

Q&A

Questions asked by shareholders relating to the AGM and answered by the Company

The listed questions in this document are received from shareholders by email prior to May 14, 2021; 3pm.

The questions are received from:

- Mr. M. van Kuijk from VBDO
- Mr. J. Schmets from VEB

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Date: May 17, 2021
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The received questions and the answers are shown below and are grouped with the agenda item they refer to:

Agenda item 2. Report on the financial year 2020 (VEB)

Q1: With respect to supply chain management, ASMI explicitly chooses to limit the number of suppliers, as can be read in the 2020 management report. Can the company indicate whether the pressure on the supply chain on the one hand or the experiences from Covid-19 have caused any changes in this strategy?¹

A1: The reduction in the number of suppliers as described in our Annual Report 2020 is primarily driven by our continuous focus to improve the efficiency and effectiveness of our supply chain. The COVID-19 related lockdown measures in particularly Malaysia and Singapore led in Q2 2020 to shortages and delays for certain parts in our supply chain. These challenges and risks have been and continue to be part of our supply chain risk management process which consists of a combination of critical and strategic supplier risk assessments, supplier self-assessments, RBA audits, and training and capability building activities to help our supply chain be both resilient and responsible.

Q2: Both Gartner and VLSI have respectively tripled or doubled their growth forecasts for the Wafer Fab Equipment Market in just a few months. ASMI's outlook for this year is reasonably in line with these forecasts. How much flexibility does ASMI see in its own operational activities and those of suppliers to be able to cope with a further increase in the growth rate?

A2: In 2020 we completed the construction of our new manufacturing facility in Singapore which provided us with significantly expanded capacity. While conditions are tight in certain areas, we believe our supply chain offers sufficient flexibility to meet our customers' requirements, in line with the outlook that we provided with our Q1 earnings report published on April 20, 2021.

Agenda item 3. Remuneration Report 2020 (VEB)

Q3: The annual report states that Mr. Benjamin Loh has been awarded performance shares for EUR 1,039,500, with reference to the renewed remuneration policy 2020. Can you indicate how this variable remuneration was established, how it is in line with the aforementioned remuneration policy and provide clarity about the targets achieved?

A3: In line with ASM's Remuneration Policy 2020-2023, Mr. Loh was awarded 8,087 performance shares at target (165%) per July 29, 2020, with a fair value of EUR 1.039.500. These shares are conditional and will only vest after 3 years when the LTI targets are realized. The LTI targets are related to revenue growth compared to market and average EBIT.

Q4: ASMI's remuneration report provides shareholders with insufficient insight into performance targets and the ultimate score on these targets, per individual performance criterion.

¹ Questions 1- 4 from the VEB were received in Dutch and translated by the Company.

Can shareholders count on the 2021 remuneration report to contain additional information about the implementation of the remuneration policy and thus better align with the Shareholders' Directive and the associated guidelines?

A4: The Performance criteria are disclosed in the Remuneration Policy, which is available on our website, for both STIP (financial targets) and LTIP. For the LTIP, the realization is the weighted average of the realization on the two performance criteria, being Sales Growth compared to market and average EBIT percentage. The bonus of the Management Board is a combination of company financial targets (75%), being sales, EBIT and free cash flow, and non-financial targets (25%). These non-financial targets are derived from ASMI's strategic and organizational priorities and include qualitative targets that are relevant to the responsibilities of the individual Management Board member. ASMI does not disclose the details per each of the respective performance criteria as this is considered commercially/competition sensitive information.

Agenda item 4. Adoption of the Annual Accounts 2020 (VBDO)

Q5: The transition to a circular economy will be an essential strategy for managing the limited availability of (critical) raw materials, as is made clear by the World Economic Forum. VBDO values that ASM International is already reporting qualitatively on its efforts to become a more circular company. VBDO would like to emphasise the importance of reporting on this issue in a quantitative manner as well, as this will allow the organisation to track its progress and communicate its efforts clearly towards stakeholders. Can ASM International start reporting quantitatively on the lifespan, refurbishment and recycling of its products?

A5: ASMI is quantitatively tracking progress on packaging reuse in our supply chain. Additionally, in 2020 we successfully piloted the reuse of packaging materials for a specific new product with customers.

Q6: This year, the World Economic Forum has identified climate action failure as the most impactful risk to businesses. VBDO notes that ASMI has indeed set a concrete climate goal: lowering the intensity of GHG emissions in scope 1 and 2 (AR, p.5). However, ASMI's absolute scope 1 and 2 CO2 emissions have been rising since 2014 (AR, p.162) and the percentage renewables used has been decreasing since 2016. Will ASMI publish a more ambitious target, which would ideally include the scope 3 emissions? Will this target be approved by the Science-Based Targets Initiative and if not, when can stakeholders expect this certification?

A6: A key factor in the percentage decrease since 2016 is the commencement of operations in our new facility in Dongtan, South Korea, due to a combination of higher electrical consumption in the expanded facility and the lack of available renewable energy on the market in South Korea. Maximizing our use of the available amount of renewable energy as quickly as possible in each of the locations we do business is a key focus and priority for us going forward.

We fully recognize the importance of addressing Scope 3 emissions, but our priority in the near-term is accelerating progress in our Scope 2 GHG emissions.

Q7: ASMI is performing due diligence in its supply chain, for example through the use of RBA self-assessments and audits (AR, p.58). VBDO would like to compliment ASMI with its research into living wage (AR, p.33-34) and forced labour (AR, p.58) in the supply chain. Several aspects of ASMI's due diligence are however still unclear to VBDO. Specifically, VBDO would ask ASMI to provide more insight into its due diligence measures, its findings, and its corrective actions. This more comprehensive disclosure would for example include the number of audits performed, the number of non-compliances found and the amount of mitigation plans executed.

A7: We are currently following the RBA process of assessing suppliers. Commitment to the RBA Code of Conduct and to completion of self-assessments is required for our strategic and critical suppliers.

ASMI completes a conflict mineral assessment annually of all its critical and strategic suppliers, and is active in the RMI (Responsible Mineral Initiative).

Q8: VBDO notes that, for the fifth year in a row, the percentage of female employees is 15% (AR, p.34). Currently, stakeholders do not have insight on the distribution of female employees throughout the organisation. Could ASMI report on the representation of women in different roles, such as R&D, administration and management? VBDO would like to emphasise that increasing diversity is not just an ESG issue, but is also clearly correlated with financial results. Additionally, can ASMI commit to setting a target for the ratio male/female employees in the entire organisation?

A8: ASMI considers diversity in any event to consist of gender, specific knowledge, work background, nationality, age and ethnic diversity, (technical) experience and skills. We are a global company with a diverse workforce. As an example, in 2020, our workforce consisted of 40 different nationalities. In further growing our company and solidifying our company culture, many elements of diversity are being taken into account.