

CABOT MICROELECTRONICS CORP  
Form S-4  
September 12, 2018

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As filed with the Securities and Exchange Commission on September 12, 2018

Registration No. 333-

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM S-4**

REGISTRATION STATEMENT  
UNDER  
THE SECURITIES ACT OF 1933

**CABOT MICROELECTRONICS CORPORATION**

(Exact Name of Registrant as Specified in Its Charter)

**Delaware**  
(State or other jurisdiction of  
incorporation or organization)

**3674**  
(Primary Standard Industrial  
Classification Code Number)  
**870 North Commons Drive**  
**Aurora, Illinois 60504**  
**(630) 375-6631**

**36-4324765**  
(IRS Employer  
Identification Number)

(Address, including Zip Code, and Telephone Number, including  
Area Code, of Registrant's Principal Executive Offices)

---

**H. Carol Bernstein**  
**Vice President, Secretary and General Counsel**  
**870 North Commons Drive**  
**Aurora, Illinois 60504**  
**(630) 375-5461**

(Name, Address, including Zip Code, and Telephone Number, including Area Code, of Agent for Service)

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With a copy to:

**Edward D. Herlihy**  
**Brandon C. Price**  
**Wachtell, Lipton, Rosen &**  
**Katz**  
**51 West 52nd Street**  
**New York, New York 10019**  
**(212) 403-1000**

**Roger C. Jackson**  
**Vice President,**  
**General Counsel and**  
**Secretary**  
**KMG Chemicals, Inc.**  
**300 Throckmorton Street**  
**Fort Worth, Texas 76102**

**William B. Nelson**  
**Kristina L. Trauger**  
**Haynes and Boone, LLP**  
**1221 McKinney Street**  
**Suite 2100**  
**Houston, Texas 77010**  
**(713) 547-2000**

**George A. Casey**  
**Heiko Schiwiek**  
**Shearman & Sterling LLP**  
**599 Lexington Avenue**  
**New York, New York 10022**  
**(212) 848-4000**

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(817) 761-6100

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**Approximate date of commencement of proposed sale of the securities to the public:  
As soon as practicable after this registration statement is declared effective and upon completion of the merger described in the proxy statement/prospectus contained herein.**

If the securities being registered on this form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, please check the following box.

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act of 1933, as amended (the "Securities Act"), check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer       Accelerated filer       Non-accelerated filer       Smaller reporting company   
 Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of the Securities Act.

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer)

Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer)

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## CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to Be Registered	Amount to Be Registered	Proposed Maximum Offering Price per Unit	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
Common Stock, par value \$0.001 per share	3,250,554 shares(1)	N/A	\$339,276,553(2)	\$42,240(3)

(1) Represents the estimated maximum number of shares of Cabot Microelectronics Corporation ("Cabot Microelectronics") common stock issuable in connection with the merger described herein and is based upon the number of shares of KMG Chemicals, Inc. ("KMG") common stock outstanding as of September 11, 2018, plus the number of shares of KMG common stock reserved for issuance under various equity plans in respect of restricted stock unit awards granted prior to August 14, 2018 plus the number of shares of KMG common stock reserved for issuance under various equity plans in respect of outstanding equity awards as of September 11, 2018 that may be issued in the future pursuant to the terms of the merger agreement, and the exchange of each such share of KMG common stock for 0.2000 shares of Cabot Microelectronics common stock under the merger agreement.

(2) Estimated solely for the purpose of calculating the registration fee pursuant to Rules 457(c) and 457(f) under the Securities Act. The proposed maximum aggregate offering price of the Cabot Microelectronics common stock was calculated based on the market value of shares of KMG common stock (the securities being cancelled in the merger) as follows: the product of (1) \$76.53, the average of the high and low sales prices of KMG common stock, as quoted on the New York Stock Exchange, on September 10, 2018, less the cash consideration to be paid in the merger of \$55.65 per share multiplied by (2) 16,252,769, the estimated maximum number of shares of KMG common stock that may be exchanged for shares of Cabot Microelectronics common stock in the merger.

(3)

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Determined in accordance with Rule 457(f) under the Securities Act by multiplying the proposed maximum aggregate offering price by 0.0001245.

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**The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with section 8(a) of the Securities Act or until the registration statement shall become effective on such date as the SEC, acting pursuant to said section 8(a), may determine.**

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**The information in this proxy statement/prospectus is subject to completion and amendment. A registration statement relating to the securities described in this proxy statement/prospectus has been filed with the Securities and Exchange Commission. These securities may not be sold nor may offers to buy these securities be accepted prior to the time the registration statement becomes effective. This proxy statement/prospectus shall not constitute an offer to sell or the solicitation of any offer to buy nor shall there be any sale of these securities in any jurisdiction, in which such offer, solicitation or sale would be unlawful prior to registration under the securities laws of any such jurisdiction.**

**PRELIMINARY SUBJECT TO COMPLETION, DATED SEPTEMBER 12, 2018**

**MERGER PROPOSED YOUR VOTE IS VERY IMPORTANT**

[ ], 2018

Dear Shareholder:

We cordially invite you to attend a special meeting of shareholders of KMG Chemicals, Inc., a Texas corporation, to be held on [ ], [ ], 2018, at [a.m./p.m.] (Central Time), at The Worthington Renaissance Fort Worth Hotel, 200 Main Street, Fort Worth, Texas 76102. As previously announced, on August 14, 2018, KMG entered into a merger agreement providing for the acquisition of KMG by Cabot Microelectronics Corporation, a Delaware corporation. At the special meeting, you will be asked to consider and vote upon a proposal to approve and adopt the merger agreement.

If the merger contemplated by the merger agreement is completed, you will be entitled to receive for each share of KMG common stock, without interest (i) \$55.65 in cash and (ii) 0.2000 shares of Cabot Microelectronics common stock.

Based on the closing price of Cabot Microelectronics common stock on August 14, 2018, the last full trading day before the public announcement of the merger, the per share value of KMG common stock implied by the per share merger consideration is \$79.93. Based on the closing price of Cabot Microelectronics common stock on [ ], the most recent practicable date prior to the date of this proxy statement/prospectus, the per share value of KMG common stock implied by the per share merger consideration is \$[ ]. The implied value of the per share merger consideration will fluctuate as the market price of Cabot Microelectronics common stock fluctuates because a portion of the per share merger consideration is payable in a fixed number of shares of Cabot Microelectronics common stock. As a result, the value of the per share merger consideration that KMG shareholders will receive upon completion of the merger could be greater than, less than or the same as the value of the merger consideration on the date of this proxy statement/prospectus or at the time of the KMG special meeting. **Accordingly, you should obtain current stock price quotations for Cabot Microelectronics common stock and KMG common stock before deciding how to vote with respect to approval of the merger proposal.** Cabot Microelectronics common stock trades on The Nasdaq Global Select Market under the symbol "CCMP," and KMG common stock trades on the New York Stock Exchange under the symbol "KMG."

The merger cannot be completed unless KMG shareholders holding at least a majority of the shares of KMG common stock outstanding as of the close of business on [ ], 2018, the record date for the special meeting, vote in favor of the proposal to approve and adopt the merger agreement at the special meeting. Christopher T. Fraser, the Chairman of the Board, President and Chief Executive Officer of KMG, and Fred C. Leonard III, a member of KMG's board of directors, have entered into separate voting agreements with Cabot Microelectronics, pursuant to which Mr. Fraser and Mr. Leonard have agreed to, among other matters, vote the shares of KMG common stock held by each of them, representing approximately [ ]% of the shares of KMG common stock outstanding as of the close of business on the record date and entitled to vote at the special meeting, in favor of the merger.

**Your vote is very important, regardless of the number of shares you own. The merger cannot be completed unless the proposal to approve and adopt the merger agreement is approved by the affirmative vote of the holders of at least a majority of the shares of KMG common stock outstanding on the record date. A failure to vote or an abstention will have the same effect as a vote "AGAINST" the proposal to approve and adopt the merger agreement.**

Even if you plan to attend the special meeting in person, KMG requests that you complete, sign, date and return, as promptly as possible, the enclosed proxy card in the accompanying prepaid reply envelope or submit your proxy by telephone or over the Internet prior to the special meeting to ensure that your shares of KMG common stock will be represented at the special meeting if you are unable to attend. If you hold your shares in "street name" through a bank,

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brokerage firm or other nominee, you should follow the procedures provided by your bank, brokerage firm or other nominee to vote your shares.

**YOUR PROXY IS BEING SOLICITED BY THE BOARD OF DIRECTORS OF KMG. AFTER CAREFUL CONSIDERATION, OUR BOARD OF DIRECTORS HAS UNANIMOUSLY DETERMINED THAT THE TERMS OF THE MERGER AGREEMENT AND THE TRANSACTIONS CONTEMPLATED THEREBY, INCLUDING THE MERGER, ARE IN THE BEST INTERESTS OF KMG AND ITS SHAREHOLDERS AND RECOMMENDED THAT KMG SHAREHOLDERS APPROVE AND ADOPT THE MERGER AGREEMENT AND THE TRANSACTIONS CONTEMPLATED THEREBY, INCLUDING THE MERGER. OUR BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT YOU VOTE "FOR" THE PROPOSAL TO APPROVE AND ADOPT THE MERGER AGREEMENT AND "FOR" THE OTHER PROPOSALS DESCRIBED IN THE ACCOMPANYING PROXY STATEMENT/PROSPECTUS. THE BOARD OF DIRECTORS MADE ITS DETERMINATION AFTER CONSULTATION WITH ITS LEGAL AND FINANCIAL ADVISORS AND AFTER CONSIDERING A NUMBER OF FACTORS. IN CONSIDERING THE RECOMMENDATION OF THE BOARD OF DIRECTORS OF KMG, YOU SHOULD BE AWARE THAT CERTAIN DIRECTORS AND EXECUTIVE OFFICERS OF KMG MAY HAVE INTERESTS IN THE MERGER THAT MAY BE DIFFERENT FROM, OR IN ADDITION TO, THE INTERESTS OF KMG SHAREHOLDERS GENERALLY. SEE THE SECTION ENTITLED "THE MERGER INTERESTS OF KMG'S DIRECTORS AND EXECUTIVE OFFICERS IN THE MERGER" BEGINNING ON PAGE [ ] OF THE ACCOMPANYING PROXY STATEMENT/PROSPECTUS.**

**In particular, we urge you to read carefully the section entitled "Risk Factors" beginning on page [22] of the attached proxy statement/prospectus. If you have any questions regarding the accompanying proxy statement/prospectus, you may contact Okapi Partners LLC, KMG's proxy solicitor, by calling toll-free at (855) 305-0856. Banks, brokerage firms and other nominees may call collect at (212) 297-0720.**

We urge you to read the accompanying proxy statement/prospectus, including the Annexes and the documents incorporated by reference, carefully and in their entirety.

On behalf of the board of directors of KMG, thank you for your consideration and continued support.

Sincerely,  
Christopher T. Fraser

*Chairman of the Board, President and Chief Executive Officer*

**NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED THE MERGER OR OTHER TRANSACTIONS DESCRIBED IN THE ACCOMPANYING PROXY STATEMENT/PROSPECTUS OR THE SECURITIES TO BE ISSUED PURSUANT TO THE MERGER UNDER THE ACCOMPANYING PROXY STATEMENT/ PROSPECTUS NOR HAVE THEY DETERMINED IF THE ACCOMPANYING PROXY STATEMENT/ PROSPECTUS IS ACCURATE OR ADEQUATE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.**

The accompanying proxy statement/prospectus is dated [ ], 2018 and is first being mailed to KMG shareholders on or about [ ], 2018.

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**KMG CHEMICALS, INC.**

**300 Throckmorton Street  
Fort Worth, Texas 76102**

**NOTICE OF SPECIAL MEETING OF SHAREHOLDERS**

[                    ], 2018

Dear Shareholder:

You are cordially invited to attend a special meeting of KMG shareholders. The special meeting will be held on [                    ], [                    ], 2018, at [a.m./p.m.] (Central Time), at The Worthington Renaissance Fort Worth Hotel, 200 Main Street, Fort Worth, Texas 76102, to consider and vote upon the following matters:

1. a proposal to approve and adopt the Agreement and Plan of Merger, dated as of August 14, 2018, as it may be amended from time to time, by and among KMG Chemicals, Inc., a Texas corporation, Cabot Microelectronics Corporation, a Delaware corporation, and Cobalt Merger Sub Corporation, a Texas corporation and a wholly owned subsidiary of Cabot Microelectronics. A copy of the merger agreement is attached as **Annex A** to the accompanying proxy statement/prospectus;
2. the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes to approve the proposal to approve and adopt the merger agreement at the time of the special meeting or any adjournment or postponement thereof; and
3. a proposal to approve, by non-binding, advisory vote, certain compensation arrangements for KMG's named executive officers in connection with the merger contemplated by the merger agreement.

The record date for the special meeting is [                    ], 2018. Only shareholders of record as of the close of business on [                    ], 2018 are entitled to notice of, and to vote at, the special meeting. All shareholders of record as of that date are cordially invited to attend the special meeting in person.

**Your vote is very important, regardless of the number of shares of KMG common stock that you own.** The merger cannot be completed unless the proposal to approve and adopt the merger agreement is approved by the affirmative vote of the holders of at least a majority of the shares of KMG common stock outstanding on the record date. Even if you plan to attend the special meeting in person, KMG requests that you complete, sign, date and return, as promptly as possible, the enclosed proxy card in the accompanying prepaid reply envelope or submit your proxy by telephone or the Internet prior to the special meeting to ensure that your shares of KMG common stock will be represented at the special meeting if you are unable to attend. If you hold your shares in "street name" through a bank, brokerage firm or other nominee, you should follow the procedures provided by your bank, brokerage firm or other nominee to vote your shares. If you fail to submit a proxy or to attend the special meeting in person or do not provide your bank, brokerage firm or other nominee with instructions as to how to vote your shares, as applicable, your shares of KMG common stock will not be counted for purposes of determining whether a quorum is present at the special meeting and will have the same effect as a vote "AGAINST" the proposal to approve and adopt the merger agreement.

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Your proxy is being solicited by the board of directors of KMG. After careful consideration, our board of directors has unanimously determined that the terms of the merger agreement and the transactions contemplated thereby, including the merger, are in the best interests of KMG and its shareholders. **OUR BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT YOU VOTE "FOR" THE PROPOSAL TO APPROVE AND ADOPT THE MERGER AGREEMENT AND "FOR" THE OTHER PROPOSALS DESCRIBED IN THE ACCOMPANYING PROXY STATEMENT/PROSPECTUS. THE BOARD OF DIRECTORS MADE ITS DETERMINATION AFTER CONSULTATION WITH ITS LEGAL AND FINANCIAL ADVISORS AND AFTER CONSIDERING A NUMBER OF FACTORS. IN CONSIDERING THE RECOMMENDATION OF THE BOARD OF DIRECTORS OF KMG, YOU SHOULD BE AWARE THAT CERTAIN DIRECTORS AND EXECUTIVE OFFICERS OF KMG MAY HAVE INTERESTS IN THE MERGER THAT MAY BE DIFFERENT FROM, OR IN ADDITION TO, THE INTERESTS OF KMG SHAREHOLDERS GENERALLY. SEE THE SECTION ENTITLED "THE MERGER INTERESTS OF KMG'S DIRECTORS AND EXECUTIVE OFFICERS IN THE MERGER" BEGINNING ON PAGE [ ] OF THE ACCOMPANYING PROXY STATEMENT/PROSPECTUS.**

Only KMG shareholders of record as of the close of business on the record date, their duly authorized proxy holders, beneficial owners with proof of ownership and KMG's guests may attend the special meeting. To gain admittance, please bring valid photo identification, such as a driver's license or passport. If your shares of KMG common stock are held through a bank, brokerage firm or other nominee, please bring proof of your beneficial ownership of such shares to the special meeting. Acceptable proof could include an account statement showing that you owned shares of KMG common stock on the record date. If you are the representative of a corporate or institutional shareholder, you must present valid photo identification along with proof that you are the representative of such shareholder. Please note that cameras, recording devices and other electronic devices will not be permitted at the special meeting.

KMG shareholders who do not vote in favor of the proposal to approve and adopt the merger agreement, and who object in writing to the merger prior to the special meeting and comply with all the requirements of the laws of the State of Texas, which are summarized in the accompanying proxy statement/prospectus and reproduced in their entirety in **Annex D** to the accompanying proxy statement/prospectus, will be entitled to dissenters' rights of appraisal to obtain the fair value of their shares of KMG common stock.

**WHETHER OR NOT YOU PLAN TO ATTEND THE SPECIAL MEETING, PLEASE COMPLETE, DATE, SIGN AND RETURN, AS PROMPTLY AS POSSIBLE, THE ENCLOSED PROXY CARD IN THE ACCOMPANYING PREPAID REPLY ENVELOPE, OR SUBMIT YOUR PROXY BY TELEPHONE OR THE INTERNET. IF YOU ATTEND THE SPECIAL MEETING AND VOTE IN PERSON, YOUR VOTE BY BALLOT WILL REVOKE ANY PROXY PREVIOUSLY SUBMITTED.**

If you have any questions about the special meeting, the merger, the other proposals or the accompanying proxy statement/prospectus, would like additional copies of the proxy statement/prospectus, need to obtain proxy cards or other information related to this proxy solicitation or need help submitting a proxy or voting your shares of KMG common stock, please contact KMG's proxy solicitor:

**Banks and Brokerage Firms, Please Call: (212) 297-0720  
Shareholders and All Others Call Toll-Free: (855) 305-0856**

By order of the Board of Directors

Roger C. Jackson  
*General Counsel and Secretary*  
[ ], 2018

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**ADDITIONAL INFORMATION**

This proxy statement/prospectus incorporates important business and financial information about Cabot Microelectronics Corporation ("Cabot Microelectronics") and KMG Chemicals, Inc. ("KMG") from other documents that Cabot Microelectronics and KMG have filed with the U.S. Securities and Exchange Commission (the "SEC") and that are contained in or incorporated by reference into this proxy statement/prospectus. For a listing of documents incorporated by reference into this proxy statement/prospectus, please see the section titled "Where You Can Find More Information" beginning on page [ ]. This information is available for you to review at the SEC's public reference room located at 100 F Street, N.E., Room 1580, Washington, D.C. 20549, and through the SEC's website at [www.sec.gov](http://www.sec.gov).

**You can obtain copies of this proxy statement/prospectus and the documents incorporated by reference into this proxy statement/prospectus free of charge by requesting them in writing or by telephone at the following addresses and telephone numbers:**

**For Information Regarding Cabot  
Microelectronics:  
Cabot Microelectronics Corporation  
870 North Commons Drive  
Aurora, Illinois 60504  
(630) 499-2600  
Attention: Investor Relations**

**For Information Regarding  
KMG:  
KMG Chemicals, Inc.  
300 Throckmorton Street  
Fort Worth, Texas 76102  
(817) 761-6006  
Attention: Investor Relations**

In addition, if you have questions about the special meeting, the merger, the proposals or this proxy statement/prospectus, would like additional copies of the proxy statement/prospectus, need to obtain proxy cards or other information related to the proxy solicitation or need help submitting a proxy or voting your shares of KMG common stock, you may contact Okapi Partners LLC, KMG's proxy solicitor, at the address and telephone number listed below. You will not be charged for any of these documents that you request.

**Okapi Partners LLC  
1212 Avenue of the Americas, 24th Floor  
New York, New York 10036**

**Banks and Brokerage Firms, Please Call: (212) 297-0720  
Shareholders and All Others Call Toll-Free: (855) 305-0856**

**Email: [info@okapipartners.com](mailto:info@okapipartners.com)**

**If you would like to request any documents, please do so by [ ], which is the date that is five business days prior to the date of the special meeting, in order to receive them before the special meeting.**

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**ABOUT THIS PROXY STATEMENT/PROSPECTUS**

This proxy statement/prospectus, which forms part of a registration statement on Form S-4 (Registration No. 333-[ ]) filed with the SEC by Cabot Microelectronics, constitutes a prospectus of Cabot Microelectronics under the Securities Act of 1933, as amended (referred to in this proxy statement/prospectus as the Securities Act), with respect to the Cabot Microelectronics common stock to be issued to KMG shareholders pursuant to the merger. This proxy statement/prospectus also constitutes a proxy statement for KMG under the Securities Exchange Act of 1934, as amended (referred to in this proxy statement/prospectus as the Exchange Act), and a notice of meeting with respect to the special meeting of KMG shareholders.

You should rely only on the information contained in or incorporated by reference into this proxy statement/prospectus. No one has been authorized to provide you with information that is different from that contained in, or incorporated by reference into, this proxy statement/prospectus. This proxy statement/prospectus is dated [ ], 2018, and you should assume that the information contained in this proxy statement/prospectus is accurate only as of such date. You should also assume that the information incorporated by reference into this proxy statement/prospectus is accurate only as of the date of such information.

**This proxy statement/prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, any securities, or the solicitation of a proxy in any jurisdiction to or from any person to whom it is unlawful to make any such offer or solicitation in such jurisdiction. Information contained in this proxy statement/prospectus regarding Cabot Microelectronics has been provided by Cabot Microelectronics, and information contained in this proxy statement/prospectus regarding KMG has been provided by KMG.**

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**QUESTIONS AND ANSWERS**

*The following questions and answers are intended to briefly address some commonly asked questions regarding the merger, the merger agreement and the special meeting. These questions and answers may not address all questions that may be important to you as a KMG shareholder. Please refer to the section titled "Summary" beginning on page 1 and the more detailed information contained elsewhere in this proxy statement/prospectus, the annexes to this proxy statement/prospectus and the documents referred to in this proxy statement/prospectus, which you should read carefully and in their entirety. You may obtain the information incorporated by reference into this proxy statement/prospectus without charge by following the instructions under the section titled "Where You Can Find More Information" beginning on page [ ].*

**Q: Why am I receiving this proxy statement/prospectus?**

A: KMG Chemicals, Inc. ("KMG") is sending these materials to KMG shareholders to help them decide how to vote their shares of KMG common stock with respect to the adoption of the Agreement and Plan of Merger, dated August 14, 2018 (as it may be amended from time to time, the "merger agreement"), by and among Cabot Microelectronics Corporation ("Cabot Microelectronics"), KMG and Cobalt Merger Sub Corporation, a wholly owned subsidiary of Cabot Microelectronics ("Merger Sub"), which agreement provides for the acquisition of KMG by Cabot Microelectronics.

This document constitutes both a proxy statement of KMG and a prospectus of Cabot Microelectronics. It is a proxy statement because KMG is soliciting proxies from its shareholders. It is a prospectus because Cabot Microelectronics will issue shares of its common stock in exchange for shares of KMG common stock in the merger if the merger is completed.

**Q: When and where is the special meeting of the KMG shareholders?**

A: A special meeting of KMG shareholders (the "special meeting") will be held to approve the merger on [ ], [ ], 2018, at [ ][a.m./p.m.] (Central Time), at The Worthington Renaissance Fort Worth Hotel, 200 Main Street, Fort Worth, Texas 76102.

**Q: What is the merger?**

A: KMG has agreed to be acquired by Cabot Microelectronics under the terms of the merger agreement, which is further described in this proxy statement/prospectus. If the merger agreement is approved and adopted by KMG shareholders and the other conditions to closing under the merger agreement are satisfied or waived, Merger Sub will merge with and into KMG (the "merger"), with KMG surviving the merger as a wholly owned subsidiary of Cabot Microelectronics. KMG is sometimes referred to in this proxy statement/prospectus as the surviving company.

The merger cannot be completed unless the merger proposal is approved by the affirmative vote of the holders of at least a majority of the shares of KMG common stock outstanding on the record date. Your failing to submit a proxy or vote in person at the special meeting, or your abstaining from voting or your failing to provide your bank, brokerage firm or other nominee with instructions on how to vote your shares, as applicable, will have the same effect as a vote against the merger proposal. The KMG board of directors unanimously recommends that shareholders vote "**FOR**" the merger proposal. This proxy statement/prospectus includes important information about the merger and the merger agreement, a copy of which is attached as **Annex A** to this proxy statement/prospectus. KMG shareholders should read this information carefully and in its entirety.

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**Q: Are there any risks that I should consider in deciding whether to vote for the approval of the merger proposal?**

A:

Yes. You should read and carefully consider the risk factors set forth in the section titled "Risk Factors" beginning on page [ ]. You also should read and carefully consider the risk factors of Cabot Microelectronics and KMG contained in the documents that are incorporated by reference into this proxy statement/prospectus.

**Q: What will KMG shareholders receive for their shares if the merger is completed?**

A:

If the merger is completed, you will be entitled to receive, for each share of KMG common stock that you hold, merger consideration equal to \$55.65 in cash, plus 0.2000 shares of Cabot Microelectronics common stock (the "merger consideration"), in each case, without interest and less any applicable withholding taxes. You will receive cash in lieu of any fractional shares of Cabot Microelectronics common stock that you would otherwise be entitled to receive.

Based on the closing price of Cabot Microelectronics common stock on August 14, 2018, the last full trading day before the public announcement of the merger, the per share value of KMG common stock implied by the per share merger consideration is \$79.93. Based on the closing price of Cabot Microelectronics common stock on [ ], the most recent practicable date prior to the date of this proxy statement/prospectus, the per share value of KMG common stock implied by the per share merger consideration is \$[ ]. The implied value of the per share merger consideration will fluctuate as the market price of Cabot Microelectronics common stock fluctuates because a portion of the per share merger consideration is payable in a fixed number of shares of Cabot Microelectronics common stock. As a result, the value of the per share merger consideration that KMG shareholders will receive upon completion of the merger could be greater than, less than or the same as the value of the merger consideration on the date of this proxy statement/prospectus or at the time of the KMG special meeting. Accordingly, you should obtain current stock price quotations for Cabot Microelectronics common stock and KMG common stock before deciding how to vote with respect to approval of the merger proposal. Cabot Microelectronics common stock trades on The Nasdaq Global Select Market (the "Nasdaq") under the symbol "CCMP," and KMG common stock trades on the New York Stock Exchange (the "NYSE") under the symbol "KMG."

For additional information regarding the consideration to be received in the merger, see the section titled "The Merger Per Share Merger Consideration" beginning on page [ ].

**Q: What happens if I am eligible to receive a fraction of a share of Cabot Microelectronics common stock as part of the per share merger consideration?**

A:

If the aggregate number of shares of Cabot Microelectronics common stock that you are entitled to receive as part of the per share merger consideration otherwise would include a fraction of a share of Cabot Microelectronics common stock, you will receive cash in lieu of that fractional share. See the section titled "The Merger Exchange of Shares" beginning on page [ ].

**Q: What will holders of KMG equity awards receive in the merger?**

A:

Immediately prior to the effective time of the merger (the "effective time"), each restricted stock unit award relating to shares of KMG common stock that was granted prior to August 14, 2018 and that is outstanding as of immediately prior to the effective time will fully vest (with any applicable performance metrics deemed satisfied based on the level of achievement specified in the applicable award agreement) and be cancelled and converted in exchange for the right to receive the merger consideration in respect of each share of KMG common stock underlying the applicable restricted stock unit award.

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Immediately prior to the effective time, each restricted unit award relating to shares of KMG common stock that was granted on or following August 14, 2018 and that is outstanding as of immediately prior to the effective time will be assumed by Cabot Microelectronics and converted into a restricted stock unit award (an "assumed restricted stock unit award") relating to a number of shares of Cabot Microelectronics common stock (rounded to the nearest whole share) equal to (i) the number of shares of KMG common stock subject to such KMG restricted stock unit award immediately prior to the effective time, multiplied by (ii) the "equity award exchange ratio" (defined below). The assumed restricted stock unit awards will be subject to the same terms and conditions as were applicable to the corresponding KMG equity award immediately prior to the effective time (including vesting terms). The "equity award exchange ratio" means the sum of (a) 0.2000 and (b) the quotient (rounded to four decimal places) obtained by dividing (x) \$55.65 by (y) the volume weighted average price per share (calculated to the nearest one-hundredth of one cent) of Cabot Microelectronics common stock on the Nasdaq for the consecutive period of five trading days beginning on the seventh trading day immediately preceding the effective time and concluding at the close of trading on the third trading day immediately preceding the effective time.

See "The Merger Agreement Treatment of KMG Equity Awards" beginning on page [     ].

**Q: How will I receive the merger consideration to which I am entitled?**

A: After receiving the proper documentation from you, following completion of the merger, the exchange agent for the merger will forward to you the Cabot Microelectronics common stock and cash to which you are entitled. More information on the documentation you are required to deliver to the exchange agent may be found in the section titled "The Merger Agreement Exchange and Payment Procedures" beginning on page [     ].

**Q: What will happen to KMG as a result of the merger?**

A: If the merger is completed, Merger Sub will be merged with and into KMG, with KMG continuing as the surviving company and a wholly owned subsidiary of Cabot Microelectronics. As a result of the merger, KMG will no longer be a publicly held company. Following the merger, KMG common stock will be delisted from the NYSE and deregistered under the Exchange Act.

**Q: Will the Cabot Microelectronics common stock received at the time of completion of the merger be traded on an exchange?**

A: It is a condition to the consummation of the merger that the shares of Cabot Microelectronics common stock to be issued to KMG shareholders in the merger be approved for listing on The Nasdaq Global Select Market, subject to official notice of issuance.

**Q: When is the merger expected to be completed?**

A: Cabot Microelectronics and KMG currently expect the merger to be completed near the end of calendar year 2018, subject to receipt of required approval from KMG shareholders and subject to the satisfaction or waiver of the other conditions contained in the merger agreement. However, Cabot Microelectronics and KMG cannot predict the actual date on which the merger will be completed because completion is subject to conditions beyond their control and it is possible that such conditions could result in the merger being completed earlier, later or not at all. See the section titled "The Merger Agreement Conditions to Completion of the Merger" beginning on page [     ].

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**Q: What am I being asked to vote on?**

A:

KMG shareholders are being asked to vote upon the following proposals:

1.

**Proposal 1 The Merger Proposal:** the proposal to approve and adopt the merger agreement, which is further described in the sections titled "The Merger" beginning on page [ ] and "The Merger Agreement" beginning on page [ ] and a copy of which is attached to this proxy statement/prospectus as **Annex A**;

2.

**Proposal 2 The Adjournment Proposal:** the proposal to approve the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting (or any adjournment or postponement) to approve the merger proposal; and

3.

**Proposal 3 The Compensation Proposal:** the proposal to approve, by non-binding, advisory vote, certain compensation arrangements for KMG's named executive officers in connection with the merger.

**Q: How does the KMG board of directors recommend that I vote at the special meeting?**

A:

The KMG board of directors unanimously recommends that KMG shareholders vote "**FOR**" the merger proposal, "**FOR**" the adjournment proposal and "**FOR**" the compensation proposal.

**Q: What do I need to do now?**

A:

After carefully reading and considering the information contained in this proxy statement/prospectus, please submit your proxy as soon as possible so that your shares of KMG common stock will be represented and voted at the special meeting. Please follow the instructions set forth on the proxy card or on the voting instruction form provided by the record holder if your shares are held in "street name" by your bank, brokerage firm or other nominee.

**Q: Should I send in my KMG stock certificates now?**

A:

No. Please DO NOT send your KMG stock certificates with your proxy card. If the merger is completed, you will receive shortly after the time the merger is completed written instructions for exchanging your stock certificates for merger consideration.

**Q: Who can vote at the special meeting?**

A:

Only KMG shareholders who held shares of record as of the close of business on [ ], the record date for the special meeting, are entitled to receive notice of and to vote at the special meeting. KMG's official stock ownership records will conclusively determine whether a shareholder is a "holder of record" as of the record date.

**Q: How many votes do I have?**

A:

Each KMG shareholder is entitled to one vote on each matter properly brought before the special meeting for each share of KMG common stock held of record as of the close of business on the record date. As of the close of business on the record date, there were [ ] shares of KMG common stock outstanding and owned by shareholders (*i.e.*, excluding shares of KMG common stock held in treasury by KMG), held by [ ] holders of record.

**Q: What constitutes a quorum for the special meeting?**

A:



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A majority of the shares of KMG common stock outstanding as of the close of business on the record date and entitled to vote, present in person or represented by proxy, at the special meeting

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constitutes a quorum for the purposes of the special meeting. Shares of KMG common stock represented at the special meeting but not voted, including shares of KMG common stock for which a shareholder directs an "abstention" from voting, will be counted for purposes of determining a quorum. A quorum is necessary to transact business at the special meeting. Once a share of KMG common stock is represented at the special meeting, it will be counted for the purpose of determining a quorum at the special meeting and any adjournment of the special meeting. However, if a new record date is set for the adjourned special meeting, then a new quorum will have to be determined.

**Q: What vote is required to approve each proposal to be considered at the KMG special meeting?**

A:

The votes required for each proposal are as follows:

1.

**Proposal 1 The Merger Proposal:** The approval of the proposal to approve and adopt the merger agreement requires the affirmative vote of the holders of at least a majority of the shares of KMG common stock outstanding on the record date.

2.

**Proposal 2 The Adjournment Proposal:** The adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting (or any adjournment or postponement) to approve the proposal to approve and adopt the merger agreement requires the affirmative vote of the holders of a majority of the shares of KMG common stock entitled to vote thereon and present in person or represented by proxy, whether or not a quorum is present.

3.

**Proposal 3 The Compensation Proposal:** The proposal to approve, by non-binding, advisory vote, certain compensation arrangements for KMG's named executive officers in connection with the merger requires the affirmative vote of the holders of a majority of the shares of KMG common stock entitled to vote on the matter at the special meeting and present in person or represented by proxy.

As of the record date, KMG directors and executive officers, as a group, owned and were entitled to vote [ ] shares of KMG common stock, or approximately [ ]% of the outstanding shares of KMG common stock. Christopher T. Fraser, the Chairman of the Board, President and Chief Executive Officer of KMG, and Fred C. Leonard III, a member of KMG's board of directors, have entered into separate voting agreements with Cabot Microelectronics, pursuant to which Mr. Fraser and Mr. Leonard have agreed to, among other matters, vote the shares of KMG common stock held by each of them, representing approximately [ ]% of the shares of KMG common stock outstanding as of the close of business on the record date and entitled to vote at the special meeting, in favor of the merger.

**Q: How are proxies counted and what results from a failure to vote, abstention or broker non-vote?**

A:

**Proposal 1 The Merger Proposal:** Votes to abstain will not be counted as votes cast in favor of the proposal to approve and adopt the merger agreement, but will count for the purpose of determining whether a quorum is present. If you fail to submit a proxy or to vote in person at the special meeting, or if you vote to abstain, it will have the same effect as a vote "AGAINST" the proposal to approve and adopt the merger agreement.

**Proposal 2 The Adjournment Proposal:** If your shares of KMG common stock are present in person at the special meeting, but are not voted on, or if you have given a proxy and abstained on, the proposal to adjourn the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting (or any adjournment or postponement) to approve the proposal to approve and adopt the merger agreement, this will have the same effect as if you voted "AGAINST" the adjournment of the special meeting, if necessary

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or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting (or any adjournment or postponement) to approve the proposal to approve and adopt the merger agreement. If you fail to submit a proxy or vote in person at the special meeting, or there are broker non-votes on the proposal, as applicable, the shares of KMG common stock that are not voted will not be counted in respect of, and will not have an effect on, the vote on the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting (or any adjournment or postponement) to approve the proposal to approve and adopt the merger agreement.

**Proposal 3 The Compensation Proposal:** If your shares of KMG common stock are present in person at the special meeting, but are not voted on this proposal, or if you have given a proxy and abstained on this proposal, this will have the same effect as if you voted "AGAINST" the approval of the proposal. If you fail to submit a proxy or to vote in person at the special meeting, or there are broker non-votes on the proposal, as applicable, the shares of KMG common stock held by you or your bank, brokerage firm or other nominee will not be counted in respect of, and will not have an effect on, the proposal to approve, by non-binding, advisory vote, certain compensation arrangements for KMG's named executive officers in connection with the merger.

**Q: How do I vote or have my shares voted?**

A:

KMG shareholders of record may vote their shares of KMG common stock or submit a proxy to have their shares of KMG common stock voted at the special meeting in one of the following ways:

by telephone or over the Internet, by accessing the telephone number or Internet website specified on the enclosed proxy card. The control number provided on your proxy card is designed to verify your identity when voting by telephone or by Internet. Please be aware that if you vote by telephone or over the Internet, you may incur costs such as telephone and Internet access charges for which you will be responsible;

by completing, signing, dating and returning the enclosed proxy card in the accompanying prepaid reply envelope; or

in person, by attending the special meeting and casting your vote there.

If you are a beneficial owner, you will receive instructions from your bank, brokerage firm or other nominee that you must follow in order to have your shares of KMG common stock voted. Those instructions will identify which of the above choices are available to you in order to have your shares voted. Please note that if you are a beneficial owner and wish to vote in person at the special meeting, you must provide a legal proxy from your bank, brokerage firm or other nominee at the special meeting.

**Q: How will my proxy be voted?**

A:

If you vote by proxy, regardless of the method you choose to vote, the individuals named on the enclosed proxy card, and each of them, with full power of substitution, will vote your shares of KMG common stock in the way that you indicate. When completing the Internet or telephone processes or the proxy card, you may specify whether your shares of KMG common stock should be voted for or against or to abstain from voting on all, some or none of the specific items of business to come before the special meeting.

If you properly sign your proxy card but do not mark the boxes showing how your shares of KMG common stock should be voted on a matter, the shares of KMG common stock represented by your properly signed proxy will be voted "FOR" the proposal to approve and adopt the merger agreement, "FOR" the adjournment of the special meeting, if necessary or appropriate, to solicit

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additional proxies if there are insufficient votes at the time of the special meeting (or any adjournment or postponement) to approve the proposal to approve and adopt the merger agreement, and **"FOR"** the proposal to approve, by non-binding, advisory vote, certain compensation arrangements for KMG's named executive officers in connection with the merger.

**Q: What must I bring to attend the special meeting?**

A:

Only KMG shareholders of record as of the close of business on the record date, their duly authorized proxy holders, beneficial owners with proof of ownership and guests of KMG may attend the special meeting. If your shares of KMG common stock are held through a bank, brokerage firm or other nominee, please bring proof of your beneficial ownership of such shares to the special meeting. Acceptable proof could include an account statement showing that you owned shares of KMG common stock on the record date. If you are the representative of a corporate or institutional shareholder, you must present valid photo identification along with proof that you are the representative of such shareholder. Please note that cameras, recording devices and other electronic devices will not be permitted at the special meeting.

**Q: What is the difference between holding shares as a shareholder of record and in "street name"?**

A:

If your shares of KMG common stock are registered directly in your name with the transfer agent of KMG, Broadridge Corporate Issuer Solutions, you are considered, with respect to those shares of KMG common stock, the shareholder of record. If you are a shareholder of record, this proxy statement/prospectus and the enclosed proxy card have been sent directly to you by KMG.

If your shares of KMG common stock are held through a bank, brokerage firm or other nominee, you are considered the beneficial owner of shares of KMG common stock held in "street name." In that case, this proxy statement/prospectus has been forwarded to you by your bank, brokerage firm or other nominee who is considered, with respect to those shares of KMG common stock, the shareholder of record. As the beneficial owner, you have the right to direct your bank, brokerage firm or other nominee how to vote your shares by following their instructions for voting.

**Q: If my shares are held in "street name" by my bank, brokerage firm or other nominee, will my bank, brokerage firm or other nominee vote my shares for me?**

A:

Under the rules of the NYSE, banks, brokerage firms or other nominees who hold shares in "street name" for customers have the authority to vote on "routine" proposals when they have not received instructions from beneficial owners. However, banks, brokerage firms and other nominees are precluded from exercising their voting discretion with respect to approving non-routine matters such as the approval of the proposal to approve and adopt the merger agreement, the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting (or any adjournment or postponement) to approve the proposal to approve and adopt the merger agreement, and the proposal to approve, by non-binding, advisory vote, certain compensation arrangements for KMG's named executive officers in connection with the merger. As a result, absent specific instructions from the beneficial owner of such shares of KMG common stock, banks, brokerage firms and other nominees are not empowered to vote those shares of KMG common stock on non-routine matters. These broker non-votes will have the same effect as a vote **"AGAINST"** the proposal to approve and adopt the merger agreement, but will not be counted in respect of, and will not have an effect on, the vote on the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting (or any adjournment or postponement) to approve the proposal to approve and adopt the merger agreement, or the proposal to approve, by non-binding, advisory vote, certain compensation arrangements for the named executive officers of KMG in connection with the merger.

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**Q: What should I do if I receive more than one set of voting materials for the special meeting?**

A:

You may receive more than one set of voting materials for the special meeting, including multiple copies of this proxy statement/prospectus and multiple proxy cards or voting instruction cards. For example, if you hold your KMG common stock in more than one brokerage account, you will receive a separate voting instruction card for each brokerage account in which you hold shares. If you are a shareholder of record and your shares are registered in more than one name, you will receive more than one proxy card. Please submit each separate proxy or voting instruction card that you receive by following the instructions set forth in each separate proxy or voting instruction card.

**Q: What do I do if I am a KMG shareholder and I want to revoke my proxy?**

A:

You have the right to revoke a proxy, whether delivered over the Internet, by telephone or by mail, at any time before it is exercised, by voting again at a later date through any of the methods available to you, by attending the special meeting and voting in person, or by giving written notice of revocation to KMG prior to the time the special meeting begins. Written notice of revocation should be mailed to: KMG Chemicals, Inc., Attention: Corporate Secretary, 300 Throckmorton Street, Fort Worth, Texas 76102.

**Q: What happens if I sell my shares of KMG common stock before the special meeting?**

A:

The record date is earlier than both the date of the special meeting and the closing of the merger. If you transfer your shares of KMG common stock after the record date but before the special meeting, you will, unless the transferee requests a proxy from you, retain your right to vote at the special meeting but will transfer the right to receive the per share merger consideration to the person to whom you transfer your shares. In order to receive the merger consideration, you must hold your shares upon completion of the merger.

