alias, for any purpose. Even if you want to “set the record straight” about what you perceive to be a false statement about the Company that has been posted by someone else, your posting might be misinterpreted, start false rumors and/or may be inaccurate, false or misleading. For more information, please refer to your local HR Policy Manual.

In addition to violating these Standards, disclosing Confidential Information, participating in chat rooms and/or posting information about the Company on Internet investor websites or other electronic communications media could also be a violation of civil and criminal laws.

Contacts with Investors, Analysts or the Media
Unless explicitly authorized for a specific purpose, you should not have contacts or communications about any topics or matters related to Applied Materials with the media, investors, stock analysts or other members of the financial community. All inquiries concerning or in any way related to the Company from stock analysts, investors or other members of the financial community should be promptly referred to Investor Relations. All inquiries
concerning or in any way related to the Company from the press and media should be promptly referred to Corporate Affairs. Members of our workforce who have been specifically authorized to respond to inquiries should always use materials approved by Investor Relations or Corporate Affairs as a guide.

Inventions and Patents

All inventions, whether patentable or not, that you conceive or reduce to practice while performing employment activities or contractual duties at Applied Materials are the property of Applied Materials. An exception to this rule is for inventions that are not related in any way to Applied Materials’ products, research or business, are developed entirely on your own time, and are developed without the use of any of Applied Materials’ assets, equipment, facilities, or resources.

After conceiving an invention, you must promptly submit an Invention Disclosure Form to the Law Department, even if you are unsure or doubt that the invention is patentable or will be used in a product. Public disclosure of information regarding the product or service before the patent is filed may jeopardize the patentability of the product, highlighting the importance of your compliance with the Company’s Non-Disclosure Policy.

Trademarks

Our Company logo is the most recognized symbol of Applied Materials and is designed to reflect consistently the Company’s values and attributes. Professional use of the Company logo requires strict adherence to Company standards and trademark law. You must consult with Corporate Communications before using the Company’s logo or trademarks on printed documents, corporate gifts and other items.

Recordkeeping and Accounting Practices

Q: How do I submit an Invention Alert?

A: To submit an invention for review, complete an Invention Disclosure Form and submit both an electronic copy via e-mail to Patent_Alerts@amat.com AND a signed hard copy to the Law Department by interoffice mail at M/S 1269 or by fax to 408-986-3090. Mark your envelope “Patent Alert.”

The Invention Disclosure Form is available at: http://apphostprd1b.mis.amat.com/legal/IA_Form_Dec_2012.dot

Q: Can our suppliers and customers use Applied Materials’ logo and name in their press releases and other publications?

A: Any use of Applied Materials name and logo by third parties must be pre-approved. Contact the Law Department or Corporate Communications for assistance.

Q: Are expense reports “Company records?”

A: Yes. Like all Company records, every expense report must be completed accurately and honestly and include all necessary, supporting documentation.

Records are a vital component in maintaining our high standard of ethical business conduct. Accurate and complete Company records must be kept by every member of our workforce. It is essential to record and report information accurately and honestly, without misleading, misrepresenting, misinforming, making false statements or omitting important information. The
Q: What should I do if I feel pressured to “make the numbers work”?
A: Your first responsibility is to record and report information accurately and honestly. If you feel pressure to do otherwise, speak with someone in the Law Department or the Office of the Ombudsman. You always have the option of contacting the Ethics Hotline, anonymously if you prefer.

Q: Can you give me an example of a side deal?
A: A side deal may involve a guarantee to give a discount on a future deal or other special arrangements that are not part of the main transactions. Oral or written side deals can impact the Company’s obligations in a transaction and can affect the accuracy of Applied Materials’ books and records. Side deals made outside of Applied Materials’ contracting process and/or Company policies are strictly prohibited.

Unauthorized Side Deals and Side Letters are Prohibited
It is critical that all agreements entered into by Applied Materials are formally documented. The terms and conditions in an agreement define the rights, obligations, and liabilities of Applied Materials and the other party, as well as the accounting treatment for the particular transaction. Business commitments made outside of the formal contracting process, known as “side deals” or “side letters,” are strictly prohibited. Similarly, you should not make any oral or written commitment that creates a new agreement or modifies an existing agreement without going through the required process, including obtaining prior approvals from the Law and Finance Departments.

If you become aware of any side deal, side letter, or agreement made outside of the required contract approval process, report it promptly to your manager, an attorney in the Law Department, or the Office of the Ombudsman.

Issues can only be addressed and resolved if they are brought to the Company’s attention. For that reason, we...
are each responsible for reporting concerns we may have. Please remember that Applied Materials’ Non-Retaliation Policy forbids retaliation against any member of its workforce for reporting in good faith a possible violation of these Standards or any other Company policies. You should not be afraid to report any misconduct.

Business Gifts, Meals And Entertainment

Q: My cousin Lee works for a customer. Can I buy Lee a birthday present that is over the Gift Policy’s limits since I’m paying for the gift myself?

A: Generally, yes. The Gift Policy applies to gifts made while doing business for Applied Materials. It does not apply to gifts between friends and family. However, if the dollar value of the gift is substantial or you work on the customer’s account, contact the Office of the Ombudsman to discuss how best to avoid any perception that you are attempting to influence your cousin’s work with Applied Materials with your gift.

