

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

SCHEDULE 14A

**Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934
(Amendment No.)**

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

KLA 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 the transaction applies:

(2) Aggregate number of securities to which the transaction applies:

(3) Per unit price or other underlying value of the transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of the transaction:

(5) Total fee paid:

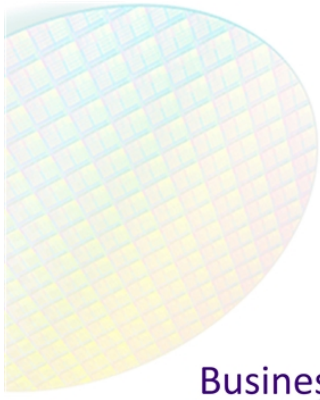
- Fee paid previously with preliminary materials.
- Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:



Shareholder Outreach

Business, Executive Compensation, and Governance Overview



October 2019

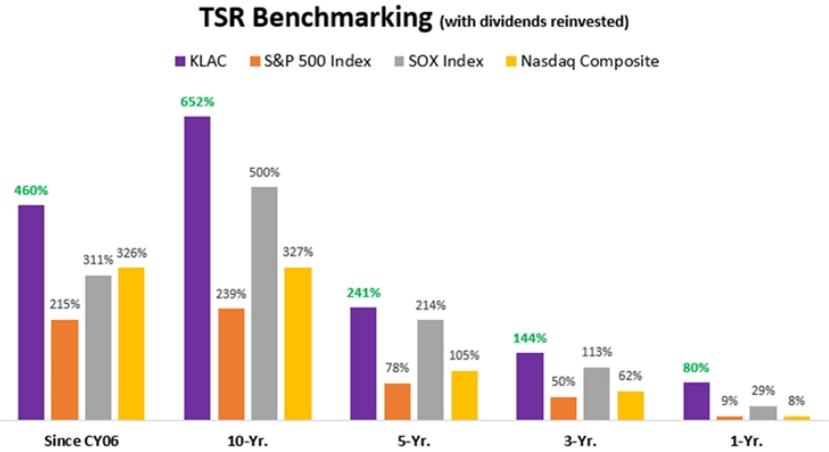


Summary Proxy Highlights

- **KLA Values Shareholder Engagement.** Your perspectives are important to us, we value your feedback, and request your support ahead of our **November 5th, 2019 Annual Meeting**
- **Transformational Year.** Fiscal 2019 was transformational for KLA with the acquisition of Orbotech and the Board's 2019 compensation decisions reflect an intention to drive strong outcomes for shareholders and align management pay with shareholder performance
- **Exceptional TSR¹ Performance and Track Record.** KLA's FY19 marked another successful year, and FY20 YTD performance has been very strong resulting in 1, 3, 5, and 10 year TSR¹ of 80%, 144%, 241%, and 652% respectively
- **KLA's Compensation Program is Effective and Strategically Aligned.** We aim to ensure our compensation programs are rigorous and effectively support the Company's strategy
- **KLA Maintains Leading Governance Practices.** Our diverse and experienced Board actively engages in governance and compensation processes, ensuring effective, shareholder-friendly oversight

¹ Measured with a 10/15/19 end date and assumes all dividends are reinvested

KLA's Strategy has Consistently Driven TSR Outperformance



- KLA's TSR¹ has consistently **outperformed** the S&P 500, SOX Index, and Nasdaq over CEO's tenure (CY06) as well as 1, 3, 5, and 10 years
- KLA's TSRs for 1, 3, 5, 10 years rank in the **top 15th percentile** of all S&P 500 companies
- KLA's 1 year TSR **ranked #3** amongst all S&P 500 companies

