

**CABOT MICROELECTRONICS CORPORATION  
ANNUAL MEETING OF STOCKHOLDERS**

**TUESDAY, MARCH 5, 2013  
8:00 A.M.**

THE CHAIRMAN OF THE MEETING – William P. Noglows  
THE SECRETARY – Carol Bernstein

**NOGLOWS:**

Good morning, I'm Bill Noglows, Chairman of the Board, President and Chief Executive Officer of Cabot Microelectronics Corporation, and I'm pleased to welcome you to our company's thirteenth Annual Meeting of Stockholders.

The script of our Annual Meeting will be available following the meeting through our website at [www.cabotcmp.com](http://www.cabotcmp.com). I would like to remind all of you that our conversation today may include statements that constitute forward looking statements. Such statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from these forward looking statements, and we assume no obligation to update them.

Carol Bernstein, the General Counsel and Secretary of our Company, will act as Secretary of the Meeting.

First, I would like to emphasize our appreciation for our Board of Directors and the advice and guidance provided to our company.

We are delighted that Ted Mooney is with us today, but because of the heavy snowfall our area is experiencing, the other members of our Board of Directors are unfortunately not able to be present with us in person today.

The first order of business for our annual meeting is to organize the meeting and determine the presence of a quorum. Will all stockholders present and wishing to vote in person by ballot, and all persons holding proxies not previously filed, please report to the Secretary and deliver their ballots and proxies to her.

On or about January 18, 2013, our Board of Directors sent notice of this meeting to all stockholders of record as of the close of business on January 11, 2013.

The list of stockholders entitled to vote at this meeting has been open to the examination of stockholders at the Company's executive offices for more than ten days prior to this meeting as required by Delaware law.

Sally Baca of Cabot Microelectronics has been appointed Judge to tabulate the stockholders' votes.

Various affidavits regarding the mailing of the proxy material and the maintenance of the stockholder lists and the Oath and Certificate of the Judge will be filed with the minutes of this meeting.

I now ask the Secretary to report the number of shares represented at this meeting.

**BERNSTEIN:**

Out of 23,276,787 shares of Common Stock entitled to vote at this meeting, there are present in person or represented by proxy at least 22,212,432 shares, or approximately 95.42% of such shares.

**NOGLOWS:**

A quorum is present and we may proceed with the business of the meeting:

The next order of business is the election of directors. Our Board is currently comprised of nine directors. The Board is divided into three classes: Class I, whose terms will expire at this meeting, Class II, whose terms will expire at the 2014 annual meeting, and Class III, whose terms will expire at the 2015 annual meeting. At this meeting, we will elect three Class I directors to hold office until the 2016 Annual Meeting of Stockholders. The Secretary will now report on the nominees for Class I directors.

**BERNSTEIN:**

As stated earlier, Mr. Mooney is here with us, but the other nominees are unable to be with us in person due to the heavy snowfall we are experiencing. The Board of Directors has nominated H. Laurance Fuller, Richard S. Hill, and Edward J. Mooney, each of whom currently serves on our Board, as directors of the Company to serve until the 2016 Annual Meeting of Stockholders or until their successors have been duly elected and qualified. In the Proxy Statement we provided you with information regarding the business experience of each of these individuals.

Does anyone second these nominations?

**WILLIAM JOHNSON:**

I second the nominations.

**NOGLOWS:**

The third order of business is the non-binding advisory vote on our company's named executive officer compensation, as described in the Compensation, Discussion and Analysis section and related compensation tables of our Proxy Statement. We provided you with information regarding this matter in the Proxy Statement. Our Board of Directors recommends a vote in favor of this proposal. Does anyone second this proposal, which I move.

**JOHNSON:**

I second the motion.

**NOGLOWS:**

The fourth order of business is the ratification of the selection of PricewaterhouseCoopers LLP as the company's independent auditors for fiscal year 2013. We provided you with information regarding our independent auditors and the services they provide in the Proxy Statement. I will now entertain a motion regarding this proposal.

**BERNSTEIN:**

I so move.

**JOHNSON:**

I second the motion.

**BERNSTEIN:**

The election of directors, the non-binding advisory vote on executive compensation, and the ratification of the selection of PricewaterhouseCoopers as the company's independent auditors will be put to vote by ballot. The affirmative vote of a plurality of the shares represented in person or by proxy at this meeting will be necessary for the election of each director. The affirmative vote of a majority of the shares represented in person or by proxy at this meeting will be necessary to approve the non-binding advisory vote on named executive officer compensation and ratify the selection of the company's auditors.

## **NOGLOWS:**

While the voting is being completed and the results are tabulated by the Judge, I would like to take this opportunity to provide you with a review of our business:

My comments this morning will be brief, since we covered our results and accomplishments in fiscal year 2012 at length in our year-end conference call in October and in our 2012 annual report.

