



BEYOND THE LAYERS



REMUNERATION REPORT 2015

This remuneration report 2015 is based on the remuneration policy of ASM International NV, dated May 21, 2014. The remuneration policy was adopted by the 2014 Annual General Meeting of Shareholders.

REMUNERATION POLICY MANAGEMENT BOARD

The remuneration policy was reviewed in 2014 and is applicable to members of the Management Board of ASM International.

The objective of the remuneration policy is twofold:

- › to create a remuneration structure that will allow ASMI to attract, reward and retain qualified executives in our global competitive industry; and
- › provides and motivates executives with a balanced and competitive remuneration that is focused on sustainable results, aligned with the long term strategy of ASMI.

The remuneration structure includes four components:

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

BASE SALARY MANAGEMENT BOARD

The amounts paid as base salaries to the members of the Management Board in 2015 were as follows:

C.D. del Prado	572,220
P.A.M. van Bommel	397,362

ANNUAL SHORT-TERM INCENTIVE (CASH BONUS) MANAGEMENT BOARD

Each year, a short-term incentive can be earned, based on the achievement of specific challenging targets. These targets are for 75% based on company financial targets, being Sales, EBIT and Free Cash Flow, and for 25% based on non-financial targets. 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.

The on-target bonus percentage for the CEO is 100% of base salary, with a maximum pay-out of 150% of base salary. The on-target bonus percentage for the other members of the Management Board is 75% of base salary, with a maximum pay-out of 125% of base salary.

For the year 2015 the Management Board exceeded the financial targets and met the non-financial targets.

Based on the results in 2015, the following bonuses are paid:

C.D. del Prado	630,628
P.A.M. van Bommel	340,442

LONG-TERM INCENTIVE (STOCK OPTIONS/PERFORMANCE SHARES) MANAGEMENT BOARD

The long-term incentive scheme for the members of the Management Board, which was approved in the 2014. Annual General Meeting of Shareholders, consists of stock options and performance shares.

The long-term incentive scheme has the following main features:

Stock options:

- › the options will be unconditional;
- › 100% of the options which have been granted will become exercisable after three years;
- › the options will have a term of seven years;
- › the exercise price 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; and
- › the number of options to be granted will be based on a fair value approach.

Performance shares:

- › the number of the performance shares for on target performance to be awarded will be determined by the Supervisory Board depending on the value of performance shares as part of the mix between stock options and performance shares.
- › the shares will become unconditional after three years depending on the achievement of predetermined targets.
- › the financial targets to be achieved are measured over a three year performance period and relate to a sales growth compared to market and an average EBIT percentage performance measure.
- › the Management Board members will hold the unconditional shares for at least an additional 2 years, however they are allowed to sell a part of the unconditional shares after 3 years for tax purposes.

The mix between stock options and performance shares will be determined annually by the Supervisory Board, taking into account the objectives of the remuneration policy.

The Supervisory Board decided to grant the following value to:

C.D. del Prado:

Stock options	€ 525,679
Performance shares	€ 404,369

P.A.M. van Bommel

Stock options	€ 265,001
Performance shares	€ 203,847

The grant date is April 22, 2016.

PENSION MANAGEMENT BOARD

The pension contributions paid in 2015 were as follows:

C.D. del Prado	81,210
P.A.M. van Bommel	66,356

As of 2015, the members of the Management Board no longer participate in the industry wide pension fund. They are offered participation in a defined contribution plan for their salary up to €100,000. For their salary above €100,000, the members of the Management Board are compensated with an amount equal to the employer pension contribution. The members of the Management Board have the option to participate in a net pension plan offered by the company or to have the compensation paid out in cash.

The pension contributions vary from 7.2%-28.4% of the pensionable salary depending on age. The members of the Management Board contribute 4.6% of the pensionable salary and ASMI pays the remaining part.

There are no arrangements regarding early retirement.

OTHER ARRANGEMENTS MANAGEMENT BOARD

A number of other arrangements are offered to members of the Management Board, such as expense and representation allowance, disability insurance, accident insurance and a car allowance/company car.

ASMI's policy does not allow personal loans to members of the Management Board.

