

Annual Report 2023

Ahead of what's next



15. Remuneration report

Didier Lamouche

Chair of the Nomination, Selection and Remuneration (NSR) Committee

Message of the Chair

Dear shareholders,

On behalf of the NSR Committee, I am pleased to present the 2023 Remuneration report, which provides a summary of the remuneration policies for the Management Board and the Supervisory Board, as well as an explanation how these policies were applied in 2023.

New Management Board Remuneration Policy in 2023

In 2023, ASM achieved impressive progress on all fronts once again: market position, penetration of our new technologies, growth and long-term value creation. In this context, the ability to attract and retain top talent continues to be paramount. This even applies in the context of slowing industry momentum in 2023, as the best talent – including R&D and management skills, which are the shapers of our future – remains scarce. This is why in early 2023, the NSR felt it necessary to benchmark and extensively review ASM's Remuneration Policy. This analysis was conducted with the support of an external, independent and acknowledged executive-remuneration consulting firm. The focus was to match ASM's changing scale, global profile, and US market-dependency in terms of innovation and talent pool, to guarantee the competitiveness of our Management Board compensation, and consequently maintain ASM's ability to attract and retain the best skills and individuals.

The review was comprehensive in the sense that it encompassed views of the Management Board itself, but also considered internal equity and, more broadly, our European and Dutch societal roots, in addition to the global nature of our business. After extensive exchanges with some of our shareholders and proxy agencies during the first quarter of 2023, this review led to a new Remuneration Policy. It was subsequently adopted by the Supervisory Board and adopted at our May 15, 2023, Annual General

Meeting (95.29%). We thank all our shareholders for their support in this matter. The final changes are outlined in the Remuneration Policy changes section below.

Engagement

The benchmark analysis, together with ASM's sustained performance over the past few years, led us to substantially upgrade the remuneration levels of our CEO and CFO, driven by the principle to foster pay-for-performance. In turn, the 'at-risk' proportion of the remuneration increased from 73% to 76% for the CEO and 67% to 74% for the CFO. The remuneration of the CTO was judged to be globally competitive at the time and the variable pay component remained at 84%.

The new policy should be fit for future purpose. In particular, we introduced the notion of 'regional approach' as far as LTI is concerned, recognizing the need to take into account US practices whenever necessary, while retaining European benchmarks in general. The frame that was adopted also allows some flexibility in our policy, enabling us to respond swiftly to potential market movements and gradually adjust – as requested by some of our shareholders – remuneration levels as a response to evolving market practices.

Our engagement interactions confirmed that, generally speaking, shareholders supported the proposed Remuneration Policy changes and the underlying rationale. This was certainly the case for the newly introduced relative Total Shareholder Return (TSR) measure, which was explicitly requested by many shareholders. More specifically, the proposed TSR peer group was supported by shareholders because it took into consideration industry and market capitalization, and also the relative TSR modifier was well received. Also, the adjusted Management Board remuneration peer group was

supported (since it does represent ASM's structurally increased revenue, size and number of employees).

Transparency

We were also happy with the positive feedback regarding the regular interaction that we institutionalized regarding the Remuneration Policy and practices. During these engagement sessions, while expressing a high level of support for our actions and remuneration report, some shareholders also expressed the need for increased transparency with regard to the disclosure of targets, especially with regard to non-financial STI performance indicators. As mentioned below (for more, see under Remuneration report), we took further action to move towards enhanced transparency (e.g. details with regard to target and stretch levels for non-financial targets), while keeping in mind at all times the fundamental interests of the company regarding confidentiality and competitive sensitivity.

Remuneration report 2023

The Remuneration report for the financial year 2022 was submitted to the 2023 Annual General Meeting for an advisory vote, with 94.99% of the votes casting in favor.

Steps have already been taken over the past couple of years to increase the disclosure level of targets and their linkage to pay, as long as they are not related to business-sensitive (commercial and/or strategic) information. The STI and LTI performance indicators for 2023 were disclosed (description and weight) in the Remuneration Policy and/or the Clarifying Note as far as possible. The achievement per target is explained in this 2023 Remuneration report (with the exclusion of some strategically or competitively sensitive financial targets).

