

Introduction

The existing remuneration policy was adopted by the Annual General Meeting ('General Meeting') on May 16, 2022. At the 2022 General Meeting, an approximate 95% majority voted in favor of the remuneration policy.

Following our ongoing dialogue with stakeholders, the Supervisory Board made further adjustments to the adopted policy, acting on the feedback received in the course of our recent interactions with some of our stakeholders and ensuring continued alignment with the market and best practices. This Remuneration Policy for the Management Board is presented to be adopted by the General Meeting on May 15, 2023 following the recommendation of the Nomination Selection and Remuneration Committee ('NSR Committee'). Subject to approval, the Remuneration Policy will take effect retroactively from 1 January 2023 and will replace the former policy. It is intended that this Remuneration Policy will be applicable for four years onwards. Material changes to this policy during this four-year period will be presented to the General Meeting for adoption. Prior to the expiry of the four-year period, a remuneration policy will again be presented to the General Meeting for adoption whereby this Remuneration Policy remains to be operated and applied by ASM International N.V. ('ASM' or 'the Company') until a new policy is adopted by the General Meeting.

The main changes in the 2023 Remuneration Policy compared to the former policy are:

- Adjustments to the Management Board Remuneration peer group (as defined below under "Peer group and market positioning") to reduce the portion of US companies and to re-align ASM with the current competitive landscape and the median of the group in terms of size.
- Updated incentive levels under the Short-Term Incentive Plan, differentiated between the CEO and other Management Board members aiming to align with the market median.
- The introduction of a pre-defined list of performance criteria for the Short-Term Incentive Plan, balancing flexibility for the Supervisory Board and transparency for stakeholders.
- The introduction of a relative Total Shareholder Return modifier to the Long-Term Incentive Plan, to increase alignment between the interests of the shareholders and the members of the Management Board.
- Updated incentive levels under the Long-Term Incentive Plan, following a differentiated approach to grant levels linked to the geographical location of incumbents (reflecting market differences between Europe (and rest of the world), and the United States).

MANAGEMENT BOARD REMUNERATION POLICY 2023 - Onwards

REMUNERATION STRATEGY AND PRINCIPLES

The purpose of the Remuneration Policy for the members of the Management Board of ASM is to provide compensation that:

- a) Motivates and rewards executives in the Management Board with a balanced and competitive remuneration, in sync with role and responsibilities.
- b) Allows ASM to globally attract, reward and retain highly qualified executives with the required background, skills and experience to implement the strategy of ASM in a highly competitive global industry.
- c) Ensures that short-term operational results and long-term sustainable value creation are balanced, and that the business strategy is supported.
- d) Is transparent, fair and reasonable and aligns the interests of ASM, shareholders and other stakeholders in the medium and long-term to deliver sustainable performance in line with the strategy, purpose and values of ASM.
- e) Leads to internally consistent pay levels considering other remuneration programs and conditions for all employees.

ASM endeavors to ensure that this Remuneration Policy aligns with all policies and procedures and complies with both the Dutch Corporate Governance Code and applicable Dutch law. Furthermore, ASM considers guidance issued by stakeholders including organizations representing institutional shareholders.

Given the fast pace of growth of the Company in terms of size and market capitalization, we are also aiming at having a policy that can cope with this evolution for the next years: in particular the composition of the Remuneration peer group should support proper benchmarking for the coming years, subject to the terms of this policy.

The aim of the Remuneration Policy for the members of the Management Board of ASM is to support the company's overall performance and sustainable long-term value creation in a highly dynamic and competitive environment, by directly linking with our strategy, mission, and vision. ASM's strategic objective is to realize profitable, sustainable growth by capitalizing on our innovative strength in deposition technologies and our strong relationships with key customers. The Supervisory Board ensures that the Remuneration Policy and its implementation are linked to the strategic objectives. This is amongst others achieved by selecting the appropriate performance measures under the Short-Term Incentive Plan that best reflect the priorities of the business each year and are well aligned with the strategic objectives of the company. As such, the variable remuneration shall be linked to predetermined, assessable and influenceable targets, which are predominantly of a long-term nature and that support the strategy, the values, and the purpose of ASM.

