

LAM RESEARCH CORP
Form DEF 14A
September 28, 2017
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
SCHEDULE 14A
(Rule 14a-101)
INFORMATION REQUIRED IN PROXY STATEMENT
SCHEDULE 14A INFORMATION
Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

LAM RESEARCH CORPORATION

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

- (1) Title of each class of securities to which transaction applies:
- (2) Aggregate number of securities to which transaction applies:
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- (4) Proposed maximum aggregate value of transaction:
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Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

- (1) Amount Previously Paid:
- (2) Form, Schedule or Registration Statement No.:
- (3) Filing Party:
- (4) Date Filed:

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September 28, 2017

Dear Lam Research Stockholders,

We cordially invite you to attend, in person or by proxy, the Lam Research Corporation 2017 Annual Meeting of Stockholders. The annual meeting will be held on Wednesday, November 8, 2017, at 9:30 a.m. Pacific Standard Time in the Building CA1 Auditorium at the principal executive offices of Lam Research Corporation, which is located at 4650 Cushing Parkway, Fremont, California 94538.

At this year's annual meeting, stockholders will be asked to elect the ten nominees named in the attached proxy statement as directors to serve until the next annual meeting of stockholders, and until their respective successors are elected and qualified; to cast an advisory vote to approve our named executive officer compensation, or Say on Pay; to cast an advisory vote to approve the frequency of holding future stockholder advisory votes on our named executive officer compensation, or Say on Frequency; to ratify the appointment of the independent registered public accounting firm for fiscal year 2018; and to consider, if properly presented at the annual meeting, a stockholder proposal described in the accompanying proxy statement. The board of directors recommends that you vote in favor of each director nominee, Say on Pay, annual Say on Frequency, and the ratification of the appointment of the independent registered public accounting firm; and that you vote against the stockholder proposal, if properly presented at the annual meeting. Management will not provide a business update during this meeting; please refer to our latest quarterly earnings report for our current outlook.

Please refer to the proxy statement for detailed information about the annual meeting and each of the proposals, as well as voting instructions. **Your vote is important, and we strongly urge you to cast your vote by the internet, telephone, or mail even if you plan to attend the meeting in person.**

Sincerely yours,

Lam Research Corporation

Stephen G. Newberry

Chairman of the Board

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Notice of 2017 Annual Meeting
of Stockholders

4650 Cushing Parkway

Fremont, California 94538

Telephone: 510-572-0200

Date and Time Wednesday, November 8, 2017
9:30 a.m. Pacific Standard Time

Place Lam Research Corporation
Building CA1 Auditorium
4650 Cushing Parkway
Fremont, California 94538

Items of Business

1. Election of ten directors to serve until the next annual meeting of stockholders, and until their respective successors are elected and qualified
2. Advisory vote to approve our named executive officer compensation, or Say on Pay
3. Advisory vote to approve the frequency of holding future stockholder advisory votes on our named executive officer compensation, or Say on Frequency
4. Ratification of the appointment of independent registered public accounting firm for fiscal year 2018
5. Stockholder proposal, if properly presented at the annual meeting
6. Transact such other business that may properly come before the annual meeting (including any adjournment or postponement thereof)

Record Date

Only stockholders of record at the close of business on September 11, 2017, the Record Date, are entitled to notice of and to vote at the annual meeting.

Voting

Please vote as soon as possible, even if you plan to attend the annual meeting in person. You have three options for submitting your vote before the annual meeting: by the internet, telephone, or mail. The proxy statement and the accompanying proxy card provide detailed voting instructions.

Internet Availability of Proxy Materials

Our Notice of 2017 Annual Meeting of Stockholders, Proxy Statement, and Annual Report to Stockholders are available on the Lam Research website at <http://investor.lamresearch.com> and at www.proxyvote.com.

By Order of the Board of Directors

Sarah A. O Dowd

Secretary

This proxy statement is first being made available and/or mailed to our stockholders on or about September 28, 2017.

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LAM RESEARCH CORPORATION

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Proxy Statement Summary

To assist you in reviewing the proposals to be acted upon at the annual meeting we call your attention to the following information about the proposals and voting recommendations, the Company's director nominees and highlights of the Company's corporate governance, and executive compensation. The following description is only a summary. For more complete information about these topics, please review the complete proxy statement.

We use the terms Lam Research, Lam, the Company, we, our, and us in this proxy statement to refer to Lam Corporation, a Delaware corporation. We also use the term Board to refer to the Company's Board of Directors.

