



2016 Political Disclosure Report

June 28, 2017

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Applied Materials, Inc. (“Applied” or the “Company”) recognizes the importance of transparency regarding corporate political engagement and contributions. In this spirit, we have prepared this report to address the Company’s political activities in 2016 and prior years as indicated.

ENGAGEMENT

As a responsible corporate citizen, Applied Materials, Inc. interacts with government officials, elected representatives and candidates to provide information about the Company, our business and stakeholders, including trade associations of which we are a member. These efforts, led by our Government Affairs group, aim to shape public policy on certain issues that affect the Company's business. In 2016, these issues included budget and appropriations, energy, immigration, natural resources, regulatory, and tax and trade issues. The Company's lobbying activities are disclosed in periodic reports filed with the U.S. Senate and U.S. House of Representatives or the appropriate state agency (such as the California Secretary of State, New York State Joint Committee on Ethics, or Secretary of the Commonwealth of Massachusetts), as applicable. Consistent with U.S. campaign finance law, the Applied Materials, Inc. Political Action Committee (AMPAC) may make campaign contributions to candidates for state or U.S. federal office, other political action committees and political party committees where permitted.

POLITICAL CONTRIBUTIONS AND GOVERNANCE

Consistent with U.S. campaign finance law, the Applied Materials, Inc. Political Action Committee (AMPAC) may make campaign contributions to candidates for state or U.S. federal office, other political action committees and political party committees where permitted. AMPAC is funded through voluntary contributions from the Company's eligible employees (principally executives) and directors, although the Company pays its administrative expenses. Its activities are overseen by the AMPAC Board of Directors, consisting of Applied employees, including several Company vice presidents.

Applied's state contributions committee (consisting of the same individuals who serve on the AMPAC Board) oversees corporate political spending at the state level. The Company occasionally makes financial and in-kind political contributions within the United States as permitted by applicable laws, such as contributions to candidates for statewide offices and state legislatures. All contributions must be made for appropriate corporate purposes only, without regard for the private political preferences of executives. Neither Applied nor AMPAC makes contributions to so-called "super PACs" nor do they make political contributions outside the United States.

Applied's Government Affairs group proposes political contributions to be made by AMPAC or the Company, and all proposals are reviewed and either approved or rejected by the AMPAC board or state committee, respectively. Factors typically taken into account include a candidate's position on issues of strategic importance to the Company, leadership on key committees, and/or whether the Company has a significant presence in the candidate's state or district. No contribution may be made in return for, or in anticipation of, an official act. All contributions are reported in filings with the U.S. Federal Elections Commission or the appropriate state agency (such as the California Secretary of State), as applicable.

In addition to these governance policies and other company controls, all persons acting on Applied’s behalf must comply with our **Standards of Business Conduct**. Among other things, this ethics code prohibits any promise or payment of bribes or kickbacks to government officials and all other corrupt practices. As part of its oversight of the Company’s financial matters, the Audit Committee of Applied’s Board of Directors (consisting entirely of independent directors) receives information on the Company’s government activities.

The below table shows total political contributions made over the last three years. An itemized list of 2016 political contributions is included as Attachment A to this report. During 2016, Applied Materials made two contributions to regional or local ballot measures, but no contributions were made in support of organizations organized under section 527 of the U.S. tax code, including any governors associations. During the 2014-2015 timeframe, no contributions were made in support of state or local ballot measures, or to section 527 groups, including any governors associations.

POLITICAL CONTRIBUTIONS	2014	2015	2016²
Total value of financial and in-kind contributions to political parties, candidates, and related institutions by Applied Materials, Inc. ¹	\$6,500	\$0	\$30,000
Total value of financial and in-kind contributions to political parties, candidates, and related institutions by AMPAC . ¹	\$68,000	\$70,000	\$68,500

1 All contributions are made in the U.S. only.

2 Detailed 2016 contributions by Applied and AMPAC can be found in attachment A and B.

TRADE AND BUSINESS ASSOCIATION MEMBERSHIP

Applied belongs to various trade associations and similar organizations representing the range of issues that the Company cares about and believes will benefit its business activities. In the United States, these include certain groups that fall under sections 501(c)(4) and 501(c)(6) of the U.S. tax code (excluding charitable and social organizations) that may engage in political activity, so long as the political activity does not comprise the group’s primary activity. Applied’s membership does not mean that we endorse all of a group’s policy objectives or advocacy positions. A representative list of U.S. trade and business associations that received membership fees or contributions from the Company in 2016 is included below in Attachment B.