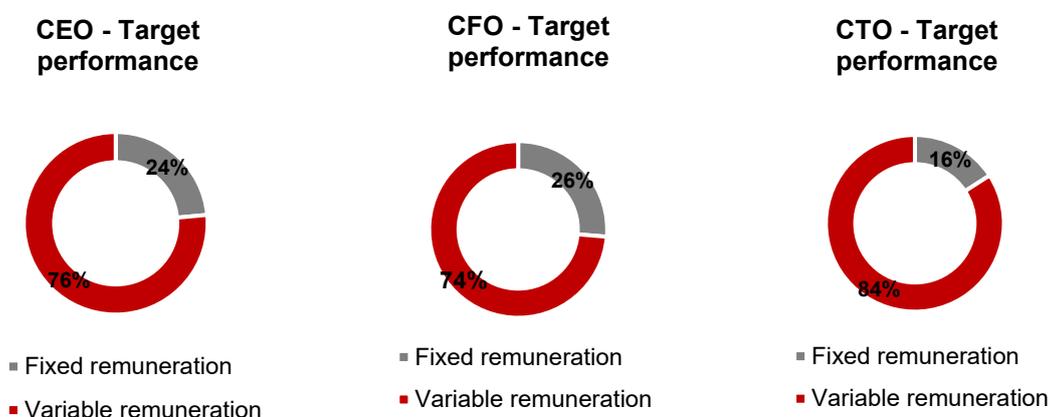
ASM aspires to high standards of corporate governance and ethics practices. Sound corporate governance is a key component of ASM's culture, behavior, management and is consistent with our core values and purpose. The Supervisory Board considers it imperative that there is a sufficient level of stakeholder support for the Remuneration Policy, including the support for it in broader society, and takes this into account when designing the different elements in this policy. This is amongst others done by including the possibility to use ESG measures as part of the non-financial measures under the Short-Term Incentive Plan, reflecting the growing societal interests in this topic, and by implementing "regional" differentiation to our Long-Term Incentive grant levels. As such, in establishing this policy,

the external environment in which the company operates, and the competitive market practice have been carefully considered.

When operating the Remuneration Policy, the Supervisory Board analyses the possible outcomes of the variable remuneration elements and how those may affect the total remuneration of the Management Board. It considers the relative spread between minimum and maximum compensation based on the performance-based components. In this respect regular scenario analyses are undertaken whereby the development of the underlying share price of the ASM shares is considered. This with due regard for the risks to which variable remuneration may expose ASM.

In determining the actual remuneration of the Management Board, the Supervisory Board assesses the actual performance delivered based on the strategy, considers the application of our values “We care, We innovate, We deliver” and takes into account and considers the impact of the overall remuneration of the Management Board on the pay differentials within ASM. This includes an annual relative comparison of the Management Board compensation at target and actual outcome, compared to senior executives and employee compensation at target and actual outcome (pay ratio). For this purpose, consideration is given to the pay ratio compared to the pay ratios of companies in the Remuneration peer group (as defined below). When determining the remuneration, the NSR Committee obtains the views of the individual members of the Management Board relating to the level and structure of the remuneration.

The perspectives below provide for the relative levels of fixed and variable remuneration of the members of the Management Board at target performance level (graph is reflecting maximum policy opportunity at target level):



The views of shareholders as expressed during the General Meeting or in solicited dialogue with the largest stakeholders are carefully considered when operating the Remuneration Policy. Works Council advice does not apply to ASM.

PEER GROUP AND MARKET POSITIONING

The level of remuneration of the members of the Management Board is determined based on a variety of factors, including periodic benchmark assessments provided by external, independent advisors. When determining the remuneration levels of the members of the Management Board, the NSR Committee considers the remuneration arrangements and levels for other employees in the Company (internal pay ratios), the external industry pay ratios and the views within society to ensure that the remuneration of the Management Board remains fair and reasonable.

The level of the respective remuneration components for the members of the Management Board is based on a median market comparison with a group of peer companies that have been selected according to industry (complexity), size, competition and geographical presence ('Remuneration peer group'). The Supervisory Board ensures that the selected Remuneration peer group provides sufficient stability and longer term possibility for proper benchmarking, despite the fast pace of growth of the Company.

In setting the various remuneration elements and levels, the Supervisory Board may consider various factors, including industry, product and business knowledge, complexity of the role and responsibilities of the members of the Management Board, local labor market practices and benchmark data, including potential geographical differences.

