



1791 Deere Avenue
Irvine, California 92606
Telephone: (949) 253-1947
Email: Phan.Ly@newport.com

March 23, 2016

Via Federal Express

Director, Office of Nuclear Material Safety & Safeguards
U.S. Nuclear Regulatory Commission
Attention: Ms. Shirley Xu
Mail Stop: T8E18
11555 Rockville Pike
Rockville, MD 20852

Subject: NOTIFICATION OF POTENTIAL TRANSFER OF CONTROL
Acquisition of Licensee (Newport Corporation) by MKS Instruments, Inc.

References: (a) NRC Exempt Distribution License No. 04-35246-01E (Aug. 24, 2015)
(b) 10 C.F.R. §40.46(a)

Dear Director:

In accordance with 10 C.F.R. §40.46(a), I am writing on behalf of Newport Corporation ("Newport"), which holds Exempt Distribution License No. 04-35246-01E, to notify the U.S. Nuclear Regulatory Commission ("NRC") of a potential transfer of ownership and control of Newport.

On February 22, 2016, Newport and a U.S. company – MKS Instruments, Inc. ("MKS") – entered into an agreement providing for the acquisition by MKS of 100 percent of the shares of Newport. Assuming the proposed transaction closes, Newport will retain its name and will continue to engage in the same activities – including licensed activities – but will do so as a wholly owned subsidiary of MKS.

I. REQUESTED CONDITIONS FOR NRC APPROVAL

The acquisition of Newport by MKS is scheduled to close no later than June 30, 2016. To ensure that the closing of the acquisition does not cause any interruptions in Newport's ability to distribute licensed products in the United States, Newport specifically requests the following:

- Newport requests that the NRC approval this request for transfer of control be expressly conditioned on the successful closing of the proposed transaction. In other words, if – for some reason – the acquisition does not proceed to closing, there will be no changes to License No. 04-35246-01E and no further action from Newport will be required.
- If the NRC has not approved the transfer of control by the time that the acquisition closes, Newport requests that the NRC approve a temporary "grace period" from the date of closing until the date that the NRC approves the transfer of control. This

would allow the Newport facilities in North Andover, MA and Irvine, CA to continue to engage in the distribution of licensed products after the acquisition until the transfer of control is approved.

Conditioning the transfer of control on the closing of the transaction and/or providing for a "grace period" if the approval is not issued before the closing would not cause any harm to public health or safety and would simply allow for the uninterrupted distribution of licensed products by Newport. All licensed materials would continue to be possessed and distributed by Newport personnel operating under the existing license, and all such personnel have been trained in and understand the applicable NRC requirements.

II. INFORMATION REQUIRED BY NUREG-1556, VOL. 15

The information required by Sections 5.1 to 5.6 and Appendix F of NUREG-1556, Vol. 15, *Consolidated Guidance About Materials Licenses: Program-Specific Guidance About Changes of Control and About Bankruptcy Involving Byproduct, Source, or Special Nuclear Materials Licenses* is set forth below.

- A. **Provide a complete description of the transaction (i.e., transfer of stocks or assets, or merger). Indicate whether the name has changed and include the new name. Include the name and telephone number of a licensee contact who NRC may contact if more information is needed.**

1. Description of the Transaction

On February 23, 2016, Newport announced that it entered into an agreement with MKS Instruments, Inc. ("MKS"), a Massachusetts company, providing for MKS to acquire 100 percent of the shares of Newport at a price of \$23.00 per share. The merger will be implemented as follows: MKS established a wholly owned subsidiary, PSI Equipment, Inc., a Nevada corporation, which will be merged into Newport. Newport will survive the merger as a wholly-owned subsidiary of MKS. The all-cash transaction is valued at approximately \$980 million and is schedule to close at the end of the second quarter of 2016 (i.e., June 2016). A press release describing the acquisition is provided as **Attachment A**. Organization chart showing Newport before and after the proposed acquisition is provided as **Attachment B**.

MKS is a global provider of instruments, subsystems and process control solutions that measure, control, power, monitor and analyze critical parameters of advanced manufacturing processes to improve process performance and productivity. Such products include pressure measurement and control, materials delivery, gas composition analysis, control and information technology, power and reactive gas generation, and vacuum technology. MKS does not hold any NRC licenses. Additional background on MKS is available at the company's website at www.mksinstruments.com.

