**AGENDA**

for ASM International N.V.'s Annual General Meeting of Shareholders, to be held on Thursday 20 May 2010, at 1 p.m. CET in the Heian room of Hotel Okura, Ferdinand Bolstraat 333, Amsterdam.

1. Opening / Announcements
2. Report on the financial year 2009
3. Adoption of the Annual Accounts 2009 *
4. Discharge of the members of the Management Board from liability in respect of their management *
5. Discharge of the members of the Supervisory Board from liability in respect of their supervision *
6. Appointment of the Company's auditors for the financial year 2010 *
7. Remuneration of the Management Board *
8. Composition of the Management Board *
9. Composition of the Supervisory Board *
10. Corporate Governance
11. Amendment of the Articles of Association *
12. Dividend policy
13. Shareholders' motion *
14. Designation of the Management Board as the competent body to issue common shares and rights to acquire common shares and to set aside any pre-emptive rights *
15. Authorization of the Management Board to repurchase shares in the Company *
16. Any other business
17. Closure

* = voting item(s)

## EXPLANATORY NOTES TO THE AGENDA

for the Annual General Meeting of Shareholders of ASM International N.V., to be held on Thursday 20 May 2010, at 1 p.m. CET in the Heian room of Hotel Okura, Ferdinand Bolstraat 333, Amsterdam.

### Agenda Item 2
### The Management Board's report on the financial year 2009

This item will be discussed.

The Management Board will report on the business and results of operations for the year ended 31 December 2009.

### Agenda Item 3
### Adoption of the Annual Accounts 2009

This item will be voted on.

The Statutory Annual Report 2009 (which includes the Annual Report 2009 and the Annual Accounts 2009, as well as the information to be added under Article 2:392(1) of the Dutch Civil Code, insofar as applicable to the Company), will be available for inspection by the shareholders from 29 April 2010 at the Company's offices at Versterkerstraat 8 in Almere, the Netherlands and at the Royal Bank of Scotland N.V. ("RBS") Gustav Mahlerlaan 10, in Amsterdam, the Netherlands. The Statutory Annual Report 2009 may also be obtained by any shareholder at no charge through the RBS (telephone: (+31) (0) 20 464 3707), the Company and at the meeting itself.

The Annual Accounts 2009 have been audited by the Company's accountant, Deloitte Accountants B.V. The Statutory Annual Report 2009 is in English.

### Agenda Items 4 and 5
### Discharges of liability for the Management and Supervisory Boards

These two items will be voted on.

In accordance with Article 30.4 of the Articles of Association, the General Meeting of Shareholders will be asked to grant the Management Board members a discharge of liability for the policy pursued by them in the financial year 2009 and to grant the Supervisory Board members a discharge of liability for their supervision of that policy.

### Agenda Item 6
### Appointment of the Company's auditors for the financial year 2010

This item will be voted on.

The external auditor is appointed by the General Meeting of Shareholders each time for one year. On the advice of the Audit Committee and Management Board, the Supervisory Board will propose that the current accountant, Deloitte Accountants B.V., be appointed as the Company's external auditor for the financial year 2010. Deloitte Accountants B.V. has been the Company's auditor since 1969. A representative will be present at the General Meeting of Shareholders on behalf of Deloitte Accountants B.V.

## Agenda Item 7
## Remuneration of the Management Board

This item will be voted on.

The Supervisory Board, on the recommendation of the Nomination, Selection and Remuneration Committee ("NSR Committee"), proposes a revision of the Company's remuneration policy for the members of the Management Board. The purpose of the proposal is to bring the remuneration policy more in line with current market standards and governance practices. The proposed remuneration policy is attached as Annex to this agenda.

The principal revisions of the Remuneration Policy are the following: (i) the annual short term bonus is set at up to 75 % of base salary in the case of on target performance and up to a maximum of 125% in the case of outperformance, (ii) stock options, if any, are issued, subject to a three year vesting period, up to 100% (fair value based) of base salary (subject to an overall maximum of outstanding stock options for employees and members of the Management Board of 7.5% of the Company's issued capital.), (iii) pension arrangements will be improved up to a level reflecting market average and (iv) the introduction of a claw back and ultimum remedium clause for the Supervisory Board in line with the Code.