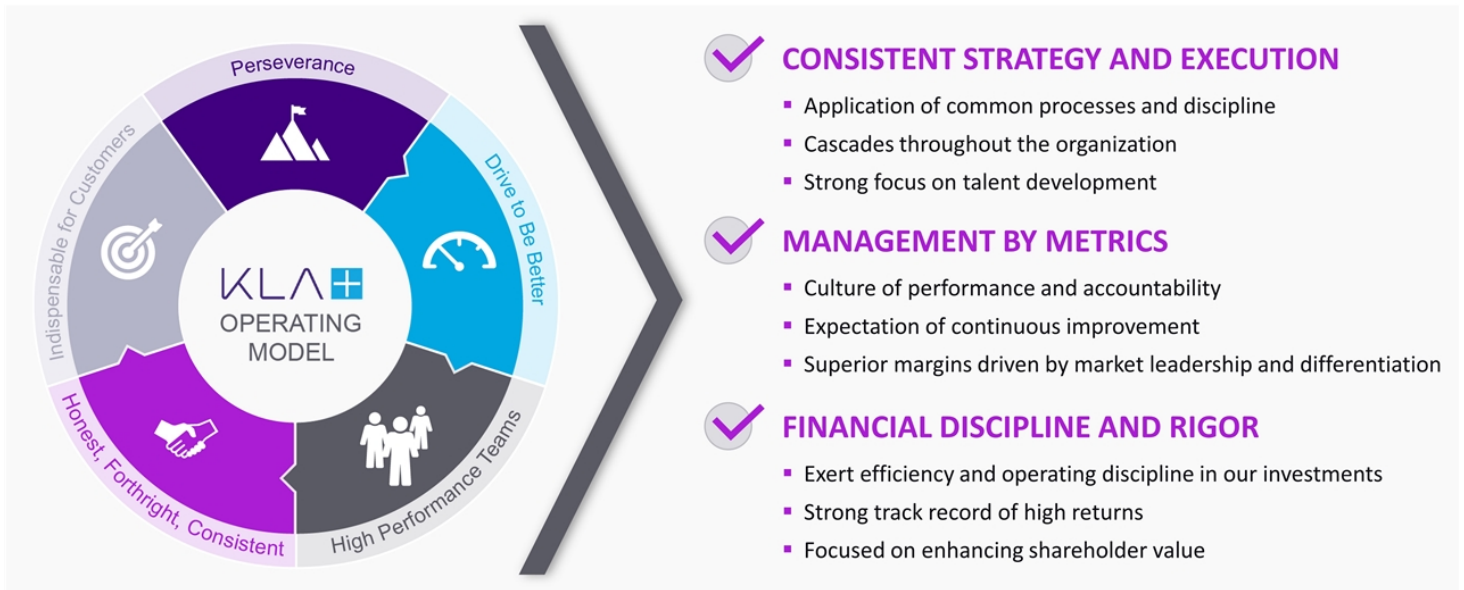
¹ TSR Calculations based on 10/15/19 closing price and assumes all dividends are reinvested



The KLA Operating Model



The KLA Operating Model - Building a Strong Foundation for the Future



Focused on Driving Sustainable Profitability and Growth

The KLA Operating Model Enables Sustainable Competitive Benefits

Significant R&D investments drives technology leadership and creates **differentiated products**

Strong track record of effectively deploying capital and meeting deleveraging commitments

Growing service business provides strong, **recurring revenue**

Integrating **strategic acquisitions** to diversify revenue streams and enhance profitable growth opportunities