At Applied Materials, we believe that business decisions must be based on objective standards and established business needs. While the occasional exchange of modest business gifts, meals, and entertainment can help us strengthen business relationships, such exchanges must be offered and accepted only within strict guidelines. Always use sound judgment and moderation in your gift giving and business entertainment on behalf of Applied Materials. Members of our workforce are prohibited from offering or accepting gifts or other business courtesies that could be illegal, violate Company policy, put someone in a compromised position, create a sense of obligation, or create the appearance of an intent to improperly influence a business relationship or decision. Similarly, acceptance of a gift should not create, or appear to create, a conflict of interest or the impression of an improper advantage.

Gifts must be infrequent, given openly, reasonable in value, appropriate to the circumstances and incidental to a legitimate business transaction or relationship. Gifts must also be compatible and appropriate in value and kind for the region and culture in which they are given. The Applied Materials’ Global Gift Policy, available on the Ethics website at http://ethics, provides detailed guidance on giving or receiving business gifts. In some cases, gift giving or receiving requires approvals, documentation or disclosures managed through the online Gift Disclosure Tool at http://amat.compliancedesktop.com. Local laws, customs and cultural differences may be addressed in regional supplements to the Global Gift Policy. All members of the workforce are expected to read, understand and apply the Global Gift Policy and any applicable regional gift policy supplement, before giving or accepting any gift related to their work at Applied Materials.
Additional Requirements for Gifts to Government Officials

Special rules apply to gifts, business meals and entertainment for government officials, including employees of state-owned entities. Gifts, meals and entertainment must not be provided with the intent of corruptly influencing an official’s purchasing or regulatory decision or giving any other improper advantage to Applied Materials. The gift, meal or entertainment must always be permissible under local law and must not be provided in a manner or with such frequency so as to create an appearance of impropriety.

Advance written approval from the Office of the Ombudsman is required before offering or providing gifts or travel to a government official. In addition, any travel for a customer at Applied Materials’ expense must be approved by the Office of the Ombudsman.

Anti-Corruption Policy

Q: Who is considered a government official?

A: Under international anti-corruption laws, a “government official” is broadly interpreted to include (a) an official, employee, candidate or representative of a government (including any government agency, department or enterprise), (b) a political party or public international organization, and (c) the employees of businesses or companies wholly or partially owned, funded, influenced or controlled by a government.

Applied Materials is committed to winning business based on the merits and integrity of our products, services and people. We do not tolerate bribery or corruption, in any way or form.

International anti-corruption laws, including the U.S. Foreign Corrupt Practices Act (FCPA) and commercial bribery statutes, prohibit giving government officials and private parties (the employees of our customers, suppliers, or other business partners) anything of value with the intent of obtaining preferential business treatment. “Anything of value” is broadly interpreted, and there is no exception for small or “nominal value” gifts or for payments designed to facilitate routine government actions, such as granting a license to do business or processing government papers to issue a visa or work permit (commonly referred to as “facilitation payments”).

International anti-corruption laws also prohibit creating inaccurate or false books and records relating to payments to any third party. All transactions involving the Company’s funds or assets must be recorded in reasonable detail and accurately and completely reflect
Q: Our customer has asked us to provide travel and a per diem for eight of its engineers to visit our site in Europe. May we extend an invitation?

A: The answer depends on the purpose for the visit and the circumstances surrounding why the customer has made this request. You should review the request with an attorney in the Law Department. Remember, all customer travel also requires pre-approval from the Office of the Ombudsman.

Q: Are there certain activities or requests that are warning signs of corruption?

A: Yes. The following are all warning signs of corruption:
- Requests for payment in cash or unusually large commissions
- Unreasonable prices or compensation
- Customer requests to use a third party agent
- Requests by a customer’s agent/consultant for a “finder’s fee”
- Requests that a payment go to a third party rather than the contracting party
- Requests for false or misleading invoices, contracts or other documents
- Payments outside the country where services are rendered
- Unusual requests for travel, gifts, entertainment, etc. by employees of state-owned entities
- Requests for reimbursement of expenses that are poorly documented

You should report such conduct promptly to an attorney in the Law Department and/or the Office of the Ombudsman.

Applied Materials’ Anti-Corruption Policy requires all members of the workforce, and all other persons or agents doing work on behalf of Applied Materials, to strictly comply with the following rules:
- Do not offer, promise or pay bribes or kickbacks to anyone or engage in other corrupt practices while conducting Applied Materials’ business.
- Do not request or accept any bribes or kickbacks from anyone or engage in other corrupt practices while conducting Applied Materials’ business.
- Do not make any offer or payment of anything of value that you believe or even suspect might be for the benefit of a foreign official, government, political party, candidate, public international organization, or employee of a state owned, operated or controlled enterprise without prior, written approval from the Office of the Ombudsman.
- Do not ignore corruption warning signs. If you have any knowledge or suspicion of corrupt activity or have been asked to make an improper payment, report it as soon as possible to the Office of the Ombudsman or the Law Department.
- Do not make or agree to fee arrangements that are inflated.
- If you are responsible for hiring or managing partners, agents, or other third parties to act on Applied Materials’ behalf, follow the Third Party Agent Due Diligence and Approval Process, which you can review at http://ethics/index.php?location=tpa
- Do not make false or incomplete entries in Applied Materials’ books and records.