**Q: Do KMG shareholders have dissenters' rights?**

A:

Yes. KMG shareholders are entitled to dissenters' rights under Chapter 10, Subchapter H of the Texas Business Organizations Code (the "TBOC"), provided they (i) do not vote in favor of the proposal to approve and adopt the merger agreement, (ii) object in writing to the merger prior to the special meeting and (iii) follow the procedures and satisfy the conditions set forth in Chapter 10, Subchapter H of the TBOC. For more information regarding dissenters' rights, see the section titled "Dissenters' Rights of KMG Shareholders" beginning on page [ ]. In addition, a copy of Chapter 10, Subchapter H of the TBOC is attached as **Annex D** to this proxy statement/prospectus. Failure to strictly comply with Chapter 10, Subchapter H of the TBOC may result in your waiver of, or inability to, exercise dissenters' rights.

**Q: Who will solicit and pay the cost of soliciting proxies?**

A:

KMG has engaged Okapi Partners LLC to assist in the solicitation of proxies for the special meeting. KMG estimates that it will pay Okapi Partners LLC a fee of \$30,000 plus an additional fee of \$5.00 per incoming and outgoing telephone contact and telephonic votes received. KMG has agreed to reimburse Okapi Partners LLC for certain out-of-pocket fees and expenses and also will indemnify Okapi Partners LLC against certain claims, costs, damages, liabilities, judgments and expenses. KMG also may reimburse banks, brokerage firms, other nominees or their respective agents for their expenses in forwarding proxy materials to beneficial owners of KMG common stock. KMG's directors, officers and employees also may solicit proxies by telephone, by facsimile, by mail, on the Internet or in person. They will not be paid any additional amounts for soliciting proxies.

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**Q: How can I find more information about Cabot Microelectronics and KMG?**

A:

You can find more information about Cabot Microelectronics and KMG from various sources described in the section titled "Where You Can Find More Information" beginning on page [     ].

**Q: Who can answer any questions I may have about the special meeting or the proxy materials?**

A:

If you have additional questions about the merger, need assistance in submitting your proxy or voting your shares of KMG common stock or need additional copies of this proxy statement/prospectus or the enclosed proxy card, please contact:

**Okapi Partners LLC**  
**1212 Avenue of the Americas, 24th Floor**  
**New York, New York 10036**  
**Banks and Brokerage Firms, Please Call: (212) 297-0720**  
**Shareholders and All Others Call Toll-Free: (855) 305-0856**

**Email: [info@okapipartners.com](mailto:info@okapipartners.com)**

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**SUMMARY**

*The following summary highlights selected information described in more detail elsewhere in this proxy statement/prospectus and the documents incorporated by reference into this proxy statement/prospectus and may not contain all the information that may be important to you. To understand the merger and the matters being voted on by KMG shareholders at the special meeting more fully, and to obtain a more complete description of the legal terms of the merger agreement, you should carefully read this entire proxy statement/prospectus, including the annexes, and the documents to which Cabot Microelectronics and KMG refer you. Each item in this summary includes a page reference directing you to a more complete description of that topic. See "Where You Can Find More Information" beginning on page [ ].*

**The Parties** (see pages [ ] and [ ])

***KMG Chemicals, Inc.***

KMG Chemicals, Inc., a Texas corporation, is headquartered in Fort Worth, Texas. From its facilities in North America, Europe and Asia, KMG produces and distributes specialty chemicals and performance materials for the semiconductor, industrial wood preservation and pipeline and energy markets. KMG common stock trades on the NYSE under the symbol "KMG." The principal executive offices of KMG are located at 300 Throckmorton Street, Fort Worth, Texas 76102, and its telephone number is (817) 761-6100.

***Cabot Microelectronics Corporation***

Cabot Microelectronics Corporation, a Delaware corporation, is the leading supplier of high-performance polishing slurries and second largest supplier of polishing pads used in the manufacture of advanced integrated circuit (IC) devices within the semiconductor industry, in a process called chemical mechanical planarization (CMP). CMP is a polishing process used by IC device manufacturers to planarize or flatten many of the multiple layers of material that are deposited upon silicon wafers in the production of advanced ICs. Cabot Microelectronics' products play a critical role in the production of advanced semiconductor devices, helping to enable its customers to produce smaller, faster and more complex IC devices with fewer defects. Cabot Microelectronics' mission is to create value by delivering high-performing and innovative solutions that solve its customers' challenges. Cabot Microelectronics common stock trades on the Nasdaq under the symbol "CCMP." The principal executive offices of Cabot Microelectronics are located at 870 North Commons Drive, Aurora, Illinois 60504, and its telephone number is (630) 375-6631.

***Cobalt Merger Sub Corporation***

Cobalt Merger Sub Corporation, a Texas corporation and referred to in this proxy statement/prospectus as Merger Sub, is a wholly owned subsidiary of Cabot Microelectronics. Merger Sub was formed by Cabot Microelectronics solely in contemplation of the merger, has not conducted any business and has no assets, liabilities or obligations of any nature other than as set forth in the merger agreement. The principal executive offices of Merger Sub are located at c/o Cabot Microelectronics Corporation, 870 North Commons Drive, Aurora, Illinois 60504, and its telephone number is (630) 375-6631.

**The Merger and the Merger Agreement** (see pages [ ] and [ ])

The terms and conditions of the merger are contained in the merger agreement, a copy of which is attached as **Annex A** to this proxy statement/prospectus. KMG and Cabot Microelectronics encourage you to read the merger agreement carefully and in its entirety, as it is the legal document that governs the merger.

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The merger agreement provides that, subject to the terms and conditions of the merger agreement, Merger Sub will be merged with and into KMG, with KMG surviving the merger as a wholly owned subsidiary of Cabot Microelectronics.

**The Voting Agreements** (see page [     ])

In connection with the merger agreement, Cabot Microelectronics entered into voting agreements with Christopher T. Fraser and Fred C. Leonard III, copies of which are attached as **Annex B** to this proxy statement/prospectus. Pursuant to the voting agreements, each of Messrs. Fraser and Leonard has agreed to vote their shares of KMG common stock in favor of the merger agreement, subject to certain exceptions. As of the record date, Messrs. Fraser and Leonard collectively owned and were entitled to vote [                   ] shares of KMG common stock, or approximately [            ]% of the outstanding shares of KMG common stock.

**Per Share Merger Consideration** (see page [     ])

Upon completion of the merger, each issued and outstanding share of KMG common stock (other than shares (i) held in treasury by KMG or owned by Cabot Microelectronics or Merger Sub (which will be cancelled), (ii) owned by any direct or indirect wholly owned subsidiary of KMG or Cabot Microelectronics (other than Merger Sub) (which will be converted into shares of the surviving company), (iii) owned by shareholders that have complied with the applicable provisions of Chapter 10, Subchapter H of the TBOC, or (iv) underlying KMG restricted stock awards granted after August 14, 2018) will be converted into the right to receive \$55.65 in cash, plus 0.2000 shares of Cabot Microelectronics common stock, in each case, without interest and less any applicable withholding taxes. Each KMG shareholder who would otherwise have been entitled to receive a fractional share of Cabot Microelectronics common stock in the merger will instead receive a cash payment in lieu of such fractional share.

Based on the closing price of Cabot Microelectronics common stock on August 14, 2018, the last full trading day before the public announcement of the merger, the per share value of KMG common stock implied by the per share merger consideration is \$79.93. Based on the closing price of Cabot Microelectronics common stock on [            ], the most recent practicable date prior to the date of this proxy statement/prospectus, the per share value of KMG common stock implied by the per share merger consideration is \$[            ]. The implied value of the per share merger consideration will fluctuate as the market price of Cabot Microelectronics common stock fluctuates because a portion of the per share merger consideration is payable in a fixed number of shares of Cabot Microelectronics common stock. As a result, the value of the per share merger consideration that KMG shareholders will receive upon completion of the merger could be greater than, less than or the same as the value of the merger consideration on the date of this proxy statement/prospectus or at the time of the KMG special meeting. Accordingly, you should obtain current stock price quotations for Cabot Microelectronics common stock and KMG common stock before deciding how to vote with respect to approval of the merger proposal. Cabot Microelectronics common stock trades on the Nasdaq under the symbol "CCMP," and KMG common stock trades on the NYSE under the symbol "KMG."

**KMG Special Meeting** (see page [     ])

***Time, Place and Purpose of the Special Meeting***

The special meeting to consider and vote upon the proposal to approve and adopt the merger agreement will be held on [                   ], [            ], 2018, at [            ][a.m./p.m.] (Central Time), at The Worthington Renaissance Fort Worth Hotel, 200 Main Street, Fort Worth, Texas 76102.

At the special meeting, KMG shareholders will be asked to consider and vote upon (i) a proposal to approve and adopt the merger agreement, (ii) the adjournment of the special meeting, if necessary



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or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting (or any adjournment or postponement) to approve the proposal to approve and adopt the merger agreement and (iii) a proposal to approve, by non-binding, advisory vote, certain compensation arrangements for KMG's named executive officers in connection with the merger.

***Record Date and Quorum***

You are entitled to receive notice of, and to vote at, the special meeting if you owned shares of KMG common stock as of the close of business on [ ], 2018, the record date. On the record date, there were [ ] shares of KMG common stock outstanding and entitled to vote. You will have one vote on all matters properly coming before the special meeting for each share of KMG common stock that you owned on the record date.

A majority of the shares of KMG common stock outstanding as of the close of business on the record date and entitled to vote, present in person or represented by proxy, at the special meeting constitutes a quorum for the purposes of the special meeting. Shares of KMG common stock represented at the special meeting but not voted, including shares of KMG common stock for which a shareholder directs an "abstention" from voting, will be counted for purposes of determining a quorum. A quorum is necessary to transact business at the special meeting. Once a share of KMG common stock is represented at the special meeting, it will be counted for the purpose of determining a quorum at the special meeting and any adjournment of the special meeting. However, if a new record date is set for the adjourned special meeting, then a new quorum will have to be determined.

***Required Vote***

The approval of the proposal to approve and adopt the merger agreement requires the affirmative vote of the holders of at least a majority of the shares of KMG common stock outstanding on the record date. Votes to abstain will not be counted as votes cast in favor of the proposal to approve and adopt the merger agreement, but will count for the purpose of determining whether a quorum is present. If you fail to submit a proxy or to vote in person at the special meeting, or if you vote to abstain, it will have the same effect as a vote "**AGAINST**" the proposal to approve and adopt the merger agreement.

Approval of the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting (or any adjournment or postponement) to approve the proposal to approve and adopt the merger agreement will require the affirmative vote of the holders of a majority of the shares of KMG common stock entitled to vote thereon and present in person or represented by proxy, whether or not a quorum is present. For purposes of the vote on the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting (or any adjournment or postponement) to approve the proposal to approve and adopt the merger agreement, if your shares of KMG common stock are present in person at the special meeting but are not voted on, or if you have given a proxy and abstained on, the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting (or any adjournment or postponement) to approve the proposal to approve and adopt the merger agreement, this will have the same effect as if you voted "**AGAINST**" the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting (or any adjournment or postponement) to approve the proposal to approve and adopt the merger agreement. If you fail to submit a proxy or vote in person at the special meeting, or there are broker non-votes on the issue, as applicable, the shares of KMG common stock that are not voted will not be counted in respect of, and will not have an effect on, the vote on the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies if there are

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insufficient votes at the time of the special meeting (or any adjournment or postponement) to approve the proposal to approve and adopt the merger agreement.

The approval of the proposal to approve, by non-binding, advisory vote, certain compensation arrangements for KMG's named executive officers in connection with the merger requires the affirmative vote of the holders of a majority of the shares of KMG common stock entitled to vote on the matter at the special meeting and present in person or represented by proxy. For purposes of the proposal, if your shares of KMG common stock are present in person at the special meeting but are not voted on this proposal, or if you have given a proxy and abstained on this proposal, this will have the same effect as if you voted "**AGAINST**" the approval of the proposal. If you fail to submit a proxy or to vote in person at the special meeting, or there are broker non-votes on the issue, as applicable, the shares of KMG common stock held by you or your bank, brokerage firm or other nominee will not be counted in respect of, and will not have an effect on, the proposal to approve, by non-binding, advisory vote, certain compensation arrangements for KMG's named executive officers in connection with the merger.

As of the record date, the directors and executive officers of KMG were entitled to vote, in the aggregate, [ ] shares of KMG common stock, representing [ ]% of the outstanding shares of KMG common stock as of the close of business on the record date. The directors and executive officers of KMG have informed KMG that they currently intend to vote all such shares of KMG common stock "**FOR**" the proposal to approve and adopt the merger agreement, "**FOR**" the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting (or any adjournment or postponement) to approve the proposal to approve and adopt the merger agreement and "**FOR**" the proposal to approve, by non-binding, advisory vote, certain compensation arrangements for KMG's named executive officers in connection with the merger.

*Proxies and Revocations*

Any shareholder of record entitled to vote at the special meeting may submit a proxy by telephone, over the Internet, by returning the enclosed proxy card in the accompanying prepaid reply envelope or may vote in person by appearing at the special meeting. If your shares of KMG common stock are held in "street name" through a bank, brokerage firm or other nominee, you should instruct your bank, brokerage firm or other nominee on how to vote your shares of KMG common stock using the instructions provided by your bank, brokerage firm or other nominee. If you fail to submit a proxy or to vote in person at the special meeting, or do not provide your bank, brokerage firm or other nominee with instructions as to how to vote your shares, as applicable, your shares of KMG common stock will not be voted on the approval of the proposal to approve and adopt the merger agreement, which will have the same effect as a vote "**AGAINST**" the proposal to approve and adopt the merger agreement, and your shares of KMG common stock will not have an effect on the vote to adjourn the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting (or any adjournment or postponement) to approve the proposal to approve and adopt the merger agreement or on the proposal to approve, by non-binding, advisory vote, certain compensation arrangements for KMG's named executive officers in connection with the merger. Please note that if you are a beneficial owner and wish to vote in person at the special meeting, you must provide a legal proxy from your bank, brokerage firm or other nominee at the special meeting.

You have the right to revoke a proxy, whether delivered by telephone, over the Internet or by mail, at any time before it is exercised, by voting again at a later date through any of the methods available to you, by attending the special meeting and voting in person, or by giving written notice of revocation to KMG prior to the time the special meeting begins. Written notice of revocation should be mailed to: KMG Chemicals, Inc., Attention: Corporate Secretary, 300 Throckmorton Street, Fort Worth, Texas 76102.

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**KMG's Reasons for the Merger; Recommendation of the KMG Board of Directors** (see page [     ])

After careful evaluation of the merger agreement and the transactions contemplated thereby, including the merger, the KMG board of directors unanimously determined that the merger agreement and the transactions contemplated thereby, including the merger, are in the best interests of KMG and its shareholders and approved and declared advisable the merger agreement and the other transactions contemplated thereby, including the merger.

**The KMG board of directors unanimously recommends that KMG shareholders vote "FOR" the proposal to approve and adopt the merger agreement, "FOR" the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting (or any adjournment or postponement) to approve the proposal to approve and adopt the merger agreement and "FOR" the proposal to approve, by non-binding, advisory vote, certain compensation arrangements for KMG's named executive officers in connection with the merger.**

In the course of reaching its recommendation, the KMG board of directors consulted with KMG's senior management and financial advisor, KeyBanc Capital Markets Inc. ("KBCM") and outside legal counsel and considered a number of factors. See "The Merger KMG's Reasons for the Merger; Recommendation of the KMG Board of Directors" beginning on page [     ].

**Opinion of KeyBanc Capital Markets Inc. (KBCM)** (see page [     ])

KBCM was retained by the KMG board of directors to act as financial advisor in connection with the merger. On August 14, 2018, KBCM rendered its oral opinion, which was subsequently confirmed in a written opinion dated August 14, 2018, to the KMG board of directors to the effect that, as of such date, and based upon and subject to the assumptions made, procedures followed, matters considered and qualifications and limitations on the scope of review undertaken by KBCM as set forth in its written opinion, the merger consideration to be paid to the holders of KMG common stock pursuant to the merger agreement was fair from a financial point of view to such holders of KMG common stock.

The full text of KBMC's written opinion to the KMG board of directors, dated August 14, 2018, is attached to this proxy statement/prospectus as **Annex C** and is incorporated by reference herein. The written opinion sets forth, among other things, the assumptions made, procedures followed, matters considered and limitations and qualifications of the review undertaken by KBMC in rendering its opinion. You should read the written opinion carefully in its entirety. The opinion was provided to the KMG board of directors and addresses only, as of the date of the written opinion, the fairness, from a financial point of view, of the merger consideration to be paid to the holders of the KMG common stock pursuant to the merger agreement, and it does not address any other aspect of the proposed transaction. It does not constitute a recommendation as to how any shareholder should vote with respect to the merger or any other matter, and does not in any manner address the price at which the KMG common stock or Cabot Microelectronics common stock will trade at any future time. The summary of the written opinion set forth herein is qualified in its entirety by reference to the full text of the written opinion. See the section entitled "The Merger Opinion of KeyBanc Capital Markets Inc. (KBCM)" beginning on page [     ] of this proxy statement/prospectus.

**Interests of KMG's Directors and Executive Officers in the Merger** (see page [     ])

The directors and executive officers of KMG may have interests in the merger that are different from or in addition to those of KMG shareholders generally. These interests include the continued employment of certain executive officers of KMG, the treatment in the merger of performance-based and time-based awards granted under any agreement, which we refer to as KMG equity awards, annual bonus and retention bonus awards, employment agreements, the executive severance plan and other rights held by KMG's directors and executive officers, and the indemnification of former KMG

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directors and officers by Cabot Microelectronics. The KMG board was aware of and considered these interests when it declared advisable the merger agreement and the transactions contemplated thereby, including the merger and the voting agreements, determined that the terms of the merger agreement, and the transactions contemplated by the merger agreement, including the merger, were in the best interests of KMG and its shareholders, and recommended that KMG shareholders approve and adopt the merger agreement and the transactions contemplated thereby, including the merger. See the sections entitled "The Merger Interests of KMG, Directors and Executive Officers in the Merger" beginning on page [ ] of this proxy statement/prospectus and "Proposal 3: The Compensation Proposal" beginning on page [ ] of this proxy statement/prospectus.

**Material U.S. Federal Income Tax Consequences of the Merger** (see page [ ])

The receipt of cash and shares of Cabot Microelectronics common stock pursuant to the merger will be a taxable transaction for U.S. federal income tax purposes. For U.S. federal income tax purposes, a U.S. holder (as defined below in the section titled "The Merger Material U.S. Federal Income Tax Consequences" beginning on page [ ]) will generally recognize gain or loss equal to the difference, if any, between (i) the sum of the cash and the fair market value (as of the effective time) of the Cabot Microelectronics common stock received in the merger and (ii) the U.S. holder's adjusted tax basis in the KMG common stock surrendered in exchange therefor. Non-U.S. holders (as defined below in the section titled "The Merger Material U.S. Federal Income Tax Consequences" beginning on page [ ]) that receive the per share merger consideration pursuant to the merger may be subject to U.S. withholding tax with respect to any cash received.

Each holder of KMG common stock should read the discussion under "The Merger Material U.S. Federal Income Tax Consequences" beginning on page [ ] for a more complete discussion of the U.S. federal income tax consequences of the merger. Tax matters can be complicated, and the tax consequences of the merger to a particular holder of KMG common stock will depend on such holder's particular facts and circumstances. Holders of KMG common stock should consult their own tax advisors to determine the specific consequences to them of exchanging their shares of KMG common stock for cash and shares of Cabot Microelectronics common stock pursuant to the merger.

**Accounting Treatment of the Merger** (see page [ ])

Cabot Microelectronics prepares its financial statements in accordance with accounting principles generally accepted in the United States of America (referred to in this proxy statement/prospectus as GAAP). The merger will be accounted for using the acquisition method of accounting. Cabot Microelectronics will be treated as the acquirer for accounting purposes.

**Regulatory Approvals Required to Complete the Merger** (see pages [ ] and [ ])

Under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (as amended, the "HSR Act"), and the rules and regulations promulgated thereunder by the Federal Trade Commission (the "FTC"), the merger cannot be consummated until notifications have been submitted and certain information has been furnished to the Antitrust Division of the U.S. Department of Justice (the "Antitrust Division") and the FTC, and specified waiting period requirements have been satisfied. Cabot Microelectronics and KMG each filed a pre-merger notification and report form pursuant to the HSR Act with the Antitrust Division and the FTC on August 23, 2018. On September 4, 2018, Cabot Microelectronics and KMG each received notice that the FTC granted early termination of the applicable waiting period under the HSR Act. Accordingly, the regulatory condition relating to the expiration or termination of the waiting period (and any extension thereof) under the HSR Act in respect of the merger has been satisfied.

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Cabot Microelectronics and KMG have agreed to use reasonable best efforts to obtain as promptly as reasonably practicable any consents and approvals of, or the expiration of waiting periods applicable to, any third party, including any governmental entity, necessary, proper or advisable in connection with the merger, subject to limitations as set forth in the merger agreement. See "The Merger Agreement Regulatory Approvals" beginning on page [ ] of this proxy statement/prospectus.

**Expected Timing of Merger**

Cabot Microelectronics and KMG currently expect the merger to be completed near the end of calendar year 2018, subject to receipt of required approval from KMG shareholders and subject to the satisfaction or waiver of the other conditions contained in the merger agreement. However, Cabot Microelectronics and KMG cannot predict the actual date on which the merger will be completed because completion is subject to conditions beyond their control and it is possible that such conditions could result in the merger being completed earlier, later or not at all, as described in more detail in the section titled "The Merger Agreement Conditions to Completion of the Merger" beginning on page [ ].

**Treatment of KMG Equity Awards** (see pages [ ] and [ ])

Immediately prior to the effective time, each restricted stock unit award relating to shares of KMG common stock that was granted prior to August 14, 2018 and that is outstanding as of immediately prior to the effective time will fully vest (with any applicable performance metrics deemed satisfied based on the level of achievement specified in the applicable award agreement) and be cancelled and converted in exchange for the right to receive the merger consideration in respect of each share of KMG common stock underlying the applicable restricted stock unit award.

Immediately prior to the effective time, each restricted unit award relating to shares of KMG common stock that was granted on or following August 14, 2018 and that is outstanding as of immediately prior to the effective time will be assumed by Cabot Microelectronics and converted into a restricted stock unit award relating to a number of shares of Cabot Microelectronics common stock (rounded to the nearest whole share) equal to (i) the number of shares of KMG common stock subject to such KMG restricted stock unit award immediately prior to the effective time, multiplied by (ii) the "equity award exchange ratio" (defined below). The assumed restricted stock unit awards will be subject to the same terms and conditions as were applicable to the corresponding KMG equity award immediately prior to the effective time (including vesting terms). The "equity award exchange ratio" means the sum of (a) 0.2000 and (b) the quotient (rounded to four decimal places) obtained by dividing (x) \$55.65 by (y) the volume weighted average price per share (calculated to the nearest one-hundredth of one cent) of Cabot Microelectronics common stock on the Nasdaq for the consecutive period of five trading days beginning on the seventh trading day immediately preceding the effective time and concluding at the close of trading on the third trading day immediately preceding the effective time.

**Financing of the Merger** (see pages [ ] and [ ])

Consummation of the merger is not conditioned upon Cabot Microelectronics' ability to obtain financing. Cabot Microelectronics expects to use cash on hand and debt financing to fund the cash component of the merger consideration.

In connection with the execution of the merger agreement, Cabot Microelectronics entered into a commitment letter, dated as of August 14, 2018 (the "commitment letter"), with JPMorgan Chase Bank, N.A., Bank of America, N.A., Goldman Sachs Bank USA and Merrill Lynch, Pierce, Fenner & Smith Incorporated (together, the "commitment parties"), pursuant to which the commitment parties have committed to arrange and provide, subject to the terms and conditions set forth in the

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commitment letter, a senior secured revolving credit facility in an aggregate principal amount of up to \$200,000,000 (the "revolver") and a senior secured term loan facility in an aggregate principal amount of up to \$1,065,000,000 (the "term loan").

Prior to or simultaneously with the consummation of the merger, Cabot Microelectronics expects to execute definitive documentation with respect to the revolver and term loan on the terms set forth in the commitment letter. The proceeds of the term loan and, subject to certain limitations, the revolver may be used to finance the merger, repay certain existing indebtedness of Cabot Microelectronics and KMG, to pay fees and expenses related to the merger and for general corporate purposes.

**Listing of Cabot Microelectronics Common Stock; Delisting of KMG Common Stock** (see page [     ])

It is a condition to the consummation of the merger that the shares of Cabot Microelectronics common stock to be issued to KMG shareholders in the merger be approved for listing on the Nasdaq, subject to official notice of issuance. As a result of the merger, shares of KMG common stock will cease to be listed on the NYSE.

**Dissenters' Rights of KMG Shareholders** (see page [     ])

The holders of KMG common stock have the right under Texas law to dissent from the merger and have the appraised fair value of their shares of KMG common stock as of the date immediately preceding the effective date of the merger paid to them in cash. The appraised fair value of any particular number of shares of KMG common stock as of such date may be more or less than the value of the merger consideration that a holder of that particular number of shares of KMG common stock would be issued in the merger in exchange for that particular number of shares of KMG common stock pursuant to the merger agreement.

In order to dissent, the holder of KMG common stock must carefully follow the requirements under Chapter 10, Subchapter H of the TBOC governing dissenters' rights, including providing KMG, prior to the KMG special meeting, with a written objection to the merger that states that he or she will exercise his or her right to dissent with respect to his or her shares of KMG common stock if the holders of the KMG common stock approve and adopt the merger agreement and the merger is completed. The provisions of the TBOC pertaining to dissenters' rights are attached to this proxy statement/prospectus as **Annex D** and the summaries of those provisions in this proxy statement/prospectus should be read in conjunction with, and are qualified in their entirety by, those provisions of the TBOC. Persons having beneficial interests in KMG common stock held of record in the name of another person, such as a broker, bank or other nominee, must act promptly to cause the record holder to take the actions required under Texas law to exercise their dissenter's rights.

If you intend to exercise dissenters' rights as to shares of KMG common stock that you hold, you should read the provisions of the TBOC governing dissenters' rights carefully and consult with your own legal counsel. Each holder of KMG common stock should also remember that if he or she returns a signed proxy card, but fails to provide instructions on that proxy card as to how his or her shares of KMG common stock are to be voted against the approval of the merger agreement and the merger, such KMG shareholder's shares of KMG common stock will be considered to have voted in favor of the merger agreement and the merger. In that event, such KMG shareholder will not be able to assert dissenters' rights as to his or her shares of KMG common stock.

If the KMG shareholders approve and adopt the merger agreement, a holder of KMG common stock who (i) delivers to the president and the secretary of KMG a written objection to the merger prior to the KMG special meeting that states that such holder will exercise his or her right to dissent if the merger agreement and the merger are approved and the merger is completed and includes an address for notice of the effectiveness of the merger, (ii) votes his or her shares of KMG common

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stock against approval of the merger agreement and the merger are at the KMG special meeting, (iii) not later than the 20th day after Cabot Microelectronics sends such holder notice that the merger was completed, delivers to the president and secretary of Cabot Microelectronics a written demand for payment of the fair value of his or her shares of KMG common stock, which demand states he or she holds shares of KMG common stock and states the number of shares of KMG common stock such holder owns, his or her estimate of the fair value of such shares and an address to which a notice relating to the dissent and appraisal procedures may be sent, and (iv) not later than the 20th day after he or she makes that demand for payment, submits to Cabot Microelectronics the certificates representing his or her shares of KMG common stock will be entitled under the TBOC to receive the appraised fair value of his or her shares of KMG common stock as of the date immediately prior to the effective time of the merger.

**No Solicitation of KMG Takeover Proposals** (see page [     ])

As more fully described in this proxy statement/prospectus and in the merger agreement, and subject to the exceptions summarized below, KMG has agreed that it will not (i) solicit, initiate or knowingly encourage or knowingly facilitate any inquiry regarding, or the making of any proposal or offer that constitutes, or would reasonably be expected to lead to, a KMG takeover proposal (as defined on page [     ]), (ii) engage in, continue or otherwise participate in any discussions or negotiations, or furnish to any other person any information in connection with a KMG takeover proposal or (iii) approve, adopt, recommend or enter into (or propose to do any of the foregoing) any letter of intent, agreement or commitment with respect to a KMG takeover proposal.

Notwithstanding the foregoing restrictions, if at any time prior to obtaining the approval of the KMG shareholders of the proposal to approve and adopt the merger agreement, KMG receives a written, bona fide, unsolicited takeover proposal that did not result from a material breach of KMG's non-solicitation obligations, KMG may (i) furnish information with respect to KMG to the party making the KMG takeover proposal (subject to certain conditions and obligations described below) and (ii) engage in discussions or negotiations with the party making such KMG takeover proposal, if, and only if, the KMG board of directors determines in good faith, after consultation with its independent financial advisor and outside legal counsel, that the KMG takeover proposal constitutes or would reasonably be expected to lead to a KMG superior proposal (as defined on page [     ]) and that the failure to take such action would be inconsistent with the KMG board of directors' fiduciary duties under applicable law.

KMG agreed to promptly (and in any event within 24 hours) notify Cabot Microelectronics if the KMG board of directors makes a determination that a KMG takeover proposal constitutes or is reasonably expected to lead to a KMG superior proposal or if KMG furnishes nonpublic information and/or enters into discussions or negotiations with a person making a KMG takeover proposal.

KMG also agreed to promptly (and in any event within 24 hours after, to the knowledge of KMG, its receipt) notify Cabot Microelectronics of the receipt of a KMG takeover proposal or any request for information relating to KMG or other inquiry or communication that is reasonably likely to lead to a KMG takeover proposal. Such notice must include the identity of the person or persons making the KMG takeover proposal (or the related proposal or inquiry) and the material terms thereof. Further, after giving such a notice, KMG must keep Cabot Microelectronics reasonably informed, on a current basis, as to the status of any KMG takeover proposal (including any material developments, discussions or negotiations related thereto) by promptly (and in any event within 24 hours after receipt) providing Cabot Microelectronics copies of any correspondence, proposals, indications of interest, and/or draft agreements relating to such KMG takeover proposal.

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**Changes in Board Recommendation** (see page [     ])

The merger agreement provides that, subject to certain exceptions, the KMG board of directors will not (i) fail to include the KMG board of directors recommendation in this proxy statement/prospectus; (ii) change, qualify, withhold, withdraw or modify the KMG board of directors recommendation (or authorize or publicly propose to do so); (iii) fail to recommend against any KMG takeover proposal that is a tender or exchange offer within ten business days of such tender or exchange offer; or (iv) adopt, approve or recommend to KMG shareholders a KMG takeover proposal (or resolve or publicly propose or announce its intention to do so).

However, at any time before approval by KMG shareholders of the proposal to approve and adopt the merger agreement is obtained, the KMG board of directors may, with respect to a bona fide, unsolicited KMG takeover proposal that did not result from a material breach by KMG of its non-solicitation obligations under the merger agreement, make a KMG adverse recommendation change (following compliance with the obligation to provide an opportunity to Cabot Microelectronics to make a revised proposal as described below), if, and only if, the KMG board of directors determines in good faith, after consultation with KMG's independent financial advisors and outside legal counsel, that (i) such KMG takeover proposal constitutes a KMG superior proposal or (ii) the failure to make a KMG adverse recommendation change would be inconsistent with the KMG board of directors' fiduciary duties under applicable law.

In addition, at any time before approval by KMG shareholders of the proposal to approve and adopt the merger agreement is obtained, the KMG board of directors may, in response to a KMG intervening event (as defined on page [     ]), make a KMG adverse recommendation change (following compliance with the obligation to provide an opportunity to Cabot Microelectronics to make a revised proposal), if, and only if, the KMG board of directors determines in good faith, after consultation with KMG's independent financial advisors and outside legal counsel, that the failure to make a KMG adverse recommendation change would be inconsistent with the KMG board of directors' fiduciary duties under applicable law.

Prior to making any KMG adverse recommendation change, (i) the KMG board of directors must provide Cabot Microelectronics four business days' prior written notice of any intention to take such action (specifying, among other things, the identity of the person making a KMG takeover proposal and copies of the related agreements, if any, or the KMG intervening event, as applicable); (ii) during the four business days following the delivery of such written notice, KMG must consider in good faith any revisions or changes to the merger agreement or the merger proposed by Cabot Microelectronics; and (iii) after the four business days, the KMG board of directors must conclude, after consultation with independent financial advisors and outside legal counsel, that even if the revisions committed to in writing by Cabot Microelectronics were to be accepted by KMG, the failure to make a KMG adverse recommendation change would be inconsistent with the fiduciary duties of the KMG board of directors and, in the case of a KMG takeover proposal, that the proposal continues to constitute a KMG superior proposal.

**Conditions to Completion of the Merger** (see page [     ])

The obligations of each of KMG and Cabot Microelectronics to effect the merger are subject to the satisfaction or waiver of the following conditions:

the approval and adoption of the merger agreement by the holders of at least a majority of the shares of the KMG common stock outstanding on the record date must have been obtained;

the registration statement on Form S-4 of which this prospectus/proxy statement forms a part must have been declared effective by the SEC under the Securities Act and no stop order



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suspending the effectiveness of the Form S-4 may be in effect and no proceedings for that purpose may be initiated by the SEC;

no court or other governmental entity may have entered or issued an order, writ, injunction, judgment, decree, ruling, directive or award, or adopted or enacted a law, that prohibits, enjoins or makes illegal the consummation of the merger;

the waiting period (or extensions thereof) applicable to the merger under the HSR Act must have expired or been terminated;

shares of Cabot Microelectronics common stock that will be issued in connection with the merger must have been approved for listing on the Nasdaq, subject to official notice of issuance;

the other party must have performed or complied in all material respects with its covenants;

subject to certain exceptions and materiality standards provided in the merger agreement, the representations and warranties of the other party must be true and correct at and as of the closing date as though made at and as of the closing date (except if made as of an earlier date, in which case as of such date);

since the date of the merger agreement, there must not have been any fact, change, circumstance, event, occurrence, condition or development that has had or would reasonably be expected to have, individually or in the aggregate, a material adverse effect (as defined in the merger agreement) on the other party; and

the other party must have delivered to the party a certificate, dated as of the closing date and signed by its chief executive officer or another senior officer, certifying to the effect that the preceding three conditions have been met.

Neither Cabot Microelectronics nor KMG can be certain when, or if, the conditions to the merger will be satisfied or waived, or that the merger will be completed.

### **Termination of the Merger Agreement** (see page [     ])

Cabot Microelectronics and KMG may mutually agree to terminate the merger agreement before completing the merger, whether before or after the receipt of KMG shareholder approval of the merger proposal.

Either Cabot Microelectronics or KMG may terminate the merger agreement, whether before or after the receipt of KMG shareholder approval of the merger proposal:

if the merger has not been consummated by February 14, 2019 (which deadline may be extended, under certain circumstances, to May 14, 2019) (such date, as it may be extended, the "end date");

if a governmental entity of competent jurisdiction has entered or issued a final and nonappealable order or adopted or enacted a law that permanently restrains, enjoins or makes illegal consummation of the merger;

if the approval of the proposal to approve and adopt the merger agreement by KMG shareholders has not been obtained upon a vote on the approval of the merger proposal at the special meeting (including any postponement or adjournment thereof);  
or

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if the other party has materially breached any of its representations, warranties, covenants or agreements contained in the merger agreement and such breach (i) would result in the failure of the terminating party's conditions to closing and (ii) is not curable or is not cured by the earlier of the end date and the date that is 30 business days following written notice describing such breach in reasonable detail.

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Cabot Microelectronics may also terminate the merger agreement, prior to receipt of approval of the merger proposal by KMG shareholders, if (i) a KMG adverse recommendation change occurs or (ii) KMG is in material and willful breach of its non-solicitation obligations or its obligations to hold the special meeting under the merger agreement and such breach is not curable or is not cured by the earlier of the end date and the date that is 30 business days following written notice describing such breach in reasonable detail.

**Expenses and Termination Fees Relating to the Merger** (see page [     ])

KMG must pay Cabot Microelectronics a termination fee of \$38,765,000 if the merger agreement is terminated in certain circumstances involving an adverse recommendation change, a breach of KMG's non-solicitation obligations or obligations relating to the KMG special meeting under the merger agreement. In addition, in the event that the merger agreement is terminated because (i) the merger is not consummated prior to the End Date, (ii) the KMG shareholder approval has not been obtained at the special meeting of KMG shareholders, or (iii) KMG materially and willfully breaches any of its representations, warranties, covenants or agreements, and in any such case (a) a competing takeover proposal has been publicly announced or disclosed prior to such termination and (b) within 12 months after such termination, KMG enters into a definitive agreement with respect to, or consummates, the announced or disclosed KMG takeover proposal (in each case with references to 25% in the definition of a KMG takeover proposal being replaced by 50% for this purpose) the termination fee is also payable.

All other expenses relating to the merger will generally be paid by the party incurring or required to incur the expense; except that KMG and Cabot Microelectronics will each pay one-half of all filing fees required under the HSR Act and filing fees and printing and mailing costs for this proxy statement/prospectus.

**Comparison of Rights of Common Stockholders of Cabot Microelectronics and Common Shareholders of KMG** (see page [     ])

KMG shareholders receiving shares of Cabot Microelectronics common stock in the merger will have different rights once they become stockholders of Cabot Microelectronics due to differences between the governing corporate documents and corporate state laws applicable to KMG and Cabot Microelectronics.

**Risk Factors** (see page [     ])

You should consider all the information contained in or incorporated by reference into this proxy statement/prospectus in deciding how to vote for the proposals presented in this proxy statement/prospectus.

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**SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA OF CABOT MICROELECTRONICS**

The following selected historical consolidated financial data of Cabot Microelectronics for each of the fiscal years during the three-year period ended September 30, 2017, and the selected historical consolidated balance sheet data as of September 30, 2017 and 2016 have been derived from Cabot Microelectronics' audited consolidated financial statements as of and for the fiscal year ended September 30, 2017 contained in Cabot Microelectronics' Annual Report on Form 10-K for the fiscal year ended September 30, 2017, which is incorporated by reference into this proxy statement/prospectus. From this same report, the following selected historical consolidated financial data for each of the fiscal years ended September 30, 2014 and 2013 and the selected balance sheet data as of September 30, 2015, 2014 and 2013 have been derived from Cabot Microelectronics' unaudited selected financial summary table.

The following unaudited selected financial data for Cabot Microelectronics as of June 30, 2018, and for the nine months ended June 30, 2018 and 2017, are derived from Cabot Microelectronics' unaudited condensed consolidated financial statements and accompanying notes, which are contained in Cabot Microelectronics' Quarterly Report on Form 10-Q for the quarter ended June 30, 2018, which is incorporated by reference into this proxy statement/prospectus. The following unaudited selected financial data as of June 30, 2017 is derived from Cabot Microelectronics' unaudited condensed consolidated financial statements for the quarter ended June 30, 2017, which have previously been filed with the SEC but which are not incorporated by reference into this proxy statement/prospectus. The unaudited financial data presented have been prepared on a basis consistent with Cabot Microelectronics' audited consolidated financial statements. In the opinion of Cabot Microelectronics' management, such unaudited financial data reflect all adjustments, consisting only of normal and recurring adjustments, necessary for a fair statement of the results for those periods. The results of operations for the interim periods are not necessarily indicative of the results to be expected for the full year or any future period.

The information set forth below is only a summary and is not necessarily indicative of the results of future operations of Cabot Microelectronics, including following completion of the merger, and you should read the following information together with Cabot Microelectronics' consolidated financial statements, the related notes and the sections titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" contained in Cabot Microelectronics' Annual Report on Form 10-K for the fiscal year ended September 30, 2017 and in its Quarterly Reports on Form 10-Q for the quarters ended December 31, 2017, March 31, 2018 and June 30, 2018, which are incorporated by reference into this proxy statement/prospectus, and in Cabot Microelectronics' other reports filed with the SEC. For more information, see the section titled "Where You Can Find More Information" beginning on page [     ].

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**CABOT MICROELECTRONICS CORPORATION AND SUBSIDIARIES**  
**SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA**  
(Dollar Amounts in Thousands, Except Per Share Data)

	Nine Months Ended June 30,			Year Ended September 30,			
	2018	2017	2017	2016	2015	2014	2013
<b>Consolidated Statement of</b>							
<b>Income data:</b>							
Revenue	\$ 433,394	\$ 370,395	\$ 507,179	\$ 430,449	\$ 414,097	\$ 424,666	\$ 433,131
Gross profit	229,759	184,079	254,129	210,202	212,231	203,093	212,116
Income before income taxes	116,688	76,659	109,372	70,438	71,197	68,594	74,220
Net income	61,825	60,450	86,952	59,849	56,146	50,751	52,578
<b>Net income per share</b>							
Basic earnings per share (in dollars per share)	2.42	2.42	3.47	2.47	2.32	2.12	2.27
Diluted earnings per share (in dollars per share)	2.35	2.37	3.40	2.43	2.26	2.04	2.19
Dividends per share (in dollars per share)	1.00	0.58	0.78	0.54			
<b>Balance Sheet data:</b>							
Cash and cash equivalents	\$ 186,124	\$ 363,902	\$ 397,890	\$ 287,479	\$ 354,190	\$ 284,155	\$ 226,029
Total assets	\$ 759,482	\$ 801,274	\$ 834,100	\$ 727,230	\$ 660,474	\$ 601,167	\$ 551,592
Long-term debt	\$	\$ 137,309	\$ 132,997	\$ 146,961	\$ 155,313	\$ 164,063	\$ 150,937
Total stockholders' equity	\$ 634,181	\$ 575,022	\$ 595,037	\$ 497,648	\$ 428,964	\$ 372,002	\$ 323,442

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**SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA OF KMG**

The following selected historical consolidated financial data of KMG for each of the fiscal years during the three-year period ended July 31, 2017, and the selected historical consolidated balance sheet data as of July 31, 2017 and 2016 have been derived from KMG's audited consolidated financial statements as of and for the fiscal year ended July 31, 2017 contained in KMG's Annual Report on Form 10-K for the fiscal year ended July 31, 2017, which is incorporated by reference into this proxy statement/prospectus. The following selected historical consolidated financial data for each of the fiscal years ended July 31, 2014 and 2013 and the selected balance sheet data as of July 31, 2015, 2014 and 2013 have been derived from KMG's audited consolidated financial statements as of and for such years contained in KMG's other reports filed with the SEC, which are not incorporated by reference into this proxy statement/prospectus.

