1  
  
 EXHIBIT 99.3  
  
 AFFILIATE AGREEMENT  
  
  
 THIS AFFILIATE AGREEMENT ("Affiliate Agreement") is being executed and  
delivered as of October 12, 1998 by \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ ("Stockholder") in favor of  
and for the benefit of APPLIED MATERIALS, INC., a Delaware corporation  
("Parent").  
  
 RECITALS  
  
 A. Stockholder is a stockholder of, and is an officer and/or director  
of, Consilium, Inc., a Delaware corporation (the "Company").  
  
 B. Parent, the Company and Pennsylvania Acquisition Sub, Inc., a wholly  
owned subsidiary of Parent ("Merger Sub"), have entered into an Agreement and  
Plan of Merger and Reorganization dated as of October 12, 1998 (the  
"Reorganization Agreement"), providing for the merger of Merger Sub into the  
Company (the "Merger"). The Reorganization Agreement contemplates that, upon  
consummation of the Merger, (i) holders of shares of the common stock of the  
Company ("Company Common Stock") will receive shares of common stock of Parent  
("Parent Common Stock") in exchange for their shares of Company Common Stock and  
(ii) the Company will become a wholly owned subsidiary of Parent. It is  
accordingly contemplated that Stockholder will receive shares of Parent Common  
Stock in the Merger.  
  
 C. Stockholder understands that the Parent Common Stock being issued in  
the Merger will be issued pursuant to a registration statement on Form S-4, and  
that Stockholder may be deemed an "affiliate" of the Company: (i) as such term  
is defined for purposes of paragraphs (c) and (d) of Rule 145 under the  
Securities Act of 1933, as amended (the "Securities Act"); and (ii) for purposes  
of determining Parent's eligibility to account for the Merger as a "pooling of  
interests" under Accounting Series Releases 130 and 135, as amended, of the  
Securities and Exchange Commission (the "SEC"), and under other applicable  
"pooling of interests" accounting requirements.  
  
 AGREEMENT  
  
 1. REPRESENTATIONS AND WARRANTIES OF STOCKHOLDER. Stockholder represents  
and warrants to Parent as follows:  
  
 (a) Stockholder is the holder and "beneficial owner" (as defined  
in Rule 13d-3 under the Securities Exchange Act of 1934, as amended) of the  
number of shares of Company Common Stock set forth beneath Stockholder's  
signature on the signature page hereof (the "Company Shares"), and Stockholder  
has good and valid title to the Company Shares, free and clear of any liens,  
pledges, security interests, adverse claims, equities, options, proxies,  
charges, encumbrances or restrictions of any nature.  
  
 (b) Stockholder has carefully read this Affiliate Agreement and,  
to the extent Stockholder felt necessary, has discussed with counsel the  
limitations imposed on Stockholder's ability to sell, transfer or otherwise  
dispose of the Company Shares and the shares of Parent   
  
  
  
 1  
 2  
  
Common Stock that Stockholder is to receive in the Merger (the "Parent Shares").  
Stockholder fully understands the limitations this Affiliate Agreement places  
upon Stockholder's ability to sell, transfer or otherwise dispose of the Company  
Shares and the Parent Shares.  
  
 (c) Stockholder understands that the representations, warranties  
and covenants set forth in this Affiliate Agreement will be relied upon by  
Parent and its counsel and accountants for purposes of determining Parent's  
eligibility to account for the Merger as a "pooling of interests" and for  
purposes of determining whether Parent should proceed with the Merger.  
  
 2. REPRESENTATION AND WARRANTY OF PARENT. Parent represents and warrants  
to Stockholder that it shall make available adequate current public information  
as required by Rule 144(c) promulgated by the SEC under the Securities Act.  
  