The Supervisory Board believes that the proposed policy creates a remuneration structure that will allow the Company to attract, reward and retain qualified individuals and provides a balanced and competitive remuneration focused on management delivering sustainable results, aligned with the Company's long term strategy.

The relevant targets will be set annually by the Supervisory Board upon the recommendation of the NSR Committee. These targets will be pre-determined, assessable, influenceable and supportive of the Company's long term strategy in accordance with the best practices of the Dutch Corporate Governance Code.

Pursuant to section 2:135 of the Civil Code and the Articles of Association of the Company the remuneration policy is to be determined by the General Meeting of Shareholders. In addition, pursuant to section 2:135 of the Civil Code, remuneration components consisting of shares or options must be approved by the general meeting of shareholders.

The Supervisory Board proposes and recommends that the General Meeting of Shareholders determines the remuneration policy of the Company as set out in the Annex. The adoption of the proposal to determine the remuneration policy as proposed implies the approval by the General Meeting of Shareholders of the option components of this policy.

## Agenda Item 8
## Composition of the Management Board

These items will be voted on.

### Agenda Item 8 (a) Reappointment of Chuck D. del Prado to the Management Board

8 (a) The Supervisory Board nominates Mr Chuck D. del Prado for reappointment to the Management Board for a four-year period expiring on the date of the Annual General Meeting in 2014 in accordance with Article 18.1 of the Articles of Association.

Mr. del Prado became a member of the Management Board in May 2006 and President and Chief Executive Officer in March 2008. From 1 January 2008 until 29 February 2008, he was the Executive Vice President Front-end Operations. He was President and General Manager of ASM America from February 2003 until August 2007. In March 2001, he was appointed Director Marketing, Sales & Service of ASM Europe. From February 1996 to 2001, he held various management positions at ASM Lithography (ASML) in manufacturing and sales in Taiwan and in the Netherlands. Mr. del Prado worked at IBM Nederland N.V. from 1989 to 1996 in several marketing and sales positions.

During his tenure as President and CEO, the Company introduced and executed a number of restructuring programs such as the PERFORM! Program, which was established in 2009 to reduce the Company's cost structure and working capital. He also engineered the reorganization of our Front-end business into a single global organization. Mr. del Prado holds a Master of Science degree in Industrial Engineering and Technology Management from the University of Twente in the Netherlands. He is 48 years old.

### Agenda Item 8 (b) Appointment of Peter van Bommel to the Management Board

8 (b) The Supervisory Board nominates Mr Peter van Bommel for appointment to the Management Board with effect as of 1 July 2010 for a four-year period expiring on the date of the Annual General Meeting in 2014 in accordance with Article 18.1 of the Articles of Association. Mr van Bommel will succeed Mr Rob Ruijter to the position of CFO as of 1 September 2010.

Mr van Bommel has more than twenty years experience in the electronics and semiconductor industry. He spent most of his career with Philips, which he joined in 1979. From the mid-1990s until 2005 Mr van Bommel acted as CFO of several business units of the Philips group. Between 2006 and 2008 he was CFO at NXP (formerly Philips Semiconductors) and currently he is CFO of Odersun AG, a manufacturer of thin-film solar cells and modules.
Mr van Bommel holds a Master's degree in economics from the Erasmus University, Rotterdam, the Netherlands. He is 53 years old and is a Dutch national. Material elements of Mr van Bommel's employment agreement are available on the Company's website (www.asm.com).

**Agenda Item 9**
**Composition of the Supervisory Board**

These items will be voted on.

**Agenda Item 9 (a) Reappointment of Heinrich W. Kreutzer to the Supervisory Board**

9 (a) The Supervisory Board nominates Mr Heinrich W. Kreutzer for reappointment to the Supervisory Board with effect from the date of this Annual General Meeting for a four-year period expiring on the date of the Annual General Meeting in 2014 in accordance with Article 22.3 of the Articles of Association.

