



3050 Bowers Avenue I P.O. Box 58039
Santa Clara, California 95054, U.S.A.
Telephone: 408 727 5555
www.appliedmaterials.com

November 6, 2020

Via Electronic Mail to shareholderproposals@sec.gov

U.S. Securities and Exchange Commission
Division of Corporation Finance
Office of Chief Counsel
100 F Street, N.E.
Washington D.C. 20549

Re: Applied Materials, Inc.
Shareholder Proposal Submitted by Jing Zhao

Dear Sir or Madam:

In accordance with Rule 14a-8(j) under the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), Applied Materials, Inc., a Delaware corporation (the “**Company**”), hereby gives notice of the Company’s intention to omit from its proxy statement for its 2021 annual meeting of shareholders (the “**2021 Proxy Statement**”) a shareholder proposal (the “**Proposal**”) submitted by Jing Zhao (the “**Proponent**”) under cover of letter dated September 16, 2020. A copy of the Proposal, together with the supporting statement included in the Proposal (the “**Supporting Statement**”), is attached hereto as **Exhibit A**.

The Company requests confirmation that the staff of the Division of Corporation Finance (the “**Staff**”) of the Securities and Exchange Commission (the “**Commission**”) will not recommend any enforcement action if the Company omits the Proposal from the 2021 Proxy Statement pursuant to Rule 14a-8(i)(10) because the Company has already substantially implemented the Proposal by addressing its essential objective.

In accordance with Rule 14a-8(j), we are submitting this letter to the Commission no later than 80 calendar days before the Company expects to file its definitive 2021 Proxy Statement with the Commission. Pursuant to Staff Legal Bulletin No. 14D (CF), *Shareholder Proposals* (November 7, 2008), question C, we have submitted this letter and the related correspondence from the Proponent to the Commission via email to shareholderproposals@sec.gov. In accordance with Rule 14a-8(j), a copy of this submission is being forwarded simultaneously to the Proponent. This letter constitutes the Company's statement of the reasons it deems the omission of the Proposal from the 2021 Proxy Statement to be proper.

I. THE PROPOSAL AND SUPPORTING STATEMENT

The resolution and supporting statement included in the Proposal provides as follows:

Resolved: stockholders recommend that Applied Materials, Inc. (the Company) improve the executive compensation program and policy to include CEO pay ratio and other factors.

Supporting Statement

The Company's executive compensation program/policy does not consider any social and economic factors, such as the CEO pay ratio. In 2019, the CEO pay ratio to the median compensated employee pay is 135 to 1 (2020 Proxy Statement p. 46) There is no rational methodology or program to decide the executive compensation. For example, Twitter's CEO pay ratio is less than 0.001 to 1 in 2018 and in 2019, Amazon's CEO pay ratio is 58 to 1 in 2018 and in 2019. JCPenney's alarming CEO pay ratio 1294 to 1 in 2018 is one cause leading to its bankruptcy. The CEOs pay ratios of big Japanese and European companies are much less than of big American companies. America's ballooning executive compensation is not sustainable for the economy, especially under the current domestic social conflicts and international crisis. Time changed, so our executive compensation program/policy must change too. Reducing the CEO pay ratio (closer big Japanese and European companies) should be included to the executive compensation program/policy. The Human Resource and Compensation Committee has the flexibility to include other social and economic factors.

On September 29, 2020, within 14 days of the Company's receipt of the Proposal, the Company sent to the Proponent via email a notification of eligibility and procedural deficiencies with respect to the Proposal (the "Deficiency Letter"). The Proponent provided additional

documentation in response to the Deficiency Letter on October 5, 2020. Copies of the Deficiency Letter and all related correspondence are attached hereto as Exhibit B.

II. ANALYSIS

The Proposal May Be Omitted in its Entirety in Reliance on Rule 14a-8(i)(10) Because the Company Has Already Substantially Implemented the Proposal.

The Commission stated in 1976 that the predecessor to Rule 14a-8(i)(10) was “designed to avoid the possibility of shareholders having to consider matters which already have been favorably acted upon by the management.” Exchange Act Release No. 12598 (July 7, 1976). In applying Rule 14a-8(i)(10), when a company can demonstrate that it already has taken actions to address the underlying concerns and essential objective of a shareholder proposal, the Staff has concurred that the proposal has been “substantially implemented” and may be excluded as moot. *See, e.g., Wal-Mart Stores, Inc.* (avail. Mar. 16, 2017); *Northrop Grumman Corp.* (avail. Feb. 17, 2017); *Amazon.com, Inc.* (avail. Mar. 3, 2016); *Alaska Air Group, Inc.* (avail. Feb. 12, 2016); *Exelon Corp.* (avail. Feb. 26, 2010); *Exxon Mobil Corp. (Burt)* (avail. Mar. 23, 2009); *Anheuser-Busch Companies, Inc.* (avail. Jan. 17, 2007); *ConAgra Foods, Inc.* (avail. July 3, 2006); *Johnson & Johnson* (avail. Feb. 17, 2006); *Talbots Inc.* (avail. Apr. 5, 2002); *Exxon Mobil Corp.* (avail. Jan. 24, 2001); *Masco Corp.* (avail. Mar. 29, 1999); *The Gap, Inc.* (avail. Mar. 8, 1996). The action requested by the proposal need not be “fully effected” in order to be found to have substantially implemented. *See* Exchange Act Release No. 40018 at n.30 (May 21, 1998) and Exchange Act Release No. 20091 at § II.E.6 (Aug. 16, 1983). Differences between the actions requested by a proposal and a company’s actions are permitted so long the essential objectives of the proposal are addressed satisfactorily even if the company did not take the exact action requested by the proponent, did not implement the proposal in every detail or exercised discretion in determining how to implement the proposal. *See, e.g., Applied Materials, Inc.* (avail. Dec. 21, 2018) (concurring with exclusion of a proposal requesting the formation of a public policy committee where the company’s existing governance structure, policies and procedures already provided the requested oversight); *Wal-Mart Stores, Inc.* (avail. Mar. 25, 2015) (concurring with exclusion of a proposal requesting an employee engagement metric be utilized for executive compensation where the company already included a “diversity and inclusion metric related to employee engagement” in its executive incentive plan).

