Novellus Systems Convertible Note (CUSIP 670008AD3) due May 15, 2041 Dilution Schedule

Sensitivity Based on Average Quarterly Stock Price

Quarterly share dilution under the Treasury stock method is calculated as follows:

\[
\text{Share Dilution} = \frac{\text{(Average Quarterly Share Price} \times \text{Underlying Shares}) - \text{Notional}}{\text{Average Quarterly Share Price}}
\]

<table>
<thead>
<tr>
<th>Notional</th>
<th>Underlying Shares</th>
<th>Conversion Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>$631 million</td>
<td>18.77 million</td>
<td>$33.63</td>
</tr>
</tbody>
</table>

Hypothetical Quarterly Average Stock Price Matrix

<table>
<thead>
<tr>
<th>Average Quarterly Stock Price ($)</th>
<th>Approximate Quarterly Dilutive Share Count Impact ('000s shares)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than $33.63</td>
<td>-</td>
</tr>
<tr>
<td>$38.00</td>
<td>2,159</td>
</tr>
<tr>
<td>$43.00</td>
<td>4,090</td>
</tr>
<tr>
<td>$48.00</td>
<td>5,619</td>
</tr>
<tr>
<td>$53.00</td>
<td>6,859</td>
</tr>
<tr>
<td>$58.00</td>
<td>7,886</td>
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<tr>
<td>$63.00</td>
<td>8,749</td>
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<tr>
<td>$68.00</td>
<td>9,486</td>
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<tr>
<td>$73.00</td>
<td>10,121</td>
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<tr>
<td>$78.00</td>
<td>10,676</td>
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<tr>
<td>$83.00</td>
<td>11,163</td>
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<tr>
<td>$88.00</td>
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<tr>
<td>$93.00</td>
<td>11,981</td>
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<tr>
<td>$98.00</td>
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<tr>
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<tr>
<td>$108.00</td>
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<tr>
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<tr>
<td>$133.00</td>
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<tr>
<td>$143.00</td>
<td>14,353</td>
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<tr>
<td>QJun’17 Adjusted Average Share Price</td>
<td>$145.28</td>
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<tr>
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<tr>
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<tr>
<td>$198.00</td>
<td>15,579</td>
</tr>
</tbody>
</table>

1. Please refer to the Notes to the Consolidated Financial Statements, Note 11 - Long Term Debt and Other Borrowings on Form 10-Q, filed April 24, 2017, for additional information.

2. The conversion price has been adjusted to reflect the impact of the cash dividend payout on the conversion rate. Refer to Form 8-K filed June 9, 2017 for additional information.