The following unaudited selected financial data for KMG as of April 30, 2018, and for the nine months ended April 30, 2018 and 2017, are derived from KMG's unaudited condensed consolidated financial statements and accompanying notes, which are contained in KMG's Quarterly Report on Form 10-Q for the quarter ended April 30, 2018, which is incorporated by reference into this proxy statement/prospectus. The following unaudited selected financial data as of April 30, 2017 is derived from KMG's unaudited condensed consolidated financial statements for the quarter ended April 30, 2017, which have previously been filed with the SEC but which are not incorporated by reference into this proxy statement/prospectus. The unaudited financial data presented have been prepared on a basis consistent with KMG's audited consolidated financial statements. In the opinion of KMG's management, such unaudited financial data reflect all adjustments, consisting only of normal and recurring adjustments, necessary for a fair presentation of the results for those periods. The results of operations of Flowchem Holdings LLC ("Flowchem") have been included in KMG's results of operations for the period subsequent to the completion of the acquisition of Flowchem by KMG on June 15, 2017. The results of operations for the interim periods are not necessarily indicative of the results to be expected for the full year or any future period.

The information set forth below is only a summary and is not necessarily indicative of the results of future operations of KMG, including following completion of the merger, and you should read the following information together with KMG's consolidated financial statements, the related notes and the sections titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" contained in KMG's Annual Report on Form 10-K for the fiscal year ended July 31, 2017 and in its Quarterly Reports on Form 10-Q for the quarters ended October 31, 2017, January 31, 2018 and April 30, 2018, which are incorporated by reference into this proxy statement/prospectus, and in KMG's other reports filed with the SEC. For more information, see the section titled "Where You Can Find More Information" beginning on page [    ].

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**KMG CHEMICALS, INC.**  
**SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA**  
**(Dollar Amounts in Thousands, Except Per Share Data)**

	Nine Months Ended April 30,		Year Ended July 31,				
	2018	2017	2017	2016	2015	2014	2013
<b>Income Statement Data:</b>							
Net sales	\$ 343,162	\$ 237,182	\$ 333,442	\$ 297,978	\$ 320,498	\$ 353,406	\$ 263,311
Gross profit	146,226	93,395	130,138	115,508	109,477	103,499	76,470
Income from continuing operations before income taxes	46,323	26,525	32,442	28,230	18,884	266	15,201
Loss from discontinued operations, net of tax							(138)
Net income	\$ 46,832	\$ 18,293	\$ 23,633	\$ 18,675	\$ 12,138	\$ (988)	\$ 9,348
<b>Earnings per share</b>							
<b>Basic</b>							
Income/(loss) from continuing operations	\$ 3.24	\$ 1.54	\$ 1.99	\$ 1.59	\$ 1.04	\$ (0.09)	\$ 0.82
Basic earnings (loss) per share (in dollars per share)	\$ 3.24	\$ 1.54	\$ 1.99	\$ 1.59	\$ 1.04	\$ (0.09)	\$ 0.81
<b>Diluted</b>							
Income/(loss) from continuing operations	\$ 3.16	\$ 1.50	\$ 1.92	\$ 1.57	\$ 1.03	\$ (0.09)	\$ 0.82
Diluted earnings (loss) per share (in dollars per share)	\$ 3.16	\$ 1.50	\$ 1.92	\$ 1.57	\$ 1.03	\$ (0.09)	\$ 0.81
Dividends per share (in dollars per share)	\$ 0.09	\$ 0.09	\$ 0.12	\$ 0.12	\$ 0.12	\$ 0.12	\$ 0.12
<b>Balance Sheet data:</b>							
Cash and cash equivalents	\$ 21,818	\$ 14,097	\$ 20,708	\$ 12,428	\$ 7,517	\$ 19,252	\$ 13,949
Total assets	\$ 805,307	\$ 252,431	\$ 792,431	\$ 237,028	\$ 242,359	\$ 250,858	\$ 262,015
Long-term debt, net	\$ 323,550	\$ 34,000	\$ 523,102	\$ 35,800	\$ 53,000	\$ 60,000	\$ 85,000
Total stockholders' equity	\$ 398,703	\$ 162,216	\$ 173,716	\$ 143,189	\$ 123,421	\$ 120,206	\$ 117,240

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**SUMMARY UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION**

The following tables present unaudited pro forma condensed combined financial information about Cabot Microelectronics' consolidated balance sheet and statements of income after giving effect to the merger with KMG, financing activities related to the merger and KMG's 2017 acquisition of Flowchem. The information under "Unaudited Pro Forma Condensed Combined Balance Sheet" in the table below gives effect to the merger as if it had taken place on June 30, 2018. The information under "Unaudited Pro Forma Condensed Combined Statement of Income" in the table below gives effect to the merger as if it had taken place on October 1, 2016, and gives effect to KMG's 2017 acquisition of Flowchem as if it had taken place on August 1, 2016. This unaudited pro forma condensed combined financial information was prepared using the acquisition method of accounting where Cabot Microelectronics is considered the acquirer of KMG for accounting purposes. See the section titled "The Merger Accounting Treatment of the Merger" beginning on page [ ].

Cabot Microelectronics and KMG have different fiscal years. Cabot Microelectronics' fiscal year ends on September 30, whereas KMG's fiscal year ends on July 31. The unaudited pro forma condensed combined balance sheet and statements of income have been prepared utilizing period ends that differ by less than 93 days, as permitted by Rule 11-02 Regulation S-X.

This unaudited pro forma condensed combined financial information has been prepared for illustrative purposes only and is based on assumptions and estimates considered appropriate by Cabot Microelectronics' management; however, it is not necessarily indicative of what Cabot Microelectronics' consolidated financial condition or results of operations actually would have been assuming the transactions had been consummated as of the dates indicated, nor does it purport to represent Cabot Microelectronics' consolidated financial position or results of operations for future periods. The adjustments included in this unaudited pro forma condensed combined financial information are preliminary and may be revised. This unaudited pro forma condensed combined financial information does not consider any impacts of potential revenue enhancements, anticipated cost savings and expense efficiencies or other synergies that may be achieved in the acquisitions or any strategies that management may consider in order to continue to efficiently manage Cabot Microelectronics' operations. Future results may vary significantly from the results reflected due to various factors, including those discussed in the section titled "Risk Factors" beginning on page [ ]. The information presented below should be read in conjunction with the historical consolidated financial statements of Cabot Microelectronics and KMG, including the related notes filed by each of them with the SEC, the historical consolidated financial statements and pre-acquisition financial information of Flowchem as filed by KMG with the SEC and the pro forma condensed combined financial information of Cabot Microelectronics, KMG and Flowchem, including the related notes appearing elsewhere in this proxy statement/prospectus. See the sections titled "Where You Can Find More Information" and "Unaudited Pro Forma Condensed Combined Financial Information" beginning on pages [ ] and [ ], respectively.



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**CABOT MICROELECTRONICS CORPORATION**  
**UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET**  
**AS OF JUNE 30, 2018**  
(in thousands)

<b>As of June 30, 2018</b>	
<b>Pro Forma Balance Sheet Data:</b>	
Cash and cash equivalents	\$ 109,898
Total assets	2,298,398
Long-term debt, net of current portion	1,034,350
Total stockholders' equity	942,207

**CABOT MICROELECTRONICS CORPORATION**  
**UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF INCOME**  
(in thousands, except per share amounts)

	<b>Nine Months Ended June 30, 2018 for Cabot Microelectronics and April 30, 2018 for KMG</b>	<b>Year Ended September 30, 2017 for Cabot Microelectronics and July 31, 2017 for KMG and the Period from August 1, 2016 to June 14, 2017 for Flowchem</b>
<b>Pro Forma Statement of Income Data:</b>		
Revenue	\$ 776,556	\$ 917,422
Net income from continuing operations	85,555	98,537
Net income per common share:		
Basic	\$ 2.98	\$ 3.48
Diluted	2.90	3.41
Weighted average common shares outstanding:		
Basic	28,718	28,254
Diluted	29,489	28,779

Table of Contents**UNAUDITED COMPARATIVE PER SHARE INFORMATION**

The following tables set forth historical per share information of Cabot Microelectronics and KMG and unaudited pro forma condensed combined per share information after giving effect to the merger, financing activities related to the merger and KMG's 2017 acquisition of Flowchem. You should not rely on this information as being indicative of the historical results that would have been achieved had the companies always been combined or the future results that Cabot Microelectronics will experience after the merger. The preliminary unaudited pro forma condensed combined per share data has been derived from and should be read in conjunction with the "Unaudited Pro Forma Condensed Combined Financial Information" beginning on page [ ] and the related notes included in this proxy statement/prospectus beginning on page [ ]. The historical per share data has been derived from the historical consolidated financial statements of Cabot Microelectronics and KMG and unaudited pro forma condensed combined financial information about Cabot Microelectronics' combined balance sheet and statements of income after giving effect to the merger with KMG and KMG's 2017 acquisition of Flowchem, in each case and as of and for the periods indicated, included and incorporated by reference in this proxy statement/prospectus. The equivalent basis pro forma combined amounts are calculated by multiplying the pro forma combined data by an exchange ratio of 0.2, which is the share exchange consideration to KMG shareholders in Cabot stock as contemplated in the merger agreement. The equivalent basis pro forma calculations exclude the \$55.65 per share cash portion of the merger consideration.

	Historical Cabot Microelectronics	Historical KMG	Pro Forma Combined	Equivalent Basis Pro Forma Combined
<b>Income from continuing operations per basic share attributable to common shareholders</b>				
Nine months ended June 30, 2018 for Cabot Microelectronics and April 30, 2018 for KMG and Flowchem	\$ 2.42	\$ 3.24	\$ 2.98	\$ 0.60
Twelve months ended September 30, 2017 for Cabot Microelectronics and July 31, 2017 for KMG and Flowchem	\$ 3.47	\$ 1.99	\$ 3.48	\$ 0.70
<b>Income from continuing operations per diluted share attributable to common shareholders</b>				
Nine months ended June 30, 2018 for Cabot Microelectronics and April 30, 2018 for KMG and Flowchem	\$ 2.35	\$ 3.16	\$ 2.90	\$ 0.58
Twelve months ended September 30, 2017 for Cabot Microelectronics and July 31, 2017 for KMG and Flowchem	\$ 3.40	\$ 1.92	\$ 3.41	\$ 0.68
<b>Cash dividends per share</b>				
Nine months ended June 30, 2018 for Cabot Microelectronics and April 30, 2018 for KMG and Flowchem	\$ 1.00	\$ 0.09	N/A(1)	N/A(1)
Twelve months ended September 30, 2017 for Cabot Microelectronics and July 31, 2017 for KMG and Flowchem	\$ 0.78	\$ 0.12	N/A(1)	N/A(1)
<b>Book value per share</b>				
As of June 30, 2018 for Cabot Microelectronics and April 30, 2018 for KMG and Flowchem	\$ 24.83	\$ 25.71	\$ 32.74	\$ 6.55

- (1) Pro forma combined dividends per share is not presented, as the dividend per share for Cabot Microelectronics will be determined by the Cabot Microelectronics Board following completion of the merger.

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**CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS**

This proxy statement/prospectus and the documents incorporated by reference into this proxy statement/prospectus contain forward-looking statements within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 that are not limited to historical facts but reflect Cabot Microelectronics' and KMG's current beliefs, expectations or intentions regarding future events. Words such as "anticipate," "believe," "continue," "could," "estimate," "expect," "forecast," "guidance," "intend," "may," "plan," "possible," "potential," "predict," "project," "pursue," "will," "should," "target," and other similar words, phrases or expressions or the negative thereof are intended to identify such forward-looking statements. These forward-looking statements include, without limitation, Cabot Microelectronics' and KMG's expectations with respect to the potential revenue enhancements, anticipated cost savings and expense efficiencies or other synergies, costs and other anticipated financial impacts of the merger; future financial and operating results of the combined company; the combined company's plans, objectives, expectations and intentions with respect to future operations and services; required adoption of the merger agreement by KMG shareholders; required approvals of the merger by governmental regulatory authorities; the satisfaction of the closing conditions to the merger; and the timing of the completion of the merger.

All forward-looking statements involve significant risks and uncertainties that could cause actual results to differ materially from those expressed or implied in the forward-looking statements, many of which are generally outside the control of Cabot Microelectronics and KMG and difficult to predict. These risks and uncertainties include, among others, those set forth under "Risk Factors" beginning on page [ ], as well as risks and uncertainties relating to:

- the uncertainty of the value of the merger consideration that KMG shareholders will receive in the merger due to a fixed exchange ratio and a potential fluctuation in the market price of Cabot Microelectronics common stock;
- the possibility that the consummation of the merger is delayed or does not occur, including due to the failure of KMG shareholders to approve the merger proposal;
- the occurrence of any event, change or other circumstances that could give rise to the termination of the merger agreement or the failure to satisfy the closing conditions;
- the taking of governmental action (including the passage of legislation) to block the merger or otherwise adversely affecting Cabot Microelectronics and KMG;
- KMG's directors and executive officers having interests in the merger that are different from, or in addition to, the interests of KMG shareholders generally;
- the effect of restrictions placed on Cabot Microelectronics', KMG's or their respective subsidiaries' business activities and the limitations put on KMG's ability to pursue alternatives to the merger pursuant to the merger agreement;
- the disruption from the merger making it more difficult for Cabot Microelectronics and KMG to maintain relationships with their respective customers, employees or suppliers;
- the possibility of actual results of operations, cash flows and financial position after the merger materially differing from the unaudited pro forma condensed combined financial information contained in this proxy statement/prospectus;
- the possibility of changes in circumstances between the date of the signing of the merger agreement and the closing of the merger that are not reflected in the fairness opinion obtained by the KMG board of directors;

unexpected costs or unexpected liabilities that may arise from the merger, whether or not consummated;

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the outcome of any legal proceedings that have been or may be instituted against Cabot Microelectronics, KMG or others following announcement of the merger;

the inability of Cabot Microelectronics and KMG to retain key personnel;

the ability of Cabot Microelectronics to successfully integrate the business of KMG;

the possibility that the expected cost savings and synergies from the merger will not be realized or will take longer to realize than expected;

the risk that the financing required to complete the merger is not obtained or is obtained on terms other than those currently anticipated, including financing less favorable to Cabot Microelectronics than its current commitments;

the effect of the additional indebtedness that Cabot Microelectronics will incur in connection with the merger; and

the impact of global economic conditions, fluctuations in exchange rates, labor relations, competitive actions taken by other semiconductor businesses or other competitors, terrorist attacks or natural disasters.

Cabot Microelectronics and KMG caution that the foregoing list of factors is not exhaustive. Additional information concerning these and other risk factors is contained in Cabot Microelectronics' and KMG's most recently filed Annual Reports on Form 10-K and subsequently filed Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and other SEC filings, as such filings may be amended from time to time. All of the forward-looking statements made by Cabot Microelectronics or KMG contained or incorporated by reference in this proxy statement/prospectus and all subsequent written and oral forward-looking statements concerning Cabot Microelectronics, KMG, the merger or other matters attributable to Cabot Microelectronics or KMG or any person acting on either of their behalf are expressly qualified in their entirety by the cautionary statement above.

Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date such statements were made. Neither Cabot Microelectronics nor KMG undertakes any obligation to update or revise any of these forward-looking statements to reflect events or circumstances that may arise after the date hereof, even if experience or future changes make it clear that projected results expressed or implied in such statements will not be realized, except as may be required by applicable law. Neither Cabot Microelectronics nor KMG intends to make any update or other revision to these forward-looking statements publicly available, except as may be required by applicable law.

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**RISK FACTORS**

*In addition to the other information included in and incorporated by reference into this proxy statement/prospectus, including the matters addressed in the section titled "Cautionary Statement Regarding Forward-Looking Statements" beginning on page [ ], you should carefully consider the following risk factors before deciding whether to vote for the merger proposal and the other proposals described in this proxy statement/prospectus. In addition, you should read and consider the risk factors associated with each of the businesses of Cabot Microelectronics and KMG because these risk factors will relate to the combined company following the completion of the merger. These risk factors may be found in Cabot Microelectronics' Annual Report on Form 10-K for the fiscal year ended September 30, 2017 and KMG's Annual Report on Form 10-K for the fiscal year ended July 31, 2017 and, in each case, any amendments thereto, as such risk factors may be updated or supplemented in each company's subsequently filed Quarterly Reports on Form 10-Q or Current Reports on Form 8-K, which are incorporated by reference into this proxy statement/prospectus. You should also consider the other information in this proxy statement/prospectus and the other documents incorporated by reference into this proxy statement/prospectus. See the section titled "Where You Can Find More Information" beginning on page [ ].*

**Risks Relating to the Merger**

***Because the exchange ratio is fixed for the stock portion of the merger consideration and the market price of Cabot Microelectronics common stock has fluctuated and will continue to fluctuate, you cannot be sure of the value of the merger consideration you will receive.***

Upon completion of the merger, shares of KMG common stock will be converted into the right to receive \$55.65 in cash, plus 0.2000 shares of Cabot Microelectronics common stock, in each case, without interest and less any applicable withholding taxes. Based on the closing price of Cabot Microelectronics common stock on August 14, 2018, the last full trading day before the public announcement of the merger, the per share value of KMG common stock implied by the per share merger consideration is \$79.93. Based on the closing price of Cabot Microelectronics common stock on [ ], the most recent practicable date prior to the date of this proxy statement/prospectus, the per share value of KMG common stock implied by the per share merger consideration is \$[ ]. The implied value of the per share merger consideration will fluctuate as the market price of Cabot Microelectronics common stock fluctuates because a portion of the per share merger consideration is payable in a fixed number of shares of Cabot Microelectronics common stock. The value of the stock portion of the merger consideration has fluctuated since the date of the announcement of the merger agreement and will continue to fluctuate from the date of this proxy statement/prospectus to the date of the special meeting and the date the merger is completed and thereafter. Accordingly, at the time of the special meeting, KMG shareholders will not know or be able to determine the market value of the merger consideration they would receive upon completion of the merger. Stock price changes may result from a variety of factors, including, among others, general market and economic conditions, changes in Cabot Microelectronics' and KMG's respective businesses, operations and prospects, market assessments of the likelihood that the merger will be completed, the timing of the merger, regulatory considerations and other risk factors set forth or incorporated by reference in this proxy statement/prospectus. Many of these factors are beyond Cabot Microelectronics' and KMG's control. You are urged to obtain current market quotations for Cabot Microelectronics common stock before deciding whether to vote for the merger proposal.

***Completion of the merger is subject to the conditions contained in the merger agreement and if these conditions are not satisfied or waived, the merger will not be completed.***

The obligations of Cabot Microelectronics and KMG to complete the merger are subject to the satisfaction or waiver of a number of conditions, including, among others, the approval of the merger proposal by KMG shareholders. For a more complete summary of the required regulatory approvals

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and the conditions to the closing of the merger, see the section titled "The Merger Agreement Conditions to Completion of the Merger."

Many of the conditions to the closing of the merger are not within Cabot Microelectronics' or KMG's control, and neither company can predict when or if these conditions will be satisfied. If any of these conditions are not satisfied or waived prior to February 14, 2019, which deadline may be extended, under certain circumstances, to May 14, 2019, it is possible that the merger agreement will be terminated. The failure to satisfy all of the required conditions could delay the completion of the merger for a significant period of time or prevent it from occurring. Any delay in completing the merger could cause Cabot Microelectronics not to realize some or all of the benefits that Cabot Microelectronics expects to achieve if the merger is successfully completed within its expected timeframe. There can be no assurance that the conditions to the closing of the merger will be satisfied or waived or that the merger will be completed.

***KMG's directors and executive officers have interests in the merger that may be different from, or in addition to, your interests as a shareholder of KMG generally.***

When considering the recommendation of the KMG board of directors that KMG shareholders approve the merger proposal, KMG shareholders should be aware that directors and executive officers of KMG have certain interests in the merger that may be different from, or in addition to, the interests of KMG shareholders generally. These interests generally include, among others, rights to accelerated vesting of equity awards and certain payments (including retention bonus awards) and benefits in connection with the merger and/or a qualifying termination of employment following the merger. See the section titled "The Merger Interests of KMG's Directors and Executive Officers in the Merger" beginning on page [ ] for a more detailed description of these interests. As a result of these interests, directors and executive officers of KMG might be more likely to support and vote in favor of the merger proposal than if they did not have these interests. KMG's board of directors were aware of these interests and considered them, among other things, in evaluating and negotiating the merger agreement and the merger, and in recommending that the KMG shareholders approve and adopt the merger agreement.

***The merger agreement limits KMG's ability to pursue alternatives to the merger and may discourage other companies from trying to acquire KMG.***

The merger agreement contains provisions that make it more difficult for KMG to sell its business to a party other than Cabot Microelectronics. These provisions include a general prohibition on KMG soliciting any company takeover proposal or offer for a competing transaction. Further, there are only limited exceptions to KMG's agreement that the KMG board of directors will not withdraw or modify the recommendation of the KMG board of directors that KMG shareholders vote in favor of the merger proposal, and KMG is not permitted to terminate the merger agreement or enter into an agreement with respect to a competing company takeover proposal if the KMG board of directors withdraws or modifies such recommendation. In addition, upon termination of the merger agreement, KMG is required to pay Cabot Microelectronics a termination fee of \$38,765,000 if the merger agreement is terminated in certain circumstances involving an adverse recommendation change or a willful and material breach of KMG's non-solicitation obligations or certain obligations relating to the KMG special meeting under the merger agreement.

These provisions could discourage a third party that might have an interest in acquiring all or a significant part of KMG from considering or proposing that acquisition, even if that party were prepared to pay consideration with a higher per share value than the value proposed to be received or realized in the merger. These provisions might also result in a potential competing acquirer proposing to pay a lower price than it might otherwise have proposed to pay because of the added expense of the termination fee that may become payable in certain circumstances.

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***The merger agreement subjects KMG to restrictions on its business activities.***

The merger agreement subjects KMG to restrictions on its business activities and obligates KMG to generally operate its businesses in all material respects in the ordinary course. These restrictions could have an adverse effect on KMG's results of operations, cash flows and financial position. See the section titled "The Merger Agreement Conduct of Businesses of KMG and Cabot Microelectronics Prior to Completion of the Merger" beginning on page [ ] for a description of the restrictions applicable to KMG.

***The business relationships of Cabot Microelectronics and KMG and their respective subsidiaries may be subject to disruption due to uncertainty associated with the merger, which could have an adverse effect on the results of operations, cash flows and financial position of Cabot Microelectronics, KMG and, following the completion of the merger, the combined company.***

Parties with which Cabot Microelectronics and KMG, or their respective subsidiaries, do business may be uncertain as to the effects on them of the merger and related transactions, including with respect to current or future business relationships with Cabot Microelectronics, KMG, their respective subsidiaries or the combined company. These relationships may be subject to disruption as customers, suppliers and other persons with whom Cabot Microelectronics and KMG have a business relationship may delay or defer certain business decisions or might decide to terminate, change or renegotiate their relationships with Cabot Microelectronics or KMG, as applicable, or consider entering into business relationships with parties other than Cabot Microelectronics, KMG, their respective subsidiaries or the combined company. These disruptions could have an adverse effect on the results of operations, cash flows and financial position of KMG, Cabot Microelectronics or the combined company following the completion of the merger, including an adverse effect on Cabot Microelectronics' ability to realize the expected synergies and other benefits of the merger. The risk, and adverse effect, of any disruption could be exacerbated by a delay in completion of the merger or termination of the merger agreement.

***Failure to complete the merger could negatively affect the stock price and the future business and financial results of KMG.***

If the merger is not completed for any reason, including as a result of KMG shareholders failing to approve the merger proposal, the ongoing business of KMG may be adversely affected and, without realizing any of the benefits of having completed the merger, KMG could be subject to a number of negative consequences, including, among others, the following:

KMG may experience negative reactions from the financial markets, including negative impacts on its stock price;

KMG may experience negative reactions from its customers and suppliers;

KMG may experience negative reactions from its employees and may not be able to retain key management personnel and other key employees;

KMG will have incurred, and will continue to incur, significant non-recurring costs in connection with the merger that it may be unable to recover;

the merger agreement places certain restrictions on the conduct of KMG's business prior to completion of the merger, the waiver of which is subject to the consent of Cabot Microelectronics, which may prevent KMG from making certain acquisitions, taking certain other specified actions or otherwise pursuing business opportunities during the pendency of the merger that may be beneficial to KMG (see the section titled "The Merger Agreement Conduct of Businesses of KMG and Cabot Microelectronics Prior to Completion of the Merger" beginning on page [ ] for a description of the restrictions applicable to KMG); and



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matters relating to the merger (including integration planning) will require substantial commitments of time and resources by KMG management, which could otherwise be devoted to day-to-day operations and other opportunities that may be beneficial to KMG as an independent company.

In addition, upon termination of the merger agreement, KMG is required to pay Cabot Microelectronics a termination fee of \$38,765,000 if the merger agreement is terminated in certain circumstances involving an adverse recommendation change, a breach of KMG's non-solicitation obligations or certain obligations relating to the special meeting under the merger agreement. Finally, KMG could be subject to litigation related to any failure to complete the merger or related to any enforcement proceeding commenced against KMG to perform its obligations under the merger agreement. If the merger is not completed, any of these risks may materialize and may adversely affect KMG's businesses, financial condition, financial results and stock price.

***Completion of the merger will trigger change in control or other provisions in certain agreements to which KMG is a party, which may have an adverse impact on the combined company's business and results of operations.***

The completion of the merger will trigger change in control and other provisions in certain agreements to which KMG is a party. If KMG and Cabot Microelectronics are unable to negotiate waivers of those provisions, the counterparties may exercise their rights and remedies under the agreements, potentially terminating the agreements or seeking monetary damages. Even if KMG and Cabot Microelectronics are able to negotiate waivers, the counterparties may require a fee for such waivers or seek to renegotiate the agreements on terms less favorable to KMG or the combined company. Any of the foregoing or similar developments may have an adverse impact on the combined company's business and results of operations. See section titled "The Merger Interests of KMG's Directors and Executive Officers in the Merger."

***The shares of Cabot Microelectronics common stock to be received by KMG shareholders as a result of the merger will have rights different from the shares of KMG common stock.***

Upon completion of the merger, KMG shareholders will no longer be shareholders of KMG but will instead receive cash and Cabot Microelectronics common stock and become Cabot Microelectronics stockholders, and their rights as stockholders will be governed by the terms of the Cabot Microelectronics charter and bylaws and by the Delaware General Corporation Law (the "DGCL"). See the section titled "Comparison of Rights of Common Stockholders of Cabot Microelectronics and Common Shareholders of KMG" beginning on page [ ] for a discussion of the different rights associated with Cabot Microelectronics common stock.

***The unaudited pro forma condensed combined financial information included in this proxy statement/prospectus is preliminary and the actual financial condition and results of operations after the merger may differ materially from them.***

The unaudited pro forma condensed combined financial information included in this proxy statement/prospectus is presented for illustrative purposes only and is not necessarily indicative of what Cabot Microelectronics' actual financial condition or results of operations would have been had the merger been completed on the dates indicated. The unaudited pro forma condensed combined financial information reflects adjustments, which are based upon assumptions, preliminary estimates and accounting reclassifications, to record the KMG identifiable assets acquired and liabilities assumed at fair value and the resulting goodwill recognized. The purchase price allocation reflected in this proxy statement/prospectus is preliminary, and final allocation of the purchase price will be based upon the actual purchase price and the fair value of the assets and liabilities of KMG as of the date of the completion of the merger. Accordingly, the final acquisition accounting adjustments may differ

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materially from the pro forma adjustments reflected in this proxy statement/prospectus. For more information, see "Unaudited Pro Forma Condensed Combined Financial Information" beginning on page [     ].

***The prospective financial information for Cabot Microelectronics and KMG is based on various assumptions that may not prove to be correct.***

The unaudited prospective financial information of Cabot Microelectronics and KMG set forth in the section entitled "The Merger Certain Unaudited Prospective Financial Information" was not prepared with a view toward public disclosure or with a view toward complying with the guidelines established by the American Institute of Certified Public Accountants with respect to prospective financial information. In the view of KMG's management, the prospective information was prepared on a reasonable basis, reflected the best currently available estimates and judgments of Cabot Microelectronics and KMG, as applicable, and presented, to the best of their knowledge and belief, the expected course of action and the expected future financial performance of Cabot Microelectronics and KMG. However, the prospective information is not fact. Further, prospective financial information does not reflect any impact of the proposed transaction and has not been updated since the date of preparation.

The prospective financial information was prepared and provided by KMG's management, Cabot Microelectronics' management and/or KBCM as described in such section. The independent registered public accounting firms of Cabot Microelectronics and KMG have not audited, reviewed, examined, compiled nor applied agreed upon procedures with respect to the accompanying prospective financial information and accordingly, the independent registered public accounting firms of Cabot Microelectronics and KMG do not express an opinion or any other form of assurance with respect thereto. The unaudited prospective financial information was prepared solely for internal use to assist in the evaluation of the business combination. Such information is inherently subjective in nature, though considered reasonable by the management of KMG as of the date such information was prepared, and is susceptible to interpretation and, accordingly, contemplated results may not be achieved. While presented with numerical specificity, the unaudited prospective financial information reflects numerous estimates and assumptions with respect to future industry performance under various industry scenarios as well as assumptions for competition, general business, economic, market and financial conditions and matters specific to the businesses of Cabot Microelectronics and KMG, all of which are difficult to predict and many of which are beyond Cabot Microelectronics' and KMG's control. Accordingly, there can be no assurance that the assumptions made in preparing any particular information will prove accurate. There will be differences between actual and prospective results, and the differences may be material. The risk that these uncertainties and contingencies could cause the assumptions to fail to be reflective of actual results is further increased due to the length of time over which these assumptions apply. In light of the foregoing factors and the uncertainties inherent in the unaudited prospective financial information, KMG shareholders are cautioned not to place undue reliance on the unaudited prospective financial information, and the inclusion of the unaudited prospective financial information in this proxy statement should not be regarded as a representation by any person that the results contained therein will be achieved.

***The fairness opinion obtained by the KMG board of directors from KBCM does not reflect changes, circumstances, developments or events that may have occurred or may occur after the date of the fairness opinion. The KMG board of directors has not obtained an updated fairness opinion as of the date of this proxy statement/prospectus from KBCM, and the KMG board of directors does not expect to receive an updated fairness opinion prior to the closing of the merger.***

At the meeting of the KMG board of directors on August 14, 2018, KBCM rendered its oral opinion, subsequently confirmed in writing, that as of such date, and based upon and subject to the

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various assumptions, considerations, qualifications and limitations set forth in its written opinion, the consideration of \$55.65 in cash and 0.2000 shares of Cabot Microelectronics common stock, in each case, without interest and less any applicable withholding taxes, per share of KMG common stock to be received pursuant to, and in accordance with, the terms of the merger agreement by the holders of KMG common stock, other than (i) Cabot Microelectronics and Merger Sub and (ii) shareholders that have complied with the applicable provisions of Chapter 10, Subchapter H of the TBOC, was fair, from a financial point of view, to such holders. KBCM's fairness opinion does not reflect changes, circumstances, developments or events that may have occurred or may occur after the date of its opinion, including changes in the operations and prospects of KMG and Cabot Microelectronics or their respective operating companies, regulatory or legal changes, general market and economic conditions and other factors that may be beyond the control of KMG and Cabot Microelectronics, and on which KBCM's opinion was based, and that may alter the value of KMG or Cabot Microelectronics or the prices of shares of KMG or Cabot Microelectronics common stock by the time the merger is completed. The value of the stock portion of the merger consideration has fluctuated since, and could be materially different from its value as of, the date of KBCM's opinion, and KBCM's opinion does not address the prices at which shares of KMG common stock or Cabot Microelectronics common stock may have traded or trade since the date of its opinion. KBCM's opinion does not speak as of the time the merger will be completed or as of any date other than the date of its opinion. KMG does not anticipate asking KBCM to update its opinion, and KBCM does not have any obligation or responsibility to update, revise or reaffirm its opinion based on circumstances, developments or events that may have occurred or may occur after the date of its opinion. The fairness opinion that KMG received from its financial advisor is attached as **Annex C** to this proxy statement/prospectus. For a description of the opinion, see "The Merger Opinion of KeyBanc Capital Markets Inc (KBCM)." For a description of the other factors considered by KMG's board of directors in determining to approve the merger, see "The Merger KMG's Reasons for the Merger; Recommendation of the KMG Board of Directors."

***The merger may not be accretive, and may be dilutive, to Cabot Microelectronics earnings per share, which may negatively affect the market price of Cabot Microelectronics common stock.***

Because shares of Cabot Microelectronics common stock will be issued in the merger, it is possible that the merger will be dilutive to Cabot Microelectronics earnings per share, which could negatively affect the market price of shares of Cabot Microelectronics common stock. Based on the number of outstanding shares of KMG common stock as of [ ], Cabot Microelectronics would issue approximately [ ] shares of Cabot Microelectronics common stock in the merger. The issuance of these new shares of Cabot Microelectronics common stock could have the effect of depressing the market price of shares of Cabot Microelectronics common stock, through dilution of earnings per share or otherwise.

In addition, future events and conditions could decrease accretion or increase dilution relative to current expectations including adverse changes in market conditions, additional transaction and integration related costs and other factors such as the failure to realize some or all of the benefits anticipated in the merger. Any dilution of, or delay of any accretion to, Cabot Microelectronics' earnings per share could cause the price of shares of Cabot Microelectronics common stock to decline or grow at a reduced rate.

***The merger will involve substantial costs.***

KMG and Cabot Microelectronics have incurred, and expect to continue to incur, a number of non-recurring costs associated with the merger and combining the operations of the two companies. The substantial majority of non-recurring expenses will be comprised of transaction and regulatory costs related to the merger.

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Cabot Microelectronics and the combined company also will incur transaction fees and costs related to formulating and implementing integration plans, including facilities and systems consolidation costs and employment-related costs. Cabot Microelectronics continues to assess the magnitude of these costs, and additional unanticipated costs may be incurred in the merger and the integration of the two companies' businesses. Although Cabot Microelectronics expects that the elimination of duplicative costs, as well as the realization of other efficiencies related to the integration of the businesses, should allow Cabot Microelectronics to offset integration-related costs over time, this net benefit may not be achieved in the near term, or at all.

***Lawsuits may in the future be filed against KMG, its directors, Cabot Microelectronics and Merger Sub challenging the merger, and an adverse ruling in any such lawsuit may prevent the merger from becoming effective or from becoming effective within the expected timeframe.***

Transactions like the merger are frequently the subject of litigation or other legal proceedings, including actions alleging that the board of directors of either KMG or Cabot Microelectronics breached their respective fiduciary duties to their stockholders by entering into the merger agreement, by failing to obtain a greater value in the transaction for their stockholders or otherwise. Both KMG and Cabot Microelectronics believe that any such litigation or proceedings would be without merit, but there can be no assurance that they will not be brought. If litigation or other legal proceedings are in fact brought against either KMG or Cabot Microelectronics or against the board of directors of either company, they will defend against it, but they might not be successful in doing so. An adverse outcome in such matters, as well as the costs and efforts of a defense even if successful, could have a material adverse effect on the business, results of operation or financial position of KMG, Cabot Microelectronics or the combined company, including through the possible diversion of either company's resources or distraction of key personnel.

Further, one of the conditions to the completion of the merger is that no injunction by any court or other tribunal of competent jurisdiction will be in effect that temporarily or permanently prohibits, enjoins or makes illegal the consummation of the merger. As such, if any of the plaintiffs are successful in obtaining an injunction prohibiting the consummation of the merger, that injunction may prevent the merger from becoming effective or from becoming effective within the expected timeframe.

***Uncertainties associated with the merger may cause a loss of management personnel and other key employees of KMG or Cabot Microelectronics, which could adversely affect the future business and operations of the combined company following the merger.***

KMG and Cabot Microelectronics are dependent on the experience and industry knowledge of their officers and other key employees to execute their business plans. The combined company's success after the merger will depend in part upon its ability to retain key management personnel and other key employees of KMG and Cabot Microelectronics. Current and prospective employees of KMG and Cabot Microelectronics may experience uncertainty about their future roles with the combined company following the merger, which may materially adversely affect the ability of each of KMG and Cabot Microelectronics to attract and retain key personnel during the pendency of the merger. Accordingly, no assurance can be given that the combined company will be able to retain key management personnel and other key employees of KMG and Cabot Microelectronics.

**Risks Relating to the Business of the Combined Company Upon Completion of the Merger**

***The market price of Cabot Microelectronics common stock after the merger will continue to fluctuate and may be affected by factors different from those affecting shares of KMG common stock currently.***

Upon completion of the merger, holders of KMG common stock will receive cash and Cabot Microelectronics common stock and become holders of Cabot Microelectronics common stock. The

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market price of Cabot Microelectronics common stock may fluctuate significantly following completion of the merger and holders of KMG common stock could lose the value of their investment in Cabot Microelectronics common stock. In addition, any significant price and volume fluctuations of the stock markets could have a material adverse effect on the market for, or liquidity of, the Cabot Microelectronics common stock, regardless of Cabot Microelectronics' actual operating performance. In addition, Cabot Microelectronics' business differs in important respects from that of KMG, and accordingly, the results of operations of the combined company and the market price of Cabot Microelectronics common stock after the completion of the merger may be affected by factors different from those currently affecting the independent results of operations of each of Cabot Microelectronics and KMG. For a discussion of the businesses of Cabot Microelectronics and KMG and of some important factors to consider in connection with those businesses, see the documents incorporated by reference into this proxy statement/prospectus and referred to under "Where You Can Find More Information" beginning on page [ ].

***Sales of shares of Cabot Microelectronics common stock after the completion of the merger may cause the market price of Cabot Microelectronics common stock to fall.***

Based on the number of outstanding shares of KMG common stock as of [ ], Cabot Microelectronics would issue approximately [ ] shares of Cabot Microelectronics common stock in the merger. Certain KMG shareholders may decide not to hold the shares of Cabot Microelectronics common stock they will receive in the merger. Other KMG shareholders, such as funds with limitations on their permitted holdings of stock in individual issuers, may be required to sell the shares of Cabot Microelectronics common stock that they receive in the merger. Such sales of Cabot Microelectronics common stock could have the effect of depressing the market price for Cabot Microelectronics common stock and may take place promptly following the merger.

***Combining the two companies may be more difficult, costly or time consuming than expected and the anticipated benefits and cost savings of the merger may not be realized.***

KMG and Cabot Microelectronics have operated and, until the completion of the merger, will continue to operate, independently. The success of the merger, including anticipated benefits and cost savings, will depend, in part, on Cabot Microelectronics' ability to successfully combine and integrate the businesses of Cabot Microelectronics and KMG. It is possible that the pendency of the merger and/or the integration process could result in the loss of key employees, higher than expected costs, diversion of management attention of both KMG and Cabot Microelectronics, the disruption of either company's ongoing businesses or inconsistencies in standards, controls, procedures and policies that adversely affect the combined company's ability to maintain relationships with customers, vendors and employees or to achieve the anticipated benefits and cost savings of the merger. As part of the integration process, Cabot Microelectronics may also attempt to divest certain assets of the combined company, which may not be possible on favorable terms, or at all, or if successful, may change the profile of the combined company. If Cabot Microelectronics experiences difficulties with the integration process, the anticipated benefits of the merger may not be realized fully or at all, or may take longer to realize than expected. Cabot Microelectronics' management continues to refine its integration plan. These integration matters could have an adverse effect on each of Cabot Microelectronics and KMG during this transition period and for an undetermined period after completion of the merger. In addition, the actual cost savings of the merger could be less than anticipated.

***After the merger, KMG shareholders will have a significantly lower ownership and voting interest in Cabot Microelectronics than they currently have in KMG and will exercise less influence over management.***

Based on the number of shares of KMG common stock outstanding as of [ ], and the number of shares of Cabot Microelectronics common stock outstanding as of [ ], it is expected

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that, immediately after completion of the merger, former KMG shareholders will own approximately [ ]% of the outstanding shares of Cabot Microelectronics common stock. Consequently, former KMG shareholders will have less influence over the management and policies of Cabot Microelectronics than they currently have over the management and policies of KMG.

***In connection with the merger, Cabot Microelectronics will incur additional indebtedness and may also assume certain of KMG's outstanding indebtedness, which could adversely affect Cabot Microelectronics, including by decreasing Cabot Microelectronics' business flexibility, and will increase its interest expense.***

As of June 30, 2018, Cabot Microelectronics had no consolidated indebtedness. Cabot Microelectronics' pro forma indebtedness as of June 30, 2018, after giving effect to the merger and the anticipated incurrence and extinguishment of indebtedness in connection therewith, is expected to be approximately \$1.03 billion. Cabot Microelectronics will have increased indebtedness following completion of the merger in comparison to that of Cabot Microelectronics on a recent historical basis, which could have the effect, among other things, of reducing Cabot Microelectronics' flexibility to respond to changing business and economic conditions and increasing Cabot Microelectronics' interest expense. Cabot Microelectronics will also incur various costs and expenses associated with the financing of the merger. The amount of cash required to pay interest on Cabot Microelectronics' increased indebtedness levels following completion of the merger and thus the demands on Cabot Microelectronics' cash resources will be greater than the amount of cash flows required to service the indebtedness of Cabot Microelectronics prior to the merger. The increased levels of indebtedness following completion of the merger could also reduce funds available for working capital, capital expenditures, acquisitions and other general corporate purposes and may create competitive disadvantages for Cabot Microelectronics relative to other companies with lower debt levels. If Cabot Microelectronics does not achieve the expected benefits and cost savings from the merger, or if the financial performance of the combined company does not meet current expectations, then Cabot Microelectronics' ability to service its indebtedness may be adversely impacted.

Certain of the indebtedness to be incurred in connection with the merger may bear interest at variable interest rates. If interest rates increase, variable rate debt will create higher debt service requirements, which could adversely affect Cabot Microelectronics' cash flows.

In addition, Cabot Microelectronics' credit ratings impact the cost and availability of future borrowings and, accordingly, Cabot Microelectronics' cost of capital. Cabot Microelectronics' ratings reflect each rating organization's opinion of Cabot Microelectronics' financial strength, operating performance and ability to meet Cabot Microelectronics' debt obligations. In connection with the debt financing, it is anticipated that Cabot Microelectronics will seek ratings of its indebtedness from Standard & Poor's and Moody's. There can be no assurance that Cabot Microelectronics will achieve a particular rating or maintain a particular rating in the future.