Home-grown, experienced **management team**

Low capital requirements to efficiently operate the business

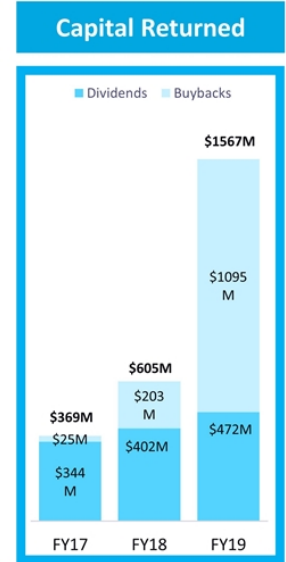
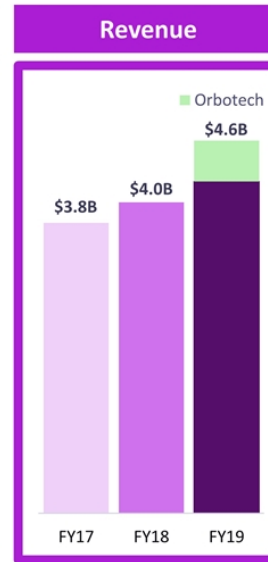
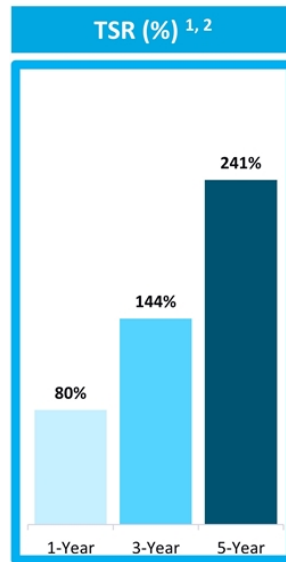
Leadership positions with focus on penetration and share gains within new markets

The KLA Operating Model instills **culture of excellence** with deep customer focus

Strong Operational Performance Drives Leading Shareholder Returns

Enhanced Productivity Leading to a Virtuous Cycle of Success

- We have **increased our dividends** by 15% on an annualized basis since 2007
- We exhibit strong **market leadership**, with **4x market share in Process Control of nearest competitor**³
- **Completed the Orbotech Acquisition** (~\$1B in Revenue / ~\$3B EV); with a complementary geographic and customer mix, Orbotech provides KLA with market leading positions in growing electronics markets and extends overall market reach (SAM)



¹ TSR Calculation based 10/15/19 close

² TSR Calculation: Share Price Appreciation + Dividends Reinvested

³ Gartner April 2019

Aligning Executives with Shareholders Drives our Compensation Philosophy



KLA Compensation Philosophy

Our Executive Compensation Philosophy and Structure Creates Strong Alignment with our Strategic Goals and Shareholder Interests

Provide Competitive Opportunities

Our compensation programs are designed to attract and retain the best talent in the industry

Drive Annual Performance

Performance-based short-term incentives provide executives with strong line of sight to achieving our strategic goals

Reward Sustainable Long Term Performance

Long-term PRSUs are directly tied to demonstrated, sustainable outperformance of peer companies

Align Executives and Shareholders

The majority of executive pay is delivered in equity, with long vesting periods



Long-Term and Performance Focused Compensation Program Structure

Programs are Thoughtfully Designed to Reflect our Compensation Philosophy

Informed and Thoughtful Design

Programs are frequently reviewed relative to market, best practices and the Company's strategic goals. Adjustments are made where appropriate to continue to attract and drive key talent while ensuring shareholders are fairly treated

Key Historical Changes

- ✓ 2018: Shifted CEO equity to 60% PRSUs and 40% RSUs from an even split in 2018
- ✓ 2018: Maximum bonus opportunity decreased from 300% to 200% of target for executives

RSUs

NEO Avg: 36%

- Provides stable long-term compensation opportunities
- Drives retention with 4-year vesting period

PRSUs

NEO Avg: 36%

- Aligns executives with long-term performance outcomes
- Payouts based on relative free cash flow margin

Short-Term Incentive

NEO Avg: 13%

- Assess and reward executives on challenging short-term goals

Base Salary

NEO Avg: 14%

- Competitive fixed pay to attract and retain talent

*Excludes CEO and Orbotech Executives
Excludes Non-Recurring TSR Award
Compensation mix reflects target pay %*

