

APPLIED MATERIALS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Note 11 Borrowing Facilities and Debt

Revolving Credit Facilities

In February 2020, Applied entered into a five-year \$1.5 billion committed unsecured revolving credit agreement (Revolving Credit Agreement) with a group of banks. The Revolving Credit Agreement includes a provision under which Applied may request an increase in the amount of the facility of up to \$500 million for a total commitment of no more than \$2.0 billion, subject to the receipt of commitments from one or more lenders for any such increase and other customary conditions. The Revolving Credit Agreement is scheduled to expire in February 2025, unless extended as permitted under the Revolving Credit Agreement. The Revolving Credit Agreement replaced Applied's prior \$1.5 billion credit agreement that was scheduled to expire in September 2021. The Revolving Credit Agreement provides for borrowings that bear interest for each advance at one of two rates selected by Applied, plus an applicable margin, which varies according to Applied's public debt credit ratings.

In March 2020, Applied borrowed the full \$1.5 billion available under the Revolving Credit Agreement in order to increase its cash position and preserve financial flexibility in light of the uncertainty in the global markets resulting from the COVID-19 outbreak. In May 2020, Applied repaid the full \$1.5 billion of borrowings under the Revolving Credit Agreement. Applied may at any time and from time to time, borrow, repay and reborrow under the Revolving Credit Agreement during the term of the facility. The interest rate for the March 2020 borrowing under the Revolving Credit Agreement was one-month LIBOR plus a margin of 0.875%, based on Applied's public debt credit ratings.

No amounts were outstanding under the Revolving Credit Agreement as of October 25, 2020 and October 27, 2019.

In addition, Applied has revolving credit facilities with Japanese banks pursuant to which it may borrow up to approximately \$76 million in aggregate at any time. Applied's ability to borrow under these facilities is subject to bank approval at the time of the borrowing request, and any advances will be at rates indexed to the banks' prime reference rate denominated in Japanese yen. As of October 25, 2020 and October 27, 2019, no amounts were outstanding under these revolving credit facilities.

Term Loan and Short-term Commercial Paper

In August 2019, Applied entered into a term loan credit agreement with a group of lenders. Under the agreement, the lenders have committed to make an unsecured term loan to Applied of up to \$2.0 billion to finance in part Applied's planned acquisition of all outstanding shares of Kokusai Electric, to pay related transaction fees and expenses and for general corporate purposes. The commitments of the lenders to make the term loan will terminate if the transactions contemplated by the Share Purchase Agreement are not consummated on or before December 30, 2020. The term loan, if advanced, will bear interest at one of two rates selected by Applied, plus an applicable margin, which varies according to Applied's public debt credit ratings, and must be repaid in full on the third anniversary of the funding date of the term loan. No amounts were outstanding under this term loan credit agreement at both October 25, 2020 and October 27, 2019.

Applied has a short-term commercial paper program under which Applied may issue unsecured commercial paper notes of up to a total amount of \$1.5 billion. At October 25, 2020 and October 27, 2019, Applied did not have any commercial paper outstanding.