Attachment A: 2016 Applied Materials' Political Action Committee (AMPAC) Contributions

AMPAC Federal:

RECIPIENT	CONTEST	DATE	AMOUNT
Angus King For Senate	ME Senate	3/14/2016	\$2,000
Anna Eshoo For congress	CA 18th CD	3/14/2016	\$2,000
Anna Eshoo For congress	CA 18th CD	9/9/2016	\$1,000
Bennet for Colorado	CO Senate	7/25/2016	\$1,500
Brady for Congress	TX 8th CD	4/1/2016	\$2,500
Brady for Congress	TX 8th CD	9/26/2016	\$2,500
Charles Boustany JR MD for Senate Inc.	LA Senate	2/2/2016	\$2,500
Crowley for Congress	NY 14th CD	6/28/2016	\$1,000
Democratic Congressional Campaign Committee	-	2/2/2016	\$5,000
Friends of Dave Reichert	WA 8th CD	6/20/2016	\$1,000
Friends of Erik Paulsen	MN 3rd CD	2/2/2016	\$1,000
Friends of Kelly Ayotte	NH Senate	3/14/2016	\$1,500
Friends of Roy Blunt	MO Senate	3/14/2016	\$2,500
Hoyer's Majority Fund	MD 5th CD	9/20/2016	\$2,500
Kevin McCarthy for Congress	CA 23rd CD	4/1/2016	\$1,000
Kind for Congress	WI 3rd CD	6/28/2016	\$2,500
Lofgren for Congress	CA 19th CD	8/10/2016	\$1,000
McCaul for Congress, Inc.	TX 10th CD	2/2/2016	\$2,500
McCaul for Congress, Inc.	TX 10th CD	6/28/2016	\$500
Mike Honda for Congress	CA 17th CD	4/29/2016	\$2,000
Moulton for Congress	MA 6th CD	3/17/2016	\$1,000
New Democrat Coalition PAC	-	6/1/2016	\$5,000
People for Derek Kilmer	WA 6th CD	3/14/2016	\$1,000
Pete Sessions for Congress	TX 32nd CD	6/28/2016	\$1,000
Republican Main Street Partnership PAC	-	2/2/2016	\$5,000
Richard E. Neal for Congress Committee	MA 1st CD	6/28/2016	\$1,000
Ryan for Congress, Inc.	WI 1st CD	5/2/2016	\$2,500
SEMI Political Alliance	-	6/28/2016	\$2,500
Swalwell for Congress	CA 15th CD	6/28/2016	\$1,000
Tiberi for Congress	OH 12th CD	2/2/2016	\$1,000
Tom Reed for Congress	NY 23rd CD	2/17/2016	\$1,000
Tom Reed for Congress	NY 23rd CD	3/14/2016	\$1,000
Tom Reed for Congress	NY 23rd CD	6/28/2016	\$1,000
Total:			\$62,000

Attachment A: 2016 Applied Materials' Political Action Committee (AMPAC) Contributions (con't.)

AMPAC State:

RECIPIENT	CONTEST	DATE	AMOUNT
Workman for Texas	TX House District 47	2/17/2016	\$500
Texans for Greg Abbott	TX Governor	5/2/2016	\$1,000
Estes for Texas Senate	TX Senate District 30	5/2/2016	\$1,000
Celia Israel Campaign	TX House District 50	6/28/2016	\$500
Kirk Watson Campaign	TX Senate District 14	9/6/2016	\$1,000
Texans for Charles Schwertner	TX Senate District 5	9/8/2016	\$1,000
		11/29/2016	\$1,500
Total:			\$6,500

Applied Materials Corporate Donations:

RECIPIENT	CONTEST	DATE	AMOUNT
Yes On AA - People For A Clean And Healthy Bay	Measure AA	5/19/2016	\$5,000
Countywide Coalition to Fix Our Roads, Fill Potholes and Relieve Traffic Congestion	Measure B	8/15/2016	\$25,000
Total:			\$30,000

Attachment B: 2016 U.S. Trade, Business and Civic Association Memberships

RECIPIENT	ORGANIZATION TYPE
Associated Industries of Massachusetts	501(c)(6)
Austin Chamber of Commerce	501(c)(6)
Cape Ann Chamber of Commerce	501(c)(6)
Electronic Industry Citizenship Coalition (EICC)	501(c)(6)
Greater Austin Black Chamber of Commerce	501(c)(6)
Greater Austin Hispanic Chamber of Commerce	501(c)(6)
Kalispell Chamber of Commerce	501(c)(6)
National Association of Manufacturers	501(c)(6)
National Foreign Trade Council	501(c)(6)
National Center for APEC	501(c)(6)
NDN [previously the New Democrat Network]	501(c)(4)
Public Affairs Council	501(c)(4)
Republican Main Street Partnership (RMSP)	501(c)(4)
Santa Clara Chamber of Commerce	501(c)(6)
Semiconductor Industry Association	501(c)(6)
Silicon Valley Leadership Group	501(c)(6)
San Jose/Silicon Valley Chamber of Commerce	501(c)(6)
Semiconductor Equipment and Materials International (SEMI)	501(c)(6)
Sunnyvale Chamber of Commerce	501(c)(6)
Texas Association of Manufacturers	501(c)(6)
Transatlantic Business Council	501(c)(6)
US Chamber Asia Program	501(c)(6)
US-China Business Council	501(c)(6)
US-India Business Council	501(c)(6)
US-Korea Business Council	501(c)(6)
US-Taiwan Business Council	501(c)(6)

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