Figure 1. Proposals and Voting Recommendations

		Board Vote
Voting Matters		Recommendation
Proposal 1	Election of Ten Nominees Named Herein as Directors	FOR each nominee
Proposal 2	Advisory Vote to Approve Our Named Executive Officer Compensation, or Say on Pay	FOR
Proposal 3	Advisory Vote to Approve the Frequency of Holding Future Advisory Votes on Our Named Executive Officer Compensation, or Say on Frequency	ONE YEAR
Proposal 4	Ratification of the Appointment of the Independent Registered Public Accounting Firm for Fiscal Year 2018	FOR
Proposal 5	Stockholder Proposal, If Properly Presented at the Annual Meeting, Regarding Annual Disclosure of EEO-1 Data	AGAINST

Figure 2. Summary Information Regarding Director Nominees

You are being asked to vote on the election of the ten director nominees listed in the table below. The following table provides summary information about each director nominee as of September 11, 2017, and their biographical information is contained in the *Voting Proposals Proposal No. 1: Election of Directors 2017 Nominees for Director* section below.

Name	Age	Since	Director Independent ⁽¹⁾	Committee Membership			Other Current Public Boards
				AC	CC	NGC	
Martin B. Anstice	50	2012	No	*			
Eric K. Brandt	55	2010	Yes	C/FE			Altaba (formerly Yahoo!),
Michael R. Cannon	64	2011	Yes	M/FE		M	Dentsply Sirona Seagate Technology,

							Dialog Semiconductor
Youssef A. El-Mansy	72	2012	Yes			M	
Christine A. Heckart	51	2011	Yes			M	
Young Bum (YB) Koh	59	2017	Yes				
Catherine P. Lego	60	2006	Yes	*	C	M	Cypress Semiconductor,
							IPG Photonics
Stephen G. Newberry	63	2005	No	*			Splunk
Abhijit Y. Talwalkar	53	2011	Yes	*	M	C	Advanced Micro Devices,
							TE Connectivity,
							iRhythm Technologies
Lih Shyng (Rick L.) Tsai	66	2016	Yes				MediaTek,
							USI Corporation

(1) Independence determined based on Nasdaq rules.

AC Audit committee

CC Compensation committee

NGC Nominating and governance committee

C Chairperson

M Member

FE Audit committee financial expert (as determined based on SEC rules)

* Qualifies as an audit committee financial expert (as determined based on SEC rules)

Continues on next page ^u

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Board and Other Governance Information	As of September 11, 2017
Size of Board as Nominated	10
Average Age of Director Nominees	59.3
Average Tenure of Director Nominees	6.27
Number of Independent Nominated Directors	8
Number of Nominated Directors Who Attended 375% of Meetings	9 ⁽¹⁾
Number of Nominated Directors on More Than Four Public Company Boards	0
Number of Nominated Non-Employee Directors Who Are Sitting Executives on More Than Three Public Company Boards	0
Directors Subject to Stock Ownership Guidelines	Yes
Annual Election of Directors	Yes
Voting Standard	Majority
Plurality Voting Carveout for Contested Elections	Yes
Separate Chairman and Chief Executive Officer (CEO)	Yes
Lead Independent Director	Yes
Independent Directors Meet Without Management Present	Yes
Annual Board (Including Individual Director) and Committee Self-Evaluations	Yes
Annual Independent Director Evaluation of CEO	Yes
Risk Oversight by Full Board and Committees	Yes
Commitment to Board Refreshment and Diversity	Yes
Robust Director Nomination Process	Yes
Significant Board Engagement	Yes
Board Orientation/Education Program	Yes
Code of Ethics Applicable to Directors	Yes
Stockholder Proxy Access	Yes
Stockholder Ability to Act by Written Consent	Yes
Poison Pill	No
Publication of Corporate Social Responsibility Report on Our Website	Yes

⁽¹⁾ For additional information regarding meeting attendance, see *Governance Matters* *Corporate Governance Meeting Attendance*.

Table of Contents**Figure 4. Executive Compensation Highlights****What We Do**

Pay for Performance (Pages 15-18, 21-27) Our executive compensation program is designed to pay for performance with 100% of the annual incentive program tied to company financial, strategic, and operational performance metrics; 50% of the long-term incentive program tied to relative total shareholder return, or TSR, performance; and 50% of the long-term incentive program awarded in stock options and service-based restricted stock units, or RSUs.

Three-Year Performance Period for Our 2017 Long-Term Incentive Program (Pages 24-27) Our current long-term incentive program is designed to pay for performance over a period of three years.

Absolute and Relative Performance Metrics (Pages 21-27) Our annual and long-term incentive programs for executive officers include the use of absolute and relative performance factors.