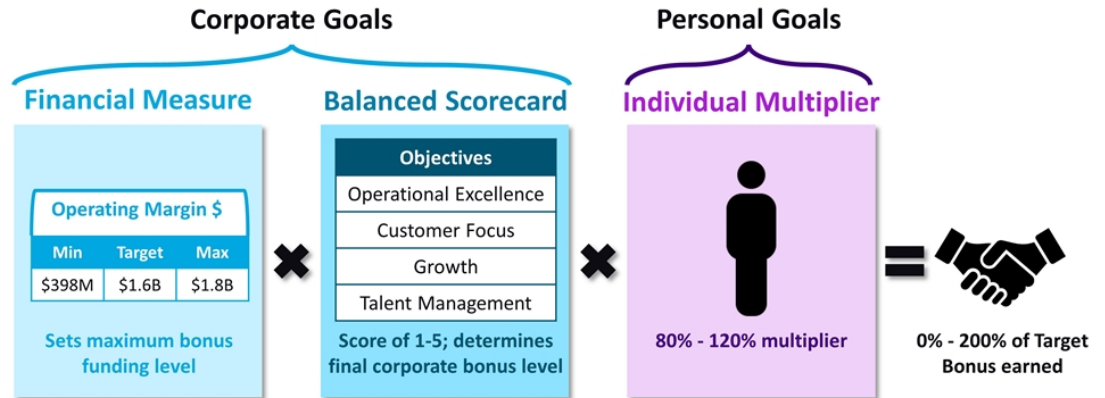
Driving Performance in the Short-Term

Short-Term Incentives: Bonus Plan

The bonus plan incorporates concrete financial performance goals, balanced strategic measurement, and factors in individual performance. We believe this balanced approach effectively drives strong outcomes for shareholders

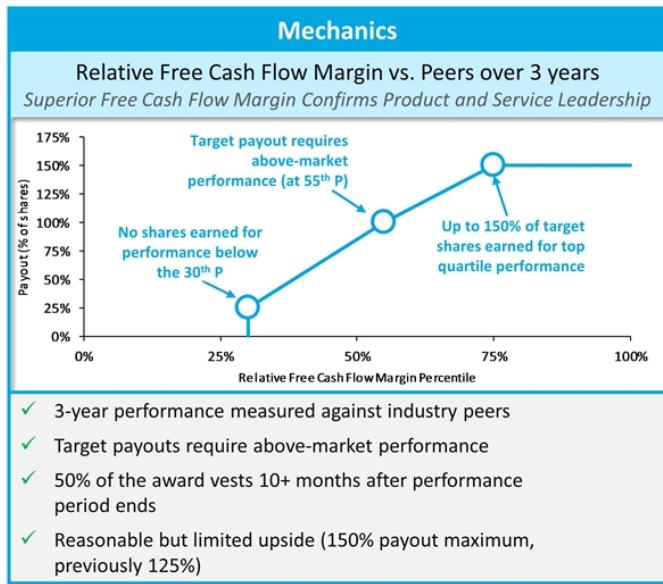
Best Practices

- ✓ Maximum bonus funding levels subject to rigorous Operating Margin \$ increases over prior year
- ✓ Scorecard measures key strategic priorities:
 - Product superiority
 - Customer satisfaction
 - Innovation and differentiation
- ✓ Individual element for differentiated results

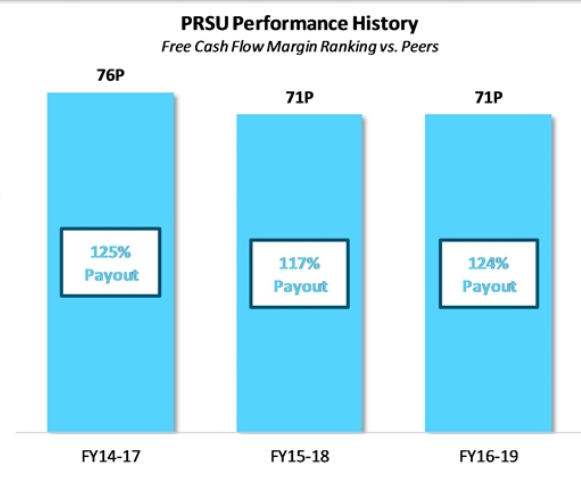


Driving Performance in the Long-Term

Long-Term Incentives: PRSUs



KLA demonstrably outperforms comparable companies on free cash flow margin; average achievement over the past three completed performance periods is at the 73rd percentile of peers



