

**CABOT MICROELECTRONICS CORPORATION
ANNUAL MEETING OF STOCKHOLDERS
TUESDAY, MARCH 7, 2017
10:00 A.M. PACIFIC TIME**

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

NOGLOWS:

Good morning, I am Bill Noglows, Chairman of the Board of Cabot Microelectronics Corporation, and along with David Li, President and Chief Executive Officer and Director, I am pleased to welcome you to our Annual Meeting of Stockholders.

The script of our Annual Meeting will be available following the meeting through our website at 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.

I would like to acknowledge the additional members of our Board of Directors who are with us today in person: Rick Hill; Barb Klein; David Li, our CEO; Susan Whitney; and, Geoff Wild.

In addition, we welcome Paul Reilly, our new Director nominee, who is also here.

All of us at Cabot Microelectronics want to extend our deep appreciation to Bob Birgeneau, Steve Wilkinson, and Bailing Xia, who have been valued Directors for more than a decade, and are retiring from our Board; their advice and guidance to our Company have been unsurpassed

– we will miss them greatly and wish them well. Unfortunately, due to travel requirements, they are not able to be with us 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 25, 2017, our Board of Directors sent notice of this meeting to all stockholders of record as of the close of business on January 13, 2017.

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.

Trisha Tuntland 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 24,953,875 shares of Common Stock entitled to vote at this meeting, there are present in person or represented by proxy at least 23,145,005 shares, or approximately 92.75% 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, but with the retirement of Mr.

Birgeneau, Mr. Wilkinson and Mr. Xia today, and presuming the election of Mr. Reilly, we will have seven Board members. The Board is divided into three classes: Class I, whose terms will expire at the 2019 annual meeting, Class II, whose terms will expire at this meeting, and Class III, whose terms will expire at the 2018 annual meeting. At this meeting, we will elect two Class II directors to hold office until the 2020 Annual Meeting of Stockholders. The Secretary will now report on the nominees for Class II directors.

BERNSTEIN:

I will ask the two nominees to identify themselves respectively by saying “aye” when I read their names: The Board of Directors has nominated Paul J. Reilly, and Geoffrey Wild, as directors of the Company to serve until the 2020 Annual Meeting of Stockholders or until their successors have been duly elected and qualified. Mr. Wild currently serves as a Director of our company, and Mr. Reilly is currently a new nominee. 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.

BERNSTEIN:

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.

BERNSTEIN:

The fourth order of business is the non-binding advisory vote on the frequency of the non-binding advisory vote on our company's named executive officer compensation. We provided you with information regarding this matter in the Proxy Statement. Our Board of Directors recommends a vote in favor of a one-year frequency. I will now entertain a motion regarding this proposal.

NOGLOWS:

I so move.

JOHNSON:

I second the motion.

BERNSTEIN:

The fifth order of business is the reapproval of the material terms of performance-based awards under our company's 2012 Omnibus Incentive Plan for purposes of complying with Section 162(m) of the Internal Revenue Code of 1986, as amended. Detailed information regarding the Plan and this proposal was provided to you in the Proxy Statement. I will now entertain a motion regarding this proposal.

NOGLOWS:

I so move.

JOHNSON:

I second the motion.

BERNSTEIN:

The sixth order of business is the ratification of the selection of PricewaterhouseCoopers LLP as the company's independent auditors for fiscal year 2017. 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.

NOGLOWS:

I so move.

JOHNSON:

I second the motion.

BERNSTEIN:

The election of directors, the non-binding advisory vote on executive compensation, the non-binding advisory vote on the frequency of such non-binding advisory vote on executive compensation, the reapproval of the material terms of performance-based awards under the Cabot Microelectronics Corporation 2012 Omnibus Incentive Plan, as amended, for Section 162(m) compliance purposes, 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 each the non-binding advisory vote on named executive officer compensation, the non-binding advisory vote on the frequency of such non-binding advisory vote on named executive officer compensation, the material terms of performance-based awards under the Omnibus Incentive Plan, and to ratify the selection of the company's auditors.

NOGLOWS:

While the voting is being completed and the results are tabulated by the Judge, David will provide you with a review of our business

LI:

Thanks, Bill. Good morning, everyone, and thanks for joining us.

My comments this morning will be brief, since we covered our results and accomplishments in fiscal 2016 at length in our year-end conference call in October and in our 2016 annual report.

Fiscal 2016 was a year of strong results and continued momentum for our company. The ongoing successful execution of our strategic initiatives and focus on profitable growth enabled us to grow revenue by approximately four percent and net income by approximately seven percent, compared to the prior year. We also achieved a record level of profit. In addition, we continued our strong cash flow generation trend, with cash flow from operations of approximately \$95 million.

With great people all over the world, and in deep collaboration with our customers and suppliers, we continued to focus on three key product areas.

In tungsten slurries, during fiscal 2016 we experienced strong demand for our products across a wide range of applications and technology nodes, and achieved record revenue. In particular, we continued to support our strategic customers' transitions to advanced memory and logic applications, including 3D NAND and FinFET technologies. Approximately 20 percent of our tungsten revenue was driven by our customers' early production of these advanced technologies, up significantly compared to 13 percent in fiscal 2015. We believe that our focus on continued innovation, combined with our extensive experience, supply chain capabilities, quality systems, and global technical support and infrastructure, have enabled the leadership we have earned in this area. From this strength, we expect continued profitable growth in our tungsten product area.