The Proposal’s supporting statement opines that “[t]he Company’s executive compensation program/policy does not consider any social and economic factors, such as the CEO pay ratio” and the Proposal requests that the Company “improve the executive compensation program and policy to include CEO pay ratio and other factors.” The statement in the supporting statement is patently untrue. The Company recognizes the importance of social and economic issues and takes such factors into account in determining compensation for its executives. As a

result, the Proposal may be excluded from the 2021 Proxy Statement because the Proposal has already been substantially implemented.

The Company has a deep commitment to operating its business in a sustainable and socially responsible manner. Since publishing its first corporate social responsibility report in 2005, the Company has reported its environmental, social and governance (ESG) practices, goals and performance. The Company's ESG strategy is focused on integrating sustainability into its operations and company culture through initiatives aligned with corporate strategy. As discussed in its 2019 Sustainability Report, the Company conducted its first comprehensive ESG materiality assessment in 2019 and has set objectives for boosting energy efficiency, reducing its carbon footprint, driving greater responsibility in its supply chain, building a culture of inclusion and increasing its transparency through broadened ESG disclosures¹, which has included its 2016 – 2018 EEO-1 reports and diversity data in its Changes in Diversity 2016 – 2019 Report.² The Company's ESG program is overseen by the Corporate Governance and Nominating Committee of the Board of Directors, and the Human Resources and Compensation Committee (the "HRCC") is responsible for oversight of corporate culture and human capital management programs, including the Company's diversity and inclusion practices and initiatives.³

As stated in its proxy statement for its 2020 annual meeting of shareholders (the "**2020 Proxy Statement**")⁴:

Our Board and management oversee sustainability matters to foster accountability. We have established executive leadership of a company-wide strategy on environmental, social and governance (ESG) matters and reporting and focused on integrating sustainability into our operations and company culture through initiatives aligned to company strategy that address a broad set of stakeholders, including customers, employees, suppliers, governments and our local communities... We believe that investing in our people, in our communities, and in operating our business sustainably will drive long-term value for Applied and its shareholders. These three pillars [are]:

¹ See page 9 of the Company's 2019 Sustainability Report, available [here](#).

² The Company's Changes in Diversity 2016 – 2019 Report, available [here](#).

³ See page 10 of the Annex to the Company's 2019 Sustainability Report, available [here](#).

⁴ See page xi of the Company's 2020 Proxy Statement, available [here](#).

Sustainability

- Conducting business in environmentally conscious, socially responsible and ethical manner while protecting the health and safety of our workers and community
- Guiding principles include designing efficient and sustainable products, pollution prevention, worker protection and ethical business practices

People

- Building a culture of inclusion with a focus on leadership, eliminating systemic barriers and fostering engagement
- Promoting ongoing career development for employees to encourage innovation and engagement

Community

- Investing financial and human resources in communities where we work and live
- Investing in education, arts and culture, civic engagement, and the environment
- Encouraging employee involvement through charitable donations and volunteer programs

Given the Company's belief in the importance of ESG matters and sustainability to both long-term shareholder value and company culture, the HRCC has incorporated social and economic factors in the executive compensation program. The principal objectives of the Company's executive compensation program are:⁵

- to attract, reward and retain highly-talented executive officers and other key employees;
- to motivate these individuals to achieve short-term and long-term goals that enhance shareholder value; and
- to support our core values and culture.

The HRCC seeks to achieve these stated objectives by setting challenging performance goals for executives linked to Company and individual performance. The HRCC assesses achievement of performance goals in determining executive compensation while also taking into consideration the Company's "business objectives, external factors such as geopolitical and economic environment ... and corporate considerations, including the affordability of the compensation program."⁶

The preponderance of the Company's executive compensation is variable and dependent upon the success of the Company in driving long-term value for its shareholders, including through

⁵ See page 28 of the Company's 2020 Proxy Statement, available [here](#).