Historically the semiconductor industry has been characterized as very PC centric, with the focus being on ever more powerful microprocessors, and memory for computing applications. In recent years, demand for mobile devices and connectivity, such as smart phones and tablets, has increased dramatically. We believe this shift to more complex consumer electronic devices, which we have referred to throughout our fiscal 2012 and first quarter of fiscal year 2013 quarterly earnings calls, will continue to fuel the demand for IC devices and ultimately, Cabot Microelectronics' CMP consumables.

During fiscal year 2012 we continued to execute our strategies to strengthen and grow our core CMP consumables business and also further develop our Engineered Surface Finishes business. As a result, we reported solid financial results in fiscal 2012 despite the challenging macroeconomic and semiconductor industry environments.

Our CMP polishing pads and Engineered Surface Finishes businesses each achieved another year of record revenue in fiscal 2012, following record revenue performance in fiscal 2011. Within our CMP slurry business, we continued developing and commercializing innovative and reliable solutions for our customers, and made progress toward commercializing and qualifying products and solutions from our new research, development and manufacturing facility in South Korea. A notable highlight for the year was the performance of our business in Korea, where we achieved annual revenue growth of 22 percent year over year, despite overall soft industry conditions. On a global basis, our collaborative efforts with customers were rewarded with new business wins across our CMP consumables product portfolio as well as supplier awards from a number of our most important customers in 2012. We believe these awards reflect our unyielding commitment to consistently deliver high-quality, reliable CMP solutions through a robust global supply chain.

Fiscal 2012 was also highlighted by the execution of our new capital management initiative, which included the implementation of a leveraged recapitalization of our company with payment of a \$15 per share special cash dividend in the second fiscal quarter, and a significant increase to our share repurchase authorization in the first quarter. As a result of the leveraged recapitalization, we achieved a more efficient balance sheet while also distributing approximately 30 percent of our market value to our shareholders through the special cash dividend. This capital management initiative has represented a significant change in our capital allocation strategy, and has enabled us to provide additional value to our shareholders while maintaining the resources necessary to implement our business strategies and support future growth

opportunities. Ultimately, this capital management initiative exemplifies the confidence we have in the future performance of our company.

Now turning to fiscal 2013, in January we announced solid financial results for our first fiscal quarter of 2013. Though we experienced continued soft industry conditions and macroeconomic uncertainty, in addition to the usual seasonality, during the quarter, we achieved revenue increases in both our core CMP slurry and pads businesses when compared to last year. As we stated then, this soft industry demand is expected to continue through March, with anticipated strengthening in demand during the second half of our fiscal year. We will continue to monitor the industry environment and we expect to manage our business accordingly, as we have done in the past.

Let me conclude my business update today by stating that we participate in a dynamic consumer electronics driven industry by supplying CMP consumables products to the semiconductor industry. We believe that continuation of positive growth trends in mobile connectivity, mobile devices, and other electronic products should drive growth in demand for CMP consumables in the future. We are excited by the potential long-term growth opportunities associated with these trends, and we believe that Cabot Microelectronics is well positioned as a leading supplier of CMP consumables to the semiconductor industry for continued success as we leverage our global capabilities to consistently deliver high-quality, reliable and innovative solutions to our customers. On behalf of all of our employees around the world, I would like to thank our stockholders for your continued support over the years.

**NOGLOWS (cont.):**

I will now open the meeting up to questions from the audience. Are there any questions?

At this time I would like to continue with the business of the meeting.

**BERNSTEIN:**

I have received the Report of the Judge and am pleased to announce the vote:

In the election of directors: Each nominee received at least 20,150,290 votes, or approximately 94.35% of shares voted. H. Laurance Fuller, Richard S. Hill, and Edward J. Mooney therefore have been elected as directors of the Company to serve until the 2016 Annual Meeting of Stockholders or until their successors have been duly elected and qualified.

With respect to the non-binding advisory vote on the Company's named executive officer compensation, at least 20,752,912, or approximately 97.17% of shares cast on this matter, have been voted in favor of approving the Company's named executive officer compensation; therefore, the Company's named executive officer compensation is approved by non-binding advisory vote.

Finally, at least 21,128,113 shares, or approximately 95.11% of shares cast on this matter, have been voted in favor of ratifying the selection of the company's independent auditors for fiscal year 2013; therefore, the selection of PricewaterhouseCoopers LLP is ratified.

The Report of the Judge will be attached to the minutes of the meeting and the ballots cast will be filed with the records of the meeting.

**NOGLOWS:**

Is there any other business to come before the meeting?

I would now like to introduce Bill Kelly, a partner with PricewaterhouseCoopers, the Company's independent auditors, who is on the phone and would be pleased to respond to appropriate questions. Are there any questions?

Thank you, Bill.

At this time, we have transacted all business to be conducted at this meeting. Is there a motion that the meeting be adjourned?

**JOHNSON:**

I move that the meeting be adjourned.

**BERNSTEIN:**

I second the motion.

**NOGLOWS:**

All those in favor, say aye.

Opposed?

The meeting is now adjourned. Thank you for coming and supporting Cabot Microelectronics.