 3. PROHIBITIONS AGAINST TRANSFER.  
  
 (a) Stockholder agrees that, during the period from the date 30  
days prior to the date of consummation of the Merger through the date on which  
financial results covering at least 30 days of post-Merger combined operations  
of Parent and the Company have been published by Parent (within the meaning of  
the applicable "pooling of interests" accounting requirements) (the "Restricted  
Period"):  
  
 (i) Stockholder shall not sell, transfer or otherwise  
dispose of, or reduce Stockholder's interest in or risk relating to, (A) any  
capital stock of the Company (including, without limitation, the Company Shares  
and any additional shares of capital stock of the Company acquired by  
Stockholder, whether upon exercise of a stock option or otherwise), except  
pursuant to and upon consummation of the Merger, or (B) any option or other  
right to purchase any shares of capital stock of the Company, except by exercise  
of an option or pursuant to and upon consummation of the Merger; and  
  
 (ii) Stockholder shall not sell, transfer or otherwise  
dispose of, or reduce Stockholder's interest in or risk relating to, (A) any  
shares of capital stock of Parent (including without limitation the Parent  
Shares and any additional shares of capital stock of Parent acquired by  
Stockholder, whether upon exercise of a stock option or otherwise), or (B) any  
option or other right to purchase any shares of capital stock of Parent, except  
by exercise of an option.  
  
 (b) Notwithstanding the restrictions contained in Section 3(a),  
Stockholder may transfer or otherwise reduce his risk relative to shares of  
Company Common Stock or Parent Common Stock during the Restricted Period if (i)  
Parent, after consulting with its independent accountants, determines that such  
transfer or reduction in risk will not adversely affect the ability of Parent to  
account for the Merger as a "pooling of interests," and (ii) Parent consents in  
writing to such transfer or reduction in risk (it being understood that Parent  
will not unreasonably withhold or delay such consent).  
  
  
  
 2  
 3  
  
 (c) Stockholder agrees that Stockholder shall not effect any  
sale, transfer or other disposition of any Parent Shares unless:  
  
 (i) such sale, transfer or other disposition is effected  
pursuant to an effective registration statement under the Securities Act;  
  
 (ii) such sale, transfer or other disposition is made in  
conformity with the requirements of Rule 145 under the Securities Act, as  
evidenced by a broker's letter and a representation letter executed by  
Stockholder (satisfactory in form and content to Parent) stating that such  
requirements have been met;  
  
 (iii) counsel reasonably satisfactory to Parent shall  
have advised Parent in a written opinion letter (reasonably satisfactory in form  
and content to Parent), upon which Parent may rely, that such sale, transfer or  
other disposition will be exempt from registration under the Securities Act; or  
  
 (iv) an authorized representative of the SEC shall have  
rendered written advice to Stockholder to the effect that the SEC would take no  
action, or that the staff of the SEC would not recommend that the SEC take  
action, with respect to such sale, transfer or other disposition, and a copy of  
such written advice and all other related communications with the SEC shall have  
been delivered to Parent.  
  
 4. STOP TRANSFER INSTRUCTIONS; LEGEND.  
  
 Stockholder acknowledges and agrees that (a) stop transfer  
instructions will be given to Parent's transfer agent with respect to the Parent  
Shares, and (b) each certificate representing any of such shares shall bear a  
legend identical or similar in effect to the following legend (together with any  
other legend or legends required by applicable state securities laws or  
otherwise):  
  
 "THE SHARES REPRESENTED BY THIS CERTIFICATE WERE ISSUED IN A  
 TRANSACTION TO WHICH RULE 145(d) OF THE SECURITIES ACT OF 1933  
 AND "POOLING OF INTERESTS" ACCOUNTING TREATMENT APPLY AND MAY NOT  
 BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, ASSIGNED, PLEDGED OR  
 HYPOTHECATED EXCEPT IN ACCORDANCE WITH THE PROVISIONS OF SUCH  
 RULE, IN ACCORDANCE WITH THE REQUIREMENTS FOR "POOLING OF  
 INTERESTS" ACCOUNTING TREATMENT AND IN ACCORDANCE WITH THE TERMS  
 OF AN AGREEMENT DATED AS OF OCTOBER 12, 1998, BETWEEN THE  
 REGISTERED HOLDER HEREOF AND THE ISSUER, A COPY OF WHICH IS ON  
 FILE AT THE PRINCIPAL OFFICES OF THE ISSUER."  
  