Special TSR Awards



Special TSR¹ Awards Aligned With Long-Term Value Creation

Absolute TSR-Based PRSUs granted in Connection with the Orbotech Acquisition

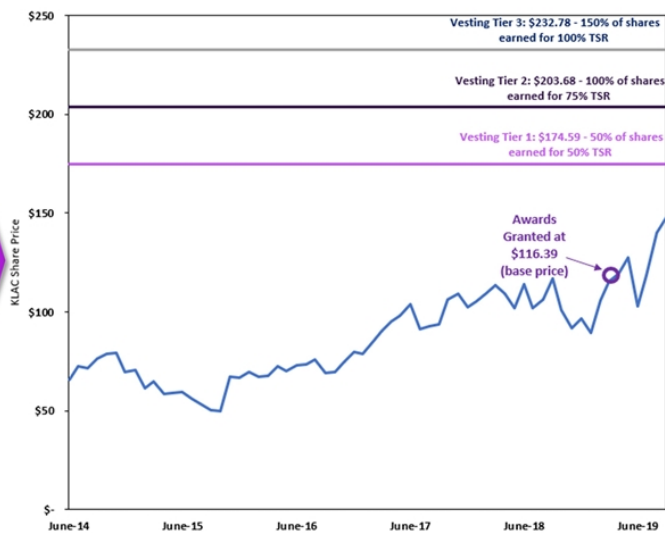
Background Information:

In connection with the close of the Orbotech acquisition, the Compensation Committee made special awards to key executives. These performance-based awards were carefully designed to boost retention and drive the successful execution of our strategy of enhancing diversified revenue growth with operating leverage to overall profitability.

Key Features:

- ✓ Challenging goals; meaningful shareholder wealth creation if attained
- ✓ Award tranches are 'all-or-nothing' hurdles; no payouts for partial attainment
- ✓ Meaningful time-based restrictions:
 - 50% of shares: 3 years minimum vest
 - 100% of shares: 4 years minimum vest
 - 150% of shares: 5 years minimum vest
- ✓ Safety Features:
 - Attainment based on 20-day average stock price plus cash dividends distributed
 - Vested shares subject to 1-year additional holding requirement

Market-Based RSU Performance Hurdles



¹ TSR Calculation For Awards: Share Price Appreciation + Dividends Reinvested

TSR Awards Drive Further Pay for Performance Culture and Alignment

Programs are Thoughtfully Designed to Reflect our Compensation Philosophy

Informed and Thoughtful Design

Programs are frequently reviewed relative to market, best practices and the Company's strategic goals. Adjustments are made where appropriate to continue to attract and drive key talent while ensuring shareholders are fairly treated

Key Historical Changes

- ✓ 2018: Shifted CEO equity to 60% PRSUs and 40% RSUs from an even split in 2018
- ✓ 2018: Maximum bonus opportunity decreased from 300% to 200% of target for executives



- Provides stable long-term compensation opportunities
- Drives retention with 4-year vesting period
- Aligns executives with long-term performance outcomes
- Payouts based on relative free cash flow margin
- Non-recurring TSR awards drive further alignment with long-term shareholder returns
- Assess and reward executives on challenging short-term goals
- Competitive fixed pay to attract and retain talent

*Excludes CEO and Orbotech Executives
Includes Non-Recurring TSR Award (Five Year Performance Period)
Compensation mix reflects target pay %*

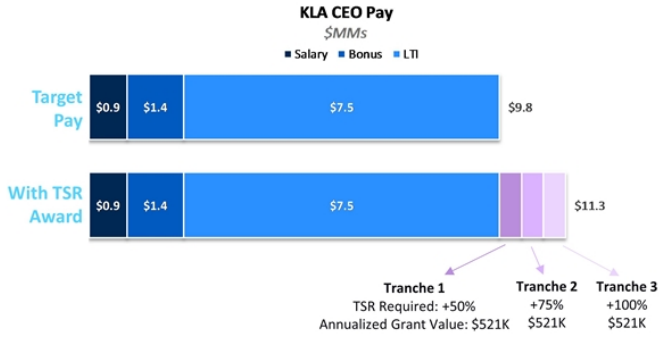
CEO Pay With Non-Recurring TSR Award

Incentivizing Market-Leading Shareholder Returns with Reasonable Upside

TSR Awards were granted to executives with a target value equal to one annual equity grant. Due to disclosure rules, these values appear in this year's proxy in their entirety, but we view them as performance awards covering the next five years

Target value of awards at maximum performance reflects reasonable upside when annualized over the five-year performance period

CEO compensation remains aligned with comparable companies when TSR Awards are annualized over their intended coverage period



Annualized value for each tranche reflects 1/3rd of the Award's Grant Date Fair Value, annualized over five years.