Moreover, Cabot Microelectronics may be required to raise substantial additional financing to fund working capital, capital expenditures, acquisitions or other general corporate requirements. Cabot Microelectronics' ability to arrange additional financing will depend on, among other factors, Cabot Microelectronics' financial position and performance, as well as prevailing market conditions and other factors beyond Cabot Microelectronics' control. Cabot Microelectronics cannot assure you that it will be able to obtain additional financing on terms acceptable to Cabot Microelectronics or at all.

***The agreements that will govern the indebtedness to be incurred in connection with the merger will contain various covenants that impose restrictions on Cabot Microelectronics and certain of its subsidiaries that may affect their ability to operate their businesses.***

The agreements that will govern the debt financing to be incurred in connection with the merger will contain various affirmative and negative covenants that may, subject to certain significant

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exceptions, restrict the ability of Cabot Microelectronics and certain of its subsidiaries to, among other things, incur liens, incur debt, engage in mergers, consolidations and acquisitions, transfer assets outside the ordinary course of business, make loans or other investments, pay dividends, repurchase equity interests, make other payments with respect to equity interests, repay or repurchase subordinated debt and engage in affiliate transactions. In addition, the agreements that will govern the debt financing will contain a financial covenant that will require Cabot Microelectronics to maintain certain financial ratios. The ability of Cabot Microelectronics and its subsidiaries to comply with these provisions may be affected by events beyond their control. Failure to comply with these covenants could result in an event of default, which, if not cured or waived, could accelerate Cabot Microelectronics' repayment obligations.

**Other Risk Factors of Cabot Microelectronics and KMG**

Cabot Microelectronics' and KMG's businesses are and will be subject to the risks described above. In addition, Cabot Microelectronics and KMG are, and will continue to be subject to the risks described in Cabot Microelectronics' Annual Report on Form 10-K for the fiscal year ended September 30, 2017 and KMG's Annual Report on Form 10-K for the fiscal year ended July 31, 2017, as updated by subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, all of which are filed with the SEC and incorporated by reference into this proxy statement/prospectus. The risks described above and in those filings represent all known material risks with respect to Cabot Microelectronics' and KMG's businesses. See "Where You Can Find More Information" beginning on page [ ] for the location of information incorporated by reference into this proxy statement/prospectus.

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**INFORMATION ABOUT KMG**

**KMG Chemicals, Inc.**

KMG Chemicals, Inc. is a Texas corporation incorporated in 1992 and headquartered in Fort Worth, Texas. From its facilities in North America, Europe and Asia, KMG produces and distributes specialty chemicals and performance materials for the semiconductor, industrial wood preservation and pipeline and energy markets.

KMG operates three business platforms: electronic chemicals, pipeline performance and wood treating chemicals. In its electronic chemicals platform, KMG is the leading global supplier of high-purity process chemicals, serving semiconductor manufacturers in the United States, Europe and Asia. KMG formulates, purifies and blends acids, solvents and other wet chemicals used to etch and clean silicon wafers in the production of semiconductors, photovoltaics (solar cells) and flat panel displays. In its pipeline performance platform, KMG is a leading global provider of products, services and solutions for optimizing pipeline throughput, maximizing uptime and enhancing performance and safety. KMG's pipeline performance products include drag-reducing agents, valve lubricants, cleaners and sealants, and related equipment. KMG also provides routine and emergency maintenance services and training for pipeline operators worldwide. KMG's wood treating chemicals, based on pentachlorophenol, or penta, are sold to industrial customers who use these products to extend the useful life of wood utility poles and cross-arms.

KMG common stock is listed on the NYSE under the symbol "KMG." The principal executive offices of KMG are located at 300 Throckmorton Street, Fort Worth, Texas 76102, and its telephone number is (817) 761-6100.

For more information about KMG, please visit the Internet website of KMG at [www.kmgchemicals.com](http://www.kmgchemicals.com). The Internet website address of KMG is provided as an inactive textual reference only. The information contained on the Internet website of KMG is not incorporated into, and does not form a part of, this proxy statement/prospectus or any other report or document on file with or furnished to the SEC. Additional information about KMG is included in the documents incorporated by reference into this proxy statement/prospectus. See the section entitled "Where You Can Find More Information" beginning on page [ ] of this proxy statement/prospectus.



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**INFORMATION ABOUT CABOT MICROELECTRONICS**

**Cabot Microelectronics Corporation**

Cabot Microelectronics Corporation, a Delaware corporation, is the leading supplier of high-performance polishing slurries and second largest supplier of polishing pads used in the manufacture of advanced integrated circuit (IC) devices within the semiconductor industry, in a process called chemical mechanical planarization (CMP). CMP is a polishing process used by IC device manufacturers to planarize or flatten many of the multiple layers of material that are deposited upon silicon wafers in the production of advanced ICs. Cabot Microelectronics' products play a critical role in the production of advanced semiconductor devices, helping to enable its customers to produce smaller, faster and more complex IC devices with fewer defects. Cabot Microelectronics' mission is to create value by delivering high-performing and innovative solutions that solve its customers' challenges. Cabot Microelectronics common stock trades on the Nasdaq under the symbol "CCMP." The principal executive offices of Cabot Microelectronics are located at 870 North Commons Drive, Aurora, Illinois 60504, and its telephone number is (630) 375-6631.

For more information about Cabot Microelectronics please visit the Internet website of Cabot Microelectronics at [www.cabotcmp.com](http://www.cabotcmp.com). The Internet website address of Cabot Microelectronics is provided as an inactive textual reference only. The information contained on the Internet website of Cabot Microelectronics is not incorporated into, and does not form a part of, this proxy statement/prospectus or any other report or document on file with or furnished to the SEC. Additional information about Cabot Microelectronics is included in the documents incorporated by reference into this proxy statement/prospectus. See the section entitled "Where You Can Find More Information" beginning on page [ ] of this proxy statement/prospectus.

**Cobalt Merger Sub Corporation**

Cobalt Merger Sub Corporation, a Texas corporation and referred to in this proxy statement/prospectus as Merger Sub, is a wholly owned subsidiary of Cabot Microelectronics. Merger Sub was formed by Cabot Microelectronics solely in contemplation of the merger, has not conducted any business and has no assets, liabilities or obligations of any nature other than as set forth in the merger agreement. The principal executive offices of Merger Sub are located at c/o Cabot Microelectronics Corporation, 870 North Commons Drive, Aurora, Illinois 60504, and its telephone number is (630) 375-6631.

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**INFORMATION ABOUT THE KMG SPECIAL MEETING**

**Time, Place and Purpose of the Special Meeting**

This proxy statement/prospectus is being furnished to KMG shareholders as part of the solicitation of proxies by the KMG board for use at the special meeting to be held on [ ], [ ], 2018, at [ ] [a.m./p.m.] (Central Time), at The Worthington Renaissance Fort Worth Hotel, 200 Main Street, Fort Worth, Texas 76102, or at any postponement or adjournment thereof.

At the special meeting, KMG shareholders will be asked to consider and vote upon (i) a proposal to approve and adopt the merger agreement, (ii) the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting (or any adjournment or postponement) to approve the proposal to approve and adopt the merger agreement and (iii) a proposal to approve, by non-binding, advisory vote, certain compensation arrangements for KMG's named executive officers in connection with the merger.

KMG shareholders must approve and adopt the merger agreement in order for the merger to occur. If KMG shareholders fail to approve and adopt the merger agreement, the merger will not occur. A copy of the merger agreement is attached as **Annex A** to this proxy statement/prospectus, and you are encouraged to read the merger agreement carefully and in its entirety.

**Record Date and Quorum**

KMG has set the close of business on [ ], 2018 as the record date for the special meeting, and only holders of record of KMG common stock on the record date are entitled to vote at the special meeting. You are entitled to receive notice of, and to vote at, the special meeting if you owned shares of KMG common stock as of the close of business on the record date. On the record date, there were [ ] shares of KMG common stock outstanding and entitled to vote. You will have one vote on all matters properly coming before the special meeting for each share of KMG common stock that you owned on the record date.

A majority of the shares of KMG common stock outstanding as of the close of business on the record date and entitled to vote, present in person or represented by proxy, at the special meeting constitutes a quorum for the purposes of the special meeting. Shares of KMG common stock represented at the special meeting but not voted, including shares of KMG common stock for which a shareholder directs an "abstention" from voting, will be counted for purposes of determining a quorum. A quorum is necessary to transact business at the special meeting. Once a share of KMG common stock is represented at the special meeting, it will be counted for the purpose of determining a quorum at the special meeting and any adjournment of the special meeting. However, if a new record date is set for the adjourned special meeting, then a new quorum will have to be determined.

**Attendance**

Only KMG shareholders of record as of the close of business on the record date, their duly authorized proxy holders, beneficial owners with proof of ownership and guests of KMG may attend the special meeting. If your shares of KMG common stock are held through a bank, brokerage firm or other nominee, please bring proof of your beneficial ownership of such shares to the special meeting. Acceptable proof could include an account statement showing that you owned shares of KMG common stock on the record date. If you are the representative of a corporate or institutional shareholder, you must present valid photo identification along with proof that you are the representative of such shareholder. Please note that cameras, recording devices and other electronic devices will not be permitted at the special meeting.

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**Vote Required**

The approval of the proposal to approve and adopt the merger agreement requires the affirmative vote of the holders of at least a majority of the shares of KMG common stock outstanding on the record date. For the approval of the proposal to approve and adopt the merger agreement, you may vote "FOR," "AGAINST" or "ABSTAIN." Votes to abstain will not be counted as votes cast in favor of the proposal to approve and adopt the merger agreement, but will count for the purpose of determining whether a quorum is present. **If you fail to submit a proxy or to vote in person at the special meeting, or if you vote to abstain, it will have the same effect as a vote "AGAINST" the proposal to approve and adopt the merger agreement.**

If your shares of KMG common stock are registered directly in your name with the transfer agent of KMG, Broadridge Corporate Issuer Solutions, you are considered, with respect to those shares of KMG common stock, the shareholder of record. If you are a shareholder of record, this proxy statement/prospectus and the enclosed proxy card have been sent directly to you by KMG.

If your shares of KMG common stock are held through a bank, brokerage firm or other nominee, you are considered the beneficial owner of shares of KMG common stock held in "street name." In that case, this proxy statement/prospectus has been forwarded to you by your bank, brokerage firm or other nominee who is considered, with respect to those shares of KMG common stock, the shareholder of record. As the beneficial owner, you have the right to direct your bank, brokerage firm or other nominee how to vote your shares by following their instructions for voting.

Under the rules of the NYSE, banks, brokerage firms or other nominees who hold shares in "street name" for customers have the authority to vote on "routine" proposals when they have not received instructions from beneficial owners. However, banks, brokerage firms and other nominees are precluded from exercising their voting discretion with respect to approving non-routine matters such as the approval of the proposal to approve and adopt the merger agreement, the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting (or any adjournment or postponement) to approve the proposal to approve and adopt the merger agreement, and the proposal to approve, by non-binding, advisory vote, certain compensation arrangements for KMG's named executive officers in connection with the merger. As a result, absent specific instructions from the beneficial owner of such shares of KMG common stock, banks, brokerage firms and other nominees are not empowered to vote those shares of KMG common stock on non-routine matters. **These broker non-votes will have the same effect as a vote "AGAINST" the proposal to approve and adopt the merger agreement, but will not be counted in respect of, and will not have an effect on, the vote on the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting (or any adjournment or postponement) to approve the proposal to approve and adopt the merger agreement or the proposal to approve, by non-binding, advisory vote, certain compensation arrangements for the named executive officers of KMG in connection with the merger.**

The adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting (or any adjournment or postponement) to approve the proposal to approve and adopt the merger agreement requires the affirmative vote of the holders of a majority of the shares of KMG common stock entitled to vote thereon and present in person or represented by proxy, whether or not a quorum is present. For purposes of the vote on the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting (or any adjournment or postponement) to approve the proposal to approve and adopt the merger agreement, if your shares of KMG common stock are present in person at the special meeting but are not voted on, or if you have given a proxy and abstained on, the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting (or any adjournment or

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postponement) to approve the proposal to approve and adopt the merger agreement, this will have the same effect as if you voted "**AGAINST**" the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting (or any adjournment or postponement) to approve the proposal to approve and adopt the merger agreement. If you fail to submit a proxy or to vote in person at the special meeting, or there are broker non-votes on the issue, as applicable, the shares of KMG common stock held by you or your bank, brokerage firm or other nominee will not be counted in respect of, and will not have an effect on, the vote on the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting (or any adjournment or postponement) to approve the proposal to approve and adopt the merger agreement.

The proposal to approve, by non-binding, advisory vote, certain compensation arrangements for KMG's named executive officers in connection with the merger requires the affirmative vote of the holders of a majority of the shares of KMG common stock entitled to vote on the matter at the special meeting and present in person or represented by proxy. For purposes of the proposal, if your shares of KMG common stock are present in person at the special meeting but are not voted on this proposal, or if you have given a proxy and abstained on this proposal, this will have the same effect as if you voted "**AGAINST**" the proposal. If you fail to submit a proxy or to vote in person at the special meeting, or there are broker non-votes on the issue, as applicable, the shares of KMG common stock held by you or your bank, brokerage firm or other nominee will not be counted in respect of, and will not have an effect on, the proposal to approve, by non-binding, advisory vote, certain compensation arrangements for KMG's named executive officers in connection with the merger.

**Proxies and Revocations**

If you are a shareholder of record, you may have your shares of KMG common stock voted on matters presented at the special meeting in any of the following ways:

by telephone or over the Internet, by accessing the telephone number or Internet website specified on the enclosed proxy card. The control number provided on your proxy card is designed to verify your identity when voting by telephone or by Internet. Please be aware that if you vote by telephone or over the Internet, you may incur costs such as telephone and Internet access charges for which you will be responsible;

by completing, signing, dating and returning the enclosed proxy card in the accompanying prepaid reply envelope; or

in person, by attending the special meeting and casting your vote there.

If you are a beneficial owner, you will receive instructions from your bank, brokerage firm or other nominee that you must follow in order to have your shares of KMG common stock voted. Those instructions will identify which of the above choices are available to you in order to have your shares voted. Please note that if you are a beneficial owner and wish to vote in person at the special meeting, you must provide a legal proxy from your bank, brokerage firm or other nominee at the special meeting.

Please refer to the instructions on your proxy or voting instruction card to determine the deadlines for voting by telephone or over the Internet. If you choose to submit a proxy by mailing a proxy card, your proxy card should be mailed in the accompanying prepaid reply envelope, and your proxy card must be filed with the Corporate Secretary of KMG by the time the special meeting begins. **Please do not send in your share certificates with your proxy card.** When the merger is completed, a separate letter of transmittal will be mailed to you that will enable you to receive the per share merger consideration in exchange for your share certificates.

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If you vote by proxy, regardless of the method you choose to vote, the individuals named on the enclosed proxy card, and each of them, with full power of substitution, will vote your shares of KMG common stock in the way that you indicate. When completing the Internet or telephone processes or the proxy card, you may specify whether your shares of KMG common stock should be voted for or against or to abstain from voting on all, some or none of the specific items of business to come before the special meeting.

If you properly sign your proxy card but do not mark the boxes showing how your shares of KMG common stock should be voted on a matter, the shares of KMG common stock represented by your properly signed proxy will be voted "FOR" the proposal to approve and adopt the merger agreement, "FOR" the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting (or any adjournment or postponement) to approve the proposal to approve and adopt the merger agreement and "FOR" the proposal to approve, by non-binding, advisory vote, certain compensation arrangements for KMG's named executive officers in connection with the merger.

You have the right to revoke a proxy, whether delivered over the Internet, by telephone or by mail, at any time before it is exercised, by voting again at a later date through any of the methods available to you, by attending the special meeting and voting in person, or by giving written notice of revocation to KMG prior to the time the special meeting begins. Written notice of revocation should be mailed to: KMG Chemicals, Inc., Attention: Corporate Secretary, 300 Throckmorton Street, Fort Worth, Texas 76102.

If you have any questions or need assistance voting your shares, please contact Okapi Partners LLC, KMG's proxy solicitor, by calling toll-free at (855) 305-0856. Banks, brokerage firms and other nominees may call collect at (212) 297-0720.

**IT IS IMPORTANT THAT YOU VOTE YOUR SHARES OF KMG COMMON STOCK PROMPTLY. WHETHER OR NOT YOU PLAN TO ATTEND THE SPECIAL MEETING, PLEASE COMPLETE, DATE, SIGN AND RETURN, AS PROMPTLY AS POSSIBLE, THE ENCLOSED PROXY CARD IN THE PRE-ADDRESSED POSTAGE-PAID ENVELOPE, OR FOLLOW THE INSTRUCTIONS ON THE PROXY CARD TO VOTE BY TELEPHONE OR OVER THE INTERNET. SHAREHOLDERS WHO ATTEND THE SPECIAL MEETING MAY REVOKE THEIR PROXIES BY VOTING IN PERSON.**

As of the record date, the directors and executive officers of KMG were entitled to vote, in the aggregate, [ ] shares of KMG common stock, representing [ ]% of the outstanding shares of KMG common stock. The directors and executive officers of KMG have informed KMG that they currently intend to vote all such shares of KMG common stock "FOR" the proposal to approve and adopt the merger agreement, "FOR" the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting (or any adjournment or postponement) to approve the proposal to approve and adopt the merger agreement and "FOR" the proposal to approve, by non-binding, advisory vote, certain compensation arrangements for KMG's named executive officers in connection with the merger.

**Adjournments and Postponements**

Although it is not currently expected, the special meeting may be adjourned for the purpose of soliciting additional proxies if there are insufficient votes at the time of the special meeting (or any adjournment or postponement) to approve the proposal to approve and adopt the merger agreement or if a quorum is not present at the special meeting. An adjournment generally may be made with the affirmative vote of the holders of a majority of the shares of KMG common stock entitled to vote thereon and present in person or represented by proxy, whether or not a quorum is present. Any adjournment of the special meeting for the purpose of soliciting additional proxies will allow KMG

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shareholders who have already sent in their proxies to revoke them at any time prior to their use at the special meeting as adjourned.

**Solicitation of Proxies; Payment of Solicitation Expenses**

KMG has engaged Okapi Partners LLC to assist in the solicitation of proxies for the special meeting. KMG estimates that it will pay Okapi Partners LLC a fee of \$30,000 plus an additional fee of \$5.00 per incoming and outgoing telephone contact and telephonic votes received. KMG has agreed to reimburse Okapi Partners LLC for certain out-of-pocket fees and expenses and also will indemnify Okapi Partners LLC against certain claims, costs, damages, liabilities, judgments and expenses. KMG also may reimburse banks, brokerage firms, other nominees or their respective agents for their expenses in forwarding proxy materials to beneficial owners of KMG common stock. KMG's directors, officers and employees also may solicit proxies by telephone, by facsimile, by mail, on the Internet or in person. They will not be paid any additional amounts for soliciting proxies.

**Questions and Additional Information**

If you have additional questions about the merger, need assistance in submitting your proxy or voting your shares of KMG common stock or need additional copies of this proxy statement/prospectus or the enclosed proxy card, please contact Okapi Partners LLC, KMG's proxy solicitor, by calling toll-free at (855) 305-0856. Banks, brokerage firms and other nominees may call collect at (212) 297-0720.

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**PROPOSAL 1: THE MERGER PROPOSAL**

As discussed in this proxy statement/prospectus, KMG is asking its shareholders to approve the merger proposal. Pursuant to the merger agreement, Cabot Microelectronics will acquire KMG in the merger. Merger Sub will merge with and into KMG, with KMG as the surviving company in the merger. If the merger is completed, KMG will be a wholly owned subsidiary of Cabot Microelectronics and the KMG common stock will be delisted from the NYSE, deregistered under the Exchange Act and cease to be publicly traded.

As described in further detail in the sections titled "Questions and Answers" beginning on page [ ], "Summary" beginning on page 1, "The Merger" beginning on page [ ] and "The Merger Agreement" beginning on page [ ], the KMG board of directors has unanimously approved the merger agreement, the merger and the other transactions contemplated by the merger agreement. For a discussion of certain factors considered by the KMG board of directors in determining to approve and adopt the merger agreement and recommend that KMG shareholders vote for the merger proposal, see "The Merger KMG's Reasons for the Merger; Recommendation of the KMG Board of Directors" beginning on page [ ]. A copy of the merger agreement is attached as **Annex A** to this proxy statement/prospectus. You are urged to read the merger agreement carefully and in its entirety.

The merger is subject to the satisfaction of the conditions set forth in the merger agreement, including approval of the merger proposal by the shareholders of KMG at the special meeting. Accordingly, the approval of the merger proposal by KMG shareholders is a condition to the obligations of Cabot Microelectronics and KMG to complete the merger.

The affirmative vote of the holders of at least a majority of the shares of KMG common stock outstanding on the record date is required to approve the merger proposal.

**THE KMG BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT KMG SHAREHOLDERS VOTE "FOR" THE MERGER PROPOSAL.**

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**PROPOSAL 2: THE ADJOURNMENT PROPOSAL**

KMG shareholders are being asked to approve a proposal to adjourn the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting (or any adjournment or postponement) to approve the proposal to approve and adopt the merger agreement or in the absence of a quorum. If this adjournment proposal is approved, the special meeting could be adjourned to such time and place as determined by the majority of KMG shareholders present at the meeting. Pursuant to the merger agreement, KMG is not permitted to postpone or adjourn the special meeting, unless KMG (i) determines in good faith (after consultation with its outside legal counsel) that any supplement or amendment to this proxy statement is required by applicable law to be provided to KMG shareholders or (ii) has not received proxies representing a sufficient number of shares of KMG common stock to constitute a quorum to conduct the business of the special meeting or to obtain the requisite company vote to approve the proposal to approve and adopt the merger agreement. However, without Cabot Microelectronics' prior written consent, the special meeting may not be postponed to a date later than 20 business days after the date for which the special meeting was originally scheduled. All other postponements or adjournments shall require Cabot Microelectronics' prior written consent, which shall not be unreasonably withheld, conditioned or delayed.

If the special meeting is adjourned for the purpose of soliciting additional proxies, KMG shareholders who have already submitted their proxies will be able to revoke them at any time prior to their use. If you sign and return a proxy and do not indicate how you wish to vote on any proposal, or if you sign and return a proxy and you indicate that you wish to vote in favor of the proposal to approve and adopt the merger agreement but do not indicate a choice on the adjournment proposal, your shares of common stock will be voted in favor of the adjournment proposal. If you fail to submit a proxy or vote in person at the special meeting, or there are broker non-votes on the issue, as applicable, the shares of KMG common stock that are not voted will not be counted in respect of, and will have no effect on, the vote on the adjournment of the special meeting.

KMG does not anticipate calling a vote on the adjournment proposal if Proposal 1 is approved by the requisite number of shares of KMG common stock at the special meeting.

The vote on the adjournment proposal is a vote separate and apart from the vote on the proposal to approve and adopt the merger agreement. Accordingly, you may vote to approve the proposal to approve and adopt the merger agreement and vote not to approve the adjournment proposal and vice versa.

Approval of the adjournment proposal requires the affirmative vote of holders of a majority of the shares of KMG common stock entitled to vote thereon and present in person or represented by proxy, whether or not a quorum is present.

**THE KMG BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT KMG SHAREHOLDERS VOTE "FOR" THE ADJOURNMENT PROPOSAL, IF A VOTE ON THE ADJOURNMENT PROPOSAL IS CALLED.**



Table of Contents**PROPOSAL 3: THE COMPENSATION PROPOSAL****"Golden Parachute" Compensation Payable to KMG's Named Executive Officers**

The information below is intended to comply with SEC regulations requiring disclosure of information about compensation for each "named executive officer" of KMG that is based on or otherwise relates to the merger. This compensation is referred to as "golden parachute" compensation by the applicable SEC disclosure rules.

The consummation of the merger will constitute a "change of control" under the terms of certain KMG employment agreements and the KMG Executive Severance Plan (the "ESP"). For a description of the merger-related compensation payable to and the treatment of outstanding equity awards held by KMG's executive officers, see the section entitled "Interests of KMG's Directors and Executive Officers in the Merger" beginning on page [ ] of this proxy statement/prospectus.

The following table sets forth the amount of payments and benefits that may be paid or become payable to each of KMG's named executive officers in connection with the merger that are based on or otherwise relate to the merger, assuming:

the merger consideration value is assumed to be \$77.45 per share of KMG common stock, which is calculated based on a share price of Cabot Microelectronics common stock of \$108.99, which, as required by Item 402(t) of Regulation S-K, is based on the average closing market price per share of Cabot Microelectronics common stock as quoted on Nasdaq over the first five business days following the public announcement of the merger;

the merger is consummated on September 7, 2018, which is the latest practicable date prior to the filing of this proxy statement/prospectus; and

each named executive officer of KMG was terminated without cause, or resigned for good reason, in each case, immediately following the consummation of the merger.

<b>Name(1)</b>	<b>Cash \$(2)</b>	<b>Equity \$(3)</b>	<b>Total (\$)</b>
Christopher T. Fraser	11,584,013	30,624,814	42,208,827
Ernest C. Kremling II	1,910,086	4,480,947	6,391,033
Jeffrey Handelman	2,366,495	2,388,868	4,755,363
Roger C. Jackson	2,148,096	2,555,076	4,703,172
Marvin Green	2,308,795	756,919	3,065,714

- (1) KMG's former CFO, Marcelino Rodriguez, departed the company on February 23, 2018. As a result, Mr. Rodriguez is not entitled to receive any payment in connection with the consummation of the merger.

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- (2) The amounts of the contractual severance components and retention bonus values upon termination without cause or by the executive officer for good reason are shown below:

Name	Double-Trigger Provisions		Single-Trigger Provision	Total (\$)
	Salary and Target Annual Incentive (\$)(a)	Pro-Rata Target Bonus Component (\$)(b)	Retention Bonus Component (\$)(c)	
Christopher T. Fraser	4,005,010	79,003	7,500,000	11,584,013
Ernest C. Kremling II	1,140,300	19,786	750,000	1,910,086
Jeffrey Handelman	1,146,600	19,895	1,200,000	2,366,495
Roger C. Jackson	948,096	0	1,200,000	2,148,096
Marvin Green	795,000	13,795	1,500,000	2,308,795

- (a) Named executive officers who participate in the ESP are entitled to receive a cash severance amount equal to a multiple of base salary and target annual incentive. Mr. Fraser is entitled to receive 2.5 times the sum of base salary and target annual incentive and Messrs. Kremling, Handelman and Green are entitled to receive 2.0 times the sum of base salary and target annual incentive. For Mr. Jackson, the severance payment is equal to 3.0 times his base salary.
- (b) Named executive officers who participate in the ESP receive a pro-rated target bonus payment for the completed portion of 2019.
- (c) If a named executive officer's employment is terminated involuntarily not for cause, voluntarily by the named executive officer for good reason, or due to death or disability, in each case, following consummation of the merger but prior to fully vesting, any unpaid portion of the retention bonus award will be paid upon termination of employment. For further discussion of retention bonuses, see the section entitled "Retention Bonus Program" beginning on page [ ] of this proxy statement/prospectus.
- (3) The equity amounts set forth in this column reflect payments of time-based and performance-based stock awards payable in connection with the consummation of the merger or upon a termination of the named executive officer's employment without cause or the named executive officer's resignation with good reason, in each case, within 18 months following completion of the merger. Unvested shares as of September 7, 2018, which is the latest practicable date prior to the filing of this proxy statement/prospectus, are reflected in the table below under the heading "Single-Trigger." Shares expected to be granted between signing and closing are reflected in the

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table below under the heading "Double-Trigger." The following sets forth the applicable accelerated vesting amounts by type of award:

Name	Single-Trigger		Double-Trigger	Total Unvested Stock Awards (#)	Total Value of Unvested Stock Awards \$(iv)
	Accelerated KMG Time-Based Stock Units Granted Prior to 8/14/18 #(i)	Accelerated KMG Performance Stock Units Granted Prior to 8/14/18 #(i)(ii)	Accelerated KMG Time-Based Stock Units Granted on or After 8/14/18 #(iii)		
Christopher T. Fraser	88,138	276,184	31,092	395,414	30,624,814
Ernest C. Kremling II	7,317	42,707	7,832	57,856	4,480,947
Jeffrey Handelman	6,646	24,198	0	30,844	2,388,868
Roger C. Jackson	4,852	28,138	0	32,990	2,555,076
Marvin Green	2,988	2,474	4,311	9,773	756,919

- (i) Immediately prior to the effective time, each restricted stock unit award held by the KMG named executive officers that was granted prior to August 14, 2018 will fully vest and be cancelled in exchange for merger consideration in respect of each share of KMG common stock underlying the award.
- (ii) KMG performance stock unit awards held by KMG's named executive officers will be earned at maximum performance levels, pursuant to the terms of the applicable award agreements.
- (iii) Restricted stock unit awards granted after August 14, 2018 will be assumed by Cabot Microelectronics, converted into a restricted stock unit award relating to shares of Cabot Microelectronics common stock and payable only upon a qualifying termination of employment within 18 months following consummation of the merger. The number of shares of KMG common stock reflected in the table above represents 150% of the target number of shares subject to the award, which is the number of shares that would vest upon a termination without cause or resignation with good reason during the 18 months following the closing.
- (iv) The "Single-Trigger" columns of the table include certain awards that are expected to vest in the ordinary course during September, October, and early November 2018 (i.e., prior to the anticipated consummation of the merger). The numbers of shares included in those columns in respect of such awards are as follows: Mr. Fraser 92,410, Mr. Kremling 21,949, Mr. Handelman 6,646, Mr. Jackson 14,556, and Mr. Green 1,125. If such shares were excluded from the table, the total value of unvested stock awards shown in this column would be as follows: Mr. Fraser \$23,467,660, Mr. Kremling \$2,780,997, Mr. Handelman \$1,874,135, Mr. Jackson \$1,427,713, and Mr. Green \$669,788.

**Vote Required and Board of Directors Recommendation**

The Dodd-Frank Act and the Exchange Act require that KMG seek an advisory (non-binding) vote from its shareholders to approve certain "golden parachute" compensation that its "named executive officers" will receive from KMG in connection with the merger. The proposal gives KMG's shareholders the opportunity to express their views on the merger-related compensation of KMG's named executive officers. Approval requires the affirmative vote of the holders of a majority of shares of KMG common stock entitled to vote on the matter at the special meeting and present in person or represented by proxy. Accordingly, KMG is asking its shareholders to approve the following resolution on a non-binding, advisory basis:

**"RESOLVED**, that the shareholders approve, on an advisory (non-binding) basis, the agreements or understandings with and items of compensation payable to the named executive officers of

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KMG Chemicals, Inc. that are based on or otherwise relate to the merger with Cabot Microelectronics Corporation, as disclosed in the section of the proxy statement/prospectus entitled "Proposal 3: The Compensation Proposal."

**THE KMG BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT KMG SHAREHOLDERS APPROVE THE "GOLDEN PARACHUTE" COMPENSATION ARRANGEMENTS DESCRIBED IN THIS PROXY STATEMENT/PROSPECTUS BY VOTING "FOR" THE COMPENSATION PROPOSAL.**

Approval of this proposal is not a condition to completion of the merger, and the vote with respect to this proposal is advisory only and will not be binding on KMG or Cabot Microelectronics. If the merger is completed, the "golden parachute" compensation may be paid to KMG's named executive officers even if KMG shareholders fail to approve the "golden parachute" compensation.

Table of Contents**THE MERGER**

*This section of this proxy statement/prospectus describes the material aspects of the proposed merger. This section may not contain all of the information that is important to you. You should carefully read this entire proxy statement/prospectus and the documents incorporated by reference into this proxy statement/prospectus, including the full text of the merger agreement, a copy of which is attached to this proxy statement/prospectus as **Annex A**, for a more complete understanding of the proposed merger. In addition, important business and financial information about each of Cabot Microelectronics and KMG is included in or incorporated by reference into this proxy statement/prospectus. See "Where You Can Find More Information" beginning on page [ ].*

**Per Share Merger Consideration**

The merger agreement provides that, subject to the terms and conditions of the merger agreement, Merger Sub will be merged with and into KMG, with KMG surviving the merger as a wholly owned subsidiary of Cabot Microelectronics. Upon completion of the merger, each issued and outstanding share of KMG common stock (other than shares (i) held in treasury by KMG or owned by Cabot Microelectronics or Merger Sub (which will be cancelled), (ii) owned by any direct or indirect wholly owned subsidiary of KMG or Cabot Microelectronics (other than Merger Sub) (which will be converted into shares of the surviving company), (iii) owned by shareholders that have complied with the applicable provisions of Chapter 10, Subchapter H of the TBOC, or (iv) underlying KMG restricted stock awards granted after August 14, 2018) will be converted into the right to receive \$55.65 in cash, plus 0.2000 shares of Cabot Microelectronics common stock, in each case, without interest and less any applicable withholding taxes. Each KMG shareholder who would otherwise have been entitled to receive a fractional share of Cabot Microelectronics common stock in the merger will instead receive a cash payment in lieu of such fractional share. See the section titled "The Merger Exchange of Shares" beginning on page [ ] for a discussion of the treatment of fractional shares of Cabot Microelectronics common stock.

Based on the number of shares of KMG common stock outstanding as of [ ], Cabot Microelectronics would issue approximately [ ] shares of Cabot Microelectronics common stock to KMG shareholders pursuant to the merger. The actual number of shares of Cabot Microelectronics common stock to be issued pursuant to the merger will be determined at completion of the merger based on the exchange ratio and the number of shares of KMG common stock outstanding at such time. Based on the number of shares of KMG common stock outstanding as of [ ], and the number of shares of Cabot Microelectronics common stock outstanding as of [ ], immediately after completion of the merger, former KMG shareholders would own approximately [ ]% of the outstanding shares of Cabot Microelectronics common stock.

Based on the closing price of Cabot Microelectronics common stock on August 14, 2018, the last full trading day before the public announcement of the merger, the per share value of KMG common stock implied by the per share merger consideration is \$79.93. Based on the closing price of Cabot Microelectronics common stock on [ ], the most recent practicable date prior to the date of this proxy statement/prospectus, the per share value of KMG common stock implied by the per share merger consideration is \$[ ]. The implied value of the per share merger consideration will fluctuate, however, as the market price of Cabot Microelectronics common stock fluctuates because a portion of the per share merger consideration is payable in a fixed number of shares of Cabot Microelectronics common stock. As a result, the value of the per share merger consideration that KMG shareholders will receive upon completion of the merger could be greater than, less than or the same as the value of the merger consideration on the date of this proxy statement/prospectus or at the time of the KMG special meeting. Accordingly, KMG and Cabot Microelectronics encourage you to obtain current stock price quotations for Cabot Microelectronics common stock and KMG common stock before deciding how to vote with respect to approval of the merger proposal.

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**Background of the Merger**

From time to time, the KMG board, with input from senior management of KMG, has reviewed KMG's long-term strategy and objectives, and considered ways in which KMG might enhance shareholder value. Generally, these reviews have centered on improving KMG's existing operations, pursuing opportunities in new markets or lines of business, or in considering acquisitions or dispositions of businesses. In addition, the KMG board has considered periodically whether enhanced shareholder value is best pursued as a standalone company or through a potential strategic business combination involving KMG.

On March 21, 2018, at a meeting of the KMG board, KBCM attended the meeting to present and discuss recommendations for strategic alternatives. The KMG board asked KBCM to conduct this assessment due to its familiarity with KMG and its experience in the chemicals sector. At that meeting, representatives of KBCM discussed with the KMG board various strategic alternatives for value creation and realization, and the KMG board asked questions of KBCM regarding those alternatives. Among the various strategic alternatives KBCM presented were (i) keeping the status quo, (ii) enhancing shareholder return of capital, (iii) divesting the electronic chemicals segment, and (iv) a strategic business combination with a strategic buyer or financial buyer. In discussing the alternative of exploring a strategic business combination, KBCM suggested engaging in a targeted outreach to assess the interest in a potential strategic business combination with KMG of a limited universe of potential parties that it described to the KMG board. During this meeting, the KMG board also invited Haynes and Boone, LLP, legal counsel to KMG (referred to herein as Haynes and Boone), to present and discuss fiduciary duties of the KMG board.

After KBCM's representatives left the meeting, the KMG board discussed KBCM's presentation and considered advantages and disadvantages of exploring the potential for a strategic business combination involving KMG in a confidential manner at that time. The KMG board considered the benefits of commencing a strategic initiative at this time in light of the current favorable outlook in KMG's businesses and the risk of multiple contraction over time. The KMG board also discussed whether the primary focus of the initiative should be on strategic buyers or possible financial buyers and discussed a preliminary list of potential buyers. After a discussion, the KMG board decided to move forward with KBCM to explore the potential for a strategic business combination involving KMG, while continuing to consider other strategic alternatives. Following the meeting, KBCM was informed that KMG intended to engage it as financial advisor, and an engagement letter with KBCM was subsequently executed on April 26, 2018.

In late March 2018, KMG's senior management and KBCM refined a list of potential parties for KBCM to contact on behalf of KMG. In March and April 2018, KBCM, contacted twenty-seven potential parties, comprised of ten potential strategic buyers and seventeen potential financial buyers. Fifteen potential buyers were interested in proceeding and signed non-disclosure agreements. Four of these were potential strategic buyers and eleven were potential financial buyers. KBCM contacted Cabot Microelectronics in its initial outreach, but Cabot Microelectronics declined to participate at that time.

During March and April 2018, KBCM also worked with the senior management of KMG to refine its understanding of KMG's business and prospects, and to prepare a confidential information presentation. In April 2018, potential buyers who had executed non-disclosure agreements were provided with the confidential information presentation. Certain of those potential buyers also met with KMG management to further discuss their evaluation of a potential strategic business combination with KMG. KBCM asked interested buyers to deliver indications of interest by April 23, 2018.

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In late April 2018, five parties submitted preliminary written, non-binding proposals for the potential strategic business combination involving KMG at the following valuations:

Company A (strategic buyer): \$75.00 per share in cash and stock consideration, split not specified;

Company B (financial buyer): \$72.00 - \$73.00 per share in cash consideration;

Company C (financial buyer): \$72.73 per share in cash consideration;

Company D (financial buyer): \$70.00 - \$72.00 per share in cash consideration; and

Company E (financial buyer): \$70.00 per share in cash consideration.

On April 25, 2018, at a special meeting of the KMG board, KBCM gave an update on the strategic alternatives initiative, and discussed the proposals that were received from potential buyers, including the various interest levels of the potential buyers, the value drivers and considerations expressed by potential buyers, and suggested a plan for continuing with potential buyers. KBCM also provided information regarding the potential buyers it had contacted and assessed each of the parties who submitted proposals. Following KBCM's presentation, the KMG board and KMG senior management discussed constraints related to management presentations and potential risks to the business in the event of a breach of confidentiality. The KMG board reviewed the rationale for continuing with the exploration of a potential strategic business combination, including shareholder liquidity and potential pricing and market risks. The KMG board agreed to proceed with exploring a potential strategic business combination involving KMG with the four parties believed to have the greatest interest in pursuing a transaction. For reference, KMG's closing stock price on April 25, 2018 was \$63.59 per share.

Following the April 25, 2018 meeting and direction from the KMG board, KBCM invited Company A, Company B, Company C and Company D to participate in the next phase of the initiative. KMG also established a confidential dataroom. Additionally, Haynes and Boone prepared a draft merger agreement to be used to gauge interest from potential bidders in a potential strategic business combination with KMG.

On May 2, 2018, Company A, Company B, Company C and Company D were provided access to the dataroom with more detailed diligence information regarding KMG. On May 5, 2018, a draft merger agreement was made available to the potential buyers.

Between May 2, 2018 and June 1, 2018, Company A, Company B, Company C and Company D undertook additional due diligence to evaluate the potential strategic business combination with KMG.

Between May 7, 2018 and May 10, 2018, KMG held in-person management presentations in Dallas, Texas with representatives of each of Company A, Company B, Company C and Company D. At each of these meetings, KMG's senior management provided a detailed presentation regarding KMG's business and financial outlook. Subsequently, on May 14, 2018, the KMG board met by telephone to discuss the status of the discussions and in-person management presentations with each of Company A, Company B, Company C and Company D.

On May 18, 2018, representatives of KBCM received revised drafts of the merger agreement from Company C and Company D as well as a merger agreement issues list from Company A, which revised drafts were subsequently provided to representatives of KMG and Haynes and Boone. No potential buyers other than Company C and Company D submitted a revised draft of the merger agreement to KMG or its advisors. On May 24, 2018, Haynes and Boone had conference calls with counsel for each of Company C and Company D to discuss certain terms in the drafts of the merger agreement submitted by Company C and Company D. On May 30, 2018, representatives of Haynes and Boone

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sent revised drafts of the draft merger agreement to legal counsel for each of Company C and Company D.

KBCM requested refreshed bids from the four potential buyers by June 1, 2018. Company A and Company B each decided not to participate in the next phase and did not submit refreshed bids, while Company D submitted a letter indicating they could not offer a sufficient premium value relative to KMG's current trading levels to pursue a transaction at that time. For reference, KMG's closing price on June 1, 2018, the date of receipt of Company D's letter, was \$67.06 per share.

On June 4, 2018, Company C submitted a written refreshed bid of \$72.00 per share in cash consideration for the potential strategic business combination with KMG.

The KMG board met later on June 4, 2018, with representatives of Haynes and Boone and KBCM. KBCM provided an update on the status of the strategic alternatives since the prior meeting, including the further due diligence efforts by the potential buyers, the decision of Company A, Company B and Company D not to continue with a transaction, and reported on the correspondence received from Company C and Company D. Representatives of KBCM discussed the evaluation by Company C and Company C's due diligence plans going forward. The KMG board also discussed with KBCM the likely impact of continued increases in the price of KMG common stock, including the premium that a potential buyer might be willing or able to pay, and that this had been cited by Company D in declining to proceed. KBCM suggested to the KMG board that KMG ask Company C to continue with its due diligence, focus on its valuation and provide another revised draft of the merger agreement in order to have a comprehensive view of Company C's position on key legal points. KBCM also suggested that KMG further evaluate the path forward after gauging the market reaction to KMG's forthcoming earnings release.