It is also to be noted that in the spirit of enhancing transparency on remuneration elements, further steps had already been made in the 2022 Remuneration report to disclose specific details on the STI non-financial targets and the achievement level of each target. Moving forward, more transparency will be provided ex-ante where feasible, as well as ex-post in the annual Remuneration report. More specifically the STI non-financial measures and targets given to the Management Board for 2024 will be disclosed as part of the forthcoming 2024 Annual General Meeting process.

Outlook

The NSR Committee and Supervisory Board will obviously continue to monitor trends in the labor market and business environment. Our main focus continues to be to provide fair and competitive remuneration, with the right balance between fixed and variable pay, and focus on appropriate pay for high business performance – all in the interest of the company and our shareholders, as well as our broader stakeholders.

We also plan to continue our efforts to engage with our stakeholders on an ongoing basis to make sure that we capture any insights, potential concerns, and valuable market practices that might require us to reconsider some elements in our policy and practices. Over the past few years, ASM has become a very strong company, well-installed in the mid-pack of the AEX-index. As such, the Supervisory Board needs to maintain its focus on ensuring competitiveness of our governance policies, to attract and retain the best skills and competencies to ensure continued success. In particular, our focus on market-aligned remuneration for both Management Board but also the Supervisory Board will continue to be a point of attention. In that regard, recent benchmarking of our Supervisory Board fees showed a clear gap with market practice. Therefore, a proposal will be submitted to the Annual General Meeting 2024 to adjust the fees in line with the benchmarking outcome.

As already mentioned in the message of the Chair of the Supervisory Board, 2024 will be a year of CEO succession. From a remuneration point of view we would like to mention that terms and conditions applicable to respectively the new CEO and the exiting CEO are in line with the Management Board Remuneration Policy. More details will be disclosed as part of the forthcoming Annual General Meeting process.

I'd like to thank my colleagues in the NSR Committee for the intensive and fruitful discussions in the past year, and their support in making sure our remuneration practices remain in line with our stakeholders' expectations, and instrumental to the company's continued success.

Didier Lamouche
Chair of the NSR Committee

15.1 Management Board Remuneration Policy changes

The current Remuneration Policy was adopted by the General Meeting on May 15, 2023, and took effect from 1 January, 2023.

It is intended that the Remuneration Policy for the Management Board will be applicable for four years onwards. Future potential material changes to the Remuneration Policy for the Management Board will be presented beforehand to the General Meeting for adoption.

The main changes in the newly approved policy compared to the previous Remuneration Policy include the following:

1. Adjustments to the Management Board remuneration peer group to reduce the portion of US companies (from 43% to 33%) and to realign on average ASM's position with the key factors of this peer group (such as revenue, number of employees, and footprint) based on the new characteristics of ASM.
2. 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 benchmark as measured against the refreshed peer group.
3. The introduction of a predefined basket of performance criteria to select from for the Short-term Incentive Plan, balancing flexibility for the Supervisory Board and transparency for stakeholders. For 2023, this has been disclosed in the Clarifying Note that is posted on the Company [website](#).
4. The introduction of a relative Total Shareholder Return (rTSR) modifier to the Long-term Incentive Plan, to increase alignment between the interests of the shareholders and the members of the Management Board.
5. Updated incentive levels under the Long-term Incentive Plan, following a differentiated approach to grant levels linked to the geographical location of the Management Board members (reflecting market differences between Europe and rest of the world, and the United States).

The overview below provides more details on the above-mentioned five main changes:

Item	Previous Remuneration Policy (2022)	Newly approved Remuneration Policy (2023 - onwards)	Comment								
<p>1 Adjustments to the Management Board remuneration peer group</p>	<p>The remuneration peer group under the previous Remuneration Policy consisted of 21 companies, of which many US companies.</p>	<p>Under the new Remuneration Policy, the remuneration peer group consists of 17 companies (of which 11 are retained from the prior peer group). The portion of US companies has been reduced from 9 out of 21 in total, to 6 out of 17 in total.</p>	<p>This modification of the remuneration peer group relates to a reduction of the portion of US companies and a re-alignment of ASM with the actual competitive landscape, and the median of the group in terms of size.</p>								
<p>2 Updated incentive levels under the Short-term Incentive ('STI') Plan, differentiated between the CEO and other Management Board members</p>	<p>Under the previous Remuneration Policy, the CEO was eligible for an annual, performance-based, short-term cash incentive ('bonus') of up to 100% of the base salary in case of on target performance, and up to a maximum of 150% of base salary in case of outperformance.</p> <p>Other members of the Management Board were eligible for a bonus of up to 80% of base salary for the CTO, and 75% of base salary for the CFO in case of target performance, and up to a maximum of 125% in case of outperformance for the CTO and CFO respectively.</p> <p>If the performance on the financial performance criteria or the non-financial performance criteria did not meet the threshold level (set at 70% of the target level), the related part of the bonus would be zero.</p> <p>In case the financial performance of ASM in any year does not warrant a bonus payout, the Supervisory Board will decide by discretion to decrease the bonus payout. The bonus performance criteria were for 75% related to financial indicators, and for 25% to non-financial indicators, for both CEO and other members of the Management Board.</p>	<p>In the new Remuneration Policy, 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' payout for these criteria; and the 'stretch' level, representing an exceptional level of performance awarding a maximum level of payout.</p> <p>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 base salary, in case of performance achievement at 'target', and up to a maximum of 187.5% of base salary (or 150% of the target) in case of outperformance 'at or above stretch' level.</p> <p>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.</p> <p>If the performance on one or more of the financial performance criteria or of the non-financial performance criteria does not meet the threshold level, the related part of the bonus will be zero.</p>	<p>The incentive levels under the STI plan are updated to align with the market median, based upon a Total Target Cash Compensation (TTC) approach.</p>								
<p>3 The introduction of a pre-defined list of performance criteria for the Short-term incentive plan</p>	<p>In the previous Remuneration Policy, the financial performance criteria are predetermined, prior to the start of the relevant performance year. They are based on the approved budget, and should be influenceable and assessable. They should sustain ASM's long-term strategy of ASM. The financial indicators (75%) were:</p> <table border="1" data-bbox="327 1010 1055 1185"> <thead> <tr> <th>Performance criteria</th> <th>weight</th> </tr> </thead> <tbody> <tr> <td>Sales</td> <td>1/3rd</td> </tr> <tr> <td>EBIT</td> <td>1/3rd</td> </tr> <tr> <td>Free Cash Flow</td> <td>1/3rd</td> </tr> </tbody> </table> <p>The Supervisory Board would determine the non-financial indicators (25%) prior to the start of the relevant financial year. The Supervisory Board would set challenging, but realistic target levels that directly impact and contribute to ASM's long-term strategy. The performance indicators used and their relative weighting would be disclosed in the Remuneration Report.</p> <p>In general, performance indicators were defined for the term of the policy. Material changes would be explained and proposed to the General Meeting for approval.</p>	Performance criteria	weight	Sales	1/3rd	EBIT	1/3rd	Free Cash Flow	1/3rd	<p>Under the new Remuneration Policy 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.</p> <p>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.</p> <p>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.</p>	<p>It is proposed to introduce a pre-defined list of measures for the Short-term Incentive Plan to balance flexibility for the Supervisory Board and transparency for shareholders.</p>
Performance criteria	weight										
Sales	1/3rd										
EBIT	1/3rd										
Free Cash Flow	1/3rd										

Item	Previous Remuneration Policy (2022)	Newly approved Remuneration Policy (2023 - onwards)	Comment
<p>4 The introduction of a relative Total Shareholder Return ('TSR') modifier to the Long-term Incentive ('LTI') Plan</p>	<p>Under the previous Remuneration Policy, the number of performance shares granted for on-target performance would be determined by the Supervisory Board preceding the respective date of grant, and relate to a Sales Growth compared to market and Average EBIT percentage measured over a three-year performance period and compared to a pre-defined reference plan.</p>	<p>In the new Remuneration Policy, the performance indicators will also be 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 will be equally weighted (50% each). In addition, a relative TSR indicator will be introduced and applied as a multiplier or modifier to the results.</p> <p>TSR modifier effect and incentive zone Based on the relative TSR performance, payout 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.</p> <p>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 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.</p>	<p>A relative TSR modifier to the LTI plan has been introduced to increase alignment between the interests of the shareholders and the members of the Management Board.</p>
<p>5 Updated incentive levels under the Long-term Incentive ('LTI') Plan</p>	<p>In the previous Remuneration Policy, the target level of the LTI was set at 165% of base salary for the CEO, and at 450% of base salary for the current CTO - to be competitive in the US market - and at 125% of base salary for the CFO.</p> <p>The maximum number of shares that would be granted in case of outperformance of the predetermined performance indicators was 150% of the number for on-target performance. The number of shares vesting would be zero in case none of the targets were met.</p>	<p>In the new Remuneration Policy, 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. The exact definition of 'geographical location of Management Board member' can be found in the 'Clarifying note' as posted on ASM's website.</p> <p>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 market practice in the respective regions.</p> <p>The maximum achievement level of the financial performance measures will be 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 granted will be zero in case both targets score below threshold level.</p>	<p>This modification follows from a differentiated geographical approach to grant levels (reflecting market differences between Europe (and rest of the world), and the US.</p>