A violation of the FCPA can result in serious consequences for the individual involved and for the Company. Criminal sanctions for the anti-bribery provisions can include up to a $2 million fine for the Company, and five years’ imprisonment and up to $250,000 in fines for individuals.

Applied Materials’ Global Gift Policy also requires that you obtain prior approval from the Office of the Ombudsman before offering or providing gifts or travel to

You should report such conduct promptly to an attorney in the Law Department and/or the Office of the Ombudsman.
any government official. Approval for gifts for government officials can be requested through the online Gift Disclosure Tool at http://amat.compliancedesktop.com. If you have any doubts or are unclear about your responsibilities under this Anti-Corruption Policy, consult with an attorney in the Law Department or contact the Office of the Ombudsman.

Issues can only be addressed and resolved if they are brought to the Company’s attention. For that reason, we are each responsible for reporting concerns we may have. Please remember that Applied Materials’ Non-Retaliation Policy forbids retaliation against any member of its workforce for reporting in good faith a possible violation of these Standards or any other Company policies. You should not be afraid to report any misconduct.

International Business Conduct and Human Rights

We recognize that laws vary from country to country and that the global business environment is always subject to change. We expect members of our workforce to comply with all applicable laws and regulations and to seek appropriate guidance when faced with issues and concerns. Without limitation, as a global company, Applied Materials prohibits the use of child labor, and the use of forced, bonded, or indentured labor practices in our operations. Additionally, we forbid harsh or inhumane treatment, including corporal punishment or the threat of corporal punishment.

We also set expectations for social responsibility in our supply chain. Our vendors and suppliers are expected to comply with Applied Materials’ Standards of Business Conduct, as well as with the Labor, Health and Safety, Environment, Management Systems and Ethics standards described in the Electronic Industry Citizenship Coalition’s Code of Conduct.

Workplace Safety

At Applied Materials, we are committed to protecting, maintaining and promoting the safety, health and general well-being of our workforce. We carry out this responsibility by paying constant attention to the health
Q: I think I have seen some activities that might be a safety hazard, but I’m not sure. Besides, I would rather not get involved. Is that okay?

A: No. Every member of the workforce is responsible for taking action when aware of potential violations of the Standards of Business Conduct. That includes reporting potential violations of safety standards. Applied Materials policy forbids retaliation against anyone who reports a potential violation in good faith.

and safety of our workforce and by ensuring that effective safety training is provided and protective measures are in place. Each of us must adopt and enforce safe work practices and comply with all health and safety laws and regulations and Company policies in order to ensure those protective measures are effective and maintain a safe work environment.

Concerns about unsafe conditions must be reported to your manager as soon as possible. If you have any questions related to workplace safety or your responsibilities, contact the Environmental, Health and Safety Department. Environmental, Health and Safety’s contact information can be found here. Emergency contact information is available here.
Obligations to our Customers, Suppliers and Competitors

At Applied Materials, we are proud of our reputation for integrity and fairness in our commercial dealings with our customers, suppliers and competitors. Each of us must assume a personal responsibility to understand the standards of conduct that apply to our commercial dealings and to ensure that we are treating our customers, suppliers and competitors in an ethical and respectful manner.
Antitrust and Unfair Competition

Antitrust laws protect competition in the marketplace by prohibiting unfair agreements that restrain trade and other types of anticompetitive conduct. It is our policy to compete fairly and in compliance with all applicable antitrust laws.

To ensure that we are complying with antitrust laws worldwide, it is critical that you do not engage in any of the following practices. If you become aware of any of the activities listed below, you should promptly report the activity to your manager or the Law Department:

Prohibited Practices regarding Competitors

- Entering into an agreement, understanding or arrangement (whether formal, informal, written, oral, express or implied) with one or more competitors regarding any of the following:
  - prices, price-related sales terms (e.g. discounts, credits or trade-in allowances), timing or announcement of price changes, or any other terms and conditions of sale;
  - sharing, dividing or otherwise allocating geographic or product markets, sales territories, customers, or bids;
  - controlling or limiting sales volumes, production, capacity, investment or R&D;
  - prices, terms and conditions to be submitted in response to a bid request, or discussion of bid strategy;
  - jointly refusing to do business with or boycotting customers, suppliers or distributors.

- Discussing or even being present while competitors are discussing prices, terms of sale, and the like at trade association or other professional meetings.

- Exchanging confidential or competitively sensitive information with a competitor, including:
  - Prices: including margins, date of price changes;
  - Marketing: product/technology launch information, advertising budgets, marketing plans, market shares;
  - Customers: current or upcoming bids, terms and conditions of sale and purchase, credit terms, warranty terms, service support, spare parts policies, etc.;
Q: Is it acceptable to offer a customer a price discount for the customer’s agreement to give Applied Materials “100% market share” or some other high market share (e.g., 80%)?