On June 11, 2018, KMG reported its third quarter financial results after the markets closed. Subsequently, KMG's stock price increased from a closing price of \$70.51 per share on June 11, 2018 to \$79.26 per share on June 12, 2018.

KBCM had a discussion with Company C following KMG's third quarter earnings announcement. Company C indicated it could not meaningfully increase its previously submitted bid proposal of \$72.00 per share at that time. KBCM relayed the information to KMG's management and KMG suspended further diligence and discussions with Company C.

Between the KMG board meeting on June 4, 2018 and the entry into the merger agreement with Cabot Microelectronics, the KMG board held a number of meetings and discussions, described below, as part of the strategic alternatives review. Members of KMG's senior management, including Christopher T. Fraser, KMG's Chairman of the Board, President and Chief Executive Officer, Marvin T. Green III, KMG's Chief Financial Officer and Roger C. Jackson, KMG's Vice President, General Counsel and Secretary, along with KMG's financial and legal advisors, participated in many of these meetings.

On June 13, 2018, William Noglows, Cabot Microelectronics' Chairman of the Board, reached out to Gerald G. Ermentrout, KMG's lead independent director, and on June 14, 2018 David Li, the Chief Executive Officer of Cabot Microelectronics reached out to Mr. Fraser, to express Cabot Microelectronics' interest in exploring a potential transaction with KMG. Representatives of Cabot Microelectronics also contacted representatives of KBCM regarding Cabot Microelectronics' interest in discussing a potential transaction. On June 15, 2018, the KMG board met by telephone with its management and representatives of Haynes and Boone and KBCM, discussed the recent contacts from Cabot Microelectronics, and decided to continue discussions with Cabot Microelectronics about a possible transaction. Subsequently, on June 26, 2018, KMG and Cabot Microelectronics executed an amended non-disclosure agreement to exchange further information between the parties relating to a potential transaction.



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On July 3, 2018, select members of senior management of KMG met in Fort Worth, Texas with select members of senior management of Cabot Microelectronics. At this meeting, each of KMG and Cabot Microelectronics delivered presentations on their respective companies and provided a detailed review of their respective businesses and corporate structures.

On July 10, 2018, Cabot Microelectronics provided KMG with a written, non-binding indication of interest to acquire KMG for \$78.00 per share of KMG common stock, comprised of 60% cash and 40% shares of Cabot Microelectronics common stock.

On July 16, 2018, the KMG board held a special meeting, with representatives of KBCM and Haynes and Boone also present, to discuss Cabot Microelectronics' indication of interest from July 10, 2018. On July 17, 2018, the KMG board reconvened to further discuss Cabot Microelectronics' indication of interest. The KMG board directed KBCM to contact Cabot Microelectronics to request an increase in its valuation of KMG. Subsequently, KBCM reverted to Cabot Microelectronics, and conveyed the request from the KMG board to increase its valuation of KMG.

On July 17, 2018, Cabot Microelectronics submitted a revised non-binding indication of interest of \$80.00 per share, comprised of 60% cash and 40% shares of Cabot Microelectronics common stock, which was subject to satisfactory completion of due diligence. KMG informed Cabot Microelectronics that it would be permitted to conduct a diligence review and would be asked to re-confirm its proposal in approximately two weeks.

Between July 18, 2018 and August 3, 2018, Cabot Microelectronics and its representatives undertook an extensive due diligence investigation of KMG, which included meetings and numerous conference calls with KMG senior management and a review of materials made available by KMG in an electronic dataroom. In addition, Cabot Microelectronics requested visits to several of KMG's operating facilities. Cabot Microelectronics senior management conducted these initial site visits between July 23, 2018 and August 5, 2018.

On July 27, 2018, Shearman & Sterling LLP (referred to herein as Shearman & Sterling) was retained by KMG as additional legal advisors and co-counsel to Haynes and Boone, to assist in the evaluation, consideration and negotiation of the Cabot Microelectronics proposal.

On July 28, 2018, representatives of Wachtell, Lipton, Rosen & Katz, special counsel for Cabot Microelectronics (referred to herein as Wachtell) provided a draft of a merger agreement to KMG and its representatives.

On August 3, 2018, following substantial completion of its due diligence review, Cabot Microelectronics verbally indicated in a telephone conversation between Mr. Li and Mr. Fraser a revised valuation of \$78.00 per share of KMG common stock, and indicated that it would be willing to increase the cash component of the merger consideration from 60% up to 70%. That same day, Mr. Fraser, Mr. Jackson and a working group of independent KMG directors, comprised of Mr. Ermentrout, John C. Hunter III, and Robert Harrer, met by telephone to consider the Cabot Microelectronics proposal. The working group of independent KMG directors was established to provide guidance and oversight to KMG senior management in connection with exploring a potential business combination involving KMG. After discussing the proposal, it was decided that Mr. Fraser, with the guidance and oversight of the working group of independent KMG directors, would contact Cabot Microelectronics to further improve price and terms.

Following that meeting, over the next two days, Mr. Li and Mr. Fraser negotiated further and Cabot Microelectronics agreed to increase its offer price to \$79.50 per share comprised of 70% cash and 30% shares of Cabot Microelectronics common stock. In addition, based on the merger consideration to be offered and the mix of the merger consideration, the parties negotiated and agreed on the transaction structure for the strategic business combination and a termination fee payable by KMG to Cabot Microelectronics in certain circumstances equal to 3% of the equity value of KMG per the transaction.

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On August 5, 2018, the KMG board held a special meeting. KMG management discussed with the KMG board the offer from Cabot Microelectronics to acquire all of the outstanding equity interests of KMG for \$79.50 per share, comprised of 70% cash and 30% shares of Cabot Microelectronics common stock, which the KMG board determined would increase the value certainty of the consideration paid to KMG shareholders while still offering KMG shareholders the ability to participate in any upside of the combined company through the stock portion of the merger consideration. The KMG board also discussed certain material open issues relating to the draft merger agreement, including the total purchase price and the exchange ratio for the stock portion of the price. The KMG board instructed KMG senior management to continue with Cabot Microelectronics and attempt to finalize outstanding terms of the merger agreement with Cabot Microelectronics. As requested, Mr. Fraser and Mr. Li spoke by telephone and agreed to an exchange ratio whereby the 30% stock component would be based on a fixed exchange ratio with the exchange ratio determined based on the twenty trading day volume weighted average price for Cabot Microelectronics common stock ending the last full trading day prior to the signing of the merger agreement.

On August 6, 2018, representatives of Haynes and Boone and Shearman & Sterling provided comments to Wachtell on the draft merger agreement proposed by Cabot Microelectronics.

In addition, on August 10, 2018, Wachtell provided a draft form of voting agreement for certain significant shareholders of KMG.

Between August 6, 2018 and August 14, 2018, Cabot Microelectronics completed its due diligence review of KMG. During this period, KMG also conducted due diligence on Cabot Microelectronics.

Between August 7, 2018 and August 14, 2018, representatives of Wachtell, on behalf of Cabot Microelectronics, and Haynes and Boone and Shearman & Sterling, on behalf of KMG, continued to negotiate the terms of the draft merger agreement. Among the key terms negotiated were provisions relating to the ability of the KMG board to respond to alternative proposals and termination fee triggers, covenants and representations relating to Cabot Microelectronics' financing for the proposed merger, the scope of the representations and warranties of KMG and Cabot Microelectronics, the restrictions on KMG and Cabot Microelectronics' respective businesses after the execution of the merger agreement, matters relating to retention of KMG's officers and employees, the definition of material adverse effect and the scope of Cabot Microelectronics' obligations with respect to obtaining antitrust clearance. During this period, Wachtell and Haynes and Boone and Shearman & Sterling also exchanged drafts of the form of the voting agreement and agreed that the two KMG directors with the largest ownership of KMG common stock, Mr. Fraser and Fred Leonard III, would each enter into a voting agreement.

On August 14, 2018, the KMG board held a special meeting to review the proposed strategic business combination between KMG and Cabot Microelectronics on the terms set forth in the proposed merger agreement. Representatives of KBCM, Haynes and Boone and Shearman & Sterling were also present. Representatives of Haynes and Boone provided a detailed overview of the KMG board's fiduciary duties under laws of the State of Texas. Representatives of Haynes and Boone and Shearman & Sterling reviewed the material terms of the proposed merger, the proposed merger agreement and the proposed form of the voting agreement. KMG's management also reviewed with the KMG board the results of the due diligence done on Cabot Microelectronics by management and Haynes and Boone. KMG's management also reported that the merger agreement provided for a final cash and exchange ratio with an implied value of \$79.50, based on the trailing 20 trading days volume weighted average price and an implied value of \$79.86, valuing the stock portion of the merger consideration based on the closing price per share of Cabot Microelectronics common stock on August 13, 2018. In addition, representatives of Haynes and Boone and Shearman & Sterling summarized the resolution of certain key issues under the proposed merger agreement. Representatives of KBCM presented their financial analysis of the proposed merger. Thereafter, KBCM delivered an

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oral opinion, subsequently confirmed in writing, to the KMG board as to the fairness, from a financial point of view and as of the date of the opinion, of the proposed per share merger consideration to be received by KMG shareholders, which opinion was based upon and subject to the assumptions made, procedures followed, matters considered and limitations on the review undertaken by KBCM as more fully described under the section entitled "The Merger Opinion of KeyBanc Capital Markets Inc. (KBCM)" beginning on page [ ] of this proxy statement/prospectus.

At the request of the KMG board, Mr. Fraser, Mr. Green, Mr. Jackson and KBCM left the meeting. The independent members of the KMG board and representatives of Haynes and Boone and Shearman & Sterling remained in the meeting. The independent members of the KMG board then engaged in a detailed discussion of the proposed merger, the proposed merger agreement and the proposed form of the voting agreement. In view of the knowledge of the independent members of the KMG board of the industry, prior discussions of the other strategic alternatives available to KMG, as well as potential parties that would be interested in a strategic business combination with KMG and taking into account the prior discussions with potential buyers contacted by KBCM, the independent members of the KMG board confirmed that Cabot Microelectronics was the party best positioned to offer a strategic business combination on the most favorable terms reasonably available to KMG. The KMG board also discussed the same types of risks and uncertainties facing KMG as a standalone entity as were addressed at prior board meetings. After taking into consideration the discussions with KMG's financial advisors, outside counsel, and members of KMG senior management, the independent members of the KMG board determined that it was in the best interests of KMG and its shareholders to proceed with the proposed merger on the terms negotiated with Cabot Microelectronics. Mr. Fraser and Mr. Jackson rejoined the meeting. Mr. Ermentrout, the lead independent director, advised Mr. Fraser of the conclusions of the independent members of the KMG board. Mr. Fraser noted his agreement with those conclusions. The KMG board then unanimously adopted the proposed board resolutions. The full KMG board unanimously authorized, approved and declared advisable the proposed merger, upon the terms and subject to the conditions set forth in the proposed merger agreement and voting agreements. The full KMG board also directed that the proposed merger agreement be submitted to KMG shareholders for consideration and recommended that KMG shareholders approve the proposed merger agreement, including the proposed merger. For a full description of the factors considered by the KMG board in connection with its recommendation of the merger, please see the section entitled, "Recommendation of the KMG Board of Directors."

Following the KMG board meeting, the proposed merger agreement and voting agreements were finalized and executed, and on the morning of August 15, 2018, KMG and Cabot Microelectronics issued a joint press release announcing the transaction.

**KMG's Reasons for the Merger; Recommendation of the KMG Board of Directors**

At a meeting held on August 14, 2018, the KMG board unanimously (i) approved and declared advisable the merger agreement and the transactions contemplated thereby, including the merger, upon the terms and subject to the conditions set forth in the merger agreement, (ii) determined that the terms of the merger agreement and the transactions contemplated thereby, including the merger, are in the best interests of KMG and its shareholders, (iii) directed that the merger agreement and the transactions contemplated thereby be submitted to KMG shareholders for approval and adoption and (iv) recommended that KMG shareholders approve and adopt the merger agreement and the transactions contemplated thereby, including the merger .

**ACCORDINGLY, THE KMG BOARD UNANIMOUSLY RECOMMENDS THAT KMG SHAREHOLDERS VOTE "FOR" THE PROPOSAL TO APPROVE AND ADOPT THE MERGER AGREEMENT, INCLUDING THE MERGER.**

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In addition, the KMG board unanimously recommends that KMG shareholders vote "for" the adjournment of the special meeting, if necessary or appropriate and in accordance with the terms of the merger agreement, to solicit additional proxies if there are insufficient votes at the time of the special meeting (or any adjournment or postponement) to approve the proposal to approve and adopt the merger agreement, including the merger, and "for" the proposal to approve, by non-binding, advisory vote, certain compensation arrangements for KMG's named executive officers in connection with the merger.

As described in the section entitled "The Merger Background of the Merger" beginning on page [ ] of this proxy statement/prospectus, the KMG board, in evaluating the merger and the merger agreement, consulted with KMG senior management and its legal and financial advisors and, in reaching its decision at its meeting on August 14, 2018 to approve and adopt the merger agreement and the transactions contemplated thereby, including the merger, considered a variety of factors weighing positively and negatively in respect of the merger. In light of the number and wide variety of factors considered in connection with KMG's evaluation of the transaction, the KMG board did not consider it practicable to, and did not attempt to, quantify or otherwise assign relative weights to the specific factors it considered in reaching its determination. The KMG board viewed its position as being based on all of the information available and the factors presented to and considered by it. In addition, individual directors may have given different weight to different factors.

The reasons in favor of the merger considered by the KMG board include, among others and not necessarily in order of relative importance, the following:

The merger consideration consisting of cash consideration and stock consideration for each share of KMG's common stock, and the premium represented by the implied value of the merger consideration upon execution of the merger agreement as compared to the historical price of KMG common stock;

The stock consideration component of the per share merger consideration would provide KMG shareholders an additional premium if the value of Cabot Microelectronics' common stock increased, and would provide KMG shareholders with the opportunity to participate in the equity value of the combined company and potential upside following the merger;

The cash consideration component of the merger consideration provides a degree of certainty to the value of the consideration to be received in the merger;

The increased liquidity of shares of Cabot Microelectronics common stock compared with shares of KMG common stock;

The due diligence conducted by KMG regarding Cabot Microelectronics' business, assets, financial condition, results of operations business plan and prospects, including:

The size and scale of the combined company following the merger, especially the potential increased scale and scope of operations of the combined company following the merger;

The complementary nature and geographic diversity of the assets of KMG and Cabot Microelectronics;

The potential for significant operational and financial synergies of KMG and Cabot Microelectronics; and

The balance sheet strength and liquidity of the combined company following the merger;

The financial analyses reviewed by KBCM with the KMG board and the oral fairness opinion delivered by KBCM to the KMG board (which was promptly followed by a written opinion confirming the oral opinion) as to the fairness, from a financial point of view, of the per share merger consideration to be received by KMG shareholders, which opinion was based on and



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subject to the assumptions made, procedures followed, matters considered and limitations on the review undertaken by KBCM as more fully described in the section entitled "The Merger Opinion of KeyBanc Capital Markets Inc. (KBCM)" beginning on page [ ] of this proxy statement/prospectus. KMG SHAREHOLDERS ARE URGED TO READ THE OPINION OF KBCM IN ITS ENTIRETY;

Multiples of various EBITDA measures represented by the enterprise value of KMG implied by the \$79.86 per share implied value of the merger consideration (valuing the stock portion of the merger consideration based on the closing price per share of Cabot Microelectronics common stock on August 13, 2018, the last day prior to the KMG board's approval of the merger agreement), including multiples of approximately:

13.9x based on KMG's estimated adjusted EBITDA for the last twelve months as of the third fiscal quarter of 2018; and

13.3x based on KMG's estimated adjusted EBITDA for the 2018 fiscal year;

The KMG board's belief, taking into account the perspectives provided by KBCM and KMG's senior management, and after considering reasonable alternatives including remaining independent and the results of the strategic alternatives review conducted by KBCM, that the merger with Cabot Microelectronics and the merger consideration was the best value reasonably available to KMG and its shareholders;

The KMG board's understanding of and KMG senior management's review of overall market conditions, including the current, historical and potential future trading prices for KMG common stock and Cabot Microelectronics common stock, and the KMG board's determination that, in light of these factors, the timing of the potential transaction was favorable to KMG and KMG's shareholders; and

The review by the KMG board with its legal and financial advisors of the structure of the merger and the financial and other terms of the merger agreement, including the parties' representations, warranties and covenants, the conditions to their respective obligations and the termination provisions, as well as the likelihood of consummation of the merger and the KMG board's evaluation of the likely time period necessary to close the merger. The KMG board also considered the following specific aspects of the merger agreement:

The KMG board's view that the merger agreement contained customary terms and conditions and provided reasonable assurances that the merger would ultimately be consummated on a timely basis;

The nature of the closing conditions included in the merger agreement, including the exceptions to the events that would constitute a material adverse effect with respect to KMG or Cabot Microelectronics for purposes of the merger agreement, as well as the likelihood of satisfaction of all conditions to the consummation of the merger;

KMG's right to engage in negotiations with, and provide information to, a third party that makes an unsolicited KMG takeover proposal if the KMG board determines in good faith, after consultation with KMG's legal and financial advisors, that such proposal constitutes or is reasonably likely to lead to a KMG superior proposal, subject to certain conditions (as described in further detail in the section entitled "The Merger Agreement No Solicitation of KMG Takeover Proposals" beginning on page [ ] of this proxy statement/prospectus);

The KMG board's right to change its recommendation that KMG shareholders vote in favor of the merger agreement with respect to a KMG superior proposal or a KMG intervening event, subject to certain conditions and the right of Cabot Microelectronics to terminate the merger agreement and receive a termination fee from KMG (as described in further detail



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in the section entitled "The Merger Agreement Company Superior Proposals; Intervening Events" beginning on page [ ] of this proxy statement/prospectus); and

Certain other provisions in the merger agreement, including the termination provisions.

The KMG board considered the following factors relating to the procedural safeguards that the KMG board believes were present to ensure the fairness of the merger to KMG and KMG's shareholders:

The per share merger consideration and the other terms and conditions of the merger agreement resulted from extensive, arm's-length negotiations between Cabot Microelectronics and its advisors, on the one hand, and KMG and its advisors, on the other hand;

The fact that the discussions related to the merger and the consideration and negotiation of the per share merger consideration and other terms of the proposed merger were conducted with the oversight of the independent members of the KMG board;

The fact that the KMG board was actively involved in KMG's strategic alternatives review for many months and that the KMG board (i) was advised by Haynes and Boone and Shearman & Sterling, KMG's legal co-counsel, and KBCM, KMG's financial advisor, (ii) conducted extensive deliberations and discussions with KMG senior management and such advisors and (iii) oversaw the extensive negotiations with Cabot Microelectronics regarding the terms of the proposed merger;

The ability of the KMG shareholders who comply with all of the required procedures within applicable time periods under the applicable laws of the State of Texas to dissenters' rights and to seek the "fair value" of KMG's common stock rather than the per share merger consideration;

KMG's right to engage in negotiations with, and provide information to, a third party that makes an unsolicited KMG takeover proposal if the KMG board determines in good faith, after consultation with KMG's legal and financial advisors, that such proposal constitutes or is reasonably likely to lead to a KMG superior proposal, subject to certain conditions (as described in further detail in the section entitled "The Merger Agreement No Solicitation of KMG Takeover Proposals" beginning on page [ ] of this proxy statement/prospectus);

The KMG board's ability in certain circumstances and subject to certain conditions to change, qualify, withdraw or modify its recommendation that KMG shareholders vote to approve and adopt the merger agreement;

That although, pursuant to the voting agreements, the shareholders party to the voting agreements have committed to vote in favor of approving the merger agreement and the merger, such commitments are automatically suspended upon a change in the recommendation of the KMG board in compliance with the terms of the merger agreement; and

The independent members of the KMG board, without members of KMG senior management, met in executive session to consider the terms of the merger agreement and the transactions contemplated thereby, including the merger and the voting agreements, and unanimously approved the merger agreement and the transactions contemplated thereby, including the merger and the voting agreements.

The KMG board considered the following factors to be generally negative or unfavorable in its deliberations and making its recommendations:

The risk that the proposed merger might not be completed in a timely manner or at all;





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The risks and costs to KMG if the merger does not close, including the diversion of management and employee attention, potential employee attrition and the potential disruptive effect on KMG's various business relationships;

The restrictions on KMG's operations prior to completion of the merger, including the requirement that KMG conduct business in the ordinary course consistent with past practice, subject to specific limitations, which may delay or prevent KMG from undertaking business opportunities that may arise before the completion of the merger or any other action it would otherwise take with respect to the operations of KMG pending the completion of the merger;

That because the merger consideration includes a fixed exchange ratio of shares of Cabot Microelectronics common stock to KMG common stock, KMG's shareholders could be adversely affected by a decrease in the trading price of Cabot Microelectronics common stock as the merger agreement does not provide for any adjustment of the exchange ratio if the trading price of Cabot Microelectronics common stock decreases and does not provide a price-based termination right to KMG;

The fact that the receipt of the merger consideration by U.S. KMG shareholders in exchange for shares of Cabot Microelectronics common stock pursuant to the merger will be a taxable transaction for U.S. federal income tax purposes and could have material U.S. federal income tax consequences for such shareholders;

That the merger agreement requires the KMG board to submit the proposed transaction to the vote of the KMG shareholders at a special meeting even if the KMG board has made an adverse recommendation change and that the KMG board may not submit an alternative KMG takeover proposal to the vote of the KMG shareholders other than this merger unless the merger agreement is terminated;

The possibility that the termination fee of \$38,765,000, payable by KMG upon the termination of the merger agreement under certain circumstances, may discourage other potential acquirers from making a competing proposal for a transaction with KMG (as described in further detail in the section entitled "The Merger Agreement Termination Fee" beginning on page [ ] of this proxy statement/prospectus);

The fact that, if the transaction is not completed as a result of regulatory impediments or other reasons, Cabot Microelectronics will not be obligated to pay any "reverse termination fee";

The potential for negative reaction by the market or from customers and employees to the merger based on the business rationale for the merger, the timing of the merger or the terms of the merger;

The fact that if the proposed merger is not completed, KMG will be required to pay its own expenses associated with the negotiation of the merger agreement, and the transactions contemplated thereby, as well as, under certain circumstances, to pay Cabot Microelectronics the termination fee of \$38,765,000, in connection with the termination of the merger agreement; and

The business execution and integration risk after the merger is completed.

The KMG board believed and continues to believe that these potential risks and drawbacks are outweighed by the potential benefits that the KMG board expects to achieve as a result of the merger. The KMG board realized that there can be no assurance about future results, including results considered or expected as disclosed in the foregoing reasons.

The foregoing description of KMG's consideration of the factors supporting the merger agreement, the merger and the other transactions contemplated by the merger agreement is forward-looking in nature. This information should be read in light of the factors discussed in the

section entitled

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"Cautionary Statement Regarding Forward-Looking Statements" beginning on page [ ] of this proxy statement/prospectus.

During its consideration of the merger described above, the KMG board was also aware that certain of its directors and executive officers may have interests in the merger that are different from or in addition to, those of KMG shareholders generally, as described in the section entitled "The Merger Interests of KMG's Directors and Executive Officers in the Merger" beginning on page [ ] of this proxy statement/prospectus.

**Certain Unaudited Prospective Financial Information**

Neither Cabot Microelectronics nor KMG generally publishes its business plans and strategies or makes external disclosures of its anticipated financial position or results of operations due to, among other reasons, the uncertainty of the underlying assumptions and estimates, other than, in each case, providing, from time to time, estimated ranges of certain expected financial results and operational metrics for the current year and certain future years in their respective regular earnings press releases and other investor materials.

***Prospective Financial Information Relating to KMG***

In connection with the merger, KMG provided the following unaudited prospective financial information, which is referred to in this proxy statement/prospectus as the KMG prospective financial information to KBCM and Cabot Microelectronics on July 26, 2018 for their use and reliance in connection with its financial analyses and fairness opinion delivered to the KMG board in connection with the merger. The KMG board also reviewed and considered the KMG prospective financial information.

The KMG prospective financial information reflects numerous assumptions and estimates that KMG management made in good faith, with respect to industry performance, general business, economic, regulatory, market and financial conditions and other future events, as well as matters specific to KMG's business, including future initiatives, all of which are difficult to predict and many of which are beyond KMG's control. The KMG prospective financial information also reflects subjective judgment in many respects and thus is susceptible to multiple interpretations and periodic revisions based on actual experience and business developments. The prospective information also reflects assumptions as to certain business decisions that are subject to change.

(dollars in millions)	2018E	2019P	2020P	2021P	2022P	2023P
Revenue	\$ [ ](2)	\$ 500	\$ 534	\$ 569	\$ 611	\$ 644
Adjusted EBITDA(1)	[ ](2)	131	144	158	175	187
Capital Expenditures	[ ](2)	34	35	35	25	25

(1) Adjusted EBITDA is defined for purposes of the KMG prospective financial information as net income, excluding interest expense, net, provision for income taxes, depreciation and amortization, loss on extinguishment of debt, derivative fair value gain, acquisition and integration expenses, corporate relocation expense and restructuring charges. Adjusted EBITDA is a non-U.S. GAAP financial measure and should not be considered as an alternative to operating income or net income as a measure of operating performance or cash flows or as a measure of liquidity.

(2) On October [ ], 2018, KMG reported revenues, Adjusted EBITDA and capital expenditures for the recently completed fiscal year 2018 of \$[ ] million, \$[ ] million and \$[ ] million, respectively.

Table of Contents**Prospective Financial Information Relating to Cabot Microelectronics***Cabot Microelectronics Prospective Financial Information*

In connection with KMG's and its representatives' evaluation of the merger, Cabot Microelectronics provided the unaudited prospective financial information set forth in the table below, which is referred to in this proxy statement/prospectus as the Cabot Microelectronics prospective financial information. KMG provided the Cabot Microelectronics prospective financial information to KBCM on August 9, 2018 for its use and reliance in connection with its financial analyses and fairness opinion delivered to the KMG board in connection with the merger. The KMG board also reviewed and considered the Cabot Microelectronics prospective financial information.

The Cabot Microelectronics prospective financial information necessarily reflects numerous estimates and assumptions made by Cabot Microelectronics' management with respect to industry performance, general business, economic, regulatory, market and financial conditions and other future events, as well as matters specific to Cabot Microelectronics' business, including future initiatives, all of which are difficult to predict and many of which are beyond Cabot Microelectronics' control. The Cabot Microelectronics prospective financial information also reflects subjective judgment in many respects and thus is susceptible to multiple interpretations and periodic revisions based on actual experience and business developments. The prospective information also reflects assumptions as to certain business decisions that are subject to change.

<b>(dollars in millions)</b>	<b>2018E</b>	<b>2019P</b>	<b>2020P</b>	<b>2021P</b>
Revenue	\$ 590	\$ 626	\$ 683	\$ 750
EBITDA(1)	188	204	243	285
Capital Expenditures	20	26	26	25

(1)

EBITDA is defined for purposes of the Cabot Microelectronics prospective financial information as net income, excluding interest expense, interest income, provision for income taxes, depreciation and amortization. EBITDA is a non-U.S. GAAP financial measure and should not be considered as an alternative to operating income or net income as a measure of operating performance or cash flows or as a measure of liquidity.

*Extrapolated Cabot Microelectronics Prospective Financial Information*

In addition, KBCM also prepared, used and relied on in connection with its financial analyses and fairness opinion the extrapolated Cabot Microelectronics prospective financial information for fiscal years 2022P and 2023P set forth in the table below based on the following assumptions: (i) a 6% revenue growth rate for 2022P and a 3% revenue growth rate for 2023P, (ii) consistent EBITDA margins as compared to 2021P and (iii) the same level of capital expenditures as 2021P. This information is referred to in this proxy statement/prospectus as the extrapolated Cabot Microelectronics prospective financial information. The KMG management reviewed the assumptions included in the extrapolated Cabot Microelectronics prospective financial information and found them to be reasonable. The KMG board also reviewed and considered the extrapolated Cabot Microelectronics prospective financial information. Cabot Microelectronics' management did not prepare or review the extrapolated Cabot Microelectronics prospective financial information.

<b>(dollars in millions)</b>	<b>2022P</b>	<b>2023P</b>
Revenue	\$ 795	\$ 819
EBITDA	302	311
Capital Expenditures	25	25

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The KMG prospective financial information, the Cabot Microelectronics prospective financial information and the extrapolated Cabot Microelectronics prospective financial information (collectively, the "prospective financial information") included above is provided to give KMG shareholders access to certain non-public information that was made available to KMG, the KMG board and KBCM in connection with the KMG's evaluation of the merger, and is not included in this proxy statement/prospectus in order to influence any KMG shareholder to make any investment decision with respect to the merger, including whether or not to seek dissenters' rights for appraisal with respect to shares of KMG common stock. Except as described above, the prospective financial information was, in general, prepared solely for internal use and is subjective in many respects and thus subject to interpretation. While presented with numerical specificity, the prospective financial information reflects numerous assumptions and estimates that the parties preparing such projections made in good faith at the time such projections were prepared with respect to industry performance, general business, economic, regulatory, market and financial conditions and other future events, as well as matters specific to the applicable party. These assumptions are inherently uncertain, were made as of the date the parties' projections were prepared, and may not be reflective of actual results, either since the date such projections were prepared, now or in the future, in light of changed circumstances, economic conditions or other developments. The prospective financial information was based on numerous variables and assumptions that are inherently uncertain and may be beyond the control of Cabot Microelectronics or KMG, as applicable.

Important facts that may affect actual results and cause the prospective financial information for Cabot Microelectronics and KMG not to be achieved include risks and uncertainties relating to Cabot Microelectronics' and KMG's businesses (including their abilities to achieve their respective strategic goals, objectives and targets over applicable periods; industry conditions; the regulatory environment; general business and economic conditions and other factors described under "Risk Factors" and "Cautionary Statement Regarding Forward-Looking Statements" beginning on pages [ ] and [ ], respectively, of this proxy statement/prospectus, as well as the risk factors with respect to Cabot Microelectronics' and KMG's respective businesses contained in their most recent SEC filings, which readers are urged to review, which may be found as described under "Where You Can Find More Information" beginning on page [ ] of this proxy statement/prospectus). In addition, the prospective financial information covers multiple future years, and such information by its nature is less reliable in predicting each successive year. The prospective financial information does not take into account any circumstances or events occurring after the date on which it was prepared, and does not give effect to the transactions contemplated by the merger agreement, including the merger and may not reflect Cabot Microelectronics' or KMG's current estimates, forecasts or projections. Further, the prospective financial information does not take into account the effect of any failure of the merger to occur. Actual results may differ materially from those contained in the prospective financial information. Accordingly, the prospective financial information may not be realized or actual results may be significantly lower than projected.

The prospective financial information was prepared and provided by KMG's management, Cabot Microelectronics' management and/or KBCM as described above. The prospective financial information was not prepared with a view toward compliance with GAAP, published guidelines of the SEC or the guidelines established by the American Institute of Certified Public Accountants for preparation and presentation of prospective financial information. The independent registered public accounting firms of Cabot Microelectronics and KMG have not audited, reviewed, examined, compiled nor applied agreed upon procedures with respect to the accompanying prospective financial information and accordingly, the independent registered public accounting firms of Cabot Microelectronics and KMG do not express an opinion or any other form of assurance with respect thereto. The reports of Cabot Microelectronics' and KMG's independent registered public accounting firms incorporated by reference in this proxy statement/prospectus relate to Cabot Microelectronics' and KMG's previously issued financial statements. The reports do not extend to the prospective financial information and should not be read to do so.

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The inclusion of the prospective financial information in this proxy statement/prospectus should not be regarded as an indication that Cabot Microelectronics, KMG or any of their respective boards of directors or representatives or any other recipient of this information considered, or now considers, it to be an assurance of the achievement of future results or an accurate prediction of future results, and the prospective financial information should not be relied on as such. Further, the inclusion of the prospective financial information in this proxy statement/prospectus should not be deemed an admission or representation by Cabot Microelectronics, KMG or any of their respective boards of directors or representatives that it is viewed as material information of Cabot Microelectronics or KMG, and in fact, none of Cabot Microelectronics, KMG or any of their respective boards of directors or representatives view the prospective financial information as material because of the inherent risks and uncertainties associated with such long range prospective information. None of Cabot Microelectronics, KMG or their respective representatives can give you any assurance that actual results will not differ from the prospective financial information, and none of Cabot Microelectronics, KMG or their respective representatives undertakes any obligation to update or otherwise revise or reconcile either party's prospective financial information to reflect circumstances existing after the date the parties' prospective financial information was prepared or to reflect the occurrence of future events even in the event that any or all of the assumptions underlying the prospective financial information is not realized. Neither Cabot Microelectronics nor KMG intends to publicly update or make any other revision to the prospective financial information. None of Cabot Microelectronics, KMG nor their respective representatives has made or makes any representation to any Cabot Microelectronics stockholder, KMG shareholder or any other person regarding Cabot Microelectronics' or KMG's ultimate performance compared to the prospective financial information or that the results reflected therein will be achieved. Neither Cabot Microelectronics nor KMG has made any representation to the other, in the merger agreement or otherwise, concerning prospective financial information. For the reasons described above, readers of this proxy statement/prospectus are cautioned not to place undue, if any, reliance on the prospective financial information.

**Opinion of KeyBanc Capital Markets Inc. (KBCM)**

KMG retained KBCM to act as financial advisor to the KMG board of directors in connection with a potential transaction such as the transactions contemplated by the merger agreement and to evaluate whether the merger consideration to be paid to the holders of KMG common stock pursuant to the merger agreement was fair, from a financial point of view, to such holders. KBCM is an internationally recognized investment banking firm which is regularly engaged in the valuation of businesses and securities in connection with mergers and acquisitions, negotiated underwritings, secondary distributions of listed and unlisted securities, private placements and valuations for corporate and other purposes. KMG selected KBCM to act as its financial advisor based on KBCM's qualifications, expertise, reputation and knowledge of the business and affairs of KMG and the industry in which KMG operates. At the meeting of the KMG board of directors on August 14, 2018, KBCM rendered its oral opinion, that, as of such date and based upon and subject to the considerations, limitations and other matters set forth in its written opinion, the merger consideration to be paid to the holders of the KMG common stock pursuant to the merger agreement was fair, from a financial point of view, to such holders.

The full text of KBCM's written opinion, dated August 14, 2018, is attached hereto as **Annex C** and is incorporated by reference herein. The written opinion sets forth, among other things, the assumptions made, procedures followed, matters considered and limitations and qualifications of the review undertaken by KBCM in rendering its opinion. You should read the written opinion carefully in its entirety. The opinion was provided to the KMG board of directors and addresses only, as of the date of the written opinion, the fairness, from a financial point of view, of the merger consideration to be paid to the holders of KMG common stock pursuant to the merger agreement, and it does not address any other aspect of the proposed transactions. It does not constitute a recommendation as to

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how any shareholder should vote with respect to the merger or any other matter, and does not in any manner address the price at which the KMG common stock or Cabot Microelectronics common stock will trade at any future time. The summary of the written opinion set forth herein is qualified in its entirety by reference to the full text of the written opinion.

In connection with its opinion, KBCM reviewed and analyzed, among other things, the following:

a draft of the merger agreement, dated August 13, 2018, which KBCM understood to be in substantially final form;

certain publicly available information concerning KMG and Cabot Microelectronics;

the current and historical market prices of KMG common stock and Cabot Microelectronics common stock;

the KMG prospective financial information (described above under the caption " Certain Unaudited Prospective Financial Information Prospective Financial Information Relating to KMG");

(i) the Cabot Microelectronics prospective financial information, and (ii) the extrapolated Cabot Microelectronics prospective financial information (each described above under the caption " Certain Unaudited Prospective Financial Information Prospective Financial Information Relating to Cabot Microelectronics Cabot Microelectronics Prospective Financial Information");

certain publicly available information with respect to certain other publicly traded companies that KBCM believes to be comparable to KMG and the trading markets for certain of such other companies' securities; and

certain publicly available information concerning the nature and terms of certain other transactions that KBCM considers relevant to its inquiry.

KBCM also discussed the business, financial condition, operations and prospects of KMG with certain officers and employees of KMG, as well as other matters it believed relevant to its inquiry, including certain estimated synergies expected to result from the merger. KBCM also performed such other financial studies and analyses and considered such other data and information as KBCM deemed appropriate. For purposes of its analysis, KBCM defined free cash flow ("FCF") for any applicable period as operating earnings before interest, taxes, depreciation and amortization ("EBITDA") for such period minus capital expenditures ("CapEx") for such period.

In its review and analysis and in arriving at its opinion, KBCM assumed and relied upon the accuracy and completeness of all of the financial and other information provided to or otherwise reviewed by or discussed with KBCM or publicly available, and KBCM assumed that the representations and warranties of KMG, Cabot Microelectronics and Merger Sub contained in the merger agreement are and will be true and correct in all respects material to its analysis. KBCM was not engaged to, and did not independently attempt to, verify any of such information or its accuracy or completeness. KBCM also relied upon the management of KMG as to the reasonableness and achievability of the KMG prospective financial information, the Cabot Microelectronics prospective financial information and the extrapolated Cabot Microelectronics prospective financial information and, with the consent of KMG, KBCM assumed that the KMG prospective financial information, the Cabot Microelectronics prospective financial information and the extrapolated Cabot Microelectronics prospective financial information were reasonably prepared on bases that reflect the best currently available estimates and judgments of management of KMG or Cabot Microelectronics, as applicable, of the future financial performance of KMG and Cabot Microelectronics, as applicable, and other matters covered thereby. KBCM was not engaged to assess the reasonableness or achievability of the KMG prospective financial information, the Cabot Microelectronics prospective financial information or the



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extrapolated Cabot Microelectronics prospective financial information or the assumptions on which they were based, and KBCM expresses no view as to the prospective financial information or assumptions. In addition, KBCM did not conduct a physical inspection, valuation or appraisal of any of the assets or liabilities of KMG or Cabot Microelectronics, and KBCM was not furnished with any such inspection, valuation or appraisal. KBCM also assumed that all governmental, regulatory or other consents and approvals necessary for the consummation of the merger will be obtained without any adverse effect on KMG, Cabot Microelectronics or the merger that would be meaningful to its analysis.

KBCM was neither asked to, nor did KBCM, offer any opinion as to the material terms of the merger agreement or the form of the merger. In addition, in preparing its opinion, KBCM did not take into account any tax consequences of the merger to any holder of KMG common stock. In rendering its opinion, KBCM assumed, with KMG's consent, that the final executed form of the merger agreement would not differ in any material respect from the draft that KBCM examined, and that the conditions to the merger as set forth in the merger agreement would be satisfied and that the merger would be consummated on a timely basis on the terms set forth in the merger agreement without waiver or modification of any term or condition that would be meaningful to KBCM's analysis.

KBCM's opinion was based on economic and market conditions and other circumstances existing on, and information made available to KBCM as of, August 14, 2018 and does not address any matters subsequent to such date or time period after the delivery of the opinion. In addition, KBCM's opinion was limited to the fairness, as of August 14, 2018, from a financial point of view, of the consideration to be paid to the holders of KMG common stock pursuant to the merger agreement and does not address KMG's underlying business decision to engage in the merger or any other terms of the merger or the fairness of the merger, or any consideration paid in connection therewith, to creditors or other constituencies of KMG. In addition, KBCM did not express any opinion as to the fairness of the merger or the amount or the nature of the compensation paid or to be paid to any of the directors, officers or employees of KMG, or class of such persons, relative to the consideration to be paid to public shareholders of KMG. KBCM did not express any opinion as to the impact of the merger on the solvency or viability of KMG, Cabot Microelectronics or their respective affiliates or the ability of KMG, Cabot Microelectronics or their respective affiliates to pay their respective obligations when they come due. Although subsequent developments may affect KBCM's opinion, KBCM does not have any obligation to update, revise or reaffirm its opinion. KBCM's opinion was approved by a fairness committee of KBCM.

The following is a brief summary of the material analyses performed by KBCM in connection with its opinion dated August 14, 2018. The analyses and factors described below must be considered as a whole; considering any portion of such analyses or factors, without considering all analyses and factors, could create a misleading or incomplete view of the process underlying KBCM's opinion. For purposes of its analyses, KBCM used the KMG prospective financial information, the Cabot Microelectronics prospective financial information and the extrapolated Cabot Microelectronics prospective financial information and the extrapolated Cabot Microelectronics prospective financial information. Some of the summaries of the financial analyses include information presented in tabular format. The tables are not intended to stand alone, and in order to more fully understand the financial analyses used by KBCM, the tables must be read together with the full text of each summary. Considering the data set forth below without considering the full narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of KBCM's financial analyses.

***Analysis of KMG***

***52-Week Trading Range Analysis.*** KBCM reviewed the 52-week trading range of KMG common stock prior to August 14, 2018, which was \$45.81 per share to \$79.35 per share, as compared to the implied value of the merger consideration of \$79.86 per share (valuing the stock portion of the merger

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consideration based on the exchange ratio of 0.2000 and the closing price per share of Cabot Microelectronics common stock of \$121.09 on August 13, 2018). As of August 13, 2018, the last trading day prior to KBCM's delivery of its opinion to the KMG board of directors, the closing price per share of KMG common stock was \$66.65.

*Research Analyst Price Targets Analysis.* KBCM reviewed equity research analysts' share price targets as of August 13, 2018, the last trading day prior to KBCM's delivery of its opinion to the KMG board of directors, on an undiscounted basis for the KMG common stock. KBCM noted that the price targets issued by those research analysts with price targets ranged from \$79.00 per share to \$85.00 per share, as compared to the implied value of the merger consideration of \$79.86 per share (valuing the stock portion of the merger consideration based on the exchange ratio of 0.2000 and the closing price per share of Cabot Microelectronics common stock of \$121.09 on August 13, 2018). When discounted at KMG's 12.0% cost of equity, such price targets implied a range of \$71.00 to \$76.00, rounded to the nearest dollar, per share.