15.2 Management Board Remuneration Policy

Introduction

ASM's Management Board Remuneration Policy was adopted by the AGM on May 15, 2023. The 2023 integral version of ASM's Remuneration Policy can be found on our website.

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

- motivates and rewards executives with a balanced and competitive remuneration, in line with their role and responsibilities;
- allows ASM to attract, reward, and retain highly qualified executives with the required background, skills, and experience to implement ASM's strategy in a highly competitive global industry;
- ensures that short-term operational results and long-term sustainable value creation are balanced; and
- is transparent, fair and reasonable, and aligns with the interests of ASM, shareholders, and other stakeholders in the medium- and long-term to deliver sustainable performance in line with ASM's strategy, purpose, and values. The focus on long-term value creation is also reflected in the mix between short-term variable and long-term variable pay target value and the link to the two key longer-term financial objectives as long-term incentive performance measures.

Overview of policy components

The Management Board Remuneration Policy is summarized in below table.

Summary of 2023 Remuneration Policy Management Board

Fixed remuneration (base salary)

Policy

Market positioning for the Total Target Cash Compensation (TTC) (base salary + STI) level is geared towards the median market levels based upon the Remuneration peer group.

Remuneration peer group

Does consist of 17 companies being selected according to industry (complexity), size, competition and geographical presence. The peer group represents a mix of European (2/3rd) and US companies (1/3rd).

Short-term incentive (cash bonus) (STI)

Policy

Target and maximum

Up to 125% of annual base salary for the CEO, with a maximum up to 187,5% of annual base salary (or 150% of target).

Up to 80% of annual base salary for the other Members of the Management Board, with a maximum of up to 120% of annual base salary (or 150% of target)

For 2023 following on-target payout levels apply: 125% of annual base salary for the CEO and 80% for the other Members of the Management Board.

Long-term incentive (share-based incentive) (LTI)

Policy

Target and maximum

Up to 200% of annual base salary for Management Board members in Europe (and rest of the world other than US), with an overall maximum up to 200% of target

Up to 450% of annual base salary for Management Board members in the US, with an overall maximum of 200% of target. A differentiated, regional approach applies based upon geographical location of the respective Management Board member (Europe and rest of the world or the US).

For 2023 following on-target grant levels apply : 180% of annual base salary for the CEO and 150% for the CFO (Europe-based) and 450% for the CTO (US-based).

Other elements

Policy

Management Board members are entitled to pension and fringe benefits or perquisites such as a company car (or allowance), representation and expense allowance, medical, disability and other insurances in line with local market practice. Additional benefits and allowances may be applicable in case of relocation or international assignment.

Share ownership guidelines

Policy

Management Board members are required to hold ASM shares in value of at least twice the annual base salary.

15.3 Remuneration of the Management Board in 2023

The 2023 Remuneration report refers to ASM's Remuneration Policy (see above).

The remuneration of the Management Board for the financial year 2023 reflects the implementation of and complies with the 2023 Remuneration Policy for the Management Board as summarized above and further explained below.

Remuneration philosophy and structure

ASM's remuneration philosophy for the Management Board is to incentivize and reward performance, while ensuring retention, motivation, competitiveness and fairness. A key factor is also alignment with shareholder interests. This is why our remuneration structure is articulated around three key pay-mix elements, plus benefits:

- Base salary (fixed gross annual salary)
- Short-term cash incentive (performance based)
- Long-term share incentive (performance based)

Our remuneration structure and competitiveness is regularly reviewed using a list of benchmark companies. All pay-mix elements are reviewed in this benchmarking analysis.

Base salary (fixed)

Each member of the Management Board receives a fixed base salary with a monthly payout. The base salary of the members of the Management Board is set based on the outcome of the benchmark analysis. The Supervisory Board reviews base salary on an annual basis and can, at its discretion, apply an annual increase to the base salary, based on market movement as well as adjustments made by the peer group.