A: No. Offering a customer a discount on a product, subject to the customer’s agreement to purchase its entire requirement of the product from Applied Materials, may be considered anticompetitive conduct that violates antitrust laws. You must consult with the Law Department prior to making such an offer to a customer.

Prohibited Practices regarding Customers

- Refusing to sell a product or service without the purchase of another of Applied Materials’ products or services or a condition not to purchase a competitors’ products or services (known as a “tie-in” or “tying”).
- Without obtaining Law Department approval, requiring a customer to purchase 100% of its requirements of a particular product exclusively from Applied Materials.
- Pricing a product below cost without obtaining Law Department approval.
- Representing used systems or parts as new, or representing refurbished systems or parts as original.
- Making inaccurate or misleading claims about Applied Materials or our products, including making false or deceptive comparisons with competing products.
- Failing to warn customers of known dangers in connection with use of our products.
- Encouraging or causing a breach of contract between our competitors and their customers or suppliers.
- Misrepresenting Applied Materials’ trademark, copyright, trade secret, patent or other intellectual property rights.
- Making false or misleading comments about competing products or about other parties with whom we have commercial dealings or about the nature of those dealings.

Prohibited Practices regarding Suppliers and Resellers

- Without obtaining Law Department approval, requiring a supplier to sell one or more of its products only to Applied Materials or prohibiting the supplier from selling one or more products to others.
- Agreeing with a supplier that we will resell the supplier’s product at or above a particular price.
- Agreeing with a distributor or reseller that a particular Applied Materials product will be resold at or above a particular price or requiring the distributor or reseller to maintain or exceed a particular price in reselling the product.
- Without obtaining Law Department approval, requiring that a supplier purchase Applied Materials’ products if

- Suppliers: terms and conditions of purchase, volumes, etc.;
- Sales volumes, production capacity, R&D plans/investment, business or product strategy

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we purchase from the supplier.

Violations of antitrust laws may result in severe penalties for Applied Materials and the individuals involved, including substantial fines and prison sentences. Our workforce, especially those persons involved in sales, purchasing and dealings with competitors, are required to understand U.S. and foreign antitrust laws and know how these laws may affect our workforce’s activities.

**Confidential Information and Intellectual Property of Others**

**Q:** A customer account team in Asia is facing an issue similar to one we resolved for a customer in Europe. Is it okay to use the confidential information from the European customer to help resolve the issue? The information would be shared only with this account team internally and would be protected.

**A:** No. The confidential information provided by the European customer must be used only for the purposes for which it was provided. Here, the confidential information was provided in order to improve the customer’s tool efficiency. Use and disclosure of this information to another Applied Materials account team is unauthorized and prohibited unless permission is obtained from the first customer.

In the same way that each of us is responsible for protecting Applied Materials’ intellectual property, we are also responsible for respecting and protecting the confidential information and intellectual property rights of our customers, competitors, suppliers and other third parties with whom we do business. Under no circumstances should you improperly acquire or attempt to acquire the trade secrets or other proprietary or confidential information of others. The following list includes a few examples of activities that are prohibited and should be promptly reported to your manager, the Human Resources Department, an attorney in the Law Department, or the Office of the Ombudsman:

- Unauthorized use or disclosure of another company’s confidential information or trade secrets;
- Unauthorized use or disclosure of a former employer’s confidential information or trade secrets;
- Encouraging a competitor’s employees to improperly disclose trade secrets or confidential information;
- Hiring a former employee of a competitor, customer or supplier for the purpose of gaining access to that company’s confidential information or trade secrets; and
- Inducing a customer or supplier to improperly disclose confidential information or trade secrets about competitors.

Due to the technical nature of our products, we often need to supply a customer or supplier with confidential information or trade secrets, or to accept the same from a customer or supplier. Circumstances also may arise in which such information is available from a competitor. You should always have in place a signed nondisclosure agreement that has been approved by the Law Department before providing or receiving any confidential information or trade secrets with parties outside of Applied
Q: How can I tell if information from a customer or supplier is confidential if it’s not marked?

A: You should be concerned if you do not know how the information was received by Applied Materials. The sender or recipient should have marked the information to show who may have access to the information. When in doubt, ask the person who gave you the information whether the customer or supplier considers the information confidential, and if so, whether they gave permission for your proposed use. Ask yourself the following questions:

- Is the information sensitive?
- Is it valuable to the supplier or customer?
- Who is the intended audience?

Do not use information if you do not know whether your use is proper. Ask questions to reassure yourself that your intended use is allowed. Mark confidential information appropriately and share it only with the people on the access control list.

Applied Materials takes seriously its obligations with respect to the protection of confidential and proprietary information belonging to other companies. If you receive information under a nondisclosure agreement (“NDA”), you should review the terms of the NDA and ensure that you have a plan for how you are going to protect the information as required by the agreement. Be sure to comply with all restrictions that another company and Applied Materials have agreed to place on the use or disclosure of such information. If circumstances change, you must obtain the necessary authorizations to use or disclose such information outside its original purpose.