2. Name Change

There will be no change in Newport's name in connection with the acquisition by MKS. Newport will retain its name and organizational structure, but will operate as a wholly-owned subsidiary of MKS.

3. Contact Person

The NRC may contact either of the following individuals if it requires additional information on the proposed acquisition:

- Ms. Phan Ly
Director, Global Import/Export Compliance
Newport Corporation
Tel: (949) 253-1947
Cell: (657) 269-2874
Email: Phan.Ly@newport.com
- D. Michael Cormaney
Luks Cormaney LLP
Tel: (202) 293-1600
Cell: (703) 795-8579
Email: mcormaney@lukscormaney.com

B. Describe any changes in personnel or duties that relate to the licensed program. Include training and experience for new personnel.

1. Changes in personnel having control over licensed activities

There will be no change in personnel having control over licensed activities. The undersigned is Newport's NRC Compliance Officer and is primarily responsible for ensuring that licensed activities at both the Irvine, CA and the North Andover, MA facility comply with NRC requirements. Personnel at both facilities who are involved in licensed activities have received training on the requirements applicable to the sale of the licensed products and. To the best of our knowledge, the acquisition of Newport by MKS will not make any changes to personnel supervising and conducting licensed activities.

2. Changes in personnel named in the license

There will be no change in the primary Newport official named as the contact person in Item 4 of the application for License No. 04-35246-01E. This person is Phan Ly and her contact information is set forth above.

The application for License No. 04-35246-01E was signed by Mr. Jeffrey Coyne, Senior Vice President, General Counsel and Corporate Secretary for Newport. We understand that Mr.

Coyne is likely to leave the company after the acquisition closes, and in such event the General Counsel for MKS will assume Mr. Coyne's responsibilities.

C. Describe any changes in the organization, location, facilities, equipment or procedures that relate to the licensed program.

Other than MKS' ownership of Newport and the likely departure of certain Newport corporate officials (who are not involved in conducting or directly overseeing licensed activities), there will be no changes in the organization, locations, facilities, equipment or procedures that are related to the licensed program. The parties intend for the distribution of licensed materials to continue to occur only at the two Newport facilities designated on License No. 04-35246-01E – North Andover, MA and Irvine, CA. We do not anticipate any changes in existing personnel, equipment or procedures at these two facilities as a result of the acquisition by MKS.

D. Describe the status of the surveillance program (*i.e.*, surveys, wipe tests, quality control) at the present time and the expected status at the time that control is to be transferred

Not applicable. Exempt Distribution License No. 04-35246-01E only authorizes Newport to distribute optical lenses containing not more than 10 percent (by weight) Thorium in or on each lens to persons exempt from licensing under 10 CFR §40.13(c)(7). Neither the license nor the regulations in 10 C.F.R. Part 40 require Newport to maintain a surveillance program.

E. Confirm that all records concerning the safe and effective decommissioning of the facility will be transferred to the transferee or to NRC, as appropriate. These records include documentation of surveys of ambient radiation levels and fixed and/or removable contamination, including methods and sensitivity

Ownership of all records pertaining to Newport's activities under License No. 04-35246-01E will be transferred to MKS as part of its acquisition of Newport. However, these records will remain at the two facilities authorized to conduct licensed distribution activities (*i.e.*, Irvine, CA and North Andover, MA). There will be no changes in current recordkeeping or annual reporting procedures as a result of the acquisition.

F. Confirm that the transferee will abide by all constraints, conditions, requirements and commitments of the transferor or that the transferee will submit a complete description of the proposed licensed program

See the certification from MKS that is provided as **Attachment C**.

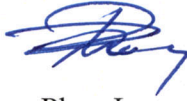
* * *

If you have any questions about the attached materials, or require any additional information, please do not hesitate to contact the undersigned. Alternatively, you may contact

Director, Office of Nuclear Material Safety and Safeguards
U.S. Nuclear Regulatory Commission
March 17, 2016
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our counsel, D. Michael Cormaney (Luks Cormaney LLP) at (202) 293-1600 or via email at mcormaney@lukscormaney.com.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Phan Ly', with a stylized flourish at the end.