OUTSTANDING STOCK OPTIONS AND PERFORMANCE SHARES

STOCK OPTIONS

The following table shows the outstanding options to purchase ASM International NV common shares held by current members of the Management Board, and changes in such holdings during 2015:

	YEAR OF GRANT	OUTSTANDING JANUARY 1, 2015	GRANTED IN 2015	EXERCISED IN 2015 ⁴	OUTSTANDING DECEMBER 31, 2015	EXERCISE PRICE	END DATE
C.D. del Prado ¹	2007	23,168	-	(23,168)	-	€16.51	May 23, 2015
C.D. del Prado ¹	2008	147,416	-	-	147,416	€10.78	Mar 1, 2016
C.D. del Prado ²	2009	58,967	-	-	58,967	€12.79	Nov 30, 2017
C.D. del Prado ³	2011	88,450	-	-	88,450	€18.93	Dec 31, 2018
C.D. del Prado ³	2012	70,760	-	-	70,760	€22.93	Dec 31, 2019
C.D. del Prado ³	2013	75,000	-	-	75,000	€23.73	Dec 31, 2020
C.D. del Prado ³	2015	-	28,050	-	28,050	€44.24	Apr 24, 2022
P.A.M. van Bommel ³	2010	29,483	-	-	29,483	€13.80	July 1, 2017
P.A.M. van Bommel ³	2011	62,504	-	-	62,504	€18.93	Dec 31, 2018
P.A.M. van Bommel ³	2012	47,173	-	-	47,173	€22.93	Dec 31, 2019
P.A.M. van Bommel ³	2013	53,000	-	-	53,000	€23.73	Dec 31, 2020
P.A.M. van Bommel ³	2015	-	14,609	-	14,609	€44.24	Apr 24, 2022
		655,921	42,659	(23,168)	675,412		

¹ The vesting of these options was conditional. A percentage, not exceeding 150%, of the options which have been granted conditionally became unconditional after three years, based on the total return of the Company's shares for the three years after the options are granted compared to the average total return of the shares of a relevant number of companies which are similar to the Company during the same three-year period. The options are granted for a term of eight years.

² Options are granted for a term of eight years, and become exercisable after a three year vesting period.

³ Options are granted for a term of seven years and become exercisable.

⁴ Options were exercised on May 22, 2015 at a share price of €43.83.

The fair value per option of options granted to current members of the Management Board was €17.33 in 2015.

In 2015, 23,168 options to purchase ASM International NV common shares were exercised and 23,168 treasury shares were sold for the exercise of these options.

PERFORMANCE SHARES

The following table shows the outstanding performance shares granted to members of the Management Board in 2015 and held by members of the Management Board per December 31, 2015:

	GRANT DATE	STATUS	NUMBER OF SHARES AT GRANT DATE	FAIR VALUE AT GRANT DATE	VESTING DATE
C.D. del Prado	April 24, 2015	Conditional	8,544	€43.21	April 24, 2018
P.A.M. van Bommel	April 24, 2015	Conditional	4,450	€43.21	April 24, 2018

The shares will become unconditional after three years depending on the achievement of predetermined targets. The financial targets to be achieved are measured over a three year performance period and relate to a sales growth compared to market and an average EBIT percentage performance measure. The Management Board members will hold the unconditional shares for at least an additional two years, however they are allowed to sell a part of the unconditional shares after three years for tax purposes.

CONTRACTS OF EMPLOYMENT MANAGEMENT BOARD

All members of the Management Board have a written contract of employment with ASMI or one of its related subsidiaries. The members of the Management Board have been appointed to the Management Board for a four year period:

- › C.D. del Prado, started May 18, 2006; in May 2014 Mr Del Prado was reappointed for a new term of 4 years; and
- › P.A.M. van Bommel, started July 1, 2010; in May 2014 Mr Van Bommel was reappointed for a new term of 4 years.

For future new appointments to the Management Board, the term of the appointment will also be set at four years.

REMUNERATION SUPERVISORY BOARD

In the 2011 AGM the following annual remuneration for the Supervisory Board has been approved:

Member of the Supervisory Board	45,000
Chairman of the Supervisory Board	60,000
Member of the Audit Committee	5,000
Chairman of the Audit Committee	7,500
Member of the Nomination, Selection and Remuneration Committee	5,000
Chairman of the Nomination, Selection and Remuneration Committee	7,500

ASM International
Versterkerstraat 8
1322 AP Almere
The Netherlands