Heinrich W. Kreutzer was elected a member of the Supervisory Board in November 2006. Mr Kreutzer is currently chairman of the Board of Directors of Micronas Semiconductor AG in Zurich, Switzerland, chairman of the Supervisory Board of Micronas Semiconductor GmbH in Freiburg, Germany and chairman of the Supervisory Board of BKtel communications GmbH, Germany. He worked at several companies, including General Telephone & Electronics in Waltham, USA, and Alcatel in Stuttgart, Germany. From 2004 to April 2006, he was Managing Director of Kabel Deutschland GmbH in Munich, Germany. From 1999 to 2003, Mr. Kreutzer was a member of the Management Board, and was the Chief Operating Officer and Chief Technology Officer of Alcatel Germany AG. Mr. Kreutzer is '*Diplom-Ingenieur*' and '*Diplom-Ökonom*'. He studied at the Technical University of Berlin and the University of Hagen. He is 60 years old and is a German national.

Mr Kreutzer currently holds no shares in the Company, and except as described above, he is currently not engaged as a supervisory board member of any other legal entities.

Mr Kreutzer is a member of the Audit Committee. With reference to Article 22.8 of the Articles of Association the Supervisory Board is pleased to confirm that Mr Kreutzer has more than adequately fulfilled his duties as a Supervisory Board member over the past years.

**Agenda Item 9 (b) Appointment of Martin C.J. van Pernis to the Supervisory Board**

9 (b) The Supervisory Board nominates Mr Martin C.J. van Pernis for appointment to the Supervisory Board with effect from the date of this Annual General Meeting for a four-year period expiring at the date of the Annual General Meeting in 2014 in accordance with Article 22.3 of the Articles of Association.

Mr van Pernis retired from the Siemens Group in the end of 2009. In his last position as chairman of the management board of Siemens Nederland N.V. Mr van Pernis had the responsibility of oversight of all Siemens' activities in the Netherlands. Mr van Pernis joined Siemens in 1971 and his working experience has been mainly in senior management positions. Mr van Pernis is chairman of the supervisory board of Dutch Space B.V., a subsidiary of EADS. He is also member of the supervisory boards of Aalberts Industries N.V., Feyenoord Rotterdam N.V. and Batenburg Beheer B.V.

Mr van Pernis holds no shares in the Company, and except as described above, he is not engaged as a supervisory board member of any other legal entities. The Supervisory

Board intends to appoint Mr van Pernis to the Nomination, Selection and Remuneration Committee upon his appointment to the Supervisory Board.

**Agenda Item 10**
**Corporate Governance**

This item will be discussed.

In December 2008 the Dutch Corporate Governance Code Monitoring Committee published an amended Corporate Governance Code (the "Code"). The Code contains principles and best practices for Dutch companies with listed shares and requires companies to either comply with these best practice provisions or to explain why they deviate from the Code. The Code has been granted statutory force by designating it as a code of conduct pursuant to article 2:391 subsection 5 of the Dutch Civil Code and replaces the former Corporate Governance Code of December 2003.

The "Corporate Governance" chapter in the Statutory Annual Report 2009 outlines the corporate governance structure of the Company. The Company complies with the best practice provisions of the Code except for some very limited deviations as explained in the Statutory Annual Report 2009. Following the adoption of the amendments to the Articles of Association as set out in Agenda Item 11 this number of deviations will be reduced even further.

**Agenda Item 11**
**Amendment of the Articles of Association**

These items will be voted on.

In accordance with Article 34 of the Articles of Association, the Management Board and the Supervisory Board propose to amend the Articles of Association according to the proposal which, together with the explanatory notes (the "Overview of Proposed Amendments"), has been available for inspection at the Company’s offices and at the offices of and at the RBS, Gustav Mahlerlaan 10, in Amsterdam, the Netherlands from the day of the notice convening this annual general meeting of shareholders. The Overview of Proposed Amendments has also been posted on the Company’s website (www.asm.com).

In accordance with best practice provision IV.3.9 of the Code, the proposed amendments to the Articles of Association, as set out in the Overview of Proposed Amendments, will be separately submitted for adoption by the General Meeting of Shareholders as four separate voting items. By a vote in favor of any of these proposed amendments the General Meeting of Shareholders shall be deemed to have authorized each member of the Management Board as well as each prospective civil-law notary of Stibbe N.V. in Amsterdam, to file a request for a Ministerial Statement of No-Objections, to make any adjustments that are necessary as well as to sign the deed of amendment and to undertake all other activities the authorized person deems necessary or useful.