Phan Ly
Director, Global Import/Export Compliance

Attachments:

- A Press Release Announcing Newport Acquisition by MKS
- B Newport Organization Chart – Before & After Acquisition
- C Certification from MKS Regarding Transfer of Control over Newport

cc: Jeffrey B. Coyne, Esq.
Senior Vice President, General Counsel &
Corporate Secretary

available on the company's website at www.mksinst.com.

Use of Non-GAAP Financial Results

Non-GAAP amounts exclude amortization of acquired intangible assets, costs associated with completed acquisitions, income related to the sale of excess and obsolete inventory previously written down to net realizable value, certain excess and obsolete inventory charges, inventory step-up adjustments related to acquisitions, restructuring charges, discrete tax benefits and charges, and the related tax effect of these adjustments. These non-GAAP measures are not in accordance with Accounting Principles Generally Accepted in the United States of America (GAAP). MKS Instruments' management believes the presentation of these non-GAAP financial measures is useful to investors for comparing prior periods and analyzing ongoing business trends and operating results.

About MKS Instruments

MKS Instruments, Inc. is a global provider of instruments, subsystems and process control solutions that measure, control, power, monitor and analyze critical parameters of advanced manufacturing processes to improve process performance and productivity. Our products are derived from our core competencies in pressure measurement and control, materials delivery, gas composition analysis, control and information technology, power and reactive gas generation, and vacuum technology. Our primary served markets are manufacturers of capital equipment for semiconductor devices, and for other thin film applications including flat panel displays, solar cells, light emitting diodes, data storage media, and other advanced coatings. We also leverage our technology in other markets with advanced manufacturing applications including medical equipment, pharmaceutical manufacturing, energy generation and environmental monitoring.

About Newport Corporation

Newport Corporation is a leading global supplier of advanced-technology products and systems to customers in the scientific research, microelectronics, life and health sciences, industrial manufacturing and defense/security markets. Newport's innovative solutions leverage its expertise in advanced technologies, including lasers, photonics and precision motion equipment, and optical components and sub-systems, to enhance the capabilities and productivity of its customers' manufacturing, engineering and research applications. Newport is part of the Standard & Poor's SmallCap 600 Index and the Russell 2000 Index. Learn more about Newport at www.newport.com and follow the company on Twitter, YouTube and Facebook.

IMPORTANT ADDITIONAL INFORMATION WILL BE FILED WITH THE SEC

Newport Corporation plans to file with the SEC and mail to its stockholders a Proxy Statement in connection with the transaction. Additionally, Newport Corporation will file other relevant materials with the SEC in connection with the transaction. The Proxy Statement will contain important information about MKS Instruments, Newport Corporation, the transaction and related matters. Investors and security holders are urged to read the Proxy Statement carefully when it is available.

Investors and security holders will be able to obtain free copies of the Proxy Statement and other documents filed with the SEC by MKS Instruments and Newport Corporation through the web site maintained by the SEC at www.sec.gov.

In addition, investors and security holders will be able to obtain free copies of the Proxy Statement from Newport Corporation by contacting Chris Toth at 949-331-0337.

MKS Instruments and Newport Corporation, and their respective directors and executive officers, may be deemed to be participants in the solicitation of proxies in respect of the transactions contemplated by the Merger Agreement. Information regarding MKS Instruments' directors and executive officers is contained in MKS Instruments' Form 10-K for the year ended December 31, 2014 and its proxy statement dated March 13, 2015, which are filed with the SEC. Information regarding Newport Corporation's directors and executive officers is contained in Newport Corporation's Form 10-K for the year ended January 3, 2015 and its proxy statement dated April 8, 2015, which are filed with the SEC. To the extent holdings of securities by such directors or executive officers have changed since the amounts disclosed in

3/7/2016

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each company's 2015 proxy statement, such changes have been or will be reflected on Statements of Change in Ownership on Form 4 filed with the SEC. Additional information regarding the participants in the solicitation of proxies in respect of the transactions contemplated by the Merger Agreement and a description of their direct and indirect interests, by security holdings or otherwise, will be contained in the Proxy Statement and other relevant materials to be filed with the SEC when they become available.

