

KLA TENCOR CORP  
Form 4  
August 08, 2013

**FORM 4**

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

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
Bell Bobby R

(Last) (First) (Middle)

C/O KLA-TENCOR CORPORATION, ONE TECHNOLOGY DRIVE

(Street)

MILPITAS, CA 95035

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
KLA TENCOR CORP [KLAC]

3. Date of Earliest Transaction (Month/Day/Year)  
08/06/2013

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director  10% Owner  
 Officer (give title below)  Other (specify below)  
Executive Vice President

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
			Code	V	Amount or Price		
Common Stock	08/06/2013		A		7,500	A	<u>(1)</u> 40,183
Common Stock	08/06/2013		F		3,914 <u>(2)</u>	D	\$ 58.37 36,269
Common Stock - Restricted Stock Units <u>(3)</u>	08/06/2013		A		15,000 <u>(4) (5)</u>	A	\$ 0 85,175 <u>(6) (7)</u>
Common Stock	08/06/2013		A		13,350	A	\$ 0 98,525 <u>(6)</u>

Stock -  
Restricted  
Stock Units  
(3)

(8)

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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(9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**  
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Beneficially Owned Following Reported Transaction (Instr. 3 and 4)
						Date Exercisable	Expiration Date	Title	Amount or Number of Shares
						Code	V	(A)	(D)

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Bell Bobby R C/O KLA-TENCOR CORPORATION ONE TECHNOLOGY DRIVE MILPITAS, CA 95035			Executive Vice President	

## Signatures

Brian M. Martin as Attorney-in-Fact for Bobby R. Bell  
08/08/2013

Signature of Reporting Person Date

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, see Instruction 4(b)(v).
  - \*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) On August 4, 2011, the Reporting Person received a grant of performance-based restricted stock units ("RSUs") that, following the completion of fiscal year 2013, was determined by the Compensation Committee of KLA-Tencor's Board of Directors (on August 6,

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2013) to cover, based on KLA-Tencor's financial performance during fiscal years 2012 and 2013, 15,000 shares of KLA-Tencor common stock. On August 6, 2013, the Reporting Person vested in fifty percent (50%) of such performance-based RSUs.

- (2) Pursuant to the terms of the August 4, 2011 performance-based RSU grant, 3,914 shares of KLA-Tencor common stock were automatically withheld at vesting to cover required tax withholding. The fair market value of KLA-Tencor common stock used for purposes of calculating the number of shares to be withheld was the closing price of KLA-Tencor common stock as reported on the NASDAQ Stock Market on such vesting date.
- (3) Each RSU represents a contingent right to receive one share of KLA-Tencor common stock.

- (4) On August 4, 2011, in addition to the RSUs granted on that date that were subject only to service-vesting requirements (which RSUs have been previously reported on Form 4), the Reporting Person was also granted RSUs covering up to 15,000 shares of KLA-Tencor common stock, subject to both performance-vesting and service-vesting requirements. This is the performance-based RSU award that is described in footnote (1) above. Following the completion of KLA-Tencor's audited financial statements for the 2013 fiscal year, the Compensation Committee of KLA-Tencor's Board of Directors determined on August 6, 2013 the level at which the corporate performance goals were attained and, based on the assessment, determined that the number of shares subject to the RSUs is 15,000.

- (5) The Reporting Person vested in fifty percent (50%) of the performance-based RSUs upon the date on which the Compensation Committee of KLA-Tencor's Board of Directors determined the level at which the underlying performance goals were attained (August 6, 2013) and will vest in the remaining fifty percent (50%) upon his completion of four years of service following the grant date of the award (August 4, 2011). The shares of common stock will be issued as the performance-based RSUs vest.

- (6) Does not include performance-based RSUs, if any, held by the Reporting Person for which an assessment has not yet been made regarding the achievement of the applicable performance goals. Any such holdings will be reported on Form 4 within two business days of the date such assessment is made.

- (7) Reflects an increase of 15,000 RSUs in connection with the determination of the level at which the August 4, 2011 performance-based RSUs were attained, less the fifty percent (50%) of such award that vested upon such assessment, as described in footnote (1) above.

- (8) Represents a grant of RSUs subject only to service-vesting requirements. The Reporting Person will vest in twenty-five percent (25%) of the RSUs on the one-year anniversary of the grant date (August 6, 2013) and an additional twenty-five percent (25%) on each annual anniversary of the grant date thereafter through August 6, 2017, in each case subject to the Reporting Person continuing as a service provider to KLA-Tencor through the applicable vesting date. The shares of common stock will be issued as the RSUs vest.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.