⁶ See page 28 of the Company's 2020 Proxy Statement, available [here](#).

its key ESG and sustainability initiatives. The HRCC believes that the annual bonus program is a particularly nimble vehicle to incentivize executive focus on workforce issues. Annual bonuses are determined by the HRCC based upon non-GAAP adjusted EPS, an individual performance factor and a set of corporate scorecard objectives in four categories – Financial and Market Performance and Execution, Products and Growth, Customers and Field, and People and Organization. The objectives specified in People and Organization specifically tie to issues relevant to the Company’s workforce. Over time, the HRCC has continually reviewed and refined the People and Organization goals in the scorecard in light of changing circumstances. The Company’s annual bonus program has long included objectives related to employee safety, engagement, learning and career development. However, for the annual bonus plan for fiscal year 2019, it added a new objective – “[a]ccelerate diversity and inclusion initiative by increasing targeted representation of women and underrepresented minorities, improving culture of inclusion and setting goals, plans and scoring matrices for certain business and functional organizations.”⁷ The HRCC is keenly conscious of the need to review and refine the focus of the executive compensation program as demanded by the times.

Additionally, on an annual basis the HRCC reviews the Company’s CEO pay ratio, changes in the ratio from year to year, as well as the ratios of certain other peer companies and companies in the S&P 500 Index. However, the HRCC recognizes that the pay ratios reported by other companies are not necessarily comparable to the Company’s CEO pay ratio as other companies may have different employment and compensation practices and may, as permitted by the Commission’s rules, utilize different methodologies, exclusions, estimates, and assumptions in calculating their own pay ratios.

The HRCC’s rigorous process for designing and determining the Company’s executive compensation – a balance of short- and long-term cash and equity incentives – as described in detail in the Compensation Discussion and Analysis section of the 2020 Proxy Statement⁸ belies the Proponent’s statement that “[t]here is no rational methodology or program to decide the executive compensation.” The HRCC takes into account social and economic factors in the Company’s executive compensation program and reviews the CEO pay ratios of the Company and its peers. The Company is also committed to creating a positive work environment by providing benefits covering employees’ physical, emotional and financial health as well as addressing issues of talent development, diversity and inclusion like those referenced in the annual bonus’s People and Organization goals described above.⁹

⁷ See page 33 of the Company’s 2020 Proxy Statement, available [here](#).

⁸ See pages 29 – 37 of the Company’s 2020 Proxy Statement, available [here](#).

⁹ See page 56 of the Company’s 2019 Sustainability Report, available [here](#).

The Company's implementation of the Proposal closely resembles the implementation by another company of a similar shareholder proposal. In *Visa Inc.* (avail. Oct. 11, 2019), the Staff concurred with the exclusion of a proposal requesting that the compensation committee reform the company's executive compensation philosophy to include social factors, such as CEO pay ratio, to enhance the Company's social responsibility. The company demonstrated that it had addressed the proposal's essential objective by tying executive compensation to achievement of individual performance goals which included social factors, albeit not CEO pay ratio. The Staff found that the company's policies, practices and procedures described in its annual meeting proxy statement and sustainability report compared favorably with the guidelines of the proposal. *See also Dunkin' Brands Groups, Inc.* (avail. Mar. 6, 2019) (concurring with exclusion of a proposal requesting that the board issue a report on the feasibility of integrating sustainability metrics into the company's executive compensation plans where the company had satisfied the proposal's essential objective through disclosures in its corporate social responsibility reports and proxy statements regarding the use of sustainability metrics in executive compensation); *eBay Inc.* (avail. Mar. 29, 2018) (concurring with exclusion of a proposal requesting that the compensation committee prepare a report on the feasibility of integrating sustainability metrics into CEO's performance measures under the company's compensation incentive plans where the company showed that it had already incorporated elements of sustainability into the review and determination of the CEO's compensation through a "holistic approach" taking into consideration the company's cultural values including sustainability).

As in *Visa Inc.* and the other similar shareholder proposals cited above, the Company has already satisfied the essential objectives of the Proposal and has thus substantially implemented the Proposal. As a result, the Company believes the Proposal may be omitted from its 2021 Proxy Statement in accordance Rule 14a-8(i)(10).

III. CONCLUSION

For the foregoing reasons, the Company respectfully requests that the Staff confirm that it will not recommend enforcement action if the Company omits the Proposal from its 2021 Proxy Statement.

U.S. Securities and Exchange Commission
Division of Corporation Finance
Office of Chief Counsel
November 6 , 2020
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If you have any questions or require any additional information, please do not hesitate to contact To-Anh Nguyen at (408) 563-7890 or to-anh_nguyen@amat.com. If the Staff is unable to agree with our conclusions without additional information or discussions, we respectfully request the opportunity to confer with members of the Staff prior to issuance of any written response to this letter.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Teri A. Little', written over the word 'Sincerely,'.

Teri A. Little
Senior Vice President, Chief Legal Officer
and Corporate Secretary

Enclosure

cc: Jing Zhao,***
Francesca L. Odell, Cleary Gottlieb Steen & Hamilton LLP
Mary E. Alcock, Cleary Gottlieb Steen & Hamilton LLP

Exhibit A

The Proposal

See attached.