SAFE HARBOR FOR FORWARD-LOOKING STATEMENTS

Statements in this press release regarding the proposed transaction between MKS Instruments and Newport Corporation, the expected timetable for completing the transaction, future financial and operating results, benefits and synergies of the transaction, future opportunities for the combined company and any other statements about MKS Instruments' or Newport Corporation's managements' future expectations, beliefs, goals, plans or prospects constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Any statements that are not statements of historical fact (including statements containing the words "will," "projects," "intends," "believes," "plans," "anticipates," "expects," "estimates," "forecasts," "continues" and similar expressions) should also be considered to be forward-looking statements. There are a number of important factors that could cause actual results or events to differ materially from those indicated by such forward-looking statements, including: (1) the ability to consummate the transaction; (2) risks that the conditions to the closing of the transaction are not satisfied, including the risk that required approvals for the transaction from governmental authorities or the stockholders of Newport Corporation are not obtained; (3) litigation relating to the transaction; (4) the ability of MKS Instruments to successfully integrate Newport Corporation's operations and employees; (5) unexpected costs, charges or expenses resulting from the transaction; (6) risks that the proposed transaction disrupts the current plans and operations of MKS Instruments and Newport Corporation; (7) the ability to realize anticipated synergies and cost savings; (8) competition from larger and more established companies in Newport Corporation's markets; (9) MKS Instruments' ability to successfully grow Newport Corporation's business; (10) potential adverse reactions or changes to business relationships resulting from the announcement or completion of the transaction; (11) the availability and terms of the financing to be incurred in connection with the transaction; (12) the retention of key employees; (13) legislative, regulatory and economic developments, including changing business conditions in the semiconductor industry overall and the economy in general as well as financial performance and expectations of MKS Instruments' and Newport Corporation's existing and prospective customers, and the other factors described in MKS Instruments' Annual Report on Form 10-K for the year ended December 31, 2014 and its most recent quarterly report filed with the SEC and in Newport Corporation's Annual Report on Form 10-K for the year ended January 3, 2015 and its most recent quarterly report filed with the SEC. MKS Instruments and Newport Corporation disclaim any intention or obligation to update any forward-looking statements as a result of developments occurring after the date of this press release.

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Company Contact: Seth H. Bagshaw

Vice President, Chief Financial Officer and Treasurer

Telephone: 978.645.5578

Investor Relations Contact: Monica Gould

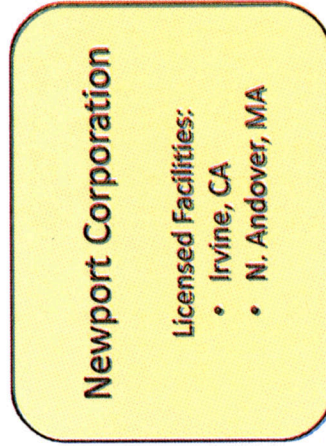
The Blueshirt Group

Telephone: 212.871.3927

Email: monica@blueshirtgroup.com

Newport Corporate Organization

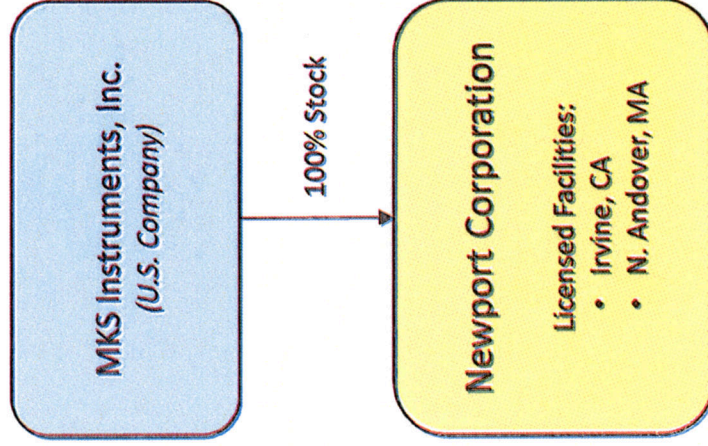
Before Acquisition:



Results of acquisition for Newport:

- No change in name
- No change in operations at licensed facilities

After Acquisition:





March 22, 2016

Director, Office of Nuclear Material Safety & Safeguards
U.S. Nuclear Regulatory Commission

Attention: Ms. Shirley Xu

Mail Stop: T8E18

11555 Rockville Pike

Rockville, MD 20852

Subject: CERTIFICATION RELATED TO POTENTIAL TRANSFER OF CONTROL
Acquisition of Licensee (Newport Corporation) by MKS Instruments, Inc.