Short-term incentives (cash bonus)

Each year, a short-term incentive can be earned based on achieving specific challenging targets. These targets are based for 75% on company financial targets and 25% on non-financial targets (of which, for 2023, two out of three related to ESG). The on-target bonus percentage for the CEO is 125% of the annual base salary, with a maximum payout of 187.5% of the annual base salary in case of overachievement. The on-target bonus percentage for the CFO and, respectively, the CTO is 80% of the annual base salary, with

a maximum payout of 120% of the annual base salary. The targets for the short-term incentive are based on the financial budget approved by the Supervisory Board before the start of the fiscal year.

Long-term incentives (performance shares)

Members of the Management Board are eligible to receive performance shares under the ASM International N.V. 2023 long-term incentive plan for members of the Management Board and ASM's Remuneration Policy to focus on the long-term interest of the company. Performance shares vest after three years, subject to meeting predetermined financial indicators and continued services. To show a longer-term commitment to ASM and align with shareholder interests, members of the Management Board are required to hold the vested performance shares for an additional two years ('holding period') after the vesting date. However, they are allowed to sell a part of the unconditional shares after three years for tax purposes. Performance shares will next be granted in April 2024.

The Supervisory Board will determine the number of performance shares granted for on-target performance. When doing so, the board will consider two predetermined financial indicators (each with respectively 50% weight): revenue growth compared to market (WFE) and average EBIT percentage measured over a three-year performance period. A third performance measure was introduced in 2023 for the new LTI grant, namely a relative TSR indicator. ASM applies a face-value approach to define the number of shares to be granted, which is calculated as follows: target level (calculated based on annual base salary) divided by the average share price of ASM on the Euronext Amsterdam stock exchange on the award date and the following four consecutive days. The award date is immediately following the date of the announcement of the first quarter financial results in April for the year the award takes place.

The target level of the long-term incentive is set at 180% of the annual base salary for the CEO and 150% respectively 450% for the CFO and CTO. The maximum number of shares granted in case of outperformance of the predetermined performance indicators is 150% of the number at on-target performance. In addition, the relative TSR modifier will kick in (as of vesting of the 2023 grant in 2026). The number of shares granted will be zero if achievement is below threshold level for both targets.

Outstanding performance shares

The following table shows the outstanding performance shares granted to members of the Management Board up until and including 2023, and held by members of the Management Board as at December 31, 2023:

	Grant date	Status	Number of shares at grant date	Performance adjustment	Vested in 2023	Outstanding December 31, 2023	Fair value at grant date	Vesting date	End of holding period
G.L. Loh ¹	Jul 29, 2020	Conditional	8,087	—	(8,087)	—	€123.31	Jul 29, 2023	Jul 29, 2025
G.L. Loh ¹	Apr 21, 2021	Conditional	4,184	—	—	4,184	€245.40	Apr 21, 2024	Apr 21, 2026
G.L. Loh ¹	Apr 21, 2022	Conditional	3,631	—	—	3,631	€313.72	Apr 21, 2025	Apr 21, 2027
G.L. Loh ¹	Apr 26, 2023	Conditional	4,052	—	—	4,052	€311.47	Apr 27, 2026	Apr 27, 2028
P.A.H. Verhagen ²	Jul 28, 2021	Conditional	2,159	—	—	2,159	€291.97	Jul 28, 2024	Jul 28, 2026
P.A.H. Verhagen ²	Apr 21, 2022	Conditional	2,204	—	—	2,204	€313.72	Apr 21, 2025	Apr 21, 2027
P.A.H. Verhagen ²	Apr 26, 2023	Conditional	2,583	—	—	2,583	€311.47	Apr 27, 2026	Apr 27, 2028
H. M'Saad ³	Apr 26, 2023	Conditional	8,099	—	—	8,099	€311.47	Apr 27, 2026	Apr 27, 2028
Total			34,999	—	(8,087)	26,912			

¹ CEO since May 18, 2020.

² CFO since June 1, 2021.

³ CTO since May 16, 2022.

⁴ As part of the approved contractual terms and conditions 997 restricted share units have been granted to the CFO at hire on July 28, 2021 with a grant value of € 300.000, of which 332 did vest on July 28, 2022 and 332 on July 28, 2023.