**Agenda Item 11 (a) Procedure for appointment of members of the Management Board and Supervisory Board.**

11 (a) This proposal relates to the changes in the procedure for appointment of members of the Management Board and Supervisory Board. Under this agenda item it is proposed to amend clause 18 paragraph 1 up to paragraph 4 and clause 22 paragraph 3 up to 6 as set out in the Overview of Proposed Amendments.

*In May 2008 the Company announced that it would amend the provisions of its Articles of Association relating to the appointment and dismissal of the members of the Managing Board and Supervisory Board so as to fully comply with the Code. As opposed to our current system, it is proposed that the members will be appointed from a binding nomination drawn up by the Supervisory Board. As permitted explicitly by the Code, it is proposed that the General Meeting of Shareholders may set aside a nomination by a resolution taken with an absolute majority of the votes cast representing at least one third of the share capital.*

**Agenda Item 11 (b) Procedure for dismissal of members of the Management Board and Supervisory Board**

11 (b) This proposal relates to the changes in the procedure for dismissal of members of the Management Board and Supervisory Board. Under this agenda item it is proposed to amend clause 18.5 and the clause 22.7 as set out in the Overview of Proposed Amendments.

*As mentioned in agenda item 11 (a), the Company announced that it would also amend the provisions of its Articles of Association relating to dismissal of the members of the Managing Board and Supervisory Board so as to fully comply with the Code. In accordance with the Code, it is proposed that the majority to dismiss a board member will be changed from an absolute majority representing "more than half" to "at least one third" of the votes cast. If the required proportion of the capital (one third) is not represented, but an absolute majority of the votes cast is in favour of the resolution to dismiss (or suspend), a new meeting shall be held at which meeting the resolution may be passed by an absolute majority of the votes cast regardless of the proportion of the capital represented by such absolute majority.*

**Agenda Item 11 (c) Proposed legislative changes with respect to shareholders rights.**

11 (c) This proposal relates to proposed changes in legislation with respect to the right of shareholders to submit items for the agenda of the General Meeting of Shareholders. Under this agenda item it is proposed to amend clause 25 paragraph 3 last sentence as set out in the Overview of Proposed Amendments.

T*his amendment relates to the amendment of section 2:114 paragraph 1 Dutch Civil Code proposed in the Shareholders Rights Implementation Act. Also on 18 July 2009 a Bill was introduced in connection with the recommendations of the Monitoring Committee Corporate Governance Code, which proposes, inter alia, to increase the required 1% to 3% of the share capital of the Company to be eligible to put forward items for the agenda of the General Meeting of Shareholders. As this legislative proposal is still pending, the 3% threshold cannot be included in the Articles. Consequently, it is proposed to include a general reference to applicable law.*

**Agenda Item 11 (d) (Proposed) changes with respect to Dutch corporate law.**

11 (d) This proposal relates to newly adopted legislation and proposed amendments to Dutch company law. Under this agenda item it is proposed to amend the clauses reflected in the Overview of Proposed Amendments, with the exception of the clauses referred to in agenda items 11 (a), 11(b) and 11(c). The proposed amendments are all of a technical

nature and relate to recent changes in Dutch corporate law and also to pending legislation regarding changes to Dutch corporate law. Below a brief (not limited) summary is given of the proposed changes as set out in the Overview of Proposed Amendments:

*(i)* *References to the Official Price List to be deleted as there is no longer an obligation to publish certain announcements via the official price list issued by Euronext Amsterdam NV;*

*(ii)* *Pursuant to an amendment of the Dutch Civil Code companies only have to quarterly update the trade register of the chamber of commerce with all share issues as opposed to after each transaction;*

*(iii)* *Pursuant to the Transparency Directive Implementation Act the annual accounts of listed companies must be prepared within four months after the end of the financial year. This period cannot be extended. Also, the annual accounts do not need to be filed with the trade register of the chamber of commerce by the Company separately. Filing with the AFM suffices for that purpose;*

*(iv)* *Recently the legislative proposal to implement the European shareholders rights directive has been adopted by the Dutch Parliament. The legislative proposal contains, amongst other things, rules as to the manner and time of convocation of general meetings and fixation of the record date. In view of this legislative proposal it is proposed to amend the provisions of the articles of association, which deal with the convocation of the general meeting.*

## Agenda Item 12
## Dividend Policy

This item will be discussed.