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(b) 10 C.F.R. §40.46(a)

Dear Director:

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Newport holds Exempt Distribution License No. 04-35246-01E for the distribution of optical lenses containing not more than 10 percent (by weight) Thorium in or on each lens to persons exempt from licensing under 10 CFR §40.13(c)(7).

We understand that the NRC must approve any transfer of control over Newport pursuant to 10 C.F.R. §40.46(a) and that Newport is submitting the request for NRC approval. In connection with Newport's request for NRC approval, I certify on behalf of MKS that MKS will abide by all constraints, license conditions, requirements, representations, and commitments identified in and attributed to Newport's existing license.

If you have any questions or require any additional information, please do not hesitate to contact the undersigned at 978-645-5658 or Cathy_Langtry@mksinst.com.

Sincerely


Cathy Langtry

Vice President of Global Human Resources

FZ
R1
649
16:00
2375
03.24
G



FedEx Package
Express US Airbill

8071 2229 2375

FedEx Tracking Number

1 From

Date 3/25/16

Sender's Name

Phone 714 233 1947

Company

NEWPORT CORP

Address

1791 DEERE AVE

City

IRVINE

State

CA

ZIP 92606-4814

Dept. Floor Suite Room

2 Your Internal Billing Reference

3 To Recipient's Name

Phone

Company

Address

We cannot deliver to P.O. boxes or P.O. ZIP codes

Address

Use this line for the HOLD location address or for continuation of your shipping address.

City

State

ZIP



8071 2229 2375

05300005

THU - 24 MAR AA
STANDARD OVERNIGHT
20852
MD-US
IAD

FedEx
TRK# 8071 2229 2375
0215

XC NSFA



FTD 42381 23MAR16 NZJA 539C1/CF34/481B

to No. 0215

4 Express Package Service

NOTE: Service order has changed. Please select carefully.

Packages up to 150 lbs.
For packages over 150 lbs., use the
FedEx Express Freight US Airbill.

Next Business Day

FedEx First Overnight

Monday through Friday delivery to select locations. Friday shipments will be delivered on Monday unless SATURDAY Delivery is selected.

FedEx Priority Overnight

Monday through Friday delivery to select locations. Saturday shipments will be delivered on Monday unless SATURDAY Delivery is selected.

FedEx Standard Overnight

Monday through Friday delivery to select locations. Saturday Delivery NOT available.

2 or 3 Business Days

FedEx 2Day A.M.

Saturday Delivery NOT available

FedEx 2Day

Saturday through Monday delivery to select locations. Tuesday shipments will be delivered on Monday unless SATURDAY Delivery is selected.

FedEx Express Saver

Monday through Friday delivery to select locations. Saturday Delivery NOT available.

5 Packaging

* Declared value limit \$500.

FedEx Envelope*

FedEx Pak*

FedEx Box

FedEx Tube

Other

6 Special Handling and Delivery Signature Options

SATURDAY Delivery

NOT available for FedEx Standard Overnight, FedEx 2Day A.M., or FedEx Express Saver.

No Signature Required

Obtaining a signature for delivery. Fee applies.

Direct Signature

Obtaining a signature for delivery. Fee applies.

Indirect Signature

If no one is available at recipient's address, we will attempt to deliver to a nearby address. Signature required for all residential deliveries only. Fee applies.

Does this shipment contain dangerous goods?

One box must be checked.

No

Yes

Yes

Yes

Yes

Yes

Yes

Yes

Sender

Acct. No. in Section 7

Recipient

Third Party

Credit Card

C

Obtain Acct. No. or Credit Card No. below.

Obtain Acct. No. or Credit Card No. below.

Obtain Acct. No. or Credit Card No. below.

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Obtain Acct. No. or Credit Card No. below.

Total Packages

Total Weight

lbs.

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Obtain Acct. No. or Credit Card No. below.

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Insert shipping document here.