Corporate Secretary

From: JING ZHAO ***
Sent: Wednesday, September 16, 2020 8:22 PM
To: Corporate Secretary
Cc: Christina_Lai@amat.com; To-Anh Nguyen
Subject: [EXTERNAL] Re: Stockholder Proposal
Attachments: amat_proposal_2021.pdf; Unique-06972885-09-16-2020_16_06_08_CDT.pdf

Dear Ms. Lai:

Enclosed please find my stockholder proposal for inclusion in our proxy materials for the 2021 annual meeting of stockholders and a letter confirming my Applied Materials shares. I will continuously hold these shares until the 2021 annual meeting.

I have requested twice a letter from TD Ameritrade since September 4 and finally received a letter today showing I have continuously held 70 Applied Materials shares since 4/29/2015 through today.

Should you have any questions, please contact me at *** or *** .
Yours truly,

Jing Zhao
Enclosure: Stockholder proposal
Letter of shares

Jing Zhao
US-Japan-China Comparative Policy Research Institute

September 16, 2020

Christina Y. Lai
Corporate Secretary
Applied Materials, Inc.
3225 Oakmead Village Drive, M/S 1268
P.O. Box 58039
Santa Clara CA 95052
[via post mail and corporatesecretary@amat.com]

Re: Stockholder Proposal

Dear Ms. Lai:

Enclosed please find my stockholder proposal for inclusion in our proxy materials for the 2021 annual meeting of stockholders and a letter confirming my Applied Materials shares. I will continuously hold these shares until the 2021 annual meeting.

I have requested twice a letter from TD Ameritrade since September 4 and finally received a letter today showing I have continuously held 70 Applied Materials shares since 4/29/2015 through today.

Should you have any questions, please contact me at ***

or

Yours truly,



Jing Zhao

Enclosure: Stockholder proposal

Letter of shares

Stockholder Proposal on Executive Compensation Program and Policy

Resolved: stockholders recommend that Applied Materials, Inc. (the Company) improve the executive compensation program and policy to include CEO pay ratio and other factors.

Supporting Statement

The Company's executive compensation program/policy does not consider any social and economic factors, such as the CEO pay ratio.

In 2019, the CEO pay ratio to the median compensated employee pay is 135 to 1 (2020 Proxy Statement p. 46)

There is no rational methodology or program to decide the executive compensation. For example, Twitter's CEO pay ratio is less than 0.001 to 1 in 2018 and in 2019, Amazon's CEO pay ratio is 58 to 1 in 2018 and in 2019. JCPenney's alarming CEO pay ratio 1294 to 1 in 2018 is one cause leading to its bankruptcy. The CEOs pay ratios of big Japanese and European companies are much less than of big American companies.

America's ballooning executive compensation is not sustainable for the economy, especially under the current domestic social conflicts and international crisis. Time changed, so our executive compensation program/policy must change too. Reducing the CEO pay ratio (closer big Japanese and European companies) should be included to the executive compensation program/policy. The Human Resource and Compensation Committee has the flexibility to include other social and economic factors.

09/16/2020

Jing Zhao

Re: Your TD Ameritrade Account Ending in ***

Dear Jing Zhao,

Thank you for allowing me to assist you today. As you requested, here is your trade history for AMAT going back to April of 2015:

Transaction	Description	Date	Quantity	Price	Amount
Buy	APPLIED MATERIALS INC COM	9/8/2020	10	\$56.86	\$568.58
Sell	APPLIED MATERIALS INC COM	10/11/2019	10	\$52.26	\$522.59
Sell	APPLIED MATERIALS INC COM	10/9/2019	20	\$50.80	\$1,015.98
Sell	APPLIED MATERIALS INC COM	1/30/2019	30	\$39.90	\$1,189.95
Sell	APPLIED MATERIALS INC COM	1/24/2019	30	\$37.54	\$1,119.24
Buy	APPLIED MATERIALS INC COM	8/17/2018	30	\$44.10	\$1,329.95
Buy	APPLIED MATERIALS INC COM	5/18/2018	30	\$49.00	\$1,476.95
Sell	APPLIED MATERIALS INC COM	1/10/2017	50	\$33.06	\$1,642.97
Buy	APPLIED MATERIALS INC COM	4/29/2015	150	\$19.82	\$2,982.98

If we can be of any further assistance, please let us know. Just log in to your account and go to the Message Center to write us. You can also call Client Services at 800-669-3900. We're available 24 hours a day, seven days a week.

Sincerely,



Joseph Krause
Resource Specialist
TD Ameritrade

This information is furnished as part of a general information service and TD Ameritrade shall not be liable for any damages arising out of any inaccuracy in the information. Because this information may differ from your TD Ameritrade monthly statement, you should rely only on the TD Ameritrade monthly statement as the official record of your TD Ameritrade account.

Market volatility, volume, and system availability may delay account access and trade executions.

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Exhibit B

Deficiency Letter and Related Correspondence

See attached.