The payment of any dividends to holders of ordinary shares is within the discretion of the Management Board with the approval of the Supervisory Board and in accordance with the relevant provisions of the Articles of Association. As a consequence of the volatility in the semiconductor industry the Company aims to have adequate financial resources to manage the Company through industry cycles. Therefore, without prejudice to the undertakings made in relation to ASM Pacific Technology as set out in Agenda Item 13, the Boards will in principle not propose any dividends to holders of ordinary shares, unless the annual results of the Company and the projected capital requirements as well as the business conditions and prospects of the industry allow.

The Management Board has decided with the approval of the Supervisory Board that the net loss for the year 2009 will be charged to the reserves.

## Agenda Item 13
## Shareholders' motion

This item will be voted on.

In May 2008 the Company announced that if, at the time of the Annual General Meeting of Shareholders in 2010 the implied valuation of the Front-end business of the Company would be lower than 1x Sales, the Company would propose to this annual general meeting of shareholders a proposal to restructure the Company with the aim to solve the issue of the undervaluation. Shortly after this announcement was made, the world wide economic crisis was triggered by the near collapse of the financial sector. The effects of the economic crisis were particular severe for the semiconductor industry. Our Front-end business suffered operating losses in 2008 and 2009, as did most of our peers in the semiconductor industry.

The Boards believe that the significant worldwide economic downturn was the principal factor in our inability to achieve our valuation objective for our Front-end business. During this downturn, we increased our efforts to rationalize our Front-end operations and reduce costs, through our PERFORM! initiative and other efforts. These efforts have been effective to reduce our Front-end operating costs and to substantially lower our EBIT-break-even level. We believe that these initiatives will have a positive impact on the performance of our Front-end business in 2010.

In addition, the Boards firmly believe that the current negative market valuation of the Front-end operations by the markets will terminate once the Front-end operations are profitable, which the Boards believe is achievable within the next two years barring unforeseen circumstances affecting the industry as a whole. In this context the Management Board and the Supervisory Board have decided to extend the policy communicated in November 2006 not to use any dividends received from ASM Pacific Technology for investments in the Front-end business of the Company. This policy was in place for three years starting in 2007. This extension for at least another two years means that during the period 2010 – 2011 all future dividends received from ASM Pacific Technology will be used for a combination of either the reduction of the Company's outstanding convertible debt, the buyback of outstanding shares of the Company, cash distributions to its shareholders or the purchase of shares in ASM Pacific Technology in the event of dilution, e.g. resulting from the exercise of employee stock options in ASM Pacific Technology.

In view of these circumstances the Boards believe that it would be premature and presently not in the interest of the Company to embark on a discussion as to the structure of the Company before the Company has had the opportunity to recover from the consequences of the current economic downturn and to benefit from the efficiency improvements and cost reductions arising from PERFORM! The Boards are therefore of the opinion that it is in the best interest of the Company to postpone this discussion to the Annual General Meeting of Shareholders of 2012.

However, in view of the public statements made in May 2008 the Management Board and the Supervisory Board feel that it is appropriate, before taking a final decision, to invite the General Meeting of Shareholders to express its view by way of a motion.

A vote is therefore proposed on the following motion:

"The General Meeting of Shareholders supports the view of the Boards that a discussion on the structure of the Company should be postponed and held at the annual general meeting of shareholders in 2012 if profitability of the Front-end business shall not have been achieved by that time"

The Boards unanimously recommend that the general meeting of shareholders votes in favour of this motion. The Boards will consider the outcome of the vote on the motion for the purpose of adopting a final decision.

## Agenda Item 14
## Designation of the Management Board as the competent body to issue shares and rights to acquire shares and to set aside any pre-emptive rights

These items will be voted on.