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

Different Performance Metrics for Annual and Long-Term Incentive Programs (Pages 21-27) Our annual and long-term incentive programs use different performance metrics.

Capped Amounts (Pages 21-27) Amounts that can be earned under the annual and long-term incentive programs are capped.

Compensation Recovery/Clawback Policy (Page 18) We have a policy pursuant to which we can recover the excess amount of cash incentive-based compensation granted and paid to our officers who are covered by section 16 of the Exchange Act.

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

Hedging and Pledging Policy (Page 7) We have a policy applicable to our executive officers and directors that prohibits pledging and hedging.

Stock Ownership Guidelines (Page 18) We have stock ownership guidelines for each of our executive vice presidents and certain other senior executives; each of our named executive officers as set forth in Figure 10 has met his or her individual ownership level under the current program or has a period of time remaining under the guidelines to do so.

Independent Compensation Advisor (Page 19) The compensation committee benefits from its utilization of an independent compensation advisor retained directly by the committee that provides no other services to the Company.

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

What We Don't Do

Tax Gross-Ups for Perquisites, for Other Benefits, or upon a Change in Control (Pages 28-31, 34-36) Our executive officers do not receive tax gross-ups for perquisites, for other benefits, or upon a change in control.

Single-Trigger Change in Control Provisions (Pages 27, 34-36) None of our executive officers has single-trigger change in control agreements.

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

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Stock Ownership

Security Ownership of Certain Beneficial Owners and Management

The table below sets forth the beneficial ownership of shares of Lam common stock by: (1) each person or entity who we believe based on our review of filings made with the United States Securities and Exchange Commission, or the SEC, beneficially owned as of September 11, 2017, more than 5% of Lam's common stock on the date set forth below; (2) each current director of the Company; (3) each NEO identified below in the *Compensation Matters - Executive Compensation and Other Information - Compensation Discussion and Analysis* section; and (4) all current directors and current executive officers as a group. With the exception

of 5% owners, and unless otherwise noted, the information below reflects holdings as of September 11, 2017, which is the Record Date for the 2017 annual meeting and the most recent practicable date for determining ownership. For 5% owners, holdings are as of the dates of their most recent ownership reports filed with the SEC, which are the most practicable dates for determining their holdings. The percentage of the class owned is calculated using 162,496,503 as the number of shares of Lam common stock outstanding on September 11, 2017.

Figure 5. Beneficial Ownership Table

Name of Person or Identity of Group	Shares Beneficially Owned (#) ⁽¹⁾	Percentage of Class
5% Stockholders		
The Vanguard Group, Inc. 100 Vanguard Boulevard Malvern, PA 19355	16,162,079 ⁽²⁾	9.9%
BlackRock Inc. 55 East 52nd Street New York, NY 10055	12,619,092 ⁽³⁾	7.8%
FMR LLC 245 Summer Street Boston, MA 02210	11,171,305 ⁽⁴⁾	6.9%
Ameriprise Financial, Inc. 145 Ameriprise Financial Center Minneapolis, MN 55474	9,652,830 ⁽⁵⁾	5.9%

<i>Directors</i>		
Martin B. Anstice (also a Named Executive Officer)	145,155	*
Eric K. Brandt	28,480	*
Michael R. Cannon	22,780	*
Youssef A. El-Mansy	22,050	*
Christine A. Heckart	15,280	*
Young Bum (YB) Koh	1,000	*
Catherine P. Lego	48,288	*
Stephen G. Newberry	11,930	*
Abhijit Y. Talwalkar	23,380	*
Lih Shyng (Rick L.) Tsai	2,560	*
<i>Named Executive Officers (NEOs)</i>		
Timothy M. Archer	96,037	*
Douglas R. Bettinger	52,894	*
Richard A. Gottscho	20,956	*
Sarah A. O Dowd	72,192	*
All current directors and executive officers as a group (18 people)	659,814	*

* Less than 1%

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- (1) Includes shares subject to outstanding stock options that are now exercisable or will become exercisable within 60 days after September 11, 2017, as well as restricted stock units, or RSUs, that will vest within that time period, as follows:

	Shares
Martin B. Anstice	82,397
Eric K. Brandt	2,050
Michael R. Cannon	2,050
Youssef A. El-Mansy	2,050
Christine A. Heckart	2,050
Young Bum (YB) Koh	1,000
Catherine P. Lego	2,050
Stephen G. Newberry	2,050
Abhijit Y. Talwalkar	2,050
Lih Shyng (Rick L.) Tsai	2,050
Timothy M. Archer	46,334
Douglas R. Bettinger	