It is understood and agreed that the legend set forth above shall be removed by  
delivery of substitute certificates without such legend if Stockholder shall  
have delivered to Parent   
  
  
  
 3  
 4  
  
a copy of a letter from an authorized representative of the SEC to the effect  
that such legend is not required for purposes of the Securities Act, or counsel  
reasonably satisfactory to Parent shall have advised Parent in a written opinion  
letter (reasonably satisfactory in form and content to Parent) that such legend  
is not required for purposes of the Securities Act.  
  
 5. INDEPENDENCE OF OBLIGATIONS. The covenants and obligations of  
Stockholder set forth in this Affiliate Agreement shall be construed as  
independent of any other agreement or arrangement between Stockholder, on the  
one hand, and the Company or Parent, on the other. The existence of any claim or  
cause of action by Stockholder against the Company or Parent shall not  
constitute a defense to the enforcement of any of such covenants or obligations  
against Stockholder.  
  
 6. SPECIFIC PERFORMANCE. Stockholder agrees that in the event of any  
breach or threatened breach by Stockholder of any covenant, obligation or other  
provision contained in this Affiliate Agreement, Parent shall be entitled (in  
addition to any other remedy that may be available to Parent) to: (a) a decree  
or order of specific performance or mandamus to enforce the observance and  
performance of such covenant, obligation or other provision; and (b) an  
injunction restraining such breach or threatened breach.  
  
 7. OTHER AGREEMENTS. Nothing in this Affiliate Agreement shall limit any  
of the rights or remedies of Parent under the Reorganization Agreement, or any  
of the rights or remedies of Parent or any of the obligations of Stockholder  
under any agreement between Stockholder and Parent or any certificate or  
instrument executed by Stockholder in favor of Parent; and nothing in the  
Reorganization Agreement or in any other agreement, certificate or instrument  
shall limit any of the rights or remedies of Parent or any of the obligations of  
Stockholder under this Affiliate Agreement.  
  
 8. NOTICES. Any notice or other communication required or permitted to  
be delivered to Stockholder or Parent under this Affiliate Agreement shall be in  
writing and shall be deemed properly delivered, given and received (a) upon  
receipt when delivered by hand, or (b) two business days after sent by courier  
or express delivery service or by facsimile, provided that in each case the  
notice or other communication is sent to the address or facsimile telephone  
number set forth beneath the name of such party below (or to such other address  
or facsimile telephone number as such party shall have specified in a written  
notice given to the other party):  
  
  
  
 4  
 5  
  
 IF TO PARENT:  
  
 Applied Materials, Inc.  
 0000 Xxxxxx Xxx  
 Xxxxx Xxxxx, XX 00000  
 Attention: Xxxxxx X. Xxxxxxx  
 Mail Stop: 2061  
 Facsimile: (000) 000-0000  
  
 Attention: Xxxxxxxxx Xxxxx  
 Mail Stop: 1954  
 Facsimile: (000) 000-0000  
  
 IF TO STOCKHOLDER:  
  
 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  
  
 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  
  
 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  
  
 Attention:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  
  
 Facsimile: (\_\_\_)\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  
  
  
 9. SEVERABILITY. If any provision of this Affiliate Agreement or any  
part of any such provision is held under any circumstances to be invalid or  
unenforceable in any jurisdiction, then (a) such provision or part thereof  
shall, with respect to such circumstances and in such jurisdiction, be deemed  
amended to conform to applicable laws so as to be valid and enforceable to the  
fullest possible extent, (b) the invalidity or unenforceability of such  
provision or part thereof under such circumstances and in such jurisdiction  
shall not affect the validity or enforceability of such provision or part  
thereof under any other circumstances or in any other jurisdiction, and (c) the  
invalidity or unenforceability of such provision or part thereof shall not  
affect the validity or enforceability of the remainder of such provision or the  
validity or enforceability of any other provision of this Affiliate Agreement.  
Each provision of this Affiliate Agreement is separable from every other  
provision of this Affiliate Agreement, and each part of each provision of this  
Affiliate Agreement is separable from every other part of such provision.  
  