The Supervisory Board will conduct regular reviews of the Remuneration peer group composition and make changes (add or remove companies) where deemed necessary in view of the fast-moving business environment. However substantial changes of the Remuneration peer group related to changed criteria to determine the composition will be proposed to the General Meeting. The Remuneration peer group currently consists of the following 17 companies:

Aixtron SE	Entegris Inc	Lam Research Corp	SMA Solar Technology
ams Osram AG	Infineon Technologies AG	MKS Instruments Inc	Soitec SA
Applied Materials Inc	KLA Corp	NXP Semiconductors NV	Teradyne Inc
ASML Holding NV	Koninklijke KPN NV	Siltronic AG	VAT Group
BE Semiconductor Industries NV			

TOTAL DIRECT COMPENSATION

The level and structure of the remuneration of the members of the Management Board are determined based on the Total Direct Compensation ('TDC'). The TDC consists of three elements:

- Base salary (fixed gross annual salary)
- Short-Term Cash Incentive (performance based)
- Long-Term Share Incentive (performance based)

Each element is described in more detail in this paragraph. Other remuneration elements operated are pension provisions and fringe benefits.

The level and structure of the remuneration of the members of the Management Board are strongly tied to financial, operational and qualitative results, relevant to the long-term objectives and sustainability of ASM and therefore predominantly performance based. The levels also refer to a competitive pay market.

The market positioning for the Total Target Cash Compensation (TTC) level (Base Salary + Short-Term Cash Incentive) of the Management Board is geared to median market levels against the defined Remuneration peer group, complemented with a Long-Term Share Incentive that is based on differentiated market levels per geographical location, as defined for each member of the Management Board (Europe (and rest of the world) and the US). The intended practice is to use a gradual approach to align total compensation of the members of the Management Board to market benchmark, and this within the duration of the policy. Existing gaps, achievement of objectives set and overall performance will be taken into account to determine the pace of convergence.

The remuneration of the members of the Management Board is set and payable in euros, except for members of the Management Board based in jurisdictions outside of the euro zone for which the

remuneration is set and payable in local currency and might either be granted by ASM in connection with the person being a member of the Management Board, or be granted by an affiliate company of ASM in connection with the person being employed and/or providing services for such affiliate company.

BASE SALARY

The base salary of the members of the Management Board is derived from the outcome of the benchmark analysis. Whilst benchmarking against the Remuneration peer group is conducted regularly, the Supervisory Board reviews base salary on an annual basis and can, at their discretion, apply an annual increase to the base salary based on market movement as well as adjustments made by the Remuneration peer group. The base salary level will be yearly disclosed in the remuneration report for the reported year.

SHORT-TERM CASH INCENTIVE (STI)

The performance is measured against performance criteria, both financial and non-financial. Performance criteria are operated and defined by the Supervisory Board and may vary per member of the Management Board.

Three levels of performance are defined: the 'target' level, representing the expected nominal level of performance generally set in accordance with the yearly budget as approved by the Supervisory Board, the 'threshold' level, below which the performance is deemed insufficient and hence triggers a 'zero' pay-out for these criteria, and the 'stretch' level representing an exceptional level of performance awarding a maximum level of pay-out.

The STI target incentive levels are differentiated between the CEO and the other Management Board members. The CEO will be eligible for an annual, performance based, short-term cash incentive ('bonus') of up to 125% of the base salary in case of performance achievement at 'target', and up to a maximum of 150% of the target (i.e. up to a maximum of 187.5% of base salary) in case of outperformance 'at or above stretch' level. Other members of the Management Board will be eligible for a bonus up to 80% of base salary in case of performance 'at target', and up to a maximum of 120% of base salary in case of outperformance.

If the performance on one or more of the financial performance criteria or on the non-financial performance criteria does not meet the threshold level, the related part of the bonus will be zero.

The bonus performance criteria are selected from a pre-defined list, and targets for those measures are set by the Supervisory Board on an annual basis. The measures include a balance of financial measures and non-financial measures, aligned to the strategic objectives of the company, for both CEO and other members of the Management Board. Performance measures and weighting may differ year on year reflecting the priorities of the business, but in any given year, the weight of financial measures are in principle representing 75% of the nominal total.

The financial performance criteria are predetermined at the beginning of the relevant performance year, based on the approved budget, and should be influenceable and assessable. They sustain the long-term strategy of ASM. The financial measures may include amongst other measures: revenue measures, margin measures, return measures and/or cash flow measures.

The Supervisory Board determines the non-financial indicators (in principle around 25% weighting) at the beginning of the relevant financial year in accordance with the long-term plan of the Company and based on the strategic focus. The Supervisory Board sets challenging, but realistic target levels that directly impact and contribute to the long-term strategy of ASM. The performance indicators used, and

their relative weighting will be disclosed in the Remuneration Report. Non-financial measures may include amongst others: ESG measures, operational measures, strategic measures, customer measures and/or leadership measures.