*Comparable Public Companies Analysis.* KBCM reviewed and compared certain financial information relating to KMG to corresponding financial data, ratios and trading multiples for a selected group of publicly traded companies in the electronic chemicals and performance chemicals industries. KBCM selected these companies based on business similarities between these companies and KMG, the product focus of these companies, the end markets served by these companies and the EBITDA margin profiles of these companies. The following four publicly traded electronic chemical companies (referred to as the "Electronic Chemical Companies") and the following four publicly traded performance chemical companies (referred to as the "Performance Chemical Companies") were selected for the comparison with KMG:

Electronic Chemical Companies:

Cabot Microelectronics

Entegris, Inc.

Rogers Corporation

Versum Materials, Inc.

Performance Chemical Companies:

Clariant AG

Ingevity Corporation

Innospec Inc.

NewMarket Corporation

Among the information KBCM considered for KMG and each of the Electronic Chemical Companies and Performance Chemical Companies were (i) enterprise value ("EV"), (ii) EBITDA for the last twelve month ("LTM") period and (iii) CapEx for the LTM period. Estimated financial data of the selected publicly traded companies were based on public filings, equity research median estimates, and market data as of August 13, 2018, the last trading day prior to KBCM's delivery of its opinion to the KMG board of directors.

KBCM divided the EV for each company by (i) the LTM EBITDA of such company and (ii) the free cash flow ("FCF") for the LTM period for each company, in each case, to derive LTM multiples for each company. KBCM derived the FCF for each company by subtracting each company's CapEx for the LTM period from such company's EBITDA for the LTM period.



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Information regarding the multiples from KBCM's analysis of selected publicly traded companies is set forth in the following table.

	<b>Selected Public Companies Median Multiples</b>
EV / LTM EBITDA	13.2x
EV/ LTM FCF	17.1x

KBCM then applied (x) a range of selected multiples of 12.7x to 13.7x (based on the median multiple of 13.2x derived from KBCM's analysis of the selected comparable publicly traded companies for the LTM period) to KMG's estimated adjusted EBITDA for the fiscal year ended July 31, 2018, and (y) a range of selected multiples of 16.6x to 17.6x (based on the median multiple of 17.1x derived from KBCM's analysis of the selected comparable publicly traded companies for the LTM period) to KMG's estimated FCF for the fiscal year ended July 31, 2018, as set forth in the KMG prospective financial information, in each case, to derive reference ranges of the implied price per share of KMG common stock. This analysis indicated the following approximate implied price per share reference ranges for KMG common stock:

	<b>Implied Price Per Share of KMG common stock (rounded to nearest dollar)</b>
FY2018E Adjusted EBITDA	\$76.00 - \$83.00
FY2018E FCF	\$81.00 - \$86.00

Although KBCM compared the trading multiples of the selected publicly traded companies to those implied for KMG, none of the selected publicly traded companies are identical to KMG. Accordingly, any analysis of the selected publicly traded companies necessarily would involve complex considerations and judgments concerning the differences in financial and operating characteristics and other factors that would necessarily affect the analysis of trading multiples of the selected publicly traded companies.

*Selected Precedent Transactions Analysis.* KBCM compared twelve selected transactions announced between December 2013 and April 2017 involving companies that KBCM selected based on business similarities between the companies and KMG, size of the transactions, the product characteristics of the target companies, the end markets served by the target companies and the EBITDA margin profiles of the target companies. These transactions are listed below:

<b>Announcement Date</b>	<b>Target (Cabot Microelectronics)</b>	<b>Acquiring Company</b>
April 2017	Houghton International Inc.	Quaker Chemical Corporation
April 2017	Flowchem LLC (Arsenal Capital Partners)	KMG Chemicals Inc.
October 2016	Atotech B.V. (Total S.A.)	The Carlyle Group
September 2016	Chemtura Corporation	LANXESS A.G.
June 2016	Chemetall	BASF SE
May 2016	Performance Materials Division (Air Products and Chemicals, Inc.)	Evonik Industries AG
July 2015	Cytec Industries Inc.	Solvay SA
July 2015	Alent plc	Platform Specialty Products Corporation
May 2015	Electronic Chem. and Photomasks (OM Group, Inc.)	Platform Specialty Products Corporation
July 2014	Rockwood Holdings, Inc.	Albemarle Corporation
February 2014	ATMI, Inc.	Entegris, Inc.
December 2013	AZ Electronic Materials SA	Merck KGaA

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For each of the transactions listed above, KBCM reviewed, among other things, the EV of the target company as a multiple of its EBITDA. Based on the analysis of such metrics for the transactions noted above, KBCM determined that the median multiple was 12.5x and the range of multiples was 9.8x to 15.8x for the selected transactions. Based on the results of this analysis and other factors that KBCM considered appropriate, KBCM selected a multiple reference range of 12.0x to 13.0x for EV to EBITDA for KMG. KBCM applied the multiple to KMG's estimated adjusted EBITDA for the fiscal year ended July 31, 2018 to determine an implied EV of KMG. Based on the calculations set forth above, this analysis indicated a range of implied price per share of KMG common stock of \$70.00 to \$78.00, rounded to the nearest dollar.

The range of implied price per share of KMG common stock was compared to the implied value of the merger consideration of \$79.86 per share (valuing the stock portion of the merger consideration based on the exchange ratio of 0.2000 and the closing price per share of Cabot Microelectronics common stock of \$121.09 on August 13, 2018).

Although KBCM analyzed the multiples implied by the selected transactions and compared them to the implied transaction multiples of KMG, none of these transactions or associated companies is identical to the merger, KMG or Cabot Microelectronics. Accordingly, any analysis of the selected transactions necessarily would involve complex considerations and judgments concerning the differences in financial and operating characteristics, parties involved and terms of their transactions and other factors that would necessarily affect the implied value of KMG in the merger versus the values of the companies in the selected transactions.

*Premia Paid Analysis.* KBCM reviewed publicly available data for acquisitions of publicly traded companies in the specialty chemicals industry closed since 2016. KBCM reviewed the prices offered by the purchasers and calculated the implied premia of the offered prices over the historical trading prices of the stock of the targets at multiple points in time prior to the announcement of the transactions. Based on its professional judgment and experience, KBCM applied (1) the range of 52-week high premia of the completed transactions to the 52-week high price of KMG common stock and (2) the range of 1-day prior premia of the completed transactions to the closing price of KMG common stock on August 13, 2018, the last trading day prior to KBCM's delivery of its opinion to the KMG board of directors. These analyses indicated the following implied price per share reference ranges of KMG common stock:

<b>52-Week High Price of KMG Common Stock (as of June 12, 2018)</b>	<b>Range of 52-Week High Premia for Public Company Acquisitions</b>	<b>Implied Price Per Share of KMG Common Stock (rounded to nearest dollar)</b>
\$79.35	(3%) - 9%	\$77.00 - \$86.00
<b>Closing Price of KMG Common Stock (as of August 13, 2018)</b>	<b>Range of 1-Day Prior Premia for Public Company Acquisitions</b>	<b>Implied Price Per Share of KMG Common Stock (rounded to nearest dollar)</b>
\$66.65	11% - 35%	\$74.00 - \$90.00

No company or transaction used in the premia paid analysis is identical to KMG or the merger. Accordingly, an evaluation of the results of this analysis is not entirely mathematical. Rather, this analysis involves complex considerations and judgments concerning differences in financial and operating characteristics and other factors that could affect the acquisition or other values of the companies or transactions to which KMG and the merger were compared.

*Discounted Cash Flow Analysis.* KBCM performed a discounted cash flow analysis on KMG to calculate the estimated present value of the standalone, unlevered, after-tax FCF that KMG could generate during KMG's fiscal years 2019 through 2023 based on the KMG prospective financial information and the extrapolated Cabot Microelectronics prospective financial information. KBCM

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calculated terminal values for KMG by applying terminal multiples of 9.6x to 10.6x (midpoint based on KMG's 3-year average quarterly EV/LTM EBITDA valuation) to KMG's fiscal year 2023 projected EBITDA as reflected in the KMG prospective financial information and the extrapolated Cabot Microelectronics prospective financial information. The cash flows and terminal values were then discounted to present value as of July 31, 2018 using discount rates ranging from 9.5% to 11.5%. KBCM made its discount rate assumptions based on weighted cost of capital (commonly referred to as "WACC") analysis of the Electronic Chemical Companies and the Performance Chemical Companies. This analysis indicated an implied price per share reference range for KMG common stock of \$69.00 per share to \$84.00 per share, as compared to the implied value of the merger consideration of \$79.86 per share (valuing the stock portion of the merger consideration based on the exchange ratio of 0.2000 and the closing price per share of Cabot Microelectronics common stock of \$121.09 on August 13, 2018).

*Analysis of Cabot Microelectronics*

*52-Week Trading Range Analysis.* KBCM reviewed the 52-week trading range of Cabot Microelectronics common stock prior to August 14, 2018, which was \$68.00 per share to \$123.76 per share, as compared to the 20-trading day volume weighted average price ("VWAP") of Cabot Microelectronics common stock ending August 13, 2018 of \$119.27 per share. Cabot Microelectronics and KMG used the 20-trading day VWAP of Cabot Microelectronics common stock ending the last trading day to prior to the execution of the merger agreement to calculate the fixed exchange ratio (0.2000) for the Cabot Microelectronics common stock component of the merger consideration.

*Research Analyst Price Targets Analysis.* KBCM reviewed equity research analysts' share price targets as of August 13, 2018, the last trading day prior to KBCM's delivery of its opinion to the KMG board of directors, on an undiscounted basis for the Cabot Microelectronics common stock. KBCM noted that the price targets issued by those research analysts with price targets ranged from \$123.00 per share to \$134.00 per share, as compared to the 20-trading day VWAP of Cabot Microelectronics common stock of \$119.27 per share. When discounted at Cabot Microelectronics' 10.5% cost of equity, such price targets implied a range of \$111.00 to \$121.00, rounded to the nearest dollar, per share.

*Comparable Public Companies Analysis.* KBCM reviewed and compared certain financial information relating to Cabot Microelectronics to corresponding financial data, ratios and trading multiples for a selected group of publicly traded companies in the electronic chemicals industry. KBCM selected the companies based on business similarities between these companies and Cabot Microelectronics, the product focus of these companies, the end markets served by these companies and the EBITDA margin profiles of these companies. The following three publicly traded electronic chemical companies were selected for the comparison with Cabot Microelectronics:

Entegris, Inc.

Rogers Corporation

Versum Materials, Inc.

Among the information KBCM considered for KMG and each of the three publicly traded electronic chemical companies (the "Cabot Microelectronics Comparable Companies") were (i) EV, (ii) EBITDA for the LTM period, and (iii) CapEx for the LTM period. Estimated financial data of the selected publicly traded companies were based on public filings, equity research median estimates, and market data as of August 13, 2018, the last trading day prior to KBCM's delivery of its opinion to the KMG board of directors.

KBCM divided the EV for each company by (i) the LTM EBITDA of such company and (ii) the LTM FCF of such company, in each case, to derive LTM multiples for each company. KBCM derived

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the FCF for each company by subtracting each company's CapEx for the LTM period from such company's EBITDA for the LTM period.

Information regarding the multiples from KBCM's analysis of selected publicly traded companies is set forth in the following table.

	<b>Selected Public Companies Median Multiples</b>
EV / LTM EBITDA	13.1x
EV/ LTM FCF	17.2x

KBCM then applied (x) a range of selected multiples of 12.6x to 13.6x (based on the median multiple of 13.1x derived from KBCM's analysis of the selected comparable publicly traded companies for the LTM period) to Cabot Microelectronics' estimated adjusted EBITDA for the fiscal year ended September 30, 2018, and (y) a range of selected multiples of 16.7x to 17.7x (based on the median multiple of 17.2x derived from KBCM's analysis of the selected comparable publicly traded companies for the LTM period) to estimated FCF for Cabot Microelectronics for the fiscal year ended September 30, 2018, in each case, to derive reference ranges of the implied price per share of Cabot Microelectronics common stock. KBCM derived the FCF for Cabot Microelectronics by subtracting Cabot Microelectronics' estimated CapEx from its projected EBITDA for the fiscal year ended September 30, 2018 as reflected in the Cabot Microelectronics prospective financial information. This analysis indicated the following approximate implied price per share reference ranges for Cabot Microelectronics common stock:

	<b>Implied Price Per Share of Cabot Microelectronics Common Stock (rounded to nearest dollar)</b>
FY2018E Adjusted EBITDA	\$105.00 - \$112.00
FY2018E FCF	\$122.00 - \$129.00

Although KBCM compared the trading multiples of the selected publicly traded companies to those implied for Cabot Microelectronics, none of the selected publicly traded companies is identical to Cabot Microelectronics. Accordingly, any analysis of the selected publicly traded companies necessarily would involve complex considerations and judgments concerning the differences in financial and operating characteristics and other factors that would necessarily affect the analysis of trading multiples of the selected publicly traded companies.

*Selected Precedent Transactions Analysis.* KBCM compared five selected transactions announced between December 2013 and October 2016 involving companies that KBCM selected based on business similarities between the target companies and Cabot Microelectronics, size of the transactions, the product characteristics of the target companies, the end markets served by the target companies and the EBITDA margin profiles of the target companies. These transactions are listed below:

<b>Announcement Date</b>	<b>Target (Cabot Microelectronics)</b>	<b>Acquiring Company</b>
October 2016	Atotech B.V. (Total S.A.)	The Carlyle Group
July 2015	Alent plc	Platform Specialty Products Corporation
May 2015	Electronic Chem. and Photomasks (OM Group, Inc.)	Platform Specialty Products Corporation
February 2014	ATMI, Inc.	Entegris, Inc.
December 2013	AZ Electronic Materials SA	Merck KGaA

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For each of the transactions listed above, KBCM reviewed, among other things, the EV of the target company as a multiple of its EBITDA. Based on the analysis of such metrics for the transactions noted above, KBCM determined that the median multiple was 11.9x and the range of multiples was 9.9x to 13.1x for the selected transactions. Based on the results of this analysis and other factors that KBCM considered appropriate, KBCM selected a multiple reference range of 11.4x to 12.4x for EV to EBITDA for Cabot Microelectronics. KBCM applied the multiple to Cabot Microelectronics' estimated adjusted EBITDA for fiscal year ended September 30, 2018 to determine an implied enterprise value of Cabot Microelectronics. Based on the calculations set forth above, this analysis indicated a range of implied price per share of Cabot Microelectronics common stock of \$96.00 to \$103.00, rounded to the nearest dollar.

The range of implied price per share of Cabot Microelectronics common stock was compared to the 20-trading day VWAP of Cabot Microelectronics common stock of \$119.27 per share.

Although KBCM analyzed the multiples implied by the selected transactions and compared them to the implied transaction multiples of Cabot Microelectronics, none of these transactions or associated companies is identical to the merger, KMG or Cabot Microelectronics. Accordingly, any analysis of the selected transactions necessarily would involve complex considerations and judgments concerning the differences in financial and operating characteristics, parties involved and terms of their transactions and other factors that would necessarily affect the implied value of Cabot Microelectronics in the merger versus the values of the companies in the selected transactions.

*Discounted Cash Flow Analysis.* KBCM performed a discounted cash flow analysis on Cabot Microelectronics to calculate the estimated present value of the standalone, unlevered, after-tax FCF that Cabot Microelectronics could generate during Cabot Microelectronics' fiscal years 2019 through 2023 based on the Cabot Microelectronics prospective financial information and the extrapolated Cabot Microelectronics prospective financial information. KBCM calculated terminal values for Cabot Microelectronics by applying terminal multiples of 12.2x to 13.2x (midpoint based on Cabot Microelectronics' 3-year average quarterly EV/LTM EBITDA valuation) to Cabot Microelectronics' fiscal year 2023 projected EBITDA as reflected in the Cabot Microelectronics prospective financial information and the extrapolated Cabot Microelectronics prospective financial information. The cash flows and terminal values were then discounted to present value as of September 30, 2018 using discount rates ranging from 11.8% to 13.8%. KBCM made its discount rate assumptions based on WACC analysis of the Cabot Microelectronics Comparable Companies. This analysis indicated an implied price per share reference range for Cabot Microelectronics common stock of \$117.00 to \$132.00, as compared to the 20-trading day VWAP of Cabot Microelectronics common stock of \$119.27 per share.

*Miscellaneous*

In connection with the review of the transactions contemplated by the merger agreement by the KMG board of directors, KBCM performed a variety of financial and comparative analyses for purposes of rendering its opinion. The preparation of a financial opinion is a complex process and is not necessarily amenable to a partial analysis or summary description. In arriving at its opinion, KBCM considered the results of all of its analyses as a whole and did not attribute any particular weight to any analysis or factor it considered. KBCM believes that selecting any portion of its analyses, without considering all analyses as a whole, could create a misleading or incomplete view of the process underlying its analyses and opinion. In addition, KBCM may have given various analyses and factors more or less weight than other analyses and factors, and may have deemed various assumptions more or less probable than other assumptions. As a result, the valuations resulting from any particular analysis described above should not be taken to be KBCM's view of the actual value of KMG or Cabot Microelectronics. In performing its analyses, KBCM made numerous assumptions with respect to industry performance, general business, economic, market and financial conditions and other matters,



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many of which are beyond KMG's control. Any estimates contained in KBCM's analyses are not necessarily indicative of future results or actual values, which may be significantly more or less favorable than those suggested by such estimates.

KBCM conducted the analyses described above solely as part of its analysis of the fairness, from a financial point of view, of the merger consideration to be paid to the holders of KMG common stock pursuant to the merger agreement, and in connection with the delivery of its opinion to the KMG board of directors.

KBCM's opinion and its presentation to the KMG board of directors was one of many factors considered by the KMG board of directors in deciding to approve the merger agreement and the transactions contemplated thereby. Consequently, the analyses as described above should not be viewed as determinative of the opinion of the KMG board of directors with respect to the merger consideration to be received by holders of shares of KMG common stock pursuant to the merger agreement or of whether the KMG board of directors would have been willing to agree to different consideration. The merger consideration was determined through extensive, arm's-length negotiations between KMG and Cabot Microelectronics and was approved by the KMG board of directors. KBCM provided advice to KMG during these negotiations. KBCM did not, however, recommend any specific consideration to KMG or that any specific consideration constituted the only appropriate consideration for the transactions contemplated by the merger agreement.

KBCM acted as financial advisor to KMG in connection with, and participated in certain of the negotiations leading to, the merger and will receive from KMG a fee for its services, a significant portion of which is contingent upon the consummation of the merger (the "Transaction Fee"). In addition, KMG agreed to reimburse KBCM for certain expenses and to indemnify KBCM under certain circumstances for certain liabilities that may arise out of its engagement. KBCM also received a fee in connection with the delivery of its opinion, which fee will be credited against any Transaction Fee earned. In connection with KBCM's services as the financial advisor to KMG's board of directors, KMG has agreed to pay KBCM an estimated aggregate fee of approximately \$16.9 million (estimated as of August 13, 2018) for its services, of which \$1.5 million was payable upon the rendering of KBCM's opinion and approximately \$15.4 million of which is payable contingent upon consummation of the merger. In addition, KMG has agreed to reimburse certain of KBCM's expenses arising, and to indemnify KBCM against certain liabilities that may arise, out of KBCM's engagement.

In connection with KMG's acquisition of Flowchem LLC, KBCM served as Joint Lead Arranger and Joint Book Runner and its affiliate, KeyBank National Association, served as Agent, in connection with KMG's June 15, 2017 Credit Agreement and subsequent December 19, 2017 repricing transaction. KBCM also served as Joint Bookrunner in connection with KMG's October 18, 2017 equity follow-on offering. KBCM received approximately \$9.255 million in compensation from KMG for such services.

Except as described above, during the two years preceding the date of KBCM's opinion, neither KBCM nor its affiliates had any other material financial advisory or other material commercial or investment banking relationships with KMG or Cabot Microelectronics. In the ordinary course of its businesses, KBCM and its affiliates, employees of KBCM and its affiliates, and funds or other entities that such persons manage or invest in or have other economic interests or with which they co-invest, may at any time purchase, sell, hold or vote long or short positions and investments in securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments of KMG, Cabot Microelectronics, any of their respective affiliates and third parties or any currency or commodity that may be involved in the merger, in each case for KBCM's own account or for the accounts of customers. KBCM may in the future provide financial advisory and/or underwriting services to KMG and its affiliates and to Cabot Microelectronics and its affiliates for which KBCM may receive compensation.

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**Interests of KMG's Directors and Executive Officers in the Merger**

In considering the recommendation of the KMG board with respect to the proposal to approve the merger agreement, KMG shareholders should be aware that KMG's executive officers and directors have certain interests in the merger that may be different from or in addition to the interests of KMG shareholders generally. These interests include, but are not limited to, the treatment in the merger agreement of equity awards held by these executive officers and the interests that certain of KMG's executive officers have by reason of his or her participation in the ESP or his or her respective employment agreement with KMG, among other interests described below. For purposes of the plans and arrangements described below, the merger will constitute a "change of control", "change in control" or term of similar meaning.

***KMG Executive Severance Plan***

Five of KMG's executive officers, Mr. Fraser, Mr. Green, Mr. Handelman, Mr. Kremling and Mr. Gonser, are participants in the ESP. Mr. Fraser is explicitly entitled to participate in the ESP under the terms of his employment agreement with KMG. Under the ESP, a participant is paid severance upon a "qualifying termination of employment" (described below) equal to (i) a pro-rated portion of the participant's target annual incentive compensation for the year of termination plus (ii) a cash payment in the amount of a certain multiple times the sum of the participant's base salary and target annual incentive compensation for the year of termination. For Mr. Fraser, the applicable multiple would be 2.5 and for Messrs. Green, Handelman, Kremling and Gonser, the applicable multiple would be 2.0 if there is a termination of employment in connection with a change of control. The estimated total aggregate severance payments that could be made to executive officers following a termination in connection with the merger equal \$9,128,883. The payments are conditioned upon the executive officer's execution and non-revocation of a release of claims and non-compete agreement, to the extent the executive officer is not already subject to a non-compete, and payment will be made within 10 days following the executive officer's execution and non-revocation of such release and non-compete agreement. A "qualifying termination of employment" means a termination of the executive officer's employment without cause or a voluntary resignation by the executive officer for good reason (each, as defined in the ESP), in each case, that occurs during the 30 days prior to or two years following a change in control.

***Employment Agreement with Roger C. Jackson***

Mr. Jackson is a party to an employment agreement with KMG which specifies the severance payments and benefits to be provided upon various circumstances of termination of employment. Under the terms of Mr. Jackson's employment agreement, if KMG terminates Mr. Jackson's employment (other than for cause or due to death or disability) or elects not to extend his term of employment for the renewal term (which otherwise automatically renews at the end of each year), or if he voluntarily terminates his employment for good reason, then KMG must pay Mr. Jackson a termination payment equal to 3.0 times his base salary. The termination payment is paid as a single lump sum within 45 days after termination if termination is within one year after a change of control. Mr. Jackson's severance benefits are subject to his execution and non-revocation of a mutual release of claims.

***Treatment of Stock Awards***

Except with respect to KMG's time-based restricted stock unit awards that were awarded during fiscal year 2019, upon consummation of the merger, KMG's performance-based and time-based restricted stock unit awards that are outstanding immediately prior to the consummation of the merger will fully vest (to the extent unvested immediately prior to the merger and with any applicable performance metrics deemed satisfied in accordance with the terms of the award agreement). In

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addition, as described more fully in the section entitled "The Merger Agreement Treatment of KMG Equity Awards in the Merger" on page [ ] of this proxy statement/prospectus, upon consummation of the merger, the KMG stock awards that become vested upon a change of control will be treated as follows: each performance-based and time-based stock award will be cancelled and converted automatically into the right to receive the per share merger consideration in respect of each share of KMG common stock underlying each such performance-based and time-based stock award.

Under the merger agreement, prior to the effective time of the merger, KMG may grant restricted stock unit awards to executive officers and employees, covering a maximum of 58,835 shares of KMG common stock. Restricted stock unit awards granted following August 14, 2018 and prior to the effective time of the merger will be assumed by Cabot Microelectronics in connection with the merger and converted into restricted stock unit awards relating to Cabot Microelectronics common stock, as described more fully in the section entitled "The Merger Agreement Treatment of KMG Equity Awards in the Merger" on page [ ] of this proxy statement/prospectus. Restricted stock unit awards granted following August 14, 2018 and prior to the effective time of the merger will vest with respect to a target number of shares, and upon the termination of the participant's employment without cause or the participant's voluntary resignation with good reason, in each case, during the 18 months following the effective time, the participant will vest in 150% of the target number of shares subject to such restricted stock unit award.

None of KMG's non-employee directors have invested stock awards. Any shares of KMG common stock held by non-employee directors will be treated in the same manner as KMG common stock held by KMG shareholders generally. For purposes of the calculations in this section and the calculations in the section entitled "Proposal 3: The Compensation Proposal" on page [ ] of this proxy statement/prospectus, the merger is assumed to have been consummated as of September 7, 2018 and the merger consideration value is assumed to be \$77.45 per share of KMG common stock, which is calculated based on a share price of Cabot Microelectronics common stock of \$108.99, which, as required by Item 402(t) of Regulation S-K, is based on the average closing market price per share of Cabot Microelectronics common stock as quoted on Nasdaq over the first five business days following the public announcement of the merger. The actual amounts to be received by KMG's executive officers in respect of their KMG stock awards in connection with the merger will depend on certain factors, including the date on which the merger is actually consummated, the date on which the executive officer's employment terminates (if applicable) and the average closing price of Cabot Microelectronics common stock as quoted on Nasdaq over the five trading days beginning on the seventh trading day immediately preceding the date the merger is consummated and ending on the third complete trading day immediately preceding the date the merger is consummated and may differ from the amounts set forth below.

Upon consummation of the merger, all of KMG's executive officers' unvested stock awards that were granted prior to August 14, 2018 will become fully vested (*i.e.*, "single trigger" vesting). Unvested stock awards that were granted on or after August 14, 2018 will become vested in an amount equal to 150% of the target number of shares upon the executive officer's termination without cause or resignation with good reason (each, as defined in the award agreement) during the 18 months following the consummation of the merger (*i.e.*, "double trigger" vesting). Assuming the merger was consummated as of September 7, 2018, that the executive officer experiences a qualifying termination as of consummation of the merger, and using the assumed merger consideration value of \$77.45 per share of KMG common stock, the estimated total aggregate value of unvested stock awards held by executive officers prior to August 14, 2018 that will become fully vested upon consummation of the merger or following a qualifying termination of employment within 18 months following consummation of the merger equals \$43,352,715.

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***Retention Bonus Program***

Under the merger agreement, KMG may grant cash retention awards to executive officers and employees. The aggregate amount of the cash retention awards that may be granted to all executive officers and employees is capped at \$16.5 million. The table below shows the amount of the cash retention award to be granted to each of KMG's executive officers prior to consummation of the merger. Approximately 82% of the retention bonus pool will be granted to KMG executive officers and approximately 18% will be granted to non-executive officer employees.

Upon consummation of the merger, 50% of the retention bonus award will be paid to the executive officer. The remaining 50% of the retention bonus award will be paid to the executive officer on the date that is six months following consummation of the merger, provided that the executive officer is still in employment on such date. If an executive officer's employment is terminated involuntarily not for cause, voluntarily by the executive officer for good reason, or due to death or disability, in each case, prior to the date that is six months following consummation of the merger, the unpaid portion of the retention bonus award will be paid upon termination of employment. The estimated total aggregate retention bonus payments that could be made to executive officers in connection with the merger equal \$13,350,000.

Messrs. Fraser, Handelman and Kremling are currently parties to agreements with KMG which restrict them from competing with KMG's business interests for a period of one year following termination of employment. The retention bonus awards for Messrs. Fraser and Handelman will be issued contingent on each executive officer entering into an agreement with KMG to extend the non-competition period for one additional year following the end of the existing one-year non-competition period. In addition, the ESP requires that each executive officer be subject to a non-compete which restricts them for competing with KMG's business interests for at least a period of one year following termination of employment.

***Golden Parachute Excise Tax***

Each executive officer is party to an employment agreement or covered by the ESP, which, in each case, provide that if the payments and benefits provided in connection with the merger would constitute "excess parachute payments" within the meaning of Section 280G of the Code and are subject to the excise tax imposed by Section 4999 of the Code the payments and benefits will either be delivered in full or delivered to such lesser extent as would result in no amount being subject to the excise tax, whichever results in the greatest amount on an after-tax basis. The parties have agreed to cooperate to take actions to mitigate the impact of Sections 4999 and 280G of the Code, which, subject to mutual agreement among the parties, may include the acceleration of compensation.

***Indemnification; Directors' and Officers' Insurance***

Under the merger agreement, from and after the effective time, Cabot Microelectronics and KMG (as the surviving entity) will indemnify and hold harmless each of the present and former officers and directors of KMG and its subsidiaries against any costs, expenses (including reasonable attorneys' fees), judgments, fines, losses, damages or liabilities incurred in connection with any claim, action, suit, proceeding or investigation, arising out of or related to such officer's or director's service as a director or officer of KMG or its subsidiaries at or prior to the effective time (including in connection with the negotiation and execution of the merger agreement and the transactions contemplated thereby) to the fullest extent permitted under applicable law, KMG's restated and amended articles of incorporation and amended and restated by-laws, as amended, and Cabot Microelectronics' amended and restated certificate of incorporation and third amended and restated by-laws. In addition, Cabot Microelectronics is required to obtain a six-year "tail" insurance policy with respect to the currently existing officers' and directors' liability insurance policy and fiduciary liability insurance policy of KMG,

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on terms no less favorable than those of the policy in effect on the date of the merger agreement with respect to any matter claimed against KMG's present and former officers serving in such capacity that existed or occurred at or prior to the effective time. This obligation is subject to a cap of 300% of the annual premium amount KMG is currently paying for such insurance.

**Accounting Treatment of the Merger**

Cabot Microelectronics prepares its financial statements in accordance with GAAP. The merger will be accounted for using the acquisition method of accounting. The accounting guidance for business combinations indicated in Financial Accounting Standards Board Accounting Standards Codification 805, "Business Combinations," provides that in identifying the acquiring entity in a combination effected through an exchange of equity interests, all pertinent facts and circumstances must be considered, including: which entity will issue equity interests to effect the combination, the relative voting rights of the stockholders of the constituent companies in the combined company, the existence of a large minority voting interest in the combined entity if no other owner or organized group of owners has a significant voting interest, the composition of the board of directors and senior management of the combined company, the relative size of each company and the terms of the exchange of equity securities in the business combination, including payment of any premium.

Based on the foregoing factors, Cabot Microelectronics has been determined to be the acquirer for accounting purposes. Cabot Microelectronics will record assets acquired, including identifiable intangible assets, and liabilities assumed from KMG at their respective fair values at the date of completion of the merger. Any excess of the purchase price (as described under "NOTE 2: Preliminary Consideration to be Transferred and Preliminary Fair Value of Net Assets Acquired" under "Notes to Unaudited Pro Forma Condensed Combined Financial Information" beginning on page [     ]) over the net fair value of such assets and liabilities will be recorded as goodwill.

The financial condition and results of operations of Cabot Microelectronics after completion of the merger will reflect KMG after completion of the merger, but will not be restated retroactively to reflect the historical financial condition or results of operations of KMG. The earnings of Cabot Microelectronics following completion of the merger will reflect acquisition accounting adjustments, including the effect of changes in the carrying value for assets and liabilities on depreciation expense, amortization expense and interest expense. Indefinite-lived intangible assets, including certain trademarks, and goodwill will not be amortized but will be tested for impairment at least annually, and all tangible and intangible assets including goodwill will be tested for impairment when certain indicators are present. If, in the future, Cabot Microelectronics determines that tangible or intangible assets (including goodwill) are impaired, Cabot Microelectronics would record an impairment charge at that time.

The allocation of purchase price reflected in the unaudited pro forma condensed combined financial data of Cabot Microelectronics is based on preliminary estimates using assumptions Cabot Microelectronics's management believes to be reasonable based on currently available information. The final purchase price and fair value assessment of assets and liabilities will be based in part on a detailed valuation that has not yet been completed.

**Material U.S. Federal Income Tax Consequences**

The following is a general discussion of the material U.S. federal income tax consequences of the merger to U.S. holders and non-U.S. holders (each as defined below) of KMG common stock who exchange shares of KMG common stock for cash and shares of Cabot Microelectronics common stock pursuant to the merger. This discussion is based on current provisions of the Internal Revenue Code of 1986, as amended (the "Code"), the U.S. Treasury Regulations promulgated thereunder, judicial opinions and published position of the Internal Revenue Service (the "IRS"), all as in effect as of the

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date of this proxy statement/prospectus and all of which are subject to change or varying interpretation, possibly with retroactive effect. Any such change or interpretation could affect the accuracy of the statements and conclusions set forth herein.

This discussion is limited to U.S. holders and non-U.S. holders of KMG common stock who hold their shares of KMG common stock as capital assets within the meaning of Section 1221 of the Code (generally, property held for investment). This discussion is for general information only and does not purport to address all aspects of U.S. federal income taxation that may be relevant to a particular holder of KMG common stock in light of such holder's particular facts and circumstances, nor does it apply to holders of KMG common stock subject to special treatment under the U.S. federal income tax laws, such as, for example, banks and financial institutions, broker-dealers, mutual funds, tax-exempt organizations, insurance companies, dealers in securities or foreign currencies, traders in securities who elect mark-to-market method of accounting, controlled foreign corporations, passive foreign investment companies, holders liable for the alternative minimum tax, certain former citizens or former long-term residents of the United States, holders who acquired their KMG common stock through the exercise of employee stock options or otherwise as compensation or through a tax-qualified retirement plan, holders who hold their KMG common stock as part of a hedge, straddle, constructive sale, conversion or other integrated transaction, U.S. holders (as defined below) whose functional currency is not the U.S. dollar, holders who exercise appraisal rights, holders who own or have owned (directly, indirectly or constructively) 5% or more of KMG's stock (by vote or value), retirement plans, individual retirement accounts or other tax-deferred accounts, real estate investment trusts, regulated investment companies, subchapter S corporations, and entities or arrangements treated as partnerships for U.S. federal income tax purposes or other pass through entities (or investors therein). This discussion does not address any tax consequences arising under any U.S. federal tax laws other than those pertaining to the income tax (*e.g.*, estate tax or gift tax), the unearned income Medicare contribution tax, or any withholding required pursuant to the Foreign Account Tax Compliance Act of 2010 (including the Treasury Regulations issued thereunder and intergovernmental agreements entered into pursuant thereto). This discussion also does not address any considerations under or any aspect of any foreign, state, or local tax laws that may be applicable to a holder.

If an entity or arrangement treated as a partnership for U.S. federal income tax purposes holds KMG common stock, the tax treatment of a partner in such partnership generally will depend on the status of the partner and activities of the partnership. Holders that for U.S. federal income tax purposes are treated as partners of a partnership holding KMG common stock should consult their own tax advisor.

This discussion is intended to provide only a general description of the material U.S. federal income tax consequences of the merger to U.S. holders and non-U.S. holders of KMG common stock, subject to the qualifications, limitations and assumptions set forth herein. This discussion is not intended to be a complete analysis or description of all potential U.S. federal income tax consequences of the merger. The U.S. federal income tax laws are complex and subject to varying interpretation. Accordingly, the IRS may not agree with the tax consequences described in this proxy statement/prospectus. **All holders should consult their own tax advisor to determine the particular tax consequences to them of the receipt of cash and shares of Cabot Microelectronics common stock in exchange for shares of KMG common stock pursuant to the merger.**

For purposes of this discussion, the term "U.S. holder" means a beneficial owner of KMG common stock that is, for U.S. federal income tax purposes:

an individual who is a citizen or resident of the United States;

a corporation (including any entity treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States, any state thereof or the District of Columbia;

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a trust if (i) its administration is subject to the primary supervision of a court within the United States and one or more U.S. persons have the authority to control all substantial decisions of the trust or (ii) it has a valid election in effect under applicable U.S. Treasury Regulations to be treated as a U.S. person; or

an estate, the income of which is subject to U.S. federal income tax regardless of its source.

For purposes of this discussion, the term "non-U.S. holder" means a beneficial owner (other than a partnership for U.S. federal income tax purposes) of KMG common stock that is not a U.S. holder.

***U.S. Holders***

The receipt of cash and shares of Cabot Microelectronics common stock in exchange for shares of KMG common stock pursuant to the merger will be a taxable transaction for U.S. federal income tax purposes. A U.S. holder generally will recognize gain or loss for U.S. federal income tax purposes in an amount equal to the difference, if any, between (i) the sum of the cash and the fair market value (as of the effective time) of the Cabot Microelectronics common stock received pursuant to the merger and (ii) such U.S. holder's adjusted tax basis in the KMG common stock surrendered in exchange therefor. Such gain or loss generally will be capital gain or loss, and will be long-term capital gain or loss if the U.S. holder's holding period for such shares exceeds one year as of the date of the merger. Long-term capital gains for certain noncorporate U.S. holders, including individuals, are generally eligible for a preferential rate of federal income taxation. The deductibility of capital losses is subject to limitations. If a U.S. holder acquired different blocks of KMG common stock at different times or at different prices, such U.S. holder must determine its tax basis, holding period, and gain or loss separately with respect to each block of KMG common stock.

A U.S. holder's tax basis in the Cabot Microelectronics common stock received in the merger will equal its fair market value as of the effective time. A U.S. holder's holding period for the Cabot Microelectronics common stock received in the merger will begin on the day following the effective time.

Notwithstanding the above, if one or more persons control KMG and Cabot Microelectronics prior to the merger, then Section 304 of the Code may apply to the transaction. For this purpose, control generally means actual or constructive ownership of more than 50% of the outstanding stock by vote or value, ownership by all holders that own both KMG common stock and Cabot Microelectronics common stock that is aggregated whether or not related, and the Cabot Microelectronics common stock received in the merger is taken into account. To the knowledge of KMG and Cabot Microelectronics, one or more persons do not control KMG and Cabot Microelectronics within the meaning of Section 304, but KMG and Cabot Microelectronics do not have the information to determine definitively that Section 304 will not apply to the merger. If Section 304 applies to the merger, if a holder of KMG common stock also actually or constructively owns Cabot Microelectronics common stock (other than Cabot Microelectronics common stock received pursuant to the merger), instead of recognizing gain or loss as described in respect of any cash consideration received in the merger, such holder may recognize dividend income up to the amount of such cash consideration depending on the application of the tests set forth in Section 302 of the Code. Because the possibility of dividend treatment depends upon each holder's particular circumstances, including the application of constructive ownership rules, holders of KMG that also actually or constructively own Cabot Microelectronics common stock should consult their tax advisors regarding the application of the foregoing rules to their particular circumstances and any actions that may be taken to mitigate the potential application of such rules.

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*Non-U.S. Holders*

A non-U.S. holder that receives cash and Cabot Microelectronics common stock in exchange for such holder's shares of KMG common stock pursuant to the merger generally will not be subject to U.S. federal income tax on any gain recognized pursuant to the merger unless:

the gain is effectively connected with the non-U.S. holder's conduct of a U.S. trade or business, and, if an applicable income tax treaty so provides, the gain is attributable to a permanent establishment or fixed base maintained by the non-U.S. holder in the United States; in these cases, the non-U.S. holder generally will be subject to U.S. federal income tax on a net income basis at the regular graduated U.S. federal income tax rates in the same manner as if such holder were a U.S. person and, if the non-U.S. holder is a corporation, may be subject to an additional branch profits tax at a rate of 30% (or such lower rate as may be specified by an applicable income tax treaty) on its "effectively connected earnings and profits" for the taxable year, subject to certain adjustments; or

the non-U.S. holder is an individual who is present in the United States for 183 days or more in the taxable year of the disposition and certain other requirements are met, in which case the non-U.S. holder will be subject to a 30% tax (or such lower rate as may be specified by an applicable income tax treaty) on such gain, which may be offset by U.S.-source capital losses of the non-U.S. holder, if any.

As discussed above under " U.S. Holders," in certain circumstances, cash consideration received pursuant to the merger by certain holders of KMG common stock may be treated as a dividend, depending on the application of the tests set forth in Section 302 of the Code. Any amount so treated generally would be subject to U.S. withholding tax at a rate of 30% (or such lower rate as may be specified by an applicable income tax treaty) unless such dividend is effectively connected with the non-U.S. holder's conduct of a trade or business within the United States (and, if required by an applicable income tax treaty, is attributable to a permanent establishment of the non-U.S. holder in the United States). Accordingly, an applicable withholding agent may withhold at a rate of 30% (or such lower rate as may be specified by an applicable income tax treaty) on the entire amount of cash consideration payable to a non-U.S. holder pursuant to the merger. If a withholding agent withholds excess amounts from the cash consideration so payable to a non-U.S. holder, such non-U.S. holder may obtain a refund of any such excess amounts by timely filing an appropriate claim with the IRS. **Non-U.S. holders should consult their tax advisors with respect to the application of the foregoing rules in their particular circumstances, the procedures for claiming treaty benefits or otherwise establishing an exemption from U.S. withholding tax, and any actions that may be taken to mitigate the potential application of such rules.**

*Backup Withholding and Information Reporting*

A U.S. holder generally will be subject to information reporting and may, under certain circumstances, be subject to backup withholding (currently at a rate of 24%) with respect to the per share merger consideration received in the merger, unless such holder properly establishes an exemption or provides, on a properly completed IRS Form W-9, its correct tax identification number and otherwise complies with the applicable requirements of the backup withholding rules.

Information reporting and backup withholding generally will apply to the proceeds of a disposition of shares of common stock of KMG in the merger by a non-U.S. holder effected by or through the U.S. office of any broker, U.S. or foreign, unless the holder certifies, on a properly completed applicable IRS Form W-8, its status as a non-U.S. holder and satisfies certain other requirements, or otherwise establishes an exemption. Generally, information reporting and backup withholding will not apply to a payment of disposition proceeds to a non-U.S. holder where the transaction is effected outside the United States through a non-U.S. office of a broker. However, for information reporting



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purposes, dispositions effected through a non-U.S. office of a broker with certain connections with the United States will be treated in a manner similar to dispositions effected through a U.S. office of a broker. Non-U.S. holders should consult their own tax advisors regarding the application of the information reporting and backup withholding rules to them.

Copies of information returns may be made available to the tax authorities of the country in which the non-U.S. holder resides or is incorporated under the provisions of a specific treaty or agreement.