You should also refrain from commenting about pricing, sales, production, marketing and other related business activities of our competitors, customers and suppliers.

Copyright

Copyright laws protect many types of materials that we use. For example, copyright laws often protect books, pamphlets, seminar materials, journals and computer software. We do not tolerate unauthorized reproduction of copyrighted material.

The commercial computer software that we purchase from our suppliers is also copyrighted and generally will be licensed under specific terms. Therefore, in some cases, copying software for use on more than one computer is improper. Also, downloading software from a network may be improper in some circumstances. If you have any doubts about whether you are authorized to copy, use or download computer software, you are required to consult with an attorney in the Law Department before doing so. You must also report any unauthorized use of copyrighted material, including software, to an attorney in the Law Department.

Selection and Treatment of Suppliers

Applied Materials treats all suppliers and potential suppliers fairly. We select suppliers based on their products, services and business practices. We expect you to deal with suppliers fairly and in accordance with Applied Materials’ policies. If you are responsible for receiving bids, you should provide all qualified suppliers with the Company’s technical and business requirements. When selecting suppliers, you must assess each qualified supplier’s ability to meet technical specifications and
Q: A former Applied Materials colleague has set up a business that could help the Company. Can I consider using this company for a new project?

A: It is critical that all suppliers are treated fairly in any bidding process. Contact the Office of the Ombudsman or the Law Department to discuss how best to proceed. A former employee who is familiar with Applied Materials’ business needs and internal processes undoubtedly has an advantage over other vendors. This person may also have competitive information (for example, pricing and delivery terms) about other bidding suppliers. Depending on the facts, the supplier may be prohibited from bidding on the new project, or special safeguards may be put in place to ensure the bidding process is fair to all suppliers.

satisfy our requirements relating to quality, timeliness, and the ability to provide materials on an ongoing basis. In addition, you must make purchasing decisions based on the long-term cost and benefit to Applied Materials.

It is important that you avoid any appearance of impropriety in your dealings with suppliers.

- Promptly disclose any personal or family relationship between yourself and a potential supplier.
- Accept business gifts, meals or entertainment from a supplier only if they strictly comply with Applied Materials’ Global Gift Policy, available on the Ethics website at [http://ethics](http://ethics).
- Do not offer, give, solicit or accept “kickbacks.” A kickback refers to anything of value or compensation of any kind, which is provided, directly or indirectly, for the purpose of improperly obtaining or rewarding favorable business treatment. Do not offer, give, solicit or accept anything of value that is, or even appears to be, improper or irregular, especially if it is outside the scope of the Applied Materials’ Global Gift Policy.
- Report any kickbacks that you become aware of or suspect to the Law Department or the Office of the Ombudsman.

If you have any doubt regarding the propriety of your actions in a given situation, contact an attorney in the Law Department or the Office of the Ombudsman.
Obligations to the Public

Responsible corporate citizenship is central to our purpose, our values, and our business goals. We must inspire trust among our business partners and motivate members of our global workforce to make choices that are good for our business, our communities and our planet.
Insider Trading And Tipping

Q: What are some examples of material, nonpublic information?

A: Material, nonpublic information encompasses many types of information, including:
   - Undisclosed financial results and projections;
   - Unannounced mergers and acquisitions;
   - Unreleased products; and
   - Other information not generally known that a reasonable investor would consider important.

Q: I always sell my ESPP shares as soon as I receive them. It shouldn’t matter if I have inside information if I always sell my ESPP stock at the same time. Right?

A: Whether you have a practice of selling your ESPP shares on receipt does not matter. The only question is whether you have material, nonpublic information at the time you initiate the sale. Remember, each time you are about to trade stock, ask yourself “Do I know anything that’s material and that hasn’t been communicated publicly?”

You must always be aware of and comply with securities laws and regulations. United States federal and state securities laws prohibit insider trading, that is, buying or selling Applied Materials’ securities at a time when you are aware of material, nonpublic information relating to Applied Materials. This prohibition also applies to trading in the stock of our customers, suppliers or other business partners if you become aware of any material, nonpublic information relating to one of those companies.

While there is no precise legal definition of “material, nonpublic information,” it is commonly considered information about a company that is not known to the general public and that a reasonable investor would consider important in making a decision to buy, sell or hold the company’s securities. Quantitative or qualitative factors may be considered, depending on the nature of the information.

Do Not Engage in Insider Trading

If you possess any material, nonpublic information, you must refrain from buying or selling Applied Materials’ securities until after the information has been disclosed to the public and absorbed by the market (in most cases, the first safe day to trade is the second trading day after the disclosure).

The fact that you have material, nonpublic information is enough to bar you from trading; it is no excuse that the reasons for trading were not based on that information. Even if you had a long-standing plan to sell Applied Materials’ shares to pay a tuition bill, or you routinely sell your ESPP stock upon receipt, you may not do so if you are aware of material, nonpublic information about Applied Materials at the time of sale.