After the end of each financial year the achievement of the predetermined performance criteria set for the CEO and the other members of the Management Board are formally evaluated and determined by the NSR Committee. The NSR Committee prepares a proposal and recommendation for determination by the Supervisory Board to that effect.

The actual short-term incentive pay-out following the attainment of each of the (non-)financial performance criteria is annually disclosed in the Remuneration Report.

LONG-TERM SHARE INCENTIVE (LTI)

The purpose of the Long-Term Incentive Plan is to reward long-term value creation and to enhance alignment of the interests of the Management Board with those of the shareholders. The LTI for the Management Board is a performance-based share plan, providing for conditional rights to receive a certain amount of ASM shares, after a three-year cliff vesting period, and subject to fulfilling the predetermined performance conditions and upon continued employment of the participant at the vesting date.

The number of performance shares granted for on target performance will be determined by the Supervisory Board at the beginning of the new three-year performance period. In order to define the number of shares to be granted annually a face value approach is applied.

The performance indicators are chosen by the Supervisory Board and are revenue-related respectively profit-related, as measured over a three-year performance period and compared to a pre-defined reference plan. Both indicators or financial performance measures are equally weighted (50% each). In addition, a relative Total Shareholder Return ("TSR") indicator will be introduced and applied as a multiplier or modifier to the results. The relative TSR modifier is a market-based pay-out modifier based upon the ranking of ASM versus the identified TSR peer group. The target level of the LTI is differentiated for Management Board members based on geographical location of the respective individuals, whereby distinction is made between Management Board members in Europe (and rest of the world) and the US. For Management Board members in Europe (and rest of the world), the target level can be up to 200% of base salary and for Management Board members in the US this can be up to 450% of base salary. This is a way to differentiate based upon the external geographical or local competitive environment and the prevalent market practice in the respective regions.

The maximum achievement level of the financial performance measures is capped at 150% of the target, whereas the maximum total LTI level, including the relative TSR modifier, is capped at 200% of target for both regions. The number of shares vesting will be zero in case both targets score below threshold level.

Granted shares will become unconditional after a period of three years ('Performance Period') on the award date, based on performance against the two predetermined financial indicators and their weighting, as well as the relative TSR modifier.

The predetermined performance criteria and their weightings are set annually by the Supervisory Board prior to the grant date and may change over time depending on the business priorities. This only relates to new grants and is not applicable to outstanding grants.

After the end of each Performance Period the achievement of the predetermined performance targets set for the CEO and the other members of the Management Board are formally evaluated and

determined by the NSR Committee. The NSR Committee prepares a proposal and recommendation for determination by the Supervisory Board to that effect.

The number of shares awarded on grant date and the number of shares that vested as resulting from the attainment of the performance criteria following the Performance Period is yearly disclosed in the Remuneration Report.

TSR modifier effect and incentive zone

Based upon the relative TSR performance pay-out will be adjusted -35% to +35%. The TSR modifier adds 35% if ranking is in the top quartile of the TSR peer group and subtracts 35% if it is in the bottom quartile of the TSR peer group with straight line interpolation from 25th percentile to 75th percentile, only rewarding if TSR performance is above the median of the peer group.

TSR peer group

The relative TSR is calculated based on ASM’s share price development plus dividends paid over a three-year performance period, compared to the companies in the identified TSR peer group.

The TSR peer group is comprised of companies that are comparable to ASM on a number of criteria, such as: industry, geographic focus, size, share price correlation and volatility, and historical TSR performance. Currently, the TSR peer group consists of 21 companies that have been selected by the Supervisory Board based on these criteria. The composition of the group may be adjusted over time. In case of delisting of a TSR peer group company, the Supervisory Board will carefully consider an appropriate replacement company. The TSR peer group will be disclosed in the annual remuneration report. The TSR peer group currently comprises the following companies:

Aixtron SE	Entegris Inc	MKS Instruments Inc	SUESS MicroTec SE
Alphawave IP Group PLC	Globalfoundries Inc	NXP Semiconductors NV	Teradyne Inc
ams Osram AG	Infineon Technologies AG	Siltronic AG	Tokyo Electron Ltd
Applied Materials Inc	KLA Corp	Soitec SA	VAT Group AG
ASML Holding NV	Lam Research Corp	STMicroelectronics NV	X Fab Silicon Foundries EV
BE Semiconductor Industries NV			

Holding period and share ownership

In order to show commitment to ASM and align with shareholders’ interests, the CEO and other members of the Management Board, are required to hold the vested performance shares for two years (‘Holding Period’) after the vesting date.