Backup withholding is not an additional tax. Rather, any amounts withheld under the backup withholding rules from a payment to a U.S. holder or non-U.S. holder can be refunded or credited against the non-U.S. holder's U.S. federal income tax liability, if any, provided that an appropriate claim is timely filed with the IRS.

**The preceding discussion is intended only as a summary of material U.S. federal income tax consequences of the merger. It is not a complete analysis or discussion of all potential tax effects that may be important to a particular holder. All holders of KMG common stock should consult their own tax advisors as to the specific tax consequences of the merger to them, including tax-reporting requirements, and the applicability and effect of any federal, state, local and non-U.S. tax laws.**

**Financing of the Merger**

Consummation of the merger is not conditioned upon Cabot Microelectronics' ability to obtain financing. Cabot Microelectronics expects to use cash on hand and debt financing to fund the cash component of the merger consideration.

In connection with the execution of the merger agreement, Cabot Microelectronics entered into a commitment letter, dated as of August 14, 2018, with JPMorgan Chase Bank, N.A., Bank of America, N.A. and Goldman Sachs Bank USA and Merrill Lynch, Pierce, Fenner & Smith Incorporated, pursuant to which the commitment parties have committed to arrange and provide, subject to the terms and conditions set forth in the commitment letter, a senior secured revolving credit facility in an aggregate principal amount of up to \$200,000,000 and a senior secured term loan facility in an aggregate principal amount of up to \$1,065,000,000.

Prior to or simultaneously with the consummation of the merger, Cabot Microelectronics expects to execute definitive documentation with respect to the revolver and term loan on the terms set forth in the commitment letter. The proceeds of the term loan and, subject to certain limitations, the revolver may be used to finance the merger, repay certain existing indebtedness of Cabot Microelectronics and KMG, to pay fees and expenses related to the merger and for general corporate purposes.

**Regulatory Approvals**

Under the HSR Act, and the rules and regulations promulgated thereunder by the FTC, the merger cannot be consummated until notifications have been submitted and certain information has been furnished to the Antitrust Division and the FTC, and specified waiting period requirements have been satisfied. Cabot Microelectronics and KMG each filed a pre-merger notification and report form pursuant to the HSR Act with the Antitrust Division and the FTC on August 23, 2018. On September 4, 2018, Cabot Microelectronics and KMG each received notice that the FTC granted early termination of the applicable waiting period under the HSR Act. Accordingly, the regulatory condition relating to the expiration or termination of the waiting period (and any extension thereof) under the HSR Act in respect of the merger has been satisfied.

Cabot Microelectronics and KMG have agreed to use reasonable best efforts to obtain as promptly as reasonably practicable any consents and approvals of, or the expiration of waiting periods applicable

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to, any third party, including any governmental entity, necessary, proper or advisable in connection with the merger, subject to limitations as set forth in the merger agreement.

Even after the waiting period under the HSR Act expires or is terminated, the Antitrust Division and the FTC retain the authority to challenge the merger on antitrust grounds before or after the merger is completed. There can likewise be no assurance that U.S. federal, state or non-U.S. regulatory authorities, or private parties, will not attempt to challenge the merger on antitrust grounds or for other reasons, or, if a challenge is made, as to the results of the challenge. See "The Merger Agreement Conditions to the Completion of the Merger" beginning on page [ ] of this proxy statement/prospectus.

**Exchange of Shares**

Upon completion of the merger, each issued and outstanding share of KMG common stock (other than shares (i) held in treasury by KMG or owned by Cabot Microelectronics or Merger Sub (which will be cancelled), (ii) owned by any direct or indirect wholly owned subsidiary of KMG or Cabot Microelectronics (other than Merger Sub) (which will be converted into shares of the surviving company), (iii) owned by shareholders that have complied with the applicable provisions of Chapter 10, Subchapter H of the TBOC, or (iv) underlying KMG restricted stock awards granted after August 14, 2018) will be converted into the right to receive \$55.65 in cash, plus 0.2000 shares of Cabot Microelectronics common stock, in each case, without interest and less any applicable withholding taxes.

Prior to the effective time of the merger, Cabot Microelectronics will appoint an exchange agent reasonably acceptable to KMG to handle the exchange of shares of KMG common stock for the merger consideration. Immediately prior to the closing of the merger, Cabot Microelectronics will deposit with the exchange agent (i) cash sufficient to pay the aggregate cash portion of the merger consideration and, to the extent determinable, cash in lieu of fractional shares and (ii) evidence of Cabot Microelectronics common stock in book-entry or certificated form representing the number of shares of Cabot Microelectronics common stock sufficient to deliver the aggregate stock portion of the merger consideration.

KMG shareholders will not receive any fractional shares of Cabot Microelectronics common stock in the merger. Instead, a shareholder of KMG who otherwise would have received a fractional share of Cabot Microelectronics common stock will be entitled to receive a cash payment in lieu of such fractional share in an amount determined by multiplying (i) the volume weighted average price per share (calculated to the nearest one-hundredth of one cent) of Cabot Microelectronics common stock for the consecutive period of five trading days beginning on the opening of trading on the seventh trading day immediately preceding the effective date and concluding at the close of trading on the third trading day immediately preceding the effective time of the merger by (ii) the fraction of a share (after taking into account all shares of KMG common stock held by such holder at the effective time of the merger and rounded to the nearest one thousandth when expressed in decimal form) of Cabot Microelectronics common stock to which such holder would otherwise be entitled, less any applicable withholding taxes.

If a dividend or other distribution is declared with respect to shares of Cabot Microelectronics common stock with a record date after the effective time of the merger, such declaration will include a dividend or other distribution in respect of all shares of Cabot Microelectronics common stock issuable pursuant to the merger agreement.

After the effective time of the merger, shares of KMG common stock will no longer be outstanding, will be cancelled and will cease to exist and each certificate or book-entry share that previously represented shares of KMG common stock (other than shares (i) held in treasury by KMG or owned by Cabot Microelectronics or Merger Sub (which will be cancelled), (ii) owned by any direct

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or indirect wholly owned subsidiary of KMG or Cabot Microelectronics (other than Merger Sub) (which will be converted into shares of the surviving company), (iii) owned by shareholders that have complied with the applicable provisions of Chapter 10, Subchapter H of the TBOC, or (iv) underlying KMG restricted stock awards granted after August 14, 2018) will represent only the right to receive the per share merger consideration pursuant to the merger agreement, cash in lieu of fractional shares and unpaid dividends and distributions, if any, as described above. With respect to such shares of Cabot Microelectronics common stock deliverable upon the surrender of KMG stock certificates or book-entry shares, until holders of such KMG stock certificates or book-entry shares have properly surrendered such stock certificates or book-entry shares to the exchange agent for exchange, along with a duly completed and validly executed letter of transmittal and any other documents as may customarily be required by the exchange agent, those holders will not receive the per share merger consideration, any cash in lieu of fractional shares and any dividends or distributions that become due to the holders of converted KMG common stock.

As soon as reasonably practicable after the effective time of the merger, Cabot Microelectronics will cause the exchange agent to mail a letter of transmittal to each record holder of a share of KMG common stock specifying, among other things, that delivery will be effected, and risk of loss and title to any certificates or book-entry shares representing KMG common stock will pass, only upon delivery of such certificates or book-entry shares to the exchange agent. The letter will also include instructions explaining the procedure for surrendering KMG stock certificates and book-entry shares in exchange for the merger consideration.

Cabot Microelectronics, KMG and the exchange agent are entitled to deduct and withhold any applicable taxes from any merger consideration that would otherwise be payable pursuant to the merger agreement.

After the effective time of the merger, KMG will not register any transfer of the shares of KMG common stock.

Cabot Microelectronics stockholders need not take any action with respect to their stock certificates.

**Treatment of KMG Equity Awards**

Immediately prior to the effective time, each restricted stock unit award relating to shares of KMG common stock that was granted prior to August 14, 2018 and that is outstanding as of immediately prior to the effective time will fully vest (with any applicable performance metrics deemed satisfied based on the level of achievement specified in the applicable award agreement) and be cancelled and converted in exchange for the right to receive the merger consideration in respect of each share of KMG common stock underlying the applicable restricted stock unit award.

Immediately prior to the effective time, each restricted unit award relating to shares of KMG common stock that was granted on or following August 14, 2018 and that is outstanding as of immediately prior to the effective time will be assumed by Cabot Microelectronics and converted into a restricted stock unit award relating to a number of shares of Cabot Microelectronics common stock (rounded to the nearest whole share) equal to (i) the number of shares of KMG common stock subject to such KMG restricted stock unit award immediately prior to the effective time, multiplied by (ii) the "equity award exchange ratio" (defined below). The assumed restricted stock unit awards will be subject to the same terms and conditions as were applicable to the corresponding KMG equity award immediately prior to the effective time (including vesting terms). The "equity award exchange ratio" means the sum of (a) 0.2000 and (b) the quotient (rounded to four decimal places) obtained by dividing (x) \$55.65 by (y) the volume weighted average price per share (calculated to the nearest one-hundredth of one cent) of Cabot Microelectronics common stock on the Nasdaq for the consecutive period of five trading days beginning on the seventh trading day immediately preceding the

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effective time and concluding at the close of trading on the third trading day immediately preceding the effective time.

**Dividend Policy**

Cabot Microelectronics currently pays regular quarterly cash dividends on its common stock. Cabot Microelectronics most recently paid a cash dividend on July 30, 2018 of \$0.40 per share of Cabot Microelectronics common stock. Cabot Microelectronics currently expects to continue to pay quarterly cash dividends, although they remain subject to determination and declaration by Cabot Microelectronics' board of directors. The payment of future dividends, if any, will be based on several factors, including Cabot Microelectronics' financial performance, outlook and liquidity.

KMG currently pays regular quarterly cash dividends on its common stock. KMG most recently paid a cash dividend on June 22, 2018 of \$0.03 per share of KMG common stock. The payment of future dividends will be based on KMG's financial performance.

Under the terms of the merger agreement, during the period before the closing of the merger, KMG is not permitted to pay any dividends or make any distributions on its capital stock other than quarterly dividends in the ordinary course consistent with past practice, in an amount not to exceed \$0.03 per fiscal quarter. KMG and Cabot Microelectronics have also agreed to coordinate the record dates and payment dates for KMG's quarterly dividends, so that Cabot Microelectronics stockholders and KMG shareholders will not receive two dividends, or fail to receive for one dividend, for any single fiscal quarter.

**Listing of Cabot Microelectronics Common Stock; Delisting of KMG Common Stock**

It is a condition to the consummation of the merger that the shares of Cabot Microelectronics common stock to be issued to KMG shareholders in the merger be approved for listing on the Nasdaq, subject to official notice of issuance. As a result of the merger, shares of KMG common stock will cease to be listed on the NYSE.

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**THE MERGER AGREEMENT**

*The following describes the material provisions of the merger agreement, which is attached as **Annex A** to this proxy statement/prospectus and is incorporated by reference herein. The summary of the material provisions of the merger agreement below and elsewhere in this proxy statement/prospectus is qualified in its entirety by reference to the merger agreement. This summary does not purport to be complete and may not contain all of the information about the merger agreement that is important to you. Cabot Microelectronics and KMG encourage you to read carefully the merger agreement in its entirety before making any decisions regarding the merger as it is the legal document governing the merger.*

**Explanatory Note Regarding the Merger Agreement**

The merger agreement is included to provide you with information regarding its terms. The merger agreement contains representations and warranties by KMG, on the one hand, and by Cabot Microelectronics and Merger Sub, on the other hand, which were made solely for the benefit of the other parties for purposes of the merger agreement. The representations, warranties and covenants made in the merger agreement by KMG, Cabot Microelectronics and Merger Sub were qualified and subject to important limitations agreed to by KMG, Cabot Microelectronics and Merger Sub in connection with negotiating the terms of the merger agreement. In particular, in your review of the representations and warranties contained in the merger agreement and described in this summary, it is important to bear in mind that the representations and warranties were negotiated with the principal purpose of establishing circumstances in which a party to the merger agreement may have the right not to consummate the merger if the representations and warranties of the other party prove to be untrue due to a change in circumstance or otherwise, and allocating risk between the parties to the merger agreement, rather than establishing matters as facts about KMG or Cabot Microelectronics at the time they were made or otherwise. The representations and warranties also may be subject to a contractual standard of materiality different from that generally applicable to shareholders and reports and documents filed with the SEC and were qualified by the matters contained in the confidential disclosure schedules that KMG and Cabot Microelectronics each delivered in connection with the merger agreement and certain documents filed with the SEC. Moreover, information concerning the subject matter of the representations and warranties, which do not purport to be accurate as of the date of this proxy statement/prospectus, may have changed since the date of the merger agreement. Information about KMG and Cabot Microelectronics is set forth elsewhere in this proxy statement/prospectus and in other public filings made with the SEC, which are incorporated by reference into this proxy statement/prospectus. See the section entitled "Where You Can Find More Information" beginning on page [     ].

**Closing; Effective Time**

The merger agreement provides that, on the terms and subject to the conditions in the merger agreement and in accordance with the TBOC, at the effective time of the merger, Merger Sub will be merged with and into KMG, with KMG surviving the merger as a wholly owned subsidiary of Cabot Microelectronics. At the effective time of the merger, by virtue of the merger, all of the property, rights, privileges, powers and franchises of KMG and Merger Sub will vest in KMG as the surviving company, and all of the liabilities, debts and duties of KMG and Merger Sub will become liabilities, debts and duties of KMG as the surviving company.

The merger agreement provides that, unless another date is agreed to in writing by Cabot Microelectronics and KMG, the closing of the merger will take place on the later of (i) the third business day after the satisfaction or waiver of the last of the conditions to closing to be satisfied or waived (other than such conditions that by their nature are to be satisfied by action taken at or immediately prior to the closing, but subject to the satisfaction or permitted waiver of such conditions at the closing) and (ii) the earlier of (a) a date specified by Cabot Microelectronics during the

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marketing period (as defined below) on no fewer than three business days' notice to KMG and (b) the third business day after the final day of the marketing period, in each case, subject to the satisfaction or waiver of the conditions to closing as of such date. The date on which the closing occurs is referred to in this proxy statement/prospectus as the closing date.

On the closing date the parties will file a certificate of merger with the Secretary of State of the State of Texas. The merger will be effective at the time the parties file the certificate of merger, or such later date and time as the parties may agree and as is specified in the certificate of merger.

**Effect of the Merger on KMG's Capital Stock**

At the effective time of the merger, each issued and outstanding share of KMG common stock (other than shares (i) held in treasury by KMG or owned by Cabot Microelectronics or Merger Sub (which will be cancelled), (ii) owned by any direct or indirect wholly owned subsidiary of KMG or Cabot Microelectronics (other than Merger Sub) (which will be converted into shares of the surviving company), (iii) owned by shareholders that have complied with the applicable provisions of Chapter 10, Subchapter H of the TBOC, or (iv) underlying KMG restricted stock awards) will be converted into the right to receive \$55.65 in cash (the "cash consideration"), plus 0.2000 shares of Cabot Microelectronics common stock (the "stock consideration"), in each case, without interest and less any applicable withholding taxes.

Also at the effective time, each share of KMG common stock issued and outstanding immediately prior to the effective time that is owned or held in treasury by KMG or owned by Cabot Microelectronics or Merger Sub will no longer be outstanding and will be cancelled and cease to exist. No consideration will be delivered in exchange for any such shares. Each share of KMG common stock that is held by a direct or indirect wholly owned subsidiary of KMG or Cabot Microelectronics (other than Merger Sub) will be converted into the stock consideration plus an amount of shares of Cabot Microelectronics common stock equal to the quotient obtained by dividing (i) the cash consideration by (ii) the volume weighted average price per share of Cabot Microelectronics common stock on the Nasdaq for the consecutive period of five trading days ending at the close of trading on the third trading day immediately preceding the effective time of the merger.

Each share of KMG common stock issued and outstanding and held by a person who has not voted in favor of the adoption of the merger agreement and has complied with all provisions of the TBOC concerning the rights of KMG shareholders to require payment by the surviving company of the "fair value" of such shares, referred to in this proxy statement/prospectus as dissenting shares, will not be converted into the right to receive the merger consideration. Instead, if the merger is consummated, dissenting shares will represent the right to receive whatever consideration may be determined to be due to such dissenting shareholder under Chapter 10, Subchapter H of the TBOC. If any dissenting shareholder fails to perfect, waives, withdraws or otherwise loses appraisal rights (or a court of competent jurisdiction determines that such holder is not entitled to exercise appraisal rights), dissenting shares held by such dissenting shareholder will be treated as though such dissenting shares had been converted into the right to receive the merger consideration as of the effective time. For more information regarding appraisal rights, see the section titled "Dissenters' Rights of KMG Shareholders." In addition, a copy of Chapter 10, Subchapter H of the TBOC is attached as **Annex D** to this proxy statement/prospectus.

Each KMG shareholder who would otherwise have been entitled to receive a fractional share of Cabot Microelectronics common stock in the merger will instead receive a cash payment in lieu of such fractional share in an amount determined by multiplying (i) the volume weighted average price per share (calculated to the nearest one-hundredth of one cent) of Cabot Microelectronics common stock on the Nasdaq for the consecutive period of five trading days beginning on the opening of trading on the seventh trading day immediately preceding the effective date and concluding at the close of trading

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on the third trading day immediately preceding the effective time of the merger by (ii) the fraction of a share (after taking into account all shares of KMG common stock held by such holder at the effective time of the merger and rounded to the nearest one thousandth when expressed in decimal form) of Cabot Microelectronics common stock to which such holder would otherwise be entitled, less any applicable withholding taxes.

*Organizational Documents of the Surviving Company; Directors and Officers*

The certificate of formation and bylaws of Merger Sub, as in effect immediately prior to the effective time, will become the certificate of formation and bylaws of the surviving company, except that the name of the surviving company will be KMG Chemicals, Inc., until thereafter changed or amended as provided in the certificate of formation or bylaws or by applicable law.

The directors and officers of Merger Sub immediately prior to the effective time will become the initial directors and officers of the surviving company, except as otherwise determined by Cabot Microelectronics.

**Exchange and Payment Procedures**

Prior to the effective time, Cabot Microelectronics will enter into an exchange agreement with a bank or trust company reasonably acceptable to KMG to handle the exchange of shares of KMG common stock for the merger consideration. Immediately prior to the closing of the merger, Cabot Microelectronics will deposit with the exchange agent (i) cash sufficient to pay the aggregate cash portion of the merger consideration and, to the extent determinable, cash in lieu of fractional shares and (ii) evidence of Cabot Microelectronics common stock in book-entry or certificated form representing the number of shares of Cabot Microelectronics common stock sufficient to deliver the aggregate stock portion of the merger consideration.

*Exchange of KMG Share Certificates and Book-Entry KMG Shares*

As soon as reasonably practicable after the effective time of the merger, Cabot Microelectronics will cause the exchange agent to mail to each record holder of a share of KMG common stock a letter of transmittal and instructions for surrendering KMG share certificates or book-entry shares in exchange for the merger consideration. Upon surrender of a KMG share certificate or book-entry share and a duly completed and validly executed letter of transmittal to the exchange agent in compliance with the instructions for surrender, along with any other documents as may customarily be required by the exchange agent, Cabot Microelectronics will, in exchange for such certificates or book-entry shares, cause the exchange agent to pay and deliver as promptly as practicable the merger consideration.

The exchange agent will be instructed to pay the merger consideration upon surrender of the KMG share certificates or book-entry shares together with the letter of transmittal, duly completed and validly executed, and any other documents as may customarily be required by the exchange agent. The timing of the receipt of the merger consideration by any individual shareholder will vary depending on the underlying arrangements through which such shareholder holds their shares of KMG common stock.

In the event of a transfer of ownership of shares of KMG common stock that is not registered in KMG's transfer or stock records, payment may be made and shares may be issued to a person other than the person in whose name the surrendered KMG share certificate or book-entry share is registered if such certificate or book-entry share is presented to the exchange agent accompanied by all documents reasonably required to evidence and effect such transfer and to evidence to the reasonable satisfaction of the exchange agent and Cabot Microelectronics that any applicable transfer taxes have been paid or are not applicable.

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*Lost, Stolen or Destroyed Certificates*

In the event that a KMG share certificate was lost, stolen or destroyed, the holder of the KMG share certificate claiming such certificate to be lost, stolen or destroyed may still obtain the merger consideration and the amount of any owed dividends or distributions to which she or he would be entitled had she or he surrendered the lost, stolen or destroyed KMG share certificate by (i) making an affidavit regarding the loss, theft or destruction of the KMG share certificate and (ii) if required by Cabot Microelectronics or the exchange agent, posting a bond (in a reasonable amount as determined by Cabot Microelectronics or the exchange agent) as indemnity against any future claims against Cabot Microelectronics, the exchange agent or the surviving company with respect to the lost, stolen or destroyed KMG share certificate.

KMG share certificates or book-entry shares should not be surrendered by KMG shareholders prior to the effective time and should be sent only pursuant to instructions set forth in the letter of transmittal that will be mailed to shareholders as soon as reasonably practicable following the effective time. In all cases with respect to KMG shares certificates and book-entry shares, the merger consideration will be provided only in accordance with the procedures set forth in such letter of transmittal.

No interest will be paid or accrue on any cash payable upon surrender of any KMG share certificates or book-entry shares.

*Dividends and Distributions*

No dividends or other distributions with a record date after the effective time with respect to Cabot Microelectronics common stock will be paid to the holder of any shares of KMG common stock until such holder properly surrenders its shares of KMG common stock in accordance with the exchange agent procedures. After proper surrender, Cabot Microelectronics shall cause such shareholder to be paid, without interest, (i) the amount of any dividends or distributions with a record date after the effective time and paid with respect to such shares of Cabot Microelectronics common stock to which such shareholder is entitled and (ii) at the appropriate payment date, the amount of any dividends or distributions with a record date after the effective time but prior to surrender and with a payment date subsequent to surrender with respect to such shares of Cabot Microelectronics common stock. After the effective time, Cabot Microelectronics will cause KMG to pay the amount of any dividends or distributions on shares of KMG common stock that have a record date prior to the effective time and a payment date after the effective time.

*Rights of KMG Shareholders Following the Effective Time and Transfers Following the Effective Time*

The per share merger consideration paid in accordance with the terms of the merger agreement upon the surrender of certificates or book-entry shares will be deemed to have been delivered and paid in full satisfaction of all rights pertaining to such shares of KMG common stock. After the effective time, all holders of shares of KMG common stock will cease to have any rights as shareholders of KMG other than (i) the right to receive the per share merger consideration upon the surrender of such shares (together with the fractional share cash amount and any dividends or distributions such shares become entitled to in accordance with the merger agreement) and (ii) the right to receive the payment of such amounts as are payable in accordance with Chapter 10, Subchapter H of the TBOC. There will be no further registration of transfers on the transfer books of the surviving company and any certificates formerly representing shares of KMG common stock that are presented to the surviving company or the exchange agent for any reason will be cancelled and exchanged for the per share merger consideration.

None of the parties to the merger agreement, the surviving company nor the exchange agent will be liable to any person with respect to any portion of the exchange fund or the merger consideration



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delivered to a public official if required by any applicable abandoned property, escheat or other similar laws. Further, any merger consideration remaining undistributed to former holders of shares of KMG common stock immediately prior to when such amounts would otherwise escheat to or become property of any governmental entity will, to the fullest extent permitted by applicable law, become the property of the surviving company free and clear of any claims or interest of any person previously entitled thereto.

*Withholding Rights*

KMG, Cabot Microelectronics, Merger Sub, the surviving company and the exchange agent will each be entitled to deduct and withhold any amounts due under applicable tax laws from the amounts that would otherwise become payable under the terms of the merger agreement. Any such deducted or withheld amounts that are paid to the appropriate taxing authorities will be treated as having been paid to the person in respect of which such deduction or withholding was made.

**Treatment of KMG Equity Awards**

Immediately prior to the effective time, each restricted stock unit award relating to shares of KMG common stock that was granted prior to August 14, 2018 and that is outstanding as of immediately prior to the effective time will fully vest (with any applicable performance metrics deemed satisfied based on the level of achievement specified in the applicable award agreement) and be cancelled and converted in exchange for the right to receive the merger consideration in respect of each share of KMG common stock underlying the applicable restricted stock unit award.

Immediately prior to the effective time, each restricted stock unit award relating to shares of KMG common stock that was granted on or following August 14, 2018 and that is outstanding as of immediately prior to the effective time will be assumed by Cabot Microelectronics and converted into a restricted stock unit award relating to a number of shares of Cabot Microelectronics common stock (rounded to the nearest whole share) equal to (i) the number of shares of KMG common stock subject to such KMG restricted stock unit award immediately prior to the effective time, multiplied by (ii) the "equity award exchange ratio" (defined below). The assumed restricted stock unit awards will be subject to the same terms and conditions as were applicable to the corresponding KMG equity award immediately prior to the effective time (including vesting terms). The "equity award exchange ratio" means the sum of (a) 0.2000 and (b) the quotient (rounded to four decimal places) obtained by dividing (x) \$55.65 by (y) the volume weighted average price per share (calculated to the nearest one-hundredth of one cent) of Cabot Microelectronics common stock on the Nasdaq for the consecutive period of five trading days beginning on the seventh trading day immediately preceding the effective time and concluding at the close of trading on the third trading day immediately preceding the effective time.

**Representations and Warranties**

The merger agreement contains customary and, in certain cases, reciprocal, representations and warranties by KMG, Cabot Microelectronics and Merger Sub that are (i) subject, in some cases, to specified exceptions and qualifications contained in confidential disclosure schedules and (ii) qualified by certain information filed by the parties with the SEC, excluding, in each case, any disclosures set forth in any risk factor section or "forward-looking statements" sections.

The merger agreement contains representations and warranties by KMG relating to, among other things, the following:

organization, good standing and qualification to do business and subsidiaries' organization, good standing and qualification to do business;

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capitalization;

indebtedness;

corporate authority and approval relating to the execution, delivery and performance of the merger agreement;

the absence of any need for action by governmental entities in order to complete the merger, other than actions in connection with filing the certificate of merger, compliance with antitrust and securities laws, and compliance with applicable requirements of the NYSE;

the absence of any conflict with or violation or breach of organizational documents, any conflict with or violation of agreements, laws or regulations, or any lien on the assets of a party or its subsidiaries as a result of the execution, delivery and performance of the merger agreement and completion of the merger;

the filing or furnishing of reports, forms, documents and financial statements required by the SEC and compliance with certain provisions of the Sarbanes-Oxley Act;

the establishment and maintenance of internal controls and procedures;

the absence of undisclosed liabilities;

compliance with applicable laws and the holding of necessary permits;

compliance with environmental laws and regulations;

employee benefit plans;

the absence of certain material changes or events in the respective businesses of KMG;

investigations, litigations and proceedings;

information provided by a party for inclusion in this proxy statement/prospectus;

tax matters;

employment and labor matters;

intellectual property and information technology matters;

owned and leased real property;

insurance policies;

KMG's significant contracts and agreements;

products warranty and liability;

broker's and finder's fees;

opinion of KMG's financial advisor;

the inapplicability of state anti-takeover statutes or regulations; and

the absence of any other representations or warranties.

The merger agreement includes a more limited set of representations by Cabot Microelectronics and Merger Sub relating to, among other things, the following:

organization, good standing and qualification to do business and subsidiaries' organization, good standing and qualification to do business;

capitalization;

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corporate authority and approval relating to the execution, delivery and performance of the merger agreement;

the absence of any need for action by governmental entities in order to complete the merger, other than actions in connection with filing the certificate of merger, compliance with antitrust and securities laws, and compliance with applicable requirements of the Nasdaq;

the absence of any conflict with or violation or breach of organizational documents, any conflict with or violation of agreements, laws or regulations, or any lien on the assets of a party or its subsidiaries as a result of the execution, delivery and performance of the merger agreement and completion of the merger;

the filing or furnishing of reports, forms, documents and financial statements required by the SEC and compliance with certain provisions of the Sarbanes-Oxley Act;

the establishment and maintenance of internal controls and procedures;

the absence of undisclosed liabilities;

compliance with applicable laws and the holding of necessary permits;

compliance with environmental laws and regulations;

employee benefit plans;

the absence of certain material changes or events in the respective businesses of Cabot Microelectronics;

investigations, litigations and proceedings;

information provided by a party for inclusion in this proxy statement/prospectus;

employment and labor matters;

intellectual property matters;

broker's and finder's fees;

financing, including payment of the cash portion of the merger consideration;

ownership and operation of Merger Sub;

the inapplicability of state anti-takeover statutes or regulations;

the absence of beneficial ownership of shares of KMG common stock by Cabot Microelectronics and its subsidiaries;

the absence of a vote of Cabot Microelectronics shareholders; and

the absence of any other representations or warranties.

The representations and warranties will not survive the merger. Many of the representations and warranties contained in the merger agreement are qualified by a "materiality" standard or by a "material adverse effect" standard.

Under the merger agreement, a "material adverse effect," with respect to KMG or Cabot Microelectronics, as applicable, means any fact, change, circumstance, event, occurrence, condition or development which is materially adverse to the business, results of operations or financial condition of such party and its subsidiaries taken as a whole, but without taking into account any of the following:

changes in laws or GAAP or the official interpretation or enforcement thereof;

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changes in global, national or regional political conditions, war, terrorism, epidemics or pandemics, national or international emergencies, or changes in economic or market conditions;

other natural disasters or weather conditions;

the announcement or pendency of the merger agreement, including the identity of the other party or any public or written communication by the other party;

changes in the trading price or trading volume of such party's common stock or the failure to meet any internal or public financial projections, expectations, budgets or forecasts, or changes in the credit rating or the ratings outlook (but not the underlying cause of such changes or failures);

any breach of the merger agreement by the other party;

any actions taken or omitted to be taken by such party at the written request of the other party; and

lawsuits relating to the merger agreement (including any shareholder litigation);

except that with respect to the first three bullets above, to the extent the effects of such change are disproportionately adverse to the business, results of operations or financial condition of the party and its subsidiaries, taken as a whole, as compared to other companies in the same industries, in which case only the incremental disproportionate impact or impacts may be taken into account in determining whether there has been a material adverse effect. A "material adverse effect" with respect to KMG or Cabot Microelectronics, as applicable, also means any fact, change, circumstance, event, occurrence, condition or development which prevents the ability of the applicable party to consummate the merger prior to the end date.

**Conduct of Businesses of KMG and Cabot Microelectronics Prior to Completion of the Merger**

KMG agreed that prior to the effective time, except as required by a governmental entity or applicable law, as permitted by the merger agreement (including KMG's confidential disclosure schedules thereto), or as Cabot Microelectronics approves in writing, it will, and will cause each of its subsidiaries to, conduct its business in the ordinary course consistent with past practice in all material respects and will use reasonable best efforts to maintain and preserve intact its assets and business organization and its relationships with employees, officers, customers, suppliers, distributors, governmental entities and other business partners.

KMG also has agreed that, except as required by a governmental entity or applicable law, as permitted by the merger agreement (including KMG's confidential disclosure schedules thereto), as Cabot Microelectronics approves in writing, or certain other exceptions, it will not, and will not permit any of its subsidiaries to:

amend the organizational documents of KMG or any of its subsidiaries in any material respect;

split, combine or reclassify any of its capital stock;

make, declare or pay any dividend, or make any other distribution on, or directly or indirectly redeem, purchase, exchange or otherwise acquire, any shares of its capital stock, or any other securities or obligations convertible into or exchangeable for any shares of its capital stock, except (a) dividends paid by any wholly owned subsidiaries of KMG to KMG or to any of their wholly owned subsidiaries, respectively, (b) cashless exercise of KMG equity awards outstanding as of the date of the merger agreement, or (c) quarterly dividends on the KMG common stock in the ordinary course consistent with past practice, in an amount not to exceed \$0.03 per fiscal quarter;



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issue, sell or otherwise permit to become outstanding any additional shares of its capital stock or securities convertible or exchangeable into, or exercisable for, any shares of its capital stock, except (a) pursuant to the settlement of KMG equity awards outstanding as of the date of the merger agreement or (b) as otherwise permitted under the merger agreement;

enter into any agreement with respect to the sale or voting of its capital stock;

adopt a plan of complete or partial liquidation or dissolution;

incur or guarantee any indebtedness, except for any indebtedness among KMG and its wholly owned subsidiaries or among KMG's wholly owned subsidiaries, or incur a lien on any of its property or assets;

make any loans or advances to any other third party;

sell, license or otherwise transfer any of its material properties, assets or intellectual property to any third party, other than sales of inventory, excess raw materials or of obsolete equipment in the ordinary course of business or cancel, release or assign any indebtedness of any person;

acquire any other business, or acquire any assets with a value in excess of \$1,000,000 individually or \$3,000,000 in the aggregate, or make any investment in any other person;

make any capital expenditures other than capital expenditures itemized in the 2019 fiscal year capital expenditure budget mutually agreed by KMG and Cabot Microelectronics, other than as may be necessary in connection with any emergency repair, maintenance or replacement;

terminate, materially amend, or waive, release or assign any material right under, certain categories of material contracts or enter into any contract that would constitute such a material contract if it were in effect on the date of the merger agreement;

except as required by the terms of certain KMG benefit plans as in effect on the date of the merger agreement, (a) establish, amend or terminate any collective bargaining agreement or KMG benefit plan (including, but not limited to, any employment, change-in-control, retention, severance, compensation or similar agreement or arrangement), (b) increase in any manner the compensation (including severance, change-in-control and retention compensation) or benefits of any of the current or former directors, employees, or other service providers of the KMG or its subsidiaries, (c) pay or award, or commit to pay or award, any bonuses or incentive compensation (including KMG equity awards or retention bonuses), (d) accelerate the vesting or payment timing of any rights or benefits, (e) establish or fund any rabbi trust or other funding arrangement in respect of any company benefit plan, or (f) hire, promote or terminate (other than for cause as determined by KMG) the employment or services of any directors, employees, or other service providers who have annualized base compensation greater than \$100,000;

implement or adopt any material change in its financial accounting principles, practices or methods, other than as may be required by changes in GAAP;

commence or settle any litigation or claim, except for settlements that (a) involve solely monetary remedies with a value not in excess of \$500,000, with respect to any individual litigation or claim or \$1,000,000 in the aggregate, (b) do not impose any material restriction on its business, (c) do not create adverse precedent for material claims that are reasonably likely to be made against it, (d) do not relate to any litigation by KMG's shareholders in connection with the merger agreement, and



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(e) do not include an admission of liability or fault on the part of KMG or its subsidiaries;

make, change or revoke any material tax election, change or adopt any annual tax accounting period or adopt or change any material method of tax accounting, file any amended material tax return, enter into any "closing agreement" within the meaning of Section 7121 of the Code (or

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any analogous or similar provision of state, local or foreign law) with respect to a material amount of taxes, request any tax ruling from any governmental entity with respect to any material tax matter, settle or compromise any material tax liability or any audit, examination or other proceeding relating to a material amount of taxes, or surrender any claim for a material refund of taxes, or, except in the ordinary course of business agree to an extension or waiver of the statute of limitations with respect to a material amount of taxes;

enter into any new line of business or, except as required by changes in applicable law, regulation or policies imposed by any governmental entity, change any material policy established by the KMG board of directors or executive officers of KMG that generally applies to the operations of the KMG;

except in the ordinary course of business consistent with past practice, materially reduce the amount of insurance coverage or fail to renew any material existing insurance policies;

amend any material governmental permits in a manner that adversely impacts its ability to conduct its business in any material respect, or terminate or allow to lapse, any material governmental permits;

cancel or permit to lapse any material intellectual property, or disclose to any third party any trade secret included in the intellectual property in a way that results in loss of trade secret protection;

take any action that would reasonably be expected to result in the failure of Cabot Microelectronics' conditions to closing to be satisfied prior to the end date; or

agree to take, or make any commitment to take, any of the foregoing actions.

Cabot Microelectronics agreed that prior to the effective time, except as required by a governmental entity or applicable law, as permitted by the merger agreement (including Cabot Microelectronics' confidential disclosure schedules thereto), or as KMG approves in writing, it will, and will cause each of its subsidiaries to, conduct its business in the ordinary course consistent with past practice in all material respects and will use reasonable best efforts to maintain and preserve intact its assets and business organization and its relationships with employees, officers, customers, suppliers, distributors, governmental entities and other business partners.

Cabot Microelectronics also has agreed that, except as required by a governmental entity or applicable law, as permitted by the merger agreement (including Cabot Microelectronics' confidential disclosure schedules thereto), as KMG approves in writing, or certain other exceptions, it will not, and will not permit any of its subsidiaries to:

amend the organizational documents of Cabot Microelectronics or Merger Sub in a manner materially adverse to the holders of KMG common stock;

split, combine or reclassify any of its capital stock;

other than the issuance, grant or settlement of Cabot Microelectronics stock awards, issue, sell or otherwise permit to become outstanding any additional shares of its capital stock or securities convertible or exchangeable into, or exercisable for, any shares of its capital stock;

other than the issuance, grant or settlement of Cabot Microelectronics stock awards, enter into any agreement with respect to the sale or voting of its capital stock or other equity interests;

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convene any meeting of the holders of Cabot Microelectronics common stock for the purpose of revoking or varying the authority of the Cabot Microelectronics board of directors to issue Cabot Microelectronics common stock;

adopt a plan of complete or partial liquidation or dissolution;

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take any action that would reasonably be expected to result in the failure of (a) KMG's conditions to closing to be satisfied prior to the end date or (b) Cabot Microelectronics to obtain financing in an amount sufficient, together with any other sources available to Cabot Microelectronics and Merger Sub, to fund the payment required pursuant to the merger agreement on or prior to the end date; and

agree to take, or make any commitment to take, any of the foregoing actions.

Under the merger agreement, Cabot Microelectronics also agreed to not, and to cause its controlled affiliates not to, enter into a transaction to acquire any asset, property, right or business (including by way of merger, consolidation, share exchange, investment, joint venture, strategic alliance, other business combination, asset, stock or equity purchase or otherwise) that would reasonably be expected to prevent or materially delay satisfaction of the certain conditions to closing relating to regulatory approvals.

**No Solicitation of KMG Takeover Proposals**

Under the merger agreement, subject to certain exceptions described below, KMG agreed that it will not, and that it will cause its controlled affiliates and its and their respective officers, directors and employees not to, and use reasonable best efforts to cause its financial advisors, attorneys, accountants and other representatives acting on KMG's behalf not to, directly or indirectly:

solicit, initiate or knowingly encourage or knowingly facilitate any inquiry regarding, or the making of any proposal or offer that constitutes, or would reasonably be expected to lead to, a KMG takeover proposal (as defined below);

engage in, continue or otherwise participate in any discussions or negotiations, or furnish to any other person any information, in connection with a KMG takeover proposal; or

approve, adopt, recommend or enter into (or propose to do any of the foregoing) any letter of intent, agreement or commitment with respect to a KMG takeover proposal.

KMG further agreed that it will not, and will cause its affiliates not to, release any third party from, or waive, amend or modify any provision of, or grant permission under, or fail to enforce, any standstill provision in any agreement to which KMG or any of its affiliates is a party, except that the KMG board of directors may waive any such standstill provision solely to the extent necessary to permit a third party to make a confidential company takeover proposal to the KMG board of directors only if the KMG board of directors determines in good faith, after consultation with its outside legal counsel, that the failure to take such action would be inconsistent with the KMG board of directors' fiduciary duties under applicable law.

Under the merger agreement, a "KMG takeover proposal" means any proposal or offer from any person (other than Cabot Microelectronics and its subsidiaries) relating to (i) a merger, consolidation, business combination, recapitalization, binding share exchange, liquidation, dissolution, or similar transaction involving KMG or any of its subsidiaries, (ii) any acquisition of 25% or more of the outstanding shares of KMG common stock or securities representing 25% or more of the voting power of KMG, (iii) any acquisition (including the acquisition of stock of a subsidiary) of assets or businesses of KMG or its subsidiaries, including pursuant to a joint venture, representing 25% or more of the consolidated assets, revenues or net income of KMG, (iv) any tender offer or exchange offer that, if consummated, would result in any person beneficially owning 25% or more of the outstanding KMG common stock or securities representing 25% or more of the voting power of KMG or (v) any combination of the foregoing if the sum of the percentage of consolidated assets, revenues or earnings and KMG common stock (or voting power of securities of KMG other than KMG common stock) involved is 25% or more.

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Notwithstanding the foregoing restrictions, if at any time prior to obtaining the approval of the KMG shareholders of the proposal to approve and adopt the merger agreement, KMG receives a written, bona fide, unsolicited takeover proposal that did not result from a material breach of KMG's non-solicitation obligations, KMG may (i) furnish information with respect to KMG to the party making the KMG takeover proposal (subject to certain conditions and obligations described below) and (ii) engage in discussions or negotiations with the party making such KMG takeover proposal, if, and only if, the KMG board of directors determines in good faith, after consultation with its independent financial advisor and outside legal counsel, that the KMG takeover proposal constitutes or would reasonably be expected to lead to, a KMG superior proposal (as defined below) and that the failure to take such action would be inconsistent with the KMG board of directors' fiduciary duties under applicable law.

Substantially concurrently with furnishing such information or engaging in such discussions or negotiations, KMG must make available to Cabot Microelectronics any nonpublic information concerning KMG or its subsidiaries that is provided to such person making the KMG takeover proposal or its representatives (to the extent such nonpublic information has not been previously provided to Cabot Microelectronics).

As used in the merger agreement, a "KMG superior proposal" means a bona fide, written KMG takeover proposal (provided that references in the definition of KMG takeover proposal to 25% are deemed to be references to 50%) that the KMG board of directors determines in good faith, after consultation with KMG's financial advisors and outside legal counsel, after giving effect to any changes to the merger agreement committed to in writing by Cabot Microelectronics in response to such KMG takeover proposal and all other financial, legal, regulatory, tax and other aspects of such proposal, including all conditions contained therein and the person making such KMG takeover proposal, as the KMG board of directors deems relevant, is reasonably capable of being completed on the terms proposed and is more favorable to KMG's shareholders from a financial point of view than the merger.

*Existing Discussions or Negotiations; Required Notification of KMG*

Under the terms of the merger agreement, KMG agreed that it will, and that it will cause its controlled affiliates and its and their respective officers, directors and employees to, and use reasonable best efforts to cause its financial advisors, attorneys, accountants and other representatives acting on KMG's behalf to, immediately cease and terminate any solicitation, knowing encouragement, discussion or negotiations with any person (other than Cabot Microelectronics and its affiliates and its and their respective representatives) that was ongoing at the execution of the merger agreement. Further, KMG agreed to cause the termination of access of any third party to any data room (virtual or actual) containing any information of or regarding KMG or its subsidiaries.