Do Not Engage in Tipping

Passing material, nonpublic information to someone else who may buy or sell securities – which is known as “tipping” – is also illegal, as is trading securities on the basis of a tip or information that involved material, nonpublic information. These prohibitions against tipping apply to stock, options, debt securities or any other securities of Applied Materials, as well as to securities of other companies on which you have material, nonpublic information.
Joining an Expert Network is Prohibited

Applied Materials’ prohibitions on insider trading and tipping include communications with, or membership in, an “expert network” company or any company that retains various experts to consult on a particular company (e.g. Applied Materials), industry or technology, with the intent or result of obtaining material, nonpublic information. If you are contacted by an expert network, decline the invitation to join and do not discuss your work at Applied Materials or Applied Materials’ customers or suppliers with any of their representatives.

“Blackout” Requirements

Members of the Board of Directors, officers and certain persons within Applied Materials with access to nonpublic financial results or information about material transactions or events (these groups of people are referred to as “insiders”) must refrain from buying or selling Applied Materials’ stock for the period specified in a quarterly or special blackout notice from the Law Department. The regular quarterly blackout period starts three weeks before the end of the quarter and is in place through the first trading day after Applied Materials’ earnings announcement. Certain exceptions to this policy may be made pursuant to a pre-established written trading plan that (1) complies with Rule 10b5-1 issued under the Securities Exchange Act of 1934, as amended, and (2) contains terms and conditions that the Law Department has approved. Insiders and other members of our workforce whose responsibilities include access to corporate financial results should never sell Company stock short or trade in options on the Company stock.

Insider trading and tipping are prohibited, and you should report any such conduct of which you become aware. For more information on insider trading, you should refer to the Company’s Insider Trading Policy or contact an attorney in the Law Department.

Fair Disclosure

Regulation FD (for “fair disclosure”) of the United States federal securities laws expressly prohibits the selective (that is, not widely disseminated) disclosure of material nonpublic information about a publicly traded company to anyone other than specifically exempted groups (e.g., people who have signed a nondisclosure agreement). The rules are intended to provide all investors with equal access to material information about a company at the same time.
To ensure that each of us complies with Regulation FD, please follow the policies on the protection of Applied Materials’, and other companies’, confidential information set forth in these Standards. All calls from analysts, investors or other members of the financial and investment community must be referred to Investor Relations; and all calls from the press and media must be referred to Corporate Affairs. You should not post or share nonpublic information about the Company in Internet discussion groups, chat rooms, bulletin boards and/or other electronic communications media, even under an alias, for any purpose.

For more information on fair disclosure, contact an attorney in the Law Department.

**Environment**

We believe that taking care of the environment is part of our corporate responsibility to current and future generations. The Company also encourages our suppliers and contractors to improve their environmental, health and safety performance. Applied Materials, like all other companies that manufacture high technology products, uses regulated chemicals and raw materials and generates wastes. Each of us is responsible for full compliance with all applicable environmental laws and regulations and Company policies, as required by our roles in the Company. The following list contains only a few examples of environmental activities that are regulated:

- Transporting, treating, handling, storing, and disposing of hazardous materials and waste;
- Releasing hazardous substances into the environment, even in small quantities;
- Manufacturing, using, distributing or disposing of certain toxic substances;
- Emitting air pollutants; and
- Discharging pollutants into or onto the ground or into groundwater or surface water.

You must be aware of your responsibilities to protect the environment and to strictly comply with environmental laws and regulations while performing your daily work. To that end, we provide training for members of our workforce to ensure that environmental protection measures are met. Individuals, as well as the Company, are subject to civil and criminal liability for violation of environmental laws and regulations.
Because of the extent and complexity of environmental regulations, you should consult with the Environmental, Health and Safety Department if you have questions or concerns about your responsibilities under relevant laws, regulations or Company policies.

**Taxes**

Applied Materials strictly complies with all applicable tax laws, including federal, state and foreign laws. These laws require the reporting of financial information, payment of taxes due, filing of tax returns, and withholding or collecting of necessary taxes on behalf of our workforce. Contact the Tax Department if you have any questions about the Company’s responsibilities under tax laws and regulations.

**Import, Export and Anti-Boycott Laws**

We are a global company with worldwide customer base in many countries. More than half of our total sales are derived from sales outside the United States.

We are fortunate to have earned our reputation of responsible, international, corporate citizenship. To maintain our global standing, each of us must strictly comply with applicable laws, including those of the United States and other countries that govern the import, export and re-export of our products. Any violation of these laws, even through ignorance, could have damaging and long-lasting effects on our business.

When importing products, you must obey the import requirements of various governmental agencies. All questions and inquiries for information pertaining to the identity, value or duty due on imported products must be answered truthfully and completely.

When exporting or re-exporting products, you must comply with the laws and regulations of the U.S. Department of Commerce and other laws pertaining to the export and/or re-export of products, spare parts, accessories, training materials and technical data. Current United States’ policies also require caution in disclosing restricted technical data in the United States to a non-U.S. citizen working in the United States. In some cases, you may be required to obtain individual export authorizations for certain members of our workforce who have
Q: Where can I get more information about which specific products or transactions will raise import/export issues?

A: Contact Corporate Trade in Santa Clara or visit the following intranet site: http://globaltrade.

Access to controlled technology, software or information while they are working in the United States.