In order to ensure alignment between the interests of shareholders and the Management Board, share ownership guidelines apply. The CEO and other members of the Management Board are required to hold ASM shares in value of at least twice the base salary as measured at the start of each financial year. This ownership of shares has to be created during the term of this policy. In the absence of extraordinary circumstances new members of the Management Board will have a four-year period to comply with this requirement from their date of appointment.

For paying applicable taxes upon vesting of performance shares, the members of the Management Board are allowed to sell sufficient vested performance shares or a net settlement of the vested performance shares may be operated to cover the taxes payable at vesting.

PENSION PROVISIONS AND OTHER BENEFITS

The pension provisions and other benefits for which the members of the Management Board are eligible are intended to be competitive in their relevant market and may evolve over time. The pension provisions for the Management Board reflect relevant local market practice.

The members of the Management Board may be entitled to fringe benefits such as a company car, expense allowance, medical and other insurances, taking into account local market practices. Additional benefits and allowances may be offered in case of relocation or international assignment, such as relocation support, expatriation allowance, tax equalization, reimbursement for international schools, housing support, and other benefits which reflect local market practice.

The Supervisory Board will disclose yearly the premiums paid for pension and the fringe benefits in the Remuneration Report.

MANAGEMENT SERVICE AGREEMENTS

APPOINTMENT

All members of the Management Board have a written management services agreement. The members of the Management Board are appointed for a four-year period.

TERMINATION OF SERVICE

All management services agreements with members of the Management Board contain specific provisions regarding benefits upon termination of those agreements.

If ASM gives notice of termination of the agreement for reasons which are not exclusively or mainly found in acts or omissions on the side of the Management Board member or in case of a termination of the agreement of a Management Board member with mutual consent between such Management Board member and the Company, a severance amount equal to one-year base salary will be made available upon the effective date of termination. The treatment of incentive awards will be determined by the Supervisory Board and depends on the reason and circumstances for termination, considering usual practices for these types of situations as well as applicable plan rules.

The notice periods are set at six months if the termination of the agreement is initiated by ASM and at three months if the member of the Management Board terminates the agreement.

CHANGE OF CONTROL OVER THE COMPANY

All members of the Management Board are entitled to a severance amount equal to one year base salary including the employer's annual pension contribution in the event ASM- or its legal successor - gives notice of termination due to a change of control or if the Management Board member gives notice of termination, which is directly related to such change of control and such notice is given within twelve months from the date on which the change of control occurs.

Furthermore, the Supervisory Board holds the discretionary power upon the occurrence of a change of control to determine as to whether or not the outstanding long term share incentive grants will be settled or will remain outstanding, subject to the attainment of the underlying predetermined criteria or exchanged into other instruments on a value for value basis.

CLAW BACK AND ULTIMUM REMEDIUM

In exceptional circumstances the Supervisory Board will have the discretionary authority to recover any amount of paid bonus and awarded shares, if evidence shows payments and awards have been awarded based on incorrect financial or other data (claw back).

If a variable component conditionally awarded in a previous financial year would, in the opinion of the Supervisory Board, produce a result unacceptable by the standards of reasonableness and fairness during the period in which the predetermined indicators have been or should have been achieved, the Supervisory Board has the authority to adjust the value of bonus and shares downwards or upwards (*ultimum remedium*).

The NSR Committee annually assesses whether no circumstances have been identified that result in any adjustments or clawback of variable remuneration.

NEW APPOINTMENTS

The Supervisory Board may decide to grant a sign-on award in cash and/or shares, to compensate for the loss of remuneration that a new incoming Management Board member would face upon transfer, with due observance of the General Meeting's right of approval under section 2:135(5) DCC if the award is granted in shares. Such a sign-on award would be limited to a comparable value to the arrangements forfeited and the rationale and detail of any such award will be disclosed in the remuneration overview when proposing the appointment of such new Management Board member to the General Meeting. Additional benefits and allowances may be offered in case of relocation or international assignment, such as relocation support, expatriation allowance, tax equalization, reimbursement for international schools, housing support, and other benefits which reflect local market practice.

In case of an internal promotion or an appointment following a corporate transaction (e.g. merger or acquisition), the Supervisory Board may also offer a continuation of any remuneration arrangements that were already in place prior to his/her appointment as Management Board member.

LOANS

ASM does not provide any personal loans, guarantees (excluding any indemnities) or advance payments to the CEO or other Members of the Management Board.