KMG agreed to promptly (and in any event within 24 hours), notify Cabot Microelectronics if the KMG board of directors makes a determination that a KMG takeover proposal constitutes or is reasonably expected to lead to a KMG superior proposal or if KMG furnishes nonpublic information and/or enters into discussions or negotiations with a person making a KMG takeover proposal.

KMG also agreed to promptly (and in any event within 24 hours after, to the knowledge of KMG, its receipt) notify Cabot Microelectronics of the receipt of a KMG takeover proposal or any request for information relating to KMG or other inquiry or communication that is reasonably likely to lead to a KMG takeover proposal. Such notice must include the identity of the person or persons making the KMG takeover proposal (or the related proposal or inquiry) and the material terms thereof. Further, after giving such a notice, KMG must keep Cabot Microelectronics reasonably informed, on a current basis, as to the status of any KMG takeover proposal (including any material developments, discussions or negotiations related thereto) by promptly (and in any event within 24 hours after receipt) providing

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Cabot Microelectronics copies of any correspondence, proposals, indications of interest, and/or draft agreements relating to such KMG takeover proposal.

**No Change in Recommendation or Termination for a Company Superior Proposal**

Under the merger agreement, subject to certain exceptions described below, the KMG board of directors may not take any of the following actions, each of which are referred to as a "KMG adverse recommendation change" in this proxy statement/prospectus, under the merger agreement:

fail to include the KMG board of directors recommendation in this proxy statement/prospectus;

change, qualify, withhold, withdraw or modify the KMG board of directors recommendation (or authorize or publicly propose to do so);

fail to recommend against any KMG takeover proposal that is a tender or exchange offer within ten business days of such tender or exchange offer; or

adopt, approve or recommend to KMG shareholders a KMG takeover proposal (or resolve to or publicly propose or announce its intention to do so).

**Company Superior Proposals; Intervening Events**

However, at any time before approval by KMG shareholders of the proposal to approve and adopt the merger agreement is obtained, the KMG board of directors may, with respect to a bona fide, unsolicited KMG takeover proposal that did not result from a material breach by KMG of its non-solicitation obligations under the merger agreement, make a KMG adverse recommendation change (following compliance with the obligation to provide an opportunity to Cabot Microelectronics to make a revised proposal as described below), if, and only if, the KMG board of directors determines in good faith, after consultation with KMG's independent financial advisors and outside legal counsel, that (i) such KMG takeover proposal constitutes a KMG superior proposal and (ii) the failure to make a KMG adverse recommendation change would be inconsistent with the KMG board of directors' fiduciary duties under applicable law.

In addition, at any time before approval by KMG shareholders of the proposal to approve and adopt the merger agreement is obtained, the KMG board of directors may, in response to a KMG intervening event (as defined below), make a KMG adverse recommendation change (following compliance with the obligation to provide an opportunity to Cabot Microelectronics to make a revised proposal as described below), if, and only if, the KMG board of directors determines in good faith, after consultation with KMG's independent financial advisors and outside legal counsel, that the failure to make a KMG adverse recommendation change would be inconsistent with the KMG board of directors' fiduciary duties under applicable law. Under the merger agreement, a "KMG intervening event" is defined as any fact, change, circumstance, event, occurrence or development or combination thereof that (i) was not known or reasonably foreseeable to the KMG board of directors as of the date of the merger agreement and (ii) does not relate to any KMG takeover proposal. However, any change in the price or trading volume of KMG common stock or Cabot Microelectronics common stock will not be taken into account for purposes of determining whether a KMG intervening event has occurred (except that any underlying cause thereof may be taken into account), and no fact, change, circumstance, event, occurrence or development or combination thereof that has had or would reasonably be expected to have an adverse effect on Cabot Microelectronics will constitute a KMG intervening event unless such fact, change, circumstance, event, occurrence or development or combination thereof has had or would reasonably be expected to have a material adverse effect on Cabot Microelectronics.

Prior to making any KMG adverse recommendation change, (i) the KMG board of directors must provide Cabot Microelectronics four business days' prior written notice of any intention to take such

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action (specifying, among other things, the identity of the person making a KMG takeover proposal and copies of the related agreements, if any, or the KMG intervening event, as applicable); (ii) during the four business days following the delivery of such written notice, KMG must consider in good faith any revisions or changes to the merger agreement or the merger proposed by Cabot Microelectronics; and (iii) after the four business days, the KMG board of directors must conclude, after consultation with independent financial advisors and outside legal counsel, that even if the revisions committed to in writing by Cabot Microelectronics were to be accepted by KMG, the failure to make a KMG adverse recommendation change would be inconsistent with the fiduciary duties of the KMG board of directors and, in the case of a KMG takeover proposal, that the proposal continues to constitute a KMG superior proposal.

In the event of any change in the financial terms of or any changes in the material terms of any KMG superior proposal, KMG must again satisfy the notice and other requirements set out in the preceding paragraph (except that the four business day period will instead be the longer of (i) two business days or (ii) the amount of time remaining in the initial four business day notice period).

KMG is not prohibited from (i) taking and disclosing to its shareholders a position contemplated by Exchange Act Rule 14e-2(a), Exchange Act Rule 14d-9 or making any "stop, look and listen" communication to its shareholders under Exchange Act Rule 14d-9(f), (ii) directing any person that makes a KMG takeover proposal to the non-solicitation provisions of the merger agreement or (iii) making a factually accurate public statement limited to a description of the receipt of a KMG takeover proposal and the operation of the merger agreement with respect thereto.

**KMG Shareholder Meeting**

KMG has agreed to set the record date and convene a meeting of KMG shareholders to consider the proposal to approve and adopt the merger agreement, referred to in this proxy statement/prospectus as the special meeting, as promptly as reasonably practicable after the date of the merger agreement. KMG has also agreed to use reasonable best efforts to mail this proxy statement/prospectus to KMG shareholders as promptly as reasonably practicable after this registration statement on Form S-4 of which this proxy statement/prospectus forms a part is declared effective by the SEC. Except as described above with respect to a KMG adverse recommendation change, the KMG board of directors will recommend approval of the merger proposal and KMG will use its reasonable best efforts to solicit from KMG's shareholders proxies in favor of the merger proposal.

KMG may postpone or adjourn the special meeting if KMG (i) determines in good faith (after consultation with its outside legal counsel) that any supplement or amendment to this proxy statement/prospectus is required by law to be provided to KMG's shareholders or (ii) has not received proxies representing a sufficient number of shares of KMG common stock to constitute a quorum or approve of the merger proposal. However, KMG is not permitted to postpone or adjourn the special meeting later than the date that is twenty business days after the date for which the special meeting is originally scheduled without Cabot Microelectronics' prior written consent.

The parties have agreed that nothing in the merger agreement, including a KMG adverse recommendation change, will relieve KMG of its obligation to submit the merger agreement to its shareholders for a vote on the adoption and approval thereof.

**Financing**

Consummation of the merger is not conditioned upon Cabot Microelectronics' ability to obtain financing. Cabot Microelectronics is required to use its reasonable best efforts to obtain financing contemplated by the commitment letter to fund the cash consideration for the merger and related costs, fees and expenses and to repay any indebtedness of Cabot Microelectronics and KMG on or prior to the consummation of the merger, and to keep KMG reasonably informed of the status of its

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efforts to obtain such financing. KMG is required to use its reasonable best efforts to provide all cooperation necessary, customary or advisable to assist Cabot Microelectronics in obtaining such financing subject to customary limitations. Cabot Microelectronics is obligated to reimburse KMG for all reasonable costs and expenses incurred by KMG in connection with such financing and the cooperating by KMG.

**Access to Information**

Subject to certain limitations, prior to the effective time, KMG is required to afford Cabot Microelectronics and its representatives reasonable access during normal business hours to all of KMG's and its subsidiaries' personnel, properties, contracts, commitments, books and records and make available to Cabot Microelectronics and its representatives all other available information concerning its business, properties and personnel as Cabot Microelectronics may reasonably request.

**Employee Matters**

Cabot Microelectronics will provide each KMG employee, for so long as he or she remains employed by Cabot Microelectronics (each, a "continuing employee"), with (i) for one year following the effective time, a base salary or wage rate no less than that provided to such continuing employee immediately prior to the effective time, (ii) for the remainder of the fiscal year in effect as of the effective time, a target annual cash incentive opportunity no less favorable than that provided to such continuing employee immediately prior to the effective time, and (iii) for one year following the effective time, employee benefits (including equity-based compensation eligibility and severance benefits, but excluding any defined benefit and retiree welfare benefits) that are, in Cabot Microelectronics' election, substantially comparable in the aggregate to either (a) those provided to similarly situated employees of Cabot Microelectronics or (b) those generally provided to continuing employees immediately prior to the effective time.

Cabot Microelectronics will credit continuing employees with their service with KMG for purposes of eligibility, vesting and benefit accrual under its compensation and benefit plans following the closing to the same extent such service was recognized immediately prior to the effective time under a comparable KMG plan, except that such service will not be recognized (i) for purposes of any defined benefit or retiree welfare benefit plan, (ii) to the extent it would result in a duplication of benefits, (iii) for purposes of any plan that is grandfathered or frozen, or (iv) for purposes of any plan adopted after the effective time that does not credit similarly situated Cabot Microelectronics employees with service.

Cabot Microelectronics will use commercially reasonable and good faith efforts to cause all limitations as to preexisting conditions and waiting periods under Cabot Microelectronics' medical, dental and vision plans to be waived by Cabot Microelectronics and its subsidiaries, other than limitations, exclusions, actively at work requirements, waiting periods or other restrictions that are already in effect with respect to such continuing employees and that have not been satisfied as of the closing date under any KMG employee benefit plan. Additionally, Cabot Microelectronics will use commercially reasonable and good faith efforts to credit each continuing employee and his or her dependents for any co-payments and deductibles satisfied prior to the closing date for the plan year within which the effective time occurs in order to satisfy any applicable deductible, annual out-of-pocket requirements, annual or lifetime limits, visit limits or similar limitations under any medical, dental or vision plans that such company employees are eligible to participate in after the closing date.

Prior to the closing, KMG may grant employees (including its executive officers) up to \$16,500,000 in cash retention awards to promote retention and incentivize efforts to consummate the merger. Payments under the retention program will be contingent upon the closing, and shall be paid 50% at



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closing, with the remainder paid on such dates as mutually agreed between Cabot Microelectronics and KMG, subject to the participant's continued employment through the date of payment. Alternatively, the service requirement will be waived and retention awards will vest and be paid if the recipient's employment is terminated without cause, if the recipient resigns with good reason or if the recipient terminates employment due to death or disability.

Prior to the closing, KMG may grant employees (including its executive officers), restricted stock units covering a target number of 39,223 shares of KMG common stock. The restricted stock units will vest in three equal installments on the first three anniversaries of the grant date and will be assumed by Cabot Microelectronics at the effective time of the merger as described above under "The Merger Treatment of KMG Equity Awards". If the recipient is terminated without cause or resigns with good reason during the 18 months following the effective time, the recipient will vest in a number of shares equal to 150% of the target number of shares subject to the restricted stock unit award. Due to this termination feature, the maximum number of shares of KMG common stock issuable in respect of such restricted stock units is 58,835.

**Indemnification and Insurance**

The merger agreement provides that all rights to indemnification and exculpation from liabilities for acts or omissions occurring at or prior to the effective time in favor of any present or former director, officer or employee of KMG or its subsidiaries, and any person who served as a director, officer, member, trustee or fiduciary of any other entity at the request or for the benefit of KMG or any of its subsidiaries, which we refer to in this proxy statement/prospectus as the KMG indemnified parties, will survive the merger and continue in full force and effect in accordance with their terms, as set forth in the KMG organizational documents or certain indemnification agreements in existence upon execution of the merger agreement, for six years following the effective time.

Following the effective time, the surviving company will, and Cabot Microelectronics will cause the surviving company to, indemnify and hold harmless each KMG indemnified party against any cost or expense arising out of the fact that such person is or was a director or officer of KMG or any of its subsidiaries or other fiduciary in any entity at the request or for the benefit of KMG and pertaining to matters existing or occurring prior to the effective time (including with respect to the merger and merger agreement), to the fullest extent permitted by applicable law.

The merger agreement requires Cabot Microelectronics to cause the surviving company to maintain, for a period of six years after the effective time, KMG's existing directors' and officers' liability insurance and fiduciary liability insurance policy, or substantially comparable insurance of at least the same coverage and amounts containing terms and conditions which are no less advantageous to the insured. However, the surviving company is not required to make annual premium payments for such insurance to the extent such premiums exceed 300% of the annual premium paid for the year ended December 31, 2017 by KMG for such insurance. In lieu of the foregoing, Cabot Microelectronics or KMG (following prior consultation with Cabot Microelectronics) may obtain, prior to the effective time, a six-year prepaid "tail" policy that provides equivalent coverage for the indemnitees for an aggregate price not to exceed 300% of the annual premiums paid for the year ended December 31, 2017 by KMG for such insurance.

**Certain Additional Covenants**

The merger agreement also contains additional covenants, including, among others, covenants relating to the filing of this proxy statement/prospectus, regulatory filings and approvals (which are described in the section titled "The Merger Regulatory Approvals"), the delisting of shares of KMG common stock from the NYSE, the listing of shares of Cabot Microelectronics common stock that will be issued in connection with the merger on the Nasdaq, resignations of KMG's directors as of the

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closing of the merger, notification of certain events and regulatory matters, coordination of record dates and payment dates with respect to quarterly dividends of KMG and Cabot Microelectronics prior to the closing of the merger, coordination with respect to litigation relating to the merger and public announcements with respect to the transactions contemplated by the merger agreement.

**Conditions to Completion of the Merger**

The respective obligations of each of KMG, Cabot Microelectronics and Merger Sub to effect the merger are subject to the fulfillment or waiver (to the extent permitted under applicable law), at or prior to the closing, of the following conditions:

the approval and adoption of the merger agreement by the holders of at least a majority of the shares of the KMG common stock outstanding on the record date must have been obtained;

the registration statement on Form S-4 of which this prospectus/proxy statement forms a part must have been declared effective by the SEC under the Securities Act and no stop order suspending the effectiveness of the Form S-4 may be in effect and no proceedings for that purpose may be initiated by the SEC;

no court or other governmental entity may have entered or issued an order, writ, injunction, judgment, decree, ruling, directive or award, or adopted or enacted a law, that prohibits, enjoins or makes illegal the consummation of the merger;

the waiting period (or extensions thereof) applicable to the merger under the HSR Act must have expired or been terminated; and

shares of Cabot Microelectronics common stock that will be issued in connection with the merger must have been approved for listing on the Nasdaq, subject to official notice of issuance.

The obligations of Cabot Microelectronics and Merger Sub to complete the merger are also subject to the fulfillment, or waiver by Cabot Microelectronics (to the extent permitted under applicable law), at or prior to the closing of the following additional conditions:

KMG must have performed or complied in all material respects all covenants required by the merger agreement to be performed or complied with by it prior to the closing;

subject to certain exceptions and materiality standards provided in the merger agreement, the representations and warranties of KMG must be true and correct at and as of the closing date as though made at and as of the closing date (except if made as of an earlier date, in which case as of such date);

since the date of the merger agreement, there must not have been any fact, change, circumstance, event, occurrence, condition or development that has had or would reasonably be expected to have, individually or in the aggregate, a material adverse effect (as defined in the merger agreement) on KMG; and

KMG must have delivered to Cabot Microelectronics a certificate, dated as of the closing date and signed by its chief executive officer or another senior officer, certifying to the effect that the preceding three conditions have been met.

The obligation of KMG to complete the merger is subject to the fulfillment, or waiver by KMG (to the extent permitted under applicable law), at or prior to the closing of the following additional conditions:

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Cabot Microelectronics and Merger Sub must have performed or complied in all material respects all covenants required by the merger agreement to be performed or complied with by them prior to the closing date;

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subject to certain exceptions and materiality standards provided in the merger agreement, the representations and warranties of Cabot Microelectronics and Merger Sub must be true and correct at and as of the closing date as though made at and as of the closing date (except if made as of an earlier date, in which case as of such date);

since the date of the merger agreement, there must not have been any fact, change, circumstance, event, occurrence, condition or development that has had or would reasonably be expected to have, individually or in the aggregate, a material adverse effect (as defined in the merger agreement) on Cabot Microelectronics; and

Cabot Microelectronics must have delivered to KMG a certificate, dated as of the closing date and signed by its chief executive officer or another senior officer, certifying to the effect that the preceding three conditions have been met.

**Regulatory Approvals**

Under the merger agreement, KMG, Cabot Microelectronics and Merger Sub agreed to use their respective reasonable best efforts to take, or cause to be taken, and to do, or cause to be done, all reasonable actions and things necessary, proper or advisable under any applicable laws to consummate the merger and obtain (and to cooperate with each other in obtaining) the required regulatory approvals.

To the extent necessary to consummate the merger, Cabot Microelectronics is required to (i) agree to propose, negotiate, offer to commit and effect (and if such offer is accepted, commit to and effect) by consent decree, hold separate order or otherwise, the sale, divestiture, license, holding separate, or other disposition of or restriction on any assets, licenses, rights, product lines, operations or businesses of Cabot Microelectronics, KMG or any of their respective subsidiaries, and (ii) accept any operational restrictions or otherwise take or commit to take actions that would, after the effective time, limit Cabot Microelectronics' or its affiliates' freedom of action with respect to, or its ability to retain, any of the assets, licenses, rights, product lines, operations or businesses of Cabot Microelectronics, KMG or any of their respective subsidiaries. However, Cabot Microelectronics is not be required to take (and KMG is not permitted to take without the prior written consent of Cabot Microelectronics) any such actions if they, individually or in the aggregate, would be reasonably likely to materially and adversely affect (measured on a scale relative to the KMG and its subsidiaries, taken as a whole) the business of Cabot Microelectronics, KMG and their subsidiaries, including the surviving company, after the closing and giving effect to the merger.

KMG, Cabot Microelectronics and Merger Sub agreed that Cabot Microelectronics will have the primary right to devise the strategy for all filings, notifications, submissions and communications in connection with any filing, notice, petition, statement, registration, submission, application or similar regulatory approval. However, each party will consult with the other parties to the merger agreement and provide assistance as the other parties may reasonably request in connection with such regulatory approvals. Additionally, each party is required to (i) promptly inform the other parties to the merger agreement, and if in writing, furnish the other parties with copies of, any material communication from or to any governmental entity regarding the merger, (ii) permit the other parties to the merger agreement to review and discuss in advance, and consider in good faith the views of the other parties in connection with, any proposed communication with any governmental entity, and (iii) to the extent permitted by the applicable governmental entity, give the other parties reasonable opportunity to attend and participate in any in-person meetings with such governmental entity regarding the merger.

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**Termination of the Merger Agreement**

The merger agreement may be terminated and the merger abandoned at any time prior to the effective time, whether before or after the approval of the proposal to approve and adopt the merger agreement by KMG shareholders (except as otherwise specified):

by mutual written consent of KMG and Cabot Microelectronics;

by either KMG or Cabot Microelectronics, if the merger has not been consummated on or prior to February 14, 2019, referred to in this proxy statement/prospectus as the end date. If, however, all of the conditions to closing, other than certain conditions relating to antitrust laws, have been satisfied or waived (other than any such conditions that by their nature are to be satisfied at or immediately prior to the Closing, which conditions must be capable of being satisfied at such time), either party may extend the end date to May 14, 2019 by written notice to the other party. The right to terminate the merger agreement according to this provision is not available to a party whose breach of any of its representations, warranties, covenants or agreements contained in the merger agreement was the principal cause of the merger not being consummated on or prior to the end date. This termination right is referred to in this proxy statement/prospectus as the end date termination right;

by either KMG or Cabot Microelectronics, if a governmental entity of competent jurisdiction has entered or issued a final and nonappealable order or adopted or enacted a law that permanently restrains, enjoins or makes illegal consummation of the merger. However, the right to terminate the merger agreement according to this provision is not available to a party if such order was due to the material breach by such party of any covenant or other agreement of such party contained in the merger agreement;

by either KMG or Cabot Microelectronics, if the approval of the proposal to approve and adopt the merger agreement by KMG shareholders has not been obtained upon a vote on the approval of the merger proposal at the special meeting (including any postponement or adjournment thereof);

by either KMG or Cabot Microelectronics, if the other party has materially breached any of its representations, warranties, covenants or agreements contained in the merger agreement and such breach (i) would result in the failure of the terminating party's conditions to closing and (ii) is not curable or is not cured by the earlier of the end date and the date that is 30 business days following written notice describing such breach in reasonable detail. However, the terminating party may not exercise this termination right if it is then in material breach of any of its representations, warranties, covenants or agreements contained in the merger agreement;

by Cabot Microelectronics, prior to receipt of approval of the merger proposal by KMG shareholders, if (i) a KMG adverse recommendation change occurs or (ii) KMG is in material and willful breach of its non-solicitation obligations or its obligations to hold the special meeting under the merger agreement and such breach is not curable or is not cured by the earlier of the end date and the date that is 30 business days following written notice from Cabot Microelectronics to KMG describing such breach in reasonable detail.

Generally, if the merger agreement is terminated, the merger agreement becomes null and void with no liability on the part of KMG, Cabot Microelectronics or Merger Sub, except for the payment by KMG of any required termination fee under the merger agreement or any liability arising out of or resulting from fraud or willful breach of the merger agreement prior to termination.

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**Termination Fee**

KMG must pay Cabot Microelectronics a termination fee of \$38,765,000 in cash, referred to in this proxy statement/prospectus as the termination fee, if the merger agreement is terminated by Cabot Microelectronics because of (a) a KMG adverse recommendation change or (b) KMG being in material and willful breach of its non-solicitation obligations or its obligations to hold the special meeting under the merger agreement and such breach is not curable or is not cured by the earlier of the end date and the date that is 30 business days following written notice from Cabot Microelectronics to KMG describing such breach in reasonable detail.

Additionally, KMG must also pay Cabot Microelectronics the termination fee if all of the following circumstances occur:

the merger agreement is terminated by KMG or Cabot Microelectronics pursuant to the end date termination right or because the approval of the proposal to approve and adopt the merger agreement by KMG shareholders has not been obtained; or Cabot Microelectronics terminates the merger agreement because KMG has materially and willfully breached any of its representations, warranties, covenants or agreements contained in the merger agreement;

a KMG takeover proposal has been publicly announced or disclosed prior to such termination and shall not have been publicly withdrawn; and

within 12 months after such termination, KMG enters into a definitive agreement with respect to, or consummates, the KMG takeover proposal announced or disclosed after the date of the merger agreement (in each case with references to 25% in the definition of KMG takeover proposal being replaced by 50% for this purpose).

**Amendment and Assignment**

Any provision of the merger agreement may be amended or waived prior to the effective time of the merger only if such amendment or waiver is in writing and signed, in the case of a waiver, by the party against whom enforcement is sought, and in the case of an amendment, by KMG, Cabot Microelectronics and Merger Sub. No amendments to the merger agreement may be made that by law require further approval by KMG shareholders without obtaining such further approval. At any time and from time to time prior to the effective time, either KMG, on the one hand, or Cabot Microelectronics and Merger Sub, on the other hand, may (i) extend the time for the performance of any of the obligations or other acts of the other party, (ii) waive any inaccuracies in the representations and warranties made to such party contained in the merger agreement or in any document delivered pursuant to the merger agreement, and (iii) waive compliance with any of the agreements or conditions for the benefit of any such party contained in the merger agreement.

Neither the merger agreement nor any rights, interests or obligations under the merger agreement may be assigned or delegated without the prior written consent of the nonassigning parties to the merger agreement, provided that, without KMG's consent, Cabot Microelectronics or Merger Sub may assign any of their rights under the merger agreement to another wholly owned subsidiary of Cabot Microelectronics, provided that such assignment will not relieve Cabot Microelectronics or Merger Sub of any of its obligations under the merger agreement.

**Governing Law**

The merger agreement and claims or actions based upon or relating to the merger agreement are governed the laws of the State of Delaware, except that matters relating to the fiduciary duties of the KMG board of directors are subject to the laws of the State of Texas.

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**Specific Enforcement; Jurisdiction**

Each of KMG, Cabot Microelectronics and Merger Sub agreed that irreparable damage would occur in the event that any of the provisions of the merger agreement were not performed or were threatened to be not performed, or were otherwise breached, and that money damages would not be an adequate remedy, even if available. Accordingly, and in addition to any other remedy that each may be entitled to, including monetary damages, KMG, Cabot Microelectronics and Merger Sub agreed that each will be entitled to an injunction or injunctions to prevent breaches or threatened breaches of the merger agreement and to enforce specifically the terms and provisions of the merger agreement. Each of KMG, Cabot Microelectronics and Merger Sub also irrevocably waived any objection to the availability of injunctive remedies to prevent breaches or threatened breaches of the merger agreement and any requirement to prove damages or provide any bond in connection with injunctive remedies.

Further, with respect to legal actions or proceedings relating to the merger agreement and the rights and obligations under the merger agreement, each of KMG, Cabot Microelectronics and Merger Sub (i) agreed such actions or proceedings will be brought and determined exclusively in the Delaware Court of Chancery (or if the Delaware Court of Chancery declines jurisdiction, any state or federal court within the State of Delaware), (ii) submitted to the personal jurisdiction of the Delaware Court of Chancery (or to the extent the Delaware Court of Chancery declines jurisdiction, any state or federal court located in the State of Delaware) and (iii) waived (a) any claim that it is not personally subject to such jurisdiction, (b) any claim that it or its property is exempt or immune from such courts or from legal process commenced in such courts and (c) any claim of inconvenient forum or improper venue.

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**THE VOTING AGREEMENTS**

*The following describes the material provisions of the voting agreements, which are attached as **Annex B** to this proxy statement/prospectus and are incorporated by reference herein. The summary of the material provisions of the voting agreements below and elsewhere in this proxy statement/prospectus are qualified in their entirety by reference to the voting agreements. This summary does not purport to be complete and may not contain all of the information about the voting agreements that is important to you. Cabot Microelectronics and KMG encourage you to read carefully the voting agreements in their entirety before making any decisions regarding the merger.*

In connection with entering into the merger agreement, Cabot Microelectronics entered into voting and support agreements dated August 14, 2018, with each of Christopher T. Fraser, KMG's Chairman of the Board, President and Chief Executive Officer, and Fred C. Leonard III, a member of the KMG board of directors, which we refer to as the voting agreements.

Pursuant to the voting agreements, for so long as the KMG board of directors has not effected a KMG adverse recommendation change in accordance with the terms of the merger agreement, each of Messrs. Fraser and Leonard agreed to, among other things, vote his or its beneficially owned shares of KMG common stock:

in favor of the approval and adoption of the merger agreement;

in favor of any proposal to adjourn or postpone the special meeting in compliance with the merger agreement in the event there are not sufficient votes to approve and adopt the merger agreement; and

against any action, proposal, transaction or agreement that relates to a KMG takeover proposal, that would result in a breach of any covenant, representation or warranty or any other obligation or agreement of KMG contained in the merger agreement, or that would prevent, impede or delay KMG's or Cabot Microelectronics' ability to consummate the merger.

As of the record date, the voting agreements covered [        ] shares of KMG common stock, or approximately [        ]% of the outstanding shares of KMG common stock.

Each of Messrs. Fraser and Leonard also agreed to comply with certain restrictions on the disposition of his beneficially owned shares of KMG common stock.

The voting agreements apply to Messrs. Fraser and Leonard only in their capacity as shareholders of KMG and do not limit their ability to exercise their fiduciary duties as directors of KMG or take any action or any inaction in their capacity as directors of KMG.

The voting agreements will terminate upon the earliest to occur of (a) the consummation of the merger, (b) the termination of the merger agreement pursuant to and in compliance with its terms and (c) the entry without the prior written consent of each KMG shareholder party thereto into any amendment or modification of the merger agreement, or any written waiver of KMG's rights under the merger agreement, in each case, which results in a decrease in, or change in the composition of, the merger consideration or imposes any material restrictions or additional constraints on the payment of the merger consideration.



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**OTHER MATTERS**

It is not presently expected that any matters other than those discussed herein will be brought before the KMG special meeting. If, however, other matters properly come before the special meeting, it is the intention of the persons named in the enclosed form of proxy to vote the shares they represent as the KMG board of directors may recommend.

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**UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION**

On August 14, 2018, KMG, Cabot Microelectronics and Merger Sub entered into a merger agreement that provides for the acquisition of KMG by Cabot Microelectronics. Subject to approval of KMG shareholders and the satisfaction or (to the extent permitted by law) waiver of certain other closing conditions set forth in the merger agreement, Cabot Microelectronics will acquire KMG through the merger of Merger Sub with and into KMG, with KMG surviving the merger and becoming a wholly owned subsidiary of Cabot Microelectronics.

The following unaudited pro forma condensed combined financial information has been prepared to illustrate the estimated effects of the merger and the related financing transactions. It sets forth:

The historical consolidated financial information of Cabot Microelectronics as of and for the nine months ended June 30, 2018, derived from Cabot Microelectronics' unaudited consolidated financial statements, and the historical consolidated statement of income information of Cabot Microelectronics for the year ended September 30, 2017, derived from Cabot Microelectronics' audited consolidated financial statements;

The historical consolidated financial information of KMG as of and for the nine months ended April 30, 2018, derived from KMG's unaudited consolidated financial statements, and the historical consolidated statement of income information of KMG for the year ended July 31, 2017, derived from KMG's audited consolidated financial statements;

Pro forma adjustments to give effect to Cabot Microelectronics' acquisition of KMG on Cabot Microelectronics' consolidated balance sheet as of June 30, 2018, as if the merger closed on June 30, 2018;

Pro forma adjustments to give effect to Cabot Microelectronics' acquisition of KMG on Cabot Microelectronics' consolidated statements of income for the nine months ended June 30, 2018 and for the year ended September 30, 2017, as if the merger closed on October 1, 2016; and

Pro forma adjustments to give effect to KMG's acquisition of Flowchem on June 15, 2017 on KMG's consolidated statements of income for the year ended July 31, 2017, as if the acquisition closed on August 1, 2016. The amounts presented as the historical results of KMG for the nine months ended April 30, 2018 included the results of Flowchem.

Cabot Microelectronics and KMG have different fiscal years. Cabot Microelectronics' fiscal year ends on September 30, whereas KMG's fiscal year ends on July 31. The unaudited pro forma condensed combined balance sheet and statements of income have been prepared utilizing period ends that differ by less than 93 days, as permitted by Rule 11-02 Regulation S-X.

The historical condensed consolidated financial information in the unaudited pro forma condensed combined financial information has been adjusted to give effect to pro forma events that are (1) directly attributable to the merger, (2) factually supportable and (3) with respect to the unaudited pro forma condensed combined statements of operations, expected to have a continuing impact on the combined results of Cabot Microelectronics and KMG.

This unaudited pro forma condensed combined financial information has been prepared for illustrative purposes only and is based on assumptions and estimates considered appropriate by Cabot Microelectronics' management; however, it is not necessarily indicative of what Cabot Microelectronics' consolidated financial condition or results of operations actually would have been assuming the transactions had been consummated as of the dates indicated, nor does it purport to represent Cabot Microelectronics' consolidated financial position or results of operations for future periods. The adjustments included in this unaudited pro forma condensed combined financial information are preliminary and may be revised. This unaudited pro forma condensed combined financial information does not consider any impacts of potential revenue enhancements, anticipated cost savings and expense

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efficiencies or other synergies that may be achieved in the acquisitions or any strategies that management may consider in order to continue to efficiently manage Cabot Microelectronics' operations. Future results may vary significantly from the results reflected due to various factors, including those discussed in the section titled "Risk Factors" beginning on page [ ]. The historical consolidated financial information has been adjusted to reflect factually supportable items that are directly attributable to the merger and, with respect to the income statements only, expected to have a continuing impact on consolidated results of operations.

This pro forma condensed combined financial information should be read in conjunction with:

Cabot Microelectronics' unaudited consolidated financial statements and the related notes thereto as of and for the nine months ended June 30, 2018 included in the Cabot Microelectronics' Quarterly Report on Form 10-Q for the quarter then ended June 30, 2018;

Cabot Microelectronics' audited consolidated financial statements and the related notes thereto as of and for the year ended September 30, 2017 included in Cabot Microelectronics' Annual Report on Form 10-K for the fiscal year ended September 30, 2017;

KMG's unaudited consolidated financial statements and the related notes thereto as of and for the nine months ended April 30, 2018 included in KMG's Quarterly Report on Form 10-Q for the quarter ended April 30, 2018;

KMG's audited consolidated financial statements and the related notes thereto as of and for the year ended July 31, 2017 included in KMG's Annual Report on Form 10-K for the fiscal year ended July 31, 2017;

Flowchem's pre-acquisition financial information of Flowchem included in KMG's Current Report on Form 8-K/A, filed on October 17, 2017; and

The accompanying notes to the unaudited pro forma condensed combined financial information.

The unaudited pro forma condensed combined financial information is prepared using the purchase method of accounting, as defined by Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 805, *Business Combinations*, with Cabot Microelectronics treated as the acquirer and Article 11 of Regulation S-X, as defined by the SEC. The following unaudited pro forma condensed combined financial information primarily gives effect to:

Application of the acquisition method of accounting in connection with the merger;

Adjustments to reflect financing arrangements entered into in connection with the merger; and

Transaction costs incurred in connection with the merger.

The allocation of the purchase price used in the preliminary unaudited pro forma condensed combined financial information is based on preliminary estimates. The estimates and assumptions are subject to change at the effective time of the merger. The final determination of the allocation of the purchase price will be based on the actual tangible assets and liabilities, and intangible assets of KMG as of the effective time of the merger. Accordingly, the final purchase accounting adjustments may be materially different from the preliminary unaudited adjustments presented herein. Transaction costs related to the merger may also differ at the time of merger.

The unaudited pro forma condensed combined financial information has been compiled in a manner consistent with the accounting policies adopted by Cabot Microelectronics. Cabot Microelectronics believes these accounting policies are similar in most material respects to those of KMG. Certain reclassifications have been made to conform the presentation of KMG's financial information to that of Cabot Microelectronics. Upon completion of the merger, or as more information becomes available, Cabot Microelectronics will perform a more detailed review of the

KMG accounting policies. As a result of that review, differences could be identified between the accounting policies of the two companies that, when conformed, could have a material impact on the combined financial information.

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**CABOT MICROELECTRONICS CORPORATION**  
**UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET**  
**AS OF JUNE 30, 2018**  
(in thousands)

	Historical Cabot Microelectronics		KMG				Pro Forma Adjustments for Acquisition			Pro Forma Adjustments for Financing			Combined Pro Forma
	As of June 30, 2018	As of April 30, 2018	Presentation Reclassification	Notes	Acquisition	Notes	Financing	Notes	Notes	Notes	Notes	Notes	Notes
<b>ASSETS:</b>													
Cash and cash equivalents	\$ 186,124	\$ 21,818			\$ (1,267,499)	4a	\$ 1,169,455	5a					\$ 109,898
Available-for-sale securities	124,455						(124,455)	5b					
Accounts receivable, net of allowances	74,017	59,422											133,439
Other receivables		7,176	(7,176)	3c									
Inventories	77,302	54,087			11,813	4b							143,202
Prepaid expenses and other current assets	29,008	4,305	7,176	3c									40,489
<b>Total current assets</b>	<b>490,906</b>	<b>146,808</b>			<b>(1,255,686)</b>		<b>1,045,000</b>						<b>427,028</b>
Property, plant and equipment, net	108,569	114,640			24,860	4c							248,069
Goodwill	101,059	227,797			548,149	4d							877,005
Other intangible assets, net	36,982	303,318			377,682	4e							717,982
Deferred income taxes	13,067		546	3d									13,613
Other long-term assets	8,899	12,744	(546)	3d	(6,395)	4f							14,702
<b>Total assets</b>	<b>\$ 759,482</b>	<b>\$ 805,307</b>			<b>\$ (311,391)</b>		<b>\$ 1,045,000</b>						<b>\$ 2,298,398</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY:</b>													
<b>Current Liabilities:</b>													
Accounts payable	\$ 18,290	\$ 37,907											\$ 56,197
Current portion of long-term debt							10,650	5c					10,650
Accrued expenses, income taxes payable and other current liabilities	72,009	10,884	5,574	3e	(753)	4g							87,714
Employee incentive accrual		5,574	(5,574)	3e									
<b>Total current liabilities</b>	<b>90,299</b>	<b>54,365</b>			<b>(753)</b>		<b>10,650</b>						<b>154,561</b>
Long-term debt, net		323,550			(323,550)	4h	1,034,350	5d					1,034,350
Deferred income taxes	62	23,243			103,589	4i							126,894
Other long-term liabilities	34,940	5,446											40,386
<b>Total liabilities</b>	<b>125,301</b>	<b>406,604</b>			<b>(220,714)</b>		<b>1,045,000</b>						<b>1,356,191</b>
<b>Stockholders' equity:</b>													
Common stock	36	155			(152)	4j							39
Capital in excess of par value of common stock	615,543	220,094			128,720	4j							964,357
Retained earnings	433,818	186,318			(227,109)	4j							393,027
Accumulated other comprehensive income (loss)	6,114	(7,864)			7,864	4j							6,114
Treasury Stock	(421,330)												(421,330)
<b>Total stockholders' equity</b>	<b>634,181</b>	<b>398,703</b>			<b>(90,677)</b>		<b>0</b>						<b>942,207</b>

<b>Total liabilities and stockholders' equity</b>	\$	759,482	\$	805,307	\$	(311,391)	\$	1,045,000	\$	2,298,398
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See accompanying "Notes to Unaudited Pro Forma Condensed Combined Financial Information"

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**CABOT MICROELECTRONICS CORPORATION**  
**UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF INCOME**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2017**  
(in thousands, except per share amounts)

## Historical

	Cabot Microelectronics		Flowchem							
	Year Ended September 30, 2017	KMG Year Ended July 31, 2017	August 1, 2016 to June 14, 2017	Pro Forma Adjustments for Reclassification	Notes	Pro Forma Adjustments for Acquisition	Notes	Pro Forma Adjustments for Financing	Notes	Pro Forma Combined
Revenue	\$ 507,179	\$ 333,442	\$ 76,801							\$ 917,422
Cost of goods sold	253,050	203,304	36,953	38,318	3a	6,172	4k			537,797
Gross profit	254,129	130,138	39,848	(38,318)		(6,172)				379,625
Operating expenses:										
Distribution expenses		38,318		(38,318)	3a					0
Research, development and technical	55,658									55,658
Selling, general and administrative expenses		54,467	13,508	(67,975)	3b					0
Selling and marketing	30,846			9,967	3b	25,737	4l			66,550
General and administrative	55,637			58,008	3b	(11,878)	4m			101,767
Restructuring charges		20								20
Total operating expenses	142,141	92,805	13,508	(38,318)		13,859				223,995
Operating income	111,988	37,333	26,340			(20,031)				155,630
Interest expense	4,529	4,817	7,612					34,970	5e	51,928
Loss on the extinguishment of debt		353						(353)	5f	0
Gain from insurance claim			3,612							3,612
Other income, net	1,913	279	5							2,197
Income before income taxes	109,372	32,442	22,345			(20,031)		(34,617)		109,511
Provision for income taxes	22,420	8,809	511			(7,612)	4o	(13,154)	5h	10,974
Net income	\$ 86,952	\$ 23,633	\$ 21,834			(12,419)		(21,463)		\$ 98,537
Basic earnings per share	\$ 3.47	\$ 1.99								\$ 3.48
Weighted average basic shares outstanding	25,015	11,885								28,254
Diluted earnings per share	\$ 3.40	\$ 1.92								\$ 3.41

<b>Weighted average diluted shares outstanding</b>	<b>25,512</b>	<b>12,286</b>	<b>28,779</b>
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See accompanying "Notes to Unaudited Pro Forma Condensed Combined Financial Information"



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**CABOT MICROELECTRONICS CORPORATION**  
**UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF INCOME**  
**FOR THE NINE MONTHS ENDED JUNE 30, 2018**  
(in thousands, except per share amounts)

	Historical								
	Cabot Microelectronics	KMG Chemicals	Pro Forma Adjustments for Reclassification	Notes	Pro Forma Adjustments for Acquisition	Notes	Pro Forma Adjustments for Financing	Notes	Pro Forma Combined
	Nine Months Ended June 30, 2018	Nine Months Ended April 30, 2018							
Revenue	\$ 433,394	\$ 343,162							\$ 776,556
Cost of goods sold	203,635	196,936	27,192	3a	7,691	4k			435,454
Gross profit	229,759	146,226	(27,192)		(7,691)				341,102
Operating expenses:									
Distribution expenses		27,192	(27,192)	3a					0
Research, development and technical	38,578								38,578
Selling, general and administrative expenses		41,939	(41,939)	3b					0
Selling and marketing	18,833		7,392	3b	19,303	4l			45,528
General and administrative	56,218		34,547	3b	(135)	4m			90,630
Amortization of intangible assets		11,263			(11,263)	4n			0
Restructuring charges		69							69
Total operating expenses	113,629	80,463	(27,192)		7,905				174,805
Operating income	116,130	65,763			(15,596)				166,297
Interest expense	2,803	17,333					17,399	5e	37,535
Loss on the extinguishment of debt		6,368					(6,368)	5f	0
Derivative fair value gain		5,238					(5,238)	5g	0
Other income (expense), net	3,361	(977)							2,384
Income before income taxes	116,688	46,323			(15,596)		(16,269)		131,146
Provision for income taxes	54,863	(509)			(4,289)	4o	(4,474)	5h	45,591
Net income	\$ 61,825	\$ 46,832			(11,307)		(11,795)		\$ 85,555
Basic earnings per share	\$ 2.42	\$ 3.24							\$ 2.98
Weighted average basic shares outstanding	25,479	14,439							28,718
Diluted earnings per share	\$ 2.35	\$ 3.16							\$ 2.90

<b>Weighted average diluted shares outstanding</b>	<b>26,222</b>	<b>14,814</b>	<b>29,489</b>
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