In dielectrics slurries, during fiscal 2016 we continued to advance the broad transformation of this product area. We expanded the introduction and qualification of our new, high-performing colloidal-silica and ceria based dielectrics slurries, which are providing our customers with higher throughput, improved defectivity and lower cost of ownership. We expect these new products will also increase our profitability. We won business with new and existing customers, and as a result, our combined revenue from our colloidal-silica and ceria based solutions approximately doubled compared to fiscal 2015. We have established a strong pipeline of active business opportunities around the world, covering logic, memory and foundry customers, on both 300 and 200mm platforms, and we look

forward to winning more business in our dielectrics product area to drive profitable growth.

In pads, during fiscal 2016 we completed the integration of NexPlanar Corporation, which we acquired in October, 2015, and this drove record revenue, up approximately 62 percent compared to the prior year. We are leveraging our global sales channel and technical resources to speed the qualification and adoption of our NexPlanar pad offerings, and are experiencing significantly shorter qualification times than with our prior efforts. Through the year, we made meaningful progress in winning new business across a wide range of applications and technology nodes. As a result, as we have previously discussed, we expect to achieve revenue of between \$80 and \$90 million in pads in fiscal 2018. In addition, in early November we announced a new collaborative effort with Konfoong Materials International in China to help further accelerate pads revenue growth. We are pleased with our demonstrated momentum in pads and continue to view this area as our company's current greatest growth opportunity.

Based on our accomplishments and achievements in fiscal 2016, we believe we are well-positioned for continued success in fiscal 2017. In January we announced a strong start to the current fiscal year. During our first quarter of fiscal 2017, we realized record revenue of \$123.3 million, approximately 23 percent higher than in the same quarter last year. Our gross profit margin was 49.9 percent of revenue and we achieved record diluted earnings per share of 88 cents, which represents an increase of approximately 91 percent compared to the same quarter last year. In addition, we continued our strong cash flow generation trend, with cash from operations of \$25.1 million in the quarter.

When we reported our first quarter results on January 26, we discussed our expectation for some softening of demand for our IC CMP consumable products in the March quarter, consistent with traditional seasonality, but with strengthening of demand in the second half of our fiscal year. Our views at this time are consistent with our comments then.

Throughout our history as a public company, we have achieved a relatively high level of profitability, and with the relatively low level of capital investment our business requires, we have been a strong generator of cash. This has enabled us to execute a balanced capital deployment

strategy. Since becoming a public company in 2000, we have invested around \$340 million in organic investments to expand and improve our capabilities, executed approximately \$230 million in acquisitions, all funded from our available cash balance, repurchased roughly \$360 million of our stock under several share repurchase programs, and distributed nearly \$350 million to our shareholders through a leveraged recapitalization with a special cash dividend. We have also paid four quarterly cash dividends, or approximately \$18 million, since the initiation of our regular dividend program in January, 2016. Notably, through a combination of dividends and share repurchases we have distributed approximately \$730 million to shareholders, or nearly 100 percent of our cumulative net income. I am pleased to report that this morning we announced our Board of Directors has declared a quarterly cash dividend of 20 cents per share on our common stock, an increase of eleven percent over the quarterly cash dividend paid since the initiation of our program, which will be payable on or about April 28 to shareholders of record at the close of business on March 23. We believe this increase in our quarterly cash dividend demonstrates our confidence in our ongoing cash generation and our continued commitment to delivering value to our shareholders.

Let me conclude my business update today by stating that I am confident of continued momentum in each of our tungsten, dielectrics and pads product areas, including CMP slurry and pad consumable sets. Together we believe they provide the foundation for continued profitable growth for our company. We remain focused on delivering innovative, high-performing and high-quality CMP solutions, which leverage our global resources, quality systems and supply chain capabilities. We believe these attributes, combined with our focused business model, differentiate us among leading suppliers of specialty materials to the semiconductor industry, and position us well to deliver another year of strong performance. On behalf of all of our employees around the world, I would like to thank our stockholders for your continued support over the years.

And with that, I will turn the meeting back to Bill.

NOGLOWS:

Thank you, David. 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 21,556,547 votes, or approximately 97.27% of shares voted. Paul Reilly and Geoff Wild therefore have been elected as directors of the Company to serve until the 2020 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 20,409,569 votes or approximately 92.09% 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.

As to the non-binding advisory vote on the frequency of the non-binding advisory vote on named executive officer compensation, the alternative of "every one (1) year" has received the greatest number of votes cast on this matter, with at least 19,392,680, or approximately 87.50% of shares cast, followed by "every three (3) years" with approximately 2,746,741, or approximately 12.39% of votes cast, and then "every two (2) years" with approximately 8,061, or less than one percent of votes cast; therefore, the frequency of "every one year" is approved by non-binding advisory vote.

With respect to our Omnibus Incentive Plan, at least 21,007,982 shares, or approximately 94.79% of shares cast on this matter, have been voted in favor of reapproving the material terms of performance-based awards under the Plan; therefore, such is approved.

Finally, at least 22,234,687 shares, or approximately 96.06% of shares cast on this matter, have been voted in favor of ratifying the selection of the company's independent auditors for fiscal year 2017; 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:

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

I would now like to introduce Colleen Harrison, a partner with PricewaterhouseCoopers, the Company's independent auditors, who would be pleased to respond to appropriate questions. Are there any questions? Thank you, Colleen.

Is there any other business to come before the meeting?

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.