

March 20, 2020

To Applied Materials Valued Suppliers:

On March 19, 2020, California's Governor issued an order directing all California residents to shelter at home. This order has no defined end date, but mirrors the earlier orders issued by the California Bay Area counties of Alameda, Contra Costa, Marin, San Francisco, San Mateo, and Santa Clara and the City of Berkeley. The Governors of New York and Pennsylvania have also issued similar orders, and we expect that more states may follow. We are writing to address questions about the applicability of these orders to Applied Materials operations and to those of our suppliers.

We understand that our customers have identified themselves as part of "Essential Infrastructure" and as "Essential Businesses" under the Bay Area orders as key providers of critical infrastructure, and as critical infrastructure providers under the California and U.S. Department of Homeland Security guidelines. These businesses are permitted to operate, and companies that provide essential products and services to them are permitted to continue doing so, subject to social distancing guidelines provided by the orders.

Department of Homeland Security Cybersecurity and Infrastructure Security Agency (CISA) Director Christopher Krebs issued a "Memorandum on Identification of Essential Critical Infrastructure Workers During COVID-19 Response" on March 19, emphasizing that certain "critical infrastructure industries have a special responsibility in these times to continue operations," and provided a set of guidelines to assist companies in implementing their operational plans. Among these essential industries are "manufacturers and supply chain vendors that provide hardware and software, and information technology equipment (to include microelectronics and semiconductors) for critical infrastructure." I have reproduced those guidelines for your convenience at the end of this letter.

Consistent with this guidance, Applied Materials is implementing its plans to enable us to provide essential products and services in a safe and compliant manner, working remotely where possible and continuing onsite operations as necessary. We encourage you to review these guidelines as you implement your plans, and greatly appreciate your continued support to allow us to continue our essential operations. Please keep us apprised of your plans as soon as they are in place, and as you may be required to revise them going forward.

To ensure the protection of its employees, suppliers and public health, Applied Materials is implementing social distancing guidelines provided by the orders and requests your assistance with the following:

- All work should be performed remotely if possible.
- Do not come to Applied Materials premises if you (i) have been exposed to someone with the COVID-19 virus even if you do not have symptoms; or (2) are experiencing coughing, fever, shortness of breath, or any other symptoms of illness (please err on the side of caution). We will be implementing point of entry screens at designated locations before allowing people into our buildings.
- To the maximum extent possible, maintain at least a six foot distance from any other person
- Do not shake hands with any other person; use non-contact greetings instead
- Cover coughs and sneezes (into the sleeve or elbow, not hands)

- Wash hands with soap and water for at least twenty seconds as frequently as possible, or use hand sanitizer.

We appreciate your support in ensuring continuity of essential infrastructure by maintaining Applied Materials' essential operations in a safe and compliant manner.

If you have any questions or need additional clarification, please contact Stephen Adams, VP, Legal at Stephen_adams@amat.com or your Applied Materials Commodity Business Manager.

Thank you.

Thomas F. Larkins
Senior Vice President - General Counsel

CISA CONSIDERATIONS FOR GOVERNMENT AND BUSINESS

This list was developed in consultation with federal agency partners, industry experts, and State and local officials, and is based on several key principles:

1. Response efforts to the COVID-19 pandemic are locally executed, State managed, and federally supported
2. Everyone should follow guidance from the CDC, as well as State and local government officials, regarding strategies to limit disease spread.
3. Workers should be encouraged to work remotely when possible and focus on core business activities. Inperson, non-mandatory activities should be delayed until the resumption of normal operations.
4. When continuous remote work is not possible, businesses should enlist strategies to reduce the likelihood of spreading the disease. This includes, but is not necessarily limited to, separating staff by off-setting shift hours or days and/or social distancing. These steps can preserve the workforce and allow operations to continue.
5. All organizations should implement their business continuity and pandemic plans, or put plans in place if they do not exist. Delaying implementation is not advised and puts at risk the viability of the business and the health and safety of the employees.
6. In the modern economy, reliance on technology and just-in-time supply chains means that certain workers must be able to access certain sites, facilities, and assets to ensure continuity of functions.
7. Government employees, such as emergency managers, and the business community need to establish and maintain lines of communication.
8. When government and businesses engage in discussions about critical infrastructure workers, they need to consider the implications of business operations beyond the jurisdiction where the asset or facility is located. Businesses can have sizeable economic and societal impacts as well as supply chain dependencies that are geographically distributed.
9. Whenever possible, jurisdictions should align access and movement control policies related to critical infrastructure workers to lower the burden of workers crossing jurisdictional boundaries.