The intent of the United States’ export control laws is to protect national security, support foreign policy and prevent the proliferation of chemical and biological weapons, missile technology and nuclear capability. If your responsibilities include exporting products, you are responsible for screening customers and transactions to ensure that we comply with all export requirements.

Applied Materials is prohibited from participating in trade boycotts that are not sanctioned by the U.S. government, including, but not limited to: agreements to discriminate, refusals to do business with certain countries or companies blacklisted by other governments, or letters of credit that require boycott-related acts. To ensure compliance with anti-boycott laws, always have the Law Department review agreements, transactions, and letters of credit that contain potential boycott-related language.

You should direct any questions you have regarding imports or exports of Applied Materials’ products, parts or technology to the Global Trade group in Santa Clara.

Corporate Philanthropy Program

As a socially responsible corporate citizen, we are committed to making a meaningful and positive contribution to the communities in which we do business. As part of that commitment, we maintain a corporate philanthropy program to support organizations and activities in these communities. Our program complies with all applicable governmental guidelines. Applied Materials has a policy not to provide support to religious or fraternal organizations, individuals or ongoing capital or endowment fundraising campaigns.

We donate time, energy and resources where we can have the greatest impact. Although we encourage participation in such programs and activities, members of our workforce should not ask suppliers, customers or other companies with whom we do business to support fundraising efforts of any kind, including Company-related activities or personal fundraising, even if it is for charitable or non-profit purposes.
Government Contracts

Applied Materials sometimes enters into product or service contracts with the United States and governments of other countries, government agencies and government contractors. These contracts may be subject to special regulations and impose special requirements on the Company and our workforce.

In the United States, for example, a number of laws have been enacted to assure the truth of any representations made to government agencies and to assure the quality of goods and services provided to the government. Such regulations require that our business conduct conforms to stipulated pricing, contracting and certification requirements. In certain situations, it may be necessary to certify that we are providing the lowest commercial price and that such price has been determined independently. United States laws also prohibit a former government employee from acting on behalf of Applied Materials in a matter in which he or she was substantially involved while a government employee. Each of us is responsible for making sure that these requirements are met and all government regulations are followed.
Taking Action

We are committed to creating a positive work environment – a place where every employee’s voice can be heard, issues can be raised and promptly resolved, and communication can flow across all levels of the organization. Openness and communication are critical in our diverse and global work environment. Safeguards such as the open-door policy and the Non-Retaliation Policy are in place to ensure that employees feel comfortable speaking up and escalating their ethical concerns.
Your Obligation to Take Action

Q: What should I do if I suspect misconduct?

A: If you are ever asked to engage in or are aware of conduct that is not consistent with Company values and goals, you must speak up and seek guidance. It is important that the issue be brought to the Company's attention so that it can be addressed and resolved. You should never be afraid to report your concerns. Retaliation is not tolerated. Available resources include:

- Your manager;
- An HR representative;
- An attorney in the Law Department; or
- The Office of the Ombudsman.

Always apply these Standards of Business Conduct, follow Applied Materials’ policies, and comply with laws and regulations. When you are unsure, take the initiative to review applicable policies or consult with the available resources to determine the right course of action. Check with your manager, Human Resources, the Law Department, or the Office of the Ombudsman. If you would like to talk with someone outside your immediate area, consider contacting the Ethics Hotline.

If you know about a possible violation of our Standards of Business Conduct or legal or regulatory requirements, you are required to promptly notify your manager (provided your manager is not involved in the suspected violation), Human Resources, the Law Department, the Office of the Ombudsman, or the Ethics Hotline. Failure to report potential violations in a timely manner may result in disciplinary action.

Participating In Investigations

If your cooperation has been requested during an investigation at Applied Materials, whether conducted internally or at the request of an outside authority, you must cooperate and be honest and thorough in your responses. If you are required to participate in an investigation, we ask that you not disclose the existence of the investigation or any information you learn or discuss during that investigation, and that you also respect Applied’s policies regarding the confidentiality of company business information.

You should comply with our document retention policies when disposing of documents. You must never conceal wrongdoing or permit others to do so. If you have any questions or concerns about your responsibilities, or actions and responsibilities of others, please contact an attorney in the Law Department. Before responding to any inquiry from an external party, you must consult with an attorney from the Law Department.
**Compliance and Consequences**

We are committed to attaining the highest ethical standards in our work and in all of our interactions with our workforce, our customers, our suppliers, our competitors and the public.

Each of us is responsible for reading, understanding and upholding these Standards and maintaining our reputation for ethical business conduct. We expect you to comply with the policies set forth in this publication and to rely upon your own high standards. If you or others are ever asked to engage in conduct that is not consistent with Company values or policies, you must speak up and seek guidance. We also expect that you will seek advice, as appropriate, from the available resources to assist you in resolving issues that are not covered by these Standards.

Employees at higher levels and/or in sensitive or management positions are responsible for (1) meeting higher standards of performance and conduct, and (2) appropriately addressing or escalating concerns that are brought to their attention.