September 29, 2020

Via Electronic Mail

Dr. Jing Zhao

Dear Dr. Zhao:

On September 16, 2020, Applied Materials, Inc. (the "Company") received an email from you submitting a shareholder proposal (the "Proposal") for inclusion in the Company's proxy materials for its 2021 Annual Meeting of Shareholders (the "Annual Meeting"). In the same email as the Proposal, the Company received from you a statement from TD Ameritrade dated September 16, 2020 (the "TD Ameritrade Statement").

The Proposal is governed by Rule 14a-8 under the Securities Exchange Act of 1934, as amended ("Rule 14a-8"), which sets forth the eligibility and procedural requirements for submitting shareholder proposals, as well as thirteen substantive bases under which companies may exclude such proposals. We have included a complete copy of Rule 14a-8 with this letter for your reference.

Based on our review of the information provided in your email, our records and regulatory materials, we are unable to conclude that the Proposal meets the requirements of Rule 14a-8. The Proposal contains a procedural deficiency, as set forth below, which Securities and Exchange Commission ("SEC") regulations require us to bring to your attention. Unless the deficiency described below can be remedied in the proper time frame, as discussed below, the Company will be entitled to exclude the Proposal from its proxy materials for the Annual Meeting.

Proof of Share Ownership

Rule 14a-8(b) provides that, to be eligible to submit a shareholder proposal, a proponent must have continuously held a minimum of \$2,000 in market value, or 1% of the Company's securities entitled to be voted on the proposal, for at least one year prior to the date the proposal is submitted. Your submission fails to establish that you have continuously held the minimum number or value of shares for the requisite period and, as a result, the Company believes that the Proposal does not meet the requirements of Rule 14a-8(b). Accordingly, the Company respectfully requests that you submit proper verification of your ownership of the Company's common stock.

Rule 14a-8(b) requires that a proponent establish that the proponent held the requisite amount of stock "continuously" over the required period. In Staff Legal Bulletin 14, Item C(1)(c)(2) (July 13, 2001), the staff of the SEC stated that submitting investment account statements, even those that appear to cover the requisite one-year period, is not sufficient proof of the proponent's continuous beneficial ownership of company securities. The staff of the SEC further stated: "A shareholder must submit an affirmative written statement from the record holder of his or her securities that specifically verifies that the shareholder owned the securities *continuously* for a period of one year as of the time of submitting the proposal." Additionally, in Staff Legal Bulletin No. 14F (October 18, 2011), the staff of the SEC noted that many proof of ownership letters "fail to confirm continuous ownership of the securities," and recommended that proponents arrange to have their broker or bank provide the required verification of ownership as of the date they submit the proposal using the following format:

"As of [date the proposal is submitted], [name of shareholder] held, and has held

continuously for at least one year, [number of securities] shares of [company name] [class of securities].”

The TD Ameritrade Statement you submitted provides only a list of transactions in the Company's common stock that have occurred in your account since April 2015. The statement therefore does not properly verify your continuous ownership of the required amount of the Company's shares for at least one year at the time you submitted the Proposal. You therefore must provide us with proper proof that the shares on which you are relying to establish your eligibility to submit the Proposal were owned by you on September 16, 2020, the date you submitted the Proposal, and have been continuously owned by you for the one-year period preceding the date you submitted the Proposal.

The Company has been unable to independently verify that you are a registered or record holder of the Company's common stock. Under Rule 14a-8(b), you may provide proof of ownership by submitting either:

- a written statement from the “record” holder of the shares (usually a broker or a bank), in a format acceptable under Rule 14a-8(b), verifying that, as of the date the Proposal was submitted, you continuously held the requisite number of shares of the Company's common stock for at least one year; or
- a copy of a filed Schedule 13D, Schedule 13G, Form 3, Form 4 and/or Form 5, and any amendments to those documents or updated forms, reflecting your ownership of the Company's common stock as of or before the date on which the one-year eligibility period begins and your written statement that you continuously held the required number of shares for the one-year period as of the date of the statement.

Please note that, to be considered a “record” holder for these purposes, the broker or bank providing a written statement verifying your ownership must be a Depository Trust Company (“DTC”) participant or an affiliate of a DTC participant. As of the date of this letter, a list of DTC participants can be obtained at: <http://www.dtcc.com/~media/Files/Downloads/client-center/DTC/alpha.ashx>

Under Rule 14a-8(f), a response that corrects the deficiency described in this letter must be postmarked or transmitted electronically no later than 14 days from the date you receive this letter.

Once we receive your response, we will be in a position to determine whether the deficiency described in this letter has been adequately and timely corrected and whether the Proposal is eligible for inclusion in the Company's proxy materials for the Annual Meeting. The Company reserves the right to submit a no-action request to the Staff of the SEC, as appropriate, with respect to the Proposal.

If you have any questions, please contact me at (408) 563-7890. Please address any response to me by email at To-Anh_Nguyen@amat.com.