14 (a) In accordance with Articles 5.1 and 5.6 of the Articles of Association, it is proposed that the General Meeting of Shareholders appoints the Management Board, for an 18-month period, to be calculated from the date of the General Meeting, as the body of the Company which, subject to the Supervisory Board’s approval, is authorized to issue common shares - including granting the right to subscribe for common shares - at such a price, and on such conditions as determined for each issue by the Management Board, subject to the Supervisory Board’s approval as may be required.

The number of common shares which the Management Board shall be authorized to issue shall be no more than 10% of the entire currently issued capital of the Company for common shares in normal cases, and no more than 20% of the entire currently issued capital of the Company for the common shares in the case of an issuance related to a merger or acquisition, or to financing instruments regarding which issuing shares or granting rights to subscribe for shares is desirable. Any issuance of shares in connection with the Company's existing stock option plans for employees and our stock option plan for the Management Board as set forth in the proposed remuneration policy discussed in Agenda Item 8, will not be taken into account for purposes of applying these limitations.

14 (b) In accordance with Articles 5.1 and 5.6 of the Articles of Association, it is proposed that the General Meeting of Shareholders appoints the Management Board, for an 18-month period, to be calculated from the date of the General Meeting, as the body of the Company which, subject to the Supervisory Board’s approval, is authorized to issue common shares - including granting the right to subscribe for common shares - at such a price, and on such conditions as determined for each issue by the Management Board, subject to the Supervisory Board’s approval as may be required, in connection with the Company's existing stock option plans for employees and the stock option plan for the Management Board.

14 (c) In accordance with Article 7.5 of the Articles of Association, it is proposed that the General Meeting of Shareholders appoints the Management Board, for an 18-month period, to be calculated from the date of the General Meeting, as the body of the Company which, subject to the Supervisory Board’s approval, is authorized to limit or exclude any pre-emptive rights of existing shareholders’ when common shares or rights to subscribe for common shares are issued.

## Agenda Item 15
## Authorization of the Management Board to repurchase shares in the Company

This item will be voted on.

In accordance with Article 8.1 of the Articles of Association, it is proposed that the General Meeting of Shareholders authorizes the Management Board, subject to the Supervisory Board’s approval, for an 18-month period, to be calculated from the date of the Annual General Meeting to cause the Company to repurchase its own shares up to the maximum as permitted by our

Articles of Association, at a price at least equal to the shares' nominal value and at most a price equal to 110% of the share's average closing price according to the listing on the Euronext Amsterdam stock exchange during the five trading days preceding the purchase date.

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# Annex

## ASM INTERNATIONAL N.V. - REMUNERATION POLICY

*(as amended and to be adopted by the Annual General Meeting of Shareholders on 20 May 2010)*

### 1. General

The objective of the remuneration policy for the members of the Management Board of ASM International N.V. ("**ASMI**") is to provide a remuneration system that:

a) creates a remuneration structure that will allow ASMI to attract, reward and retain qualified executives; and

b) provides and motivates executives with a balanced and competitive remuneration that is focused on sustainable results and is aligned with the long term strategy of ASMI.

In determining the level and structure of the remuneration of the members of the Management Board, the Supervisory Board shall take into account, among other things, the financial and operational results as well as non-financial indicators relevant to the long term objectives of ASMI. The Supervisory Board has performed and will perform scenario analyses to assess that the outcomes of variable remuneration components appropriately reflect performance and with due regard for the risks to which variable remuneration may expose ASMI.

In determining the compensation of members of the Management Board, the Supervisory Board will take into account the impact of the overall remuneration of the Management Board on the pay differential within ASMI.

The remuneration of the members of the Management Board consists of the following four components:

- a fixed (base) salary component;
- a variable component (annual bonus or short-term incentive);
- a long-term component (long-term incentive) in the form of stock options; and
- pension provisions and fringe benefits.

### 2. Fixed component

Base salaries will be determined on the basis of benchmarking comparable companies (peer group) with the assistance of external advisers. Several reference points will be taken into account in this benchmark given ASMI's international nature such as operations in comparable geographical and industrial markets.