These Standards are based, in part, on various laws. You should be aware that violations of local, state, or federal laws may result in criminal penalties for you and/or the Company. You are not to engage in any conduct that you suspect may violate any law and you must report any suspected violation of these Standards or other Company policies or any law to one of the resources described below. Because of the gravity of the issues addressed in this publication, Applied Materials may take disciplinary action, up to and including termination of employment for actions that violate these Standards, or other Company policies, or any laws.

**Additional Resources and Contact Information**

All Applied Materials policies are available on the Company Intranet and/or in hard copy.

You are encouraged to bring any concerns you may have, for example, about your own or someone else’s conduct, an uncertainty about the meaning of a particular regulation, or a suspicion that somebody you work with may have done something questionable, to the attention of the Company by discussing them with your supervisor or another member of
Q: I reported potential misconduct to the Ethics Hotline, but never heard if the matter was investigated or resolved. What can I do to follow up?

A: To the extent possible after an investigation is completed, it is the Office of the Ombudsman’s practice to follow up with the employee(s) who raised the concern to let them know that the matter has been concluded. If you have not heard from the Office of the Ombudsman, it may be because the matter has not yet been concluded, or, if you made your report anonymously, there may be no way to get in touch with you. You should feel free to call the Hotline again or contact the Office of the Ombudsman directly to ask whether the matter has been resolved. The investigator may not be able to share all the details regarding the outcome because of privacy or confidentiality concerns, but should be able to give some information about the resolution.

As part of our Global Ethics and Compliance Program, we have established a 24-hour Ethics Hotline (1-877-225-5554) that you may call anytime to discuss any concerns you may have about your responsibilities. You may place your call to the Ethics Hotline anonymously. Please note that certain countries have restrictions on reporting to the Ethics Hotline. If so, the local language version of the Standards of Business Conduct will note any restrictions that are in place for your country.

The Office of the Ombudsman will respond to and address issues raised in calls to the Ethics Hotline. You are encouraged to seek information and report your concerns to the Office of the Ombudsman if you feel uncomfortable speaking with your manager. Contact details for the Ombudsman are as follows:

- **Ethics Hotline**: 1-877-225-5554
- **Regional Hotlines**:

<table>
<thead>
<tr>
<th>Country</th>
<th>Phone Number</th>
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<tbody>
<tr>
<td>Austria</td>
<td>0800-291870</td>
</tr>
<tr>
<td>Belgium</td>
<td>0800-77004</td>
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<tr>
<td>China</td>
<td>10-800-712-1239 (Northern)</td>
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<td></td>
<td>10-800-120-1239 (Southern)</td>
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<td>France</td>
<td>0800-902500</td>
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<td>Germany</td>
<td>0800-1016582</td>
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<td>India</td>
<td>000-800-001-6112</td>
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<td>Indonesia</td>
<td>001-803-011-3570</td>
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<td>007-803-011-0160</td>
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<td>Ireland</td>
<td>1-800615403</td>
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<td>Israel</td>
<td>1-80-9214405</td>
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<tr>
<td>Italy</td>
<td>800-786907</td>
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<tr>
<td>Japan</td>
<td>0066-33-11-2505 (Softbank Telecom)</td>
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<tr>
<td></td>
<td>00531-121520 (KDDI)</td>
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<tr>
<td>Korea</td>
<td>00308-110-480 (DAOCOM)</td>
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<td></td>
<td>00798-1-1-009-8084 (Korea Telecom)</td>
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<td></td>
<td>00798-14-800-6599 (South Korea)</td>
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<td>Malaysia</td>
<td>1-800-80-8641</td>
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<td>Netherlands</td>
<td>0800-0226174</td>
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<td></td>
<td>001-800840-8061 (Antilles)</td>
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<tr>
<td>Philippines</td>
<td>1-800-1-114-0165</td>
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<td>Russian Federation</td>
<td>8-10-8002-6053011</td>
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<td>Singapore</td>
<td>800-1204201</td>
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<td>Spain</td>
<td>900-991498</td>
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<td>Switzerland</td>
<td>0800-562907</td>
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<td>Taiwan</td>
<td>00801-13-7956</td>
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<tr>
<td>United Kingdom</td>
<td>08-000328483</td>
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<tr>
<td>United States and</td>
<td>855-748-5765</td>
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<tr>
<td>Canada</td>
<td></td>
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</table>
• **Ombudsman Telephone**: 408-563-2153 or x32153
• **Email**: The_Ombudsman@amat.com
• **Mailing address for the Ombudsman**:

  Ombudsman  
  Applied Materials, Inc.  
  3050 Bowers Avenue, M/S 1268  
  P.O Box 58039  
  Santa Clara, California 95054

The Office of the Ombudsman is committed to treating all information it receives with the highest regard for confidentiality. Information will only be shared with those who have a genuine need to know. If the issue or information relates to certain concerns, this information may have to be shared with the Audit Committee of Applied Materials’ Board of Directors and/or the Company’s outside auditors.

**NOTE**

*These Standards of Business Conduct are not an employment contract and do not create contractual rights. Applied Materials reserves the right to amend or discontinue these Standards of Business Conduct and the policies addressed herein, without prior notice, at any time. The online version of the Standards of Business Conduct, available on Applied Materials’ website, supersedes all printed versions.*