Sincerely,

/s/ To-Anh Nguyen

To-Anh Nguyen
Assistant Secretary

Enclosure

Rule 14a-8 – Proposals of Security Holders

This section addresses when a company must include a shareholder's proposal in its proxy statement and identify the proposal in its form of proxy when the company holds an annual or special meeting of shareholders. In summary, in order to have your shareholder proposal included on a company's proxy card, and included along with any supporting statement in its proxy statement, you must be eligible and follow certain procedures. Under a few specific circumstances, the company is permitted to exclude your proposal, but only after submitting its reasons to the Commission. We structured this section in a question-and-answer format so that it is easier to understand. The references to "you" are to a shareholder seeking to submit the proposal.

(a) **Question 1: What is a proposal?**

A shareholder proposal is your recommendation or requirement that the company and/or its board of directors take action, which you intend to present at a meeting of the company's shareholders. Your proposal should state as clearly as possible the course of action that you believe the company should follow. If your proposal is placed on the company's proxy card, the company must also provide in the form of proxy means for shareholders to specify by boxes a choice between approval or disapproval, or abstention. Unless otherwise indicated, the word "proposal" as used in this section refers both to your proposal, and to your corresponding statement in support of your proposal (if any).

(b) **Question 2: Who is eligible to submit a proposal, and how do I demonstrate to the company that I am eligible?**

- (1) In order to be eligible to submit a proposal, you must have continuously held at least \$2,000 in market value, or 1%, of the company's securities entitled to be voted on the proposal at the meeting for at least one year by the date you submit the proposal. You must continue to hold those securities through the date of the meeting.
- (2) If you are the registered holder of your securities, which means that your name appears in the company's records as a shareholder, the company can verify your eligibility on its own, although you will still have to provide the company with a written statement that you intend to continue to hold the securities through the date of the meeting of shareholders. However, if like many shareholders you are not a registered holder, the company likely does not know that you are a shareholder, or how many shares you own. In this case, at the time you submit your proposal, you must prove your eligibility to the company in one of two ways:
 - (i) The first way is to submit to the company a written statement from the "record" holder of your securities (usually a broker or bank) verifying that, at the time you submitted your proposal, you continuously held the securities for at least one year. You must also include your own written statement that you intend to continue to hold the securities through the date of the meeting of shareholders; or
 - (ii) The second way to prove ownership applies only if you have filed a Schedule 13D (§240.13d-101), Schedule 13G (§240.13d-102), Form 3 (§249.103 of this chapter), Form 4 (§249.104 of this chapter) and/or Form 5 (§249.105 of this chapter), or amendments to those documents or updated forms, reflecting your ownership of the shares as of or before the date on which the one-year eligibility period begins. If you have filed one of these documents with the SEC, you may demonstrate your eligibility by submitting to the company:

- (A) A copy of the schedule and/or form, and any subsequent amendments reporting a change in your ownership level;
- (B) Your written statement that you continuously held the required number of shares for the one-year period as of the date of the statement; and
- (C) Your written statement that you intend to continue ownership of the shares through the date of the company's annual or special meeting.

(c) **Question 3: How many proposals may I submit?**

Each shareholder may submit no more than one proposal to a company for a particular shareholders' meeting.

(d) **Question 4: How long can my proposal be?**

The proposal, including any accompanying supporting statement, may not exceed 500 words.

(e) **Question 5: What is the deadline for submitting a proposal?**

(1) If you are submitting your proposal for the company's annual meeting, you can in most cases find the deadline in last year's proxy statement. However, if the company did not hold an annual meeting last year, or has changed the date of its meeting for this year more than 30 days from last year's meeting, you can usually find the deadline in one of the company's quarterly reports on Form 10-Q (§249.308a of this chapter), or in shareholder reports of investment companies under §270.30d-1 of this chapter of the Investment Company Act of 1940. In order to avoid controversy, shareholders should submit their proposals by means, including electronic means, that permit them to prove the date of delivery.

(2) The deadline is calculated in the following manner if the proposal is submitted for a regularly scheduled annual meeting. The proposal must be received at the company's principal executive offices not less than 120 calendar days before the date of the company's proxy statement released to shareholders in connection with the previous year's annual meeting. However, if the company did not hold an annual meeting the previous year, or if the date of this year's annual meeting has been changed by more than 30 days from the date of the previous year's meeting, then the deadline is a reasonable time before the company begins to print and send its proxy materials.

(3) If you are submitting your proposal for a meeting of shareholders other than a regularly scheduled annual meeting, the deadline is a reasonable time before the company begins to print and send its proxy materials.

(f) **Question 6: What if I fail to follow one of the eligibility or procedural requirements explained in answers to Questions 1 through 4 of this section?**

(1) The company may exclude your proposal, but only after it has notified you of the problem, and you have failed adequately to correct it. Within 14 calendar days of receiving your proposal, the company must notify you in writing of any procedural or eligibility deficiencies, as well as of the time frame for your response. Your response must be postmarked, or transmitted electronically, no later than 14 days from the date you received the company's notification. A company need not provide you such notice of a deficiency if the deficiency cannot be remedied, such as if you fail to submit a

proposal by the company's properly determined deadline. If the company intends to exclude the proposal, it will later have to make a submission under §240.14a-8 and provide you with a copy under Question 10 below, §240.14a-8(j).