### 3. Variable component (annual bonus)

A member of the Management Board will be eligible for an annual bonus of up to 75% of the annual fixed salary for on target performance. The maximum annual bonus is up to 125% of the annual fixed salary in case of outperformance. The bonus levels are set by the Supervisory Board and may vary per member of the Management Board. A part of the bonus is related to pre-determined quantified financial targets and accounts for 75% of the annual bonus and part of the bonus is related to non-financial / personal targets and will account for 25% of the annual bonus.

The targets will be set annually for the relevant year. The targets are predetermined, assessable and influenceable and are supportive of the long term strategy of ASMI. The financial elements to be measured may change in time. Possible examples are Net Profit and also Sales, EBIT and Free

Cash Flow before Financing. If the performance on the financial targets does not exceed 75 % of the target level, the part of the bonus that is related to financial targets will be zero.

The non-financial targets will be determined prior to the start of the relevant year. These targets are derived from ASMI's strategic and organizational priorities and also include qualitative targets that are relevant to the responsibilities of the individual Management Board member. The targets are set by the Supervisory Board. Achievement of the targets will be measured shortly after the end of the relevant year. Notwithstanding such measurement, if the financial performance of ASMI in the relevant year does not warrant a bonus payout, the Supervisory Board has the discretion to not pay out the part of the bonus that is related to non-financial targets.

ASMI does not disclose the actual (financial) targets as this is considered commercially/competition sensitive information.

**4. Stock options**

Stock options for the Management Board constitute a long term incentive. The number of options to be granted will be based on a fair value approach up to a maximum of 100 % of the annual fixed salary of the relevant board member. The amount of options will be determined annually by the Supervisory Board depending on the contribution to the long term development of ASMI and the impact of the option grant on the total remuneration of the Management Board. The Supervisory Board shall ensure that the total remuneration of the Management Board remains within the objectives of this remuneration policy and is supportive to the long term strategy of ASMI.

In order to limit potential dilution the Supervisory Board will see to it that at any time the amount of outstanding (vested and non-vested) options granted to the Management Board and to other employees will not exceed 7.5% of the issued ordinary share capital of ASMI. In addition, ASMI may repurchase outstanding shares in order to mitigate possible dilution. An important objective of stock options is to provide an incentive to the Management Board members to continue their employment relationship with ASMI and to focus on the creation of sustainable shareholder value. Therefore, the stock options vest after a minimum of three years of continued employment and can be exercised for a period of four years after vesting or until 3 months after termination of employment, if earlier. Stock options will only deliver value to the Management Board if, and to the extent, over this period the value of the underlying stock exceeds the exercise price of the options.

The exercise price of options will be equal to the average closing price on Euronext of ASMI shares during the five trading days preceding the granting of the option and including the date of granting. In principle options, if any, will be granted following the announcement of the annual and/or half-year results. Neither the exercise price of options granted nor the other conditions may be modified during the term of the options, except in so far as prompted by structural changes relating to ASMI or its shares in accordance with established market practice.

**5. Discretionary adjustments and claw back clause**

In exceptional circumstances the Supervisory Board will have the discretionary authority to make adjustments to the amount of the annual bonus. If a variable component conditionally awarded in a previous financial year would, in the opinion of the Supervisory Board, produce an unfair result due to extraordinary circumstances during the period in which the predetermined performance criteria have been or should have been achieved, the Supervisory Board has the power to adjust the value downwards or upwards (*ultimum remedium*).

Furthermore, the Supervisory Board may recover from the Management Board any variable remuneration awarded on the basis of incorrect financial or other data (*claw back clause*).

**6. Pension arrangements and fringe benefits**

The pension arrangements of the members of the Management Board consist of an industry wide pension arrangement and of supplemental arrangements with respect to the pensionable salary in excess of the maximum amount insured under the industry wide arrangements. Generally the premium is shared between the company and the relevant individual in the proportion of $2/3^{rd}$- to $1/3^{rd}$.

With respect to pension arrangements the Supervisory Board will also benchmark against pension arrangements of comparable companies to ensure conformity with the market as the current arrangements of the company are considered to be well below market average

In addition members of the Management Board are entitled to the usual fringe benefits such as a company car, expense allowance, medical insurance, accident insurance etc.

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