 10. APPLICABLE LAW; JURISDICTION. THIS AFFILIATE AGREEMENT IS MADE  
UNDER, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF  
DELAWARE APPLICABLE TO AGREEMENTS MADE AND TO BE PERFORMED SOLELY THEREIN,  
WITHOUT GIVING EFFECT TO PRINCIPLES OF CONFLICTS OF LAW. In any action between  
or among any of the parties, whether arising out of this Affiliate Agreement or  
otherwise, (a) each of the parties irrevocably and unconditionally   
  
  
  
 5  
 6  
  
consents and submits to the exclusive jurisdiction and venue of the state and  
federal courts located in California; (b) if any such action is commended in a  
state court, then, subject to applicable law, no party shall object to the  
removal of such action to any federal court located in the Northern District of  
California; (c) each of the parties irrevocably waives the right to trial by  
jury; and (d) each of the parties irrevocably consents to service of process by  
first class certified mail, return receipt requested, postage prepared, to the  
address at which such party is to receive notice in accordance with Section 8.  
  
 11. WAIVER; TERMINATION. No failure on the part of Parent to exercise  
any power, right, privilege or remedy under this Affiliate Agreement, and no  
delay on the part of Parent in exercising any power, right, privilege or remedy  
under this Affiliate Agreement, shall operate as a waiver of such power, right,  
privilege or remedy; and no single or partial exercise of any such power, right,  
privilege or remedy shall preclude any other or further exercise thereof or of  
any other power, right, privilege or remedy. Parent shall not be deemed to have  
waived any claim arising out of this Affiliate Agreement, or any power, right,  
privilege or remedy under this Affiliate Agreement, unless the waiver of such  
claim, power, right, privilege or remedy is expressly set forth in a written  
instrument duly executed and delivered on behalf of Parent; and any such waiver  
shall not be applicable or have any effect except in the specific instance in  
which it is given. If the Reorganization Agreement is terminated, this Affiliate  
Agreement shall thereupon terminate.  
  
 12. CAPTIONS. The captions contained in this Affiliate Agreement are for  
convenience of reference only, shall not be deemed to be a part of this  
Affiliate Agreement and shall not be referred to in connection with the  
construction or interpretation of this Affiliate Agreement.  
  
 13. FURTHER ASSURANCES. Stockholder shall execute and/or cause to be  
delivered to Parent such instruments and other documents and shall take such  
other actions as Parent may reasonably request to effectuate the intent and  
purposes of this Affiliate Agreement.  
  
 14. ENTIRE AGREEMENT. This Affiliate Agreement, the Reorganization  
Agreement and any other agreement referred to in this Affiliate Agreement  
between Stockholder and Parent collectively set forth the entire understanding  
of Parent and Stockholder relating to the subject matter hereof and thereof and  
supersede all other prior agreements and understandings between Parent and  
Stockholder relating to the subject matter hereof and thereof.  
  
 15. NON-EXCLUSIVITY. The rights and remedies of Parent hereunder are not  
exclusive of or limited by any other rights or remedies which Parent may have,  
whether at law, in equity, by contract or otherwise, all of which shall be  
cumulative (and not alternative).  
  
 16. AMENDMENTS. This Affiliate Agreement may not be amended, modified,  
altered or supplemented other than by means of a written instrument duly  
executed and delivered on behalf of Parent and Stockholder.  
  
 17. ASSIGNMENT. This Affiliate Agreement and all obligations of  
Stockholder hereunder are personal to Stockholder and may not be transferred or  
delegated by Stockholder at   
  
  
  
 6  
 7  
  
any time. Parent may freely assign any or all of its rights under this Affiliate  
Agreement, in whole or in part, to any other person or entity without obtaining  
the consent or approval of Stockholder.  
  
 18. BINDING NATURE. Subject to Section 17, this Affiliate Agreement will  
inure to the benefit of Parent and its successors and assigns and will be  
binding upon Stockholder and Stockholder's representatives, executors,  
administrators, estate, heirs, successors and assigns.  
  
 19. SURVIVAL. Each of the representations, warranties, covenants and  
obligations contained in this Affiliate Agreement shall survive the consummation  
of the Merger.  
  
 Stockholder has executed this Affiliate Agreement on October 12, 1998.  
  
  
  
 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  
 (Signature)  
  
 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  
 (Print Name)  
  
NUMBER OF SHARES OF  
COMMON STOCK OF THE COMPANY:  
  
\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  
  
  
  
  
 7