The shares will become unconditional after three years, depending on whether predetermined targets are achieved or not.

Pension arrangement

The members of the Management Board are given the opportunity to participate in a defined contribution plan for their salary up to €128,810. For the salary above €128,810, 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.

Total remuneration of Management Board

The following table provides an overview of the 2023 remuneration elements in € thousands for the CEO, the CFO, respectively the CTO, as recognized by the company.

Name of director, position	1				2				3		4		5	
	Fixed remuneration (K€)				Variable remuneration (K€)				Pension expense (K€)		Total remuneration (K€)		Proportion of fixed and variable remuneration	
	Base salary		Fringe benefits		Short-term cash incentive (STI)		Share-based payment expenses (LTI) ²							
	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023
G.L. Loh	666	722	60	61	883	1,263	1,020	1,459	109	120	2,738	3,625	44 %	33 %
P.A.H. Verhagen	534	558	44	46	575	618	550	849	87	90	1,790	2,161	59 %	47 %
H. M'Saad ¹	366	570	122	106	395	631	—	572	18	32	901	1,911	128 %	59 %
Total	1,566	1,850	226	213	1,853	2,512	1,570	2,880	214	242	5,429	7,697		

¹ New CTO since May 16, 2022. The amounts shown reflect his remuneration during his MB membership.

² The remuneration reported as part of the LTI (share awards) is based on costs incurred under accounting values EU-IFRS. The costs of share awards are charged to the consolidated statement of profit or loss over the three-year vesting period based on the number of awards expected to vest. For the first year we account at target, subsequently we apply the estimated number of share awards, and in the final performance year of the awards we update this estimate to the best estimated number of awards which are anticipated to vest.

Explanation of the above-mentioned five components:

1. Fixed remuneration

1.1. Base salary. This is the fixed annual gross base salary. A salary increase of 10% for the CEO and 5% for the CFO and CTO has been implemented as of April 1, 2023, in line with market movement in the Netherlands.

1.2. Fringe benefits. This represents the value of benefits and perquisites awarded, such as a company car, a representation and expense allowance, the premium for health and disability insurance, and social-security contributions.

2. Variable remuneration

2.1. Short-term Incentive (STI). Each year, a short-term incentive can be earned based on achieving specific challenging targets. The short-term incentive recognizes three levels: threshold, on-target, and stretch.

The target level is generally aligned with the budget as reviewed and approved by the Supervisory Board. Achievement at target level results in a payout of 100% of the STI value. The stretch level is set to promote extra-performance. If the performance does not meet the threshold level, the related part of the bonus will be zero.

If the actual realization is between threshold and on-target or between on-target and stretch, the payout will be based on the relative deviation against these levels. The targets are 75% based on company financial targets (equally divided between revenue, EBIT, and free cash flow) and 25% based on non-financial targets (of which 2 out of 3 related to ESG in 2023).

For 2023, the CEO, CFO respectively the CTO realized overall an over-achievement on STI (137% rounded – see table below). This is the outcome of strong financial performance on the one hand and a slightly above target overall achievement on non-financial performance measures on the other hand. However the overall achievement on non-financial performance measures has been adjusted downwards by the Supervisory Board at their discretion, taking into consideration that some qualitative aspects of the strategic roadmap have not been achieved. Therefore the overall STI performance achievement amounts to 137%, as such reflecting another year of overall outstanding results.

STI target-setting and realization

Targets are set at the beginning of each financial year and aligned with the budget as approved by the Supervisory Board. The non-financial, strategic targets are aligned with ASM's most important strategic priorities in a performance year. For each performance indicator, a target performance level is defined that represents the expected performance

in a performance year (target). The threshold level defines the minimum level of performance, below which payout is 0%. The maximum or stretch level of performance is 150% of target level.