- (2) If you fail in your promise to hold the required number of securities through the date of the meeting of shareholders, then the company will be permitted to exclude all of your proposals from its proxy materials for any meeting held in the following two calendar years.

(g) **Question 7: Who has the burden of persuading the Commission or its staff that my proposal can be excluded?**

Except as otherwise noted, the burden is on the company to demonstrate that it is entitled to exclude a proposal.

(h) **Question 8: Must I appear personally at the shareholders' meeting to present the proposal?**

- (1) Either you, or your representative who is qualified under state law to present the proposal on your behalf, must attend the meeting to present the proposal. Whether you attend the meeting yourself or send a qualified representative to the meeting in your place, you should make sure that you, or your representative, follow the proper state law procedures for attending the meeting and/or presenting your proposal.
- (2) If the company holds its shareholder meeting in whole or in part via electronic media, and the company permits you or your representative to present your proposal via such media, then you may appear through electronic media rather than traveling to the meeting to appear in person.
- (3) If you or your qualified representative fail to appear and present the proposal, without good cause, the company will be permitted to exclude all of your proposals from its proxy materials for any meetings held in the following two calendar years.

(i) **Question 9: If I have complied with the procedural requirements, on what other bases may a company rely to exclude my proposal?**

- (1) *Improper under state law.* If the proposal is not a proper subject for action by shareholders under the laws of the jurisdiction of the company's organization;

Note to paragraph (i)(1): Depending on the subject matter, some proposals are not considered proper under state law if they would be binding on the company if approved by shareholders. In our experience, most proposals that are cast as recommendations or requests that the board of directors take specified action are proper under state law. Accordingly, we will assume that a proposal drafted as a recommendation or suggestion is proper unless the company demonstrates otherwise.

- (2) *Violation of law.* If the proposal would, if implemented, cause the company to violate any state, federal, or foreign law to which it is subject;

Note to paragraph (i)(2): We will not apply this basis for exclusion to permit exclusion of a proposal on grounds that it would violate foreign law if compliance with the foreign law would result in a violation of any state or federal law.

- (3) *Violation of proxy rules*: If the proposal or supporting statement is contrary to any of the Commission's proxy rules, including §240.14a-9, which prohibits materially false or misleading statements in proxy soliciting materials;
- (4) *Personal grievance; special interest*: If the proposal relates to the redress of a personal claim or grievance against the company or any other person, or if it is designed to result in a benefit to you, or to further a personal interest, which is not shared by the other shareholders at large;
- (5) *Relevance*: If the proposal relates to operations which account for less than 5 percent of the company's total assets at the end of its most recent fiscal year, and for less than 5 percent of its net earnings and gross sales for its most recent fiscal year, and is not otherwise significantly related to the company's business;
- (6) *Absence of power/authority*: If the company would lack the power or authority to implement the proposal;
- (7) *Management functions*: If the proposal deals with a matter relating to the company's ordinary business operations;
- (8) *Director elections*: If the proposal:
 - (i) Would disqualify a nominee who is standing for election;
 - (ii) Would remove a director from office before his or her term expired;
 - (iii) Questions the competence, business judgment, or character of one or more nominees or directors;
 - (iv) Seeks to include a specific individual in the company's proxy materials for election to the board of directors; or
 - (v) Otherwise could affect the outcome of the upcoming election of directors.
- (9) *Conflicts with company's proposal*: If the proposal directly conflicts with one of the company's own proposals to be submitted to shareholders at the same meeting;

Note to paragraph (i)(9): A company's submission to the Commission under this section should specify the points of conflict with the company's proposal.

- (10) *Substantially implemented*: If the company has already substantially implemented the proposal;

Note to paragraph (i)(10): A company may exclude a shareholder proposal that would provide an advisory vote or seek future advisory votes to approve the compensation of executives as disclosed pursuant to Item 402 of Regulation S-K (§229.402 of this chapter) or any successor to Item 402 (a "say-on-pay vote") or that relates to the frequency of say-on-pay votes, provided that in the most recent shareholder vote required by §240.14a-21(b) of this chapter a single year (i.e., one, two, or three years) received approval of a majority of votes cast on the matter and the company has adopted a policy on the frequency of say-on-pay votes that is consistent with the choice of the majority of votes cast in the most recent shareholder vote required by §240.14a-21(b) of this chapter.

(11) *Duplication*: If the proposal substantially duplicates another proposal previously submitted to the company by another proponent that will be included in the company's proxy materials for the same meeting;

(12) *Resubmissions*: If the proposal deals with substantially the same subject matter as another proposal or proposals that has or have been previously included in the company's proxy materials within the preceding 5 calendar years, a company may exclude it from its proxy materials for any meeting held within 3 calendar years of the last time it was included if the proposal received:

(i) Less than 3% of the vote if proposed once within the preceding 5 calendar years;

(ii) Less than 6% of the vote on its last submission to shareholders if proposed twice previously within the preceding 5 calendar years; or

(iii) Less than 10% of the vote on its last submission to shareholders if proposed three times or more previously within the preceding 5 calendar years; and

(13) *Specific amount of dividends*: If the proposal relates to specific amounts of cash or stock dividends.

