

KLA TENCOR CORP

Reported by
KHAN AHMAD A.

FORM 4

(Statement of Changes in Beneficial Ownership)

Filed 02/08/17 for the Period Ending 02/06/17

| | |
|-------------|--|
| Address | ONE TECHNOLOGY DRIVE MILPITAS, CA 95035 |
| Telephone | 4088756000 |
| CIK | 0000319201 |
| Symbol | KLAC |
| SIC Code | 3827 - Optical Instruments and Lenses |
| Industry | Semiconductor Equipment & Testing |
| Sector | Technology |
| Fiscal Year | 06/30 |

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 or
Section 30(h) of the Investment Company Act of 1940

| | | |
|---|---|---|
| 1. Name and Address of Reporting Person * Khan Ahmad A. (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 (MM/DD/YYYY) <p align="center">2/6/2017</p> | 5. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input type="checkbox"/> Director <input type="checkbox"/> 10% Owner <input checked="" type="checkbox"/> X Officer (give title below) <input type="checkbox"/> Other (specify below) EVP |
| 4. If Amendment, Date Original Filed (MM/DD/YYYY) | | 6. Individual or Joint/Group Filing (Check Applicable Line) <input type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> 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. Trans. Date | 2A. Deemed Execution Date, if any | 3. Trans. 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 Indirect Beneficial Ownership (Instr. 4) | |
|---|----------------|-----------------------------------|---------------------------|---|---|------------|-------|---|--|---|--|
| | | | Code | V | Amount | (A) or (D) | Price | | | | |
| Common Stock | 2/6/2017 | | M | | 6250 | (1) | A | \$0 | 6250 | D | |
| Common Stock | 2/6/2017 | | F | | 2402 | (2) | D | \$87 | 3848 | D | |
| Common Stock - Restricted Stock Units (3) | | | | | | | | | 61507 | D | |

Table II - Derivative Securities Beneficially Owned (e.g. , puts, calls, warrants, options, convertible securities)

| 1. Title of Derivate Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Trans. Date | 3A. Deemed Execution Date, if any | 4. Trans. 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 | | 7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4) | | 8. Price of Derivative Security (Instr. 5) | 9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4) | 10. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 4) | 11. Nature of Indirect Beneficial Ownership (Instr. 4) |
|--|--|----------------|-----------------------------------|---------------------------|---|--|---|-----|---|-----------------|--|--|--|--|
| | | | | Code | V | | (A) | (D) | Date Exercisable | Expiration Date | | | | |

Explanation of Responses:

- (On February 6, 2013, the Reporting Person received a grant of RSUs covering 25,000 shares of KLA-Tencor common stock. On February 6, 2017, the
- 1) Reporting Person vested in twenty-five percent (25%) of such RSUs.
- (Pursuant to such terms of the February 6, 2013 RSU grant, 2,402 shares of KLA-Tencor common stock were automatically withheld at vesting to cover
- 2) 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 vesting date.
- (Each restricted stock unit ("RSU") represents a contingent right to receive one share of KLA-Tencor common stock. Does not include performance-based
- 3) 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 a Form 4 within two business days of the date such assessment is made.

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|------------|-------|
| | Director | 10% Owner | Officer | Other |
| Khan Ahmad A. C/O KLA-TENCOR CORPORATION ONE TECHNOLOGY DRIVE MILPITAS, CA 95035 | | | EVP | |

Signatures

/s/ Teri A. Little, attorney-in-fact for Ahmad A. Khan

2/7/2017

**Signature of Reporting Person

Date

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

* 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).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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