Non-KLA data reflects 2018 Total Compensation values sourced from Summary Compensation Tables and exclude "All Other Compensation" and "Pension" values.

* In 2017, Mr. Tan received a front-loaded performance award with the potential to earn 168K shares at target; value shown reflects annualized value of target shares at grant over the four-year performance period (\$10MM).

KLA Has Leading Governance Practices



KLA Adheres to Governance Best Practices

Our Corporate and Compensation Governance Processes are Aligned with Shareholders and Best Practices

Corporate Governance	Compensation Governance
✓ Strong independent Chairman of the Board	✓ Robust goal setting process
✓ Board/ Committee refreshment	✓ Incentive pay subject to recoupment and forfeiture
✓ Annual election of directors	✓ Program discourages imprudent risk taking
✓ Majority voting for directors	✓ Double-trigger Change-in-Control provisions
✓ Proxy access	✓ No dividend payments on equity awards until vesting
✓ Active shareholder engagement	✓ Performance equity contingent on relative performance
✓ Significant share ownership requirements	
✓ 11 of 12 directors independent	

Corporate Social Responsibility and Sustainability is in KLA's DNA

Reducing overall environmental impact by focusing on improving yield and efficiency for our customers



Sustainable Environmental Initiatives

- **Transportation:** Avoiding wasted space and saving fuel by utilizing custom tailored and collapsible containers in product shipments
- **Energy & Emissions¹:** Saving 80,000 metric tons of CO₂ over the next five years from recent switch to third-party provider of energy with nearly 100% sourced from renewable energy
- **Waste:** Improved diversion rate to over 80%, up from 50% a decade ago
- **Supply Chain Environmental & Social Responsibility Management:** Requiring suppliers to meet more stringent sustainability criteria as a member of Responsible Business Alliance (RBA)



Community Programs & Initiatives

- **KLA Foundation:** Inspires individual philanthropy and supporting programs focusing on health/wellness, social services, and educational programs and institutions
- **CSR Award:** KLA Singapore received CARES Award from American Chamber of Commerce for our efforts in charity and volunteering
- **Key Initiatives:**
 - StandUp For Kids
 - SEMI Hi Tech U at KLA
 - Hsiang-Tien Elementary School Programs
 - STEM Robotics Competition
 - Disaster Relief
 - Urbanek Scholarships



Corporate Governance

- **Board of Directors:** 12 members
- **Diversity:** Seasoned board comprised of independent business leaders, 25% female
- **Board Tenure:** Well balanced tenure of independent directors, with six directors serving < 10 years, and six directors serving > 10 years
- **Management Aligned with Shareholders:** Compensation of management and board aligned with shareholder interests

In Summary...

KLA is Committed to Strong Corporate Governance and Aligning Pay With Performance

- **KLA's Compensation Program is Effective and Strategically Aligned.** We aim to ensure our compensation programs are rigorous and effectively support the Company's strategy
- **KLA Maintains Leading Governance Practices.** Our diverse and experienced Board actively engages in governance and compensation processes, ensuring effective, shareholder-friendly oversight
- **Coming off a Transformational Year.** Fiscal 2019 was transformational for KLA with the acquisition of Orbotech and the Board's 2019 compensation decisions reflect an intention to drive strong outcomes for shareholders and align management pay with shareholder performance
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¹ Measured with a 10/15/19 end date and assumes all dividends are reinvested
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We Value And Appreciate Your Support
On or Before November 5, 2019