(j) **Question 10: What procedures must the company follow if it intends to exclude my proposal?**

(1) If the company intends to exclude a proposal from its proxy materials, it must file its reasons with the Commission no later than 80 calendar days before it files its definitive proxy statement and form of proxy with the Commission. The company must simultaneously provide you with a copy of its submission. The Commission staff may permit the company to make its submission later than 80 days before the company files its definitive proxy statement and form of proxy, if the company demonstrates good cause for missing the deadline.

(2) The company must file six paper copies of the following:

(i) The proposal;

(ii) An explanation of why the company believes that it may exclude the proposal, which should, if possible, refer to the most recent applicable authority, such as prior Division letters issued under the rule; and

(iii) A supporting opinion of counsel when such reasons are based on matters of state or foreign law.

(k) **Question 11: May I submit my own statement to the Commission responding to the company's arguments?**

Yes, you may submit a response, but it is not required. You should try to submit any response to us, with a copy to the company, as soon as possible after the company makes its submission. This way, the Commission staff will have time to consider fully your submission before it issues its response. You should submit six paper copies of your response.

(l) **Question 12: If the company includes my shareholder proposal in its proxy materials, what information about me must it include along with the proposal itself?**

- (1) The company's proxy statement must include your name and address, as well as the number of the company's voting securities that you hold. However, instead of providing that information, the company may instead include a statement that it will provide the information to shareholders promptly upon receiving an oral or written request.
- (2) The company is not responsible for the contents of your proposal or supporting statement.

(m) **Question 13: What can I do if the company includes in its proxy statement reasons why it believes shareholders should not vote in favor of my proposal, and I disagree with some of its statements?**

- (1) The company may elect to include in its proxy statement reasons why it believes shareholders should vote against your proposal. The company is allowed to make arguments reflecting its own point of view, just as you may express your own point of view in your proposal's supporting statement.
- (2) However, if you believe that the company's opposition to your proposal contains materially false or misleading statements that may violate our anti-fraud rule, §240.14a-9, you should promptly send to the Commission staff and the company a letter explaining the reasons for your view, along with a copy of the company's statements opposing your proposal. To the extent possible, your letter should include specific factual information demonstrating the inaccuracy of the company's claims. Time permitting, you may wish to try to work out your differences with the company by yourself before contacting the Commission staff.
- (3) We require the company to send you a copy of its statements opposing your proposal before it sends its proxy materials, so that you may bring to our attention any materially false or misleading statements, under the following timeframes:
 - (i) If our no-action response requires that you make revisions to your proposal or supporting statement as a condition to requiring the company to include it in its proxy materials, then the company must provide you with a copy of its opposition statements no later than 5 calendar days after the company receives a copy of your revised proposal; or
 - (ii) In all other cases, the company must provide you with a copy of its opposition statements no later than 30 calendar days before its files definitive copies of its proxy statement and form of proxy under §240.14a-6.

* * *

October 5, 2020

Ms. Christina Y. Lai, Corporate Secretary

Ms. To-Anh Nguyen, Assistant Secretary

Applied Materials, Inc.

3225 Oakmead Village Drive, M/S 1268

P.O. Box 58039

Santa Clara CA 95052

[via emails corporatesecretary@amat.com, To-Anh_Nguyen@amat.com]

Re: Stockholder Proposal -2

Dear Ms. Lai:

I cannot agree with you that the September 16, 2020 letter from TD Ameritrade has any deficiency, because it clearly shows that I have continuously held 70 Applied Materials shares since 4/29/2015 through September 16, 2020. However, for the purpose to include my proposal to the 2021 shareholders meeting, enclosed please find a new letter, which specifically states that I “have continuously held 70 shares of Applied Materials, Inc. (AMAT) since April 29, 2015 through today”. I will continuously hold these shares through the 2021 annual meeting.

Should you have any questions, please contact me at***

or

Yours truly,



Jing Zhao

Enclosure: a new letter of shares

10/05/2020

Jing Zhao

Re: Your TD Ameritrade Account Ending in ***

Dear Jing Zhao,

Thank you for allowing me to assist you today. As you requested, this letter is to confirm that you have continuously held 70 shares of Applied Materials, Inc. (AMAT) since April 29, 2015 through today in your account ending in ***.

If we can be of any further assistance, please let us know. Just log in to your account and go to the Message Center to write us. You can also call Client Services at 800-669-3900. We're available 24 hours a day, seven days a week.

Sincerely,

A handwritten signature in black ink that reads 'Terra Giles' in a cursive script.

Terra Giles
Resource Specialist
TD Ameritrade

This information is furnished as part of a general information service and TD Ameritrade shall not be liable for any damages arising out of any inaccuracy in the information. Because this information may differ from your TD Ameritrade monthly statement, you should rely only on the TD Ameritrade monthly statement as the official record of your TD Ameritrade account.

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