STI performance measures

STI realization 2023 performance year: (achievement rate)

Financials (Total weight: 75%)

Targets set by budget as approved by the Supervisory Board

Sales (Weight: 25%)	Revenue achievement at constant currencies (actual revenue recalculated at budget currency).	150%
EBIT (Weight: 25%)	EBIT excluding one-off non-budgeted items (e.g. M&A and related PPA amortization).	146%
Free cash flow (Weight: 25%)	Net cash flow from operating activities after investment activities excluding non-budgeted M&A and excluding ASMPT dividends.	150%

Non-financials (Total weight: 25%)

ESG/Planet (Weight: 1/3)	Continuation science-based targets reduction pathway to accelerate decarbonization throughout the value chain. Target: • Scope 1 & 2: Annual Pathway: 4% reduction • Scope 3/3.1 & 3.11: 3.1 - 2% reduction / 3.11 - 2.5% reduction Stretch: • Scope 1 & 2: 5% reduction • Scope 3/3.1 & 3.11: 3.1 - 3% reduction / 3.11 - 4% reduction	125%
Trans4rm! (Weight: 1/3)	3-year program transforming and enhancing ASM's global business processes through the implementation of SAP S/4HANA. Target: • Blueprint sign-off / Business process descriptions completed Stretch : • WRICEF (Workflow, Report, Interface, Conversion, Enhancement, Form) requirements list completed and prioritization in progress	90%
ESG/People (Weight: 1/3)	Continuation of ASM's People Roadmap, reflecting ASM's commitment to leadership development, D&I, culture and engagement. Target: • Leadership: ExCo-1 successors identified • D&I: 2023 roadmap defined & gender diversity target met • Culture and engagement: ASM behaviors 'ACE' awareness built + Engagement pulse survey: Meaningful improvement on Inclusion index score & ACE index score. High participation rate: 94%. Stretch: • Leadership: ExCo-1 Succession (met), including external talent mapping (not met) • D&I: Gender diversity target plus met (19%), gender diversity for new hires met (21%) • Culture and engagement: Engagement pulse survey: Inclusion index score 4.10 (met) & ACE index score 4.05 (actual 3.9)	100%

2.2. Share-based payment or long-term incentives (LTI). This is a multi-year variable payment of which the value is the value of a performance share award that has become unconditional after a performance period of three years. The unconditional award is the result of targets on revenue growth compared to market and average EBIT.

As of the end of 2023, the three-year performance period of the performance shares granted to the CEO on April 21, 2021, and to the CFO on July 28, 2021 has been completed. Over the three-year performance period ASM's revenue growth outperformed the WFE market indicator, and the EBIT % overachieved the roadmap predetermined at the beginning of the period, hence leading to a vesting percentage of the performance shares on April 21, 2024 respectively July 28, 2024 of 135% (rounded).

For 2023, based on the Remuneration Policy, the Supervisory Board awarded the following on-target value to:

- Mr Loh, CEO: €1,329,792 (4,052 shares)
- Mr Verhagen, CFO: €847,667 (2,583 shares)
- Mr M'Saad, CTO: €2,657,979 (8,099 shares)

3. Pension

As of 2015, members of the Management Board no longer participate in the industry-wide pension fund. They have opted to participate in a defined contribution plan for their full-time salary up to €128,810. ASM reimburses an amount equal to the employer pension contribution for their full-time salary above €128,810. The CEO, CFO and CTO can opt either to participate in a net pension plan offered by the company or to have the cost for participating paid out directly. The pension contributions vary from 7.2% to 28.4% of the pensionable salary, depending on age. The members of the Management Board contribute 4.6% of their pensionable salary, and ASM pays the remaining part. There are no arrangements regarding early retirement. The CTO – being based in the US – continued his participation in the 401(k) retirement savings plan.

4. Total remuneration

Value equals sum of 1, 2, and 3 as described above.

5. Proportion of fixed and variable remuneration

5.1. The relative proportion of fixed remuneration: By dividing the sum of fixed components (column 1 and the fixed part of pension expense presented in column 3) by the amount of total remuneration (column 4), multiplied by 100.

5.2. The relative proportion of variable remuneration: By dividing the sum of the variable components (columns 2 and the variable part of the pension expense in column 3, if any) by the amount of total remuneration (column 4), multiplied by 100.

Management services agreements

The CEO, CFO and CTO have a management services agreement with ASM or one of its related subsidiaries, in accordance with Dutch law, for four years:

- Mr Loh started on May 18, 2020, and was appointed for a four-year term based on a management services agreement.
- Mr Verhagen started on June 1, 2021, and was appointed for a four-year term based on a management services agreement.
- Mr M'Saad started on May 16, 2022, as MB member, and was appointed for a four-year term based on a management services agreement.

As mentioned in the management services agreements of the members of the Management Board, in the case of termination of the contract on behalf of the company, the members of the Management Board are eligible for a severance payment of a maximum one-year annual gross base salary.

Claw back and ultimum remedium

In exceptional circumstances, the Supervisory Board will have the discretionary authority to recover any 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 an unfair result due to extraordinary circumstances 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 concluded for 2023 that no circumstances have been identified that result in any adjustments (other than the minor adjustment as mentioned above under STI non-financial performance measures) or claw back of variable remuneration.

Comparative information on the change of remuneration and company performance

The figures presented are indexed compared to the previous financial year.

Annual change	2019/2018	2020/2019	2021/2020	2022/2021	2023/2022	Information regarding 2023
Management Board remuneration						
G.L. Loh, CEO (as of May 18, 2020)	— %	— %	210 %	120 %	132 %	
P.A.H. Verhagen, CFO (as of June 1, 2021)	— %	— %	— %	159 %	121 %	
H. M'Saad, CTO (as of May 16, 2022)	— %	— %	— %	— %	212 %	
P.A.M. van Bommel, CFO (until May 17, 2021)	123 %	101 %	66 %	— %	— %	Former CFO retired May 17, 2021
C.D. del Prado, CEO (until May 18, 2020)	124 %	64 %	— %	— %	— %	Former CEO retired May 18, 2020
Company performance						
Revenue	157 %	103 %	130 %	139 %	109 %	
EBIT	171 %	142 %	150 %	128 %	103 %	
Free cash flow	418 %	48 %	222 %	25 %	667 %	
Qualitative/non-financial strategic objectives/targets	128 %	88 %	98 %	98 %	80 %	
Average remuneration of employees (K€)						
	2019	2020	2021	2022	2023	
Average remuneration of employees	85	88	87	99	111	
CEO pay ratio	31	27	29	27	31	

The ratio of the CEO's remuneration and the average remuneration of all other employees (the pay ratio) is calculated by dividing the CEO's remuneration by the average remuneration of all employees. The CEO's remuneration is the total annualized base salary and bonus of the CEO as well as share-based payment (extrapolated to a full year LTI value based upon three consecutive yearly grants with each a 36-month vesting period). The average remuneration of all employees is calculated by dividing the total personnel costs (wages, salaries, bonuses and share-based payments), minus the CEO's remuneration, by the total number of employees (minus CEO). The pay ratio is in line with

the anticipated internal development of pay levels and at the lower end compared to the AEX listed companies.

The 2023 ASM Remuneration report considers the draft guidelines to specify the standardized presentation of the Remuneration report as stated in Directive 2007/36EC of the European Parliament, and amended by Directive (EU) 2017/828, Article 9b (6).

This report is the Remuneration report required in accordance with article 2:135b of the Dutch Civil Code and the Dutch Corporate Governance Code.

15.4 Remuneration of the Supervisory Board

The 2023 Remuneration report refers to the Remuneration Policy of ASM, which can be found [here](#).

Summary of Remuneration of the Supervisory Board

This table provides an overview and description of the elements of the 2022 Remuneration Policy for the Supervisory Board.

Fixed remuneration		
Description	Value	
Fixed remuneration in cash consisting of a retainer fee for the Chairperson and Members, and additional fees related to the responsibilities in the respective Committees.	Chair of the Supervisory Board	€97,500
	Member of the Supervisory Board	€66,000
	Chair of the Audit Committee	€15,000
	Member of the Audit Committee	€10,000
	Chair of the Nomination, Selection and Remuneration Committee	€11,000
	Member of the Nomination, Selection and Remuneration Committee	€7,400

Travel expenses		
Description	Value	
Actual and reasonable travel expenses are reimbursed together with a travel allowance following physical attendance of meetings	Continental travels	€2,500 (with a maximum of €10,000 per year)
	Intercontinental travels	€5,000 (with a maximum of €20,000 per year)

Other expenses		
Description	Value	
Reimbursement of actual expenses	Actual expenses	

Loans and guarantees	
Description	Value
No personal loans, guarantees or advance payments are provided.	Not applicable

Shares and share ownership	
Description	Value
No shares or rights on shares are granted as part of the remuneration.	Not applicable

Other arrangements	
Description	Value
No severance, change-in-control or claw-back arrangements are in place.	Not applicable

The following tables presents information on the sole remuneration from the company (including its subsidiaries) for services in all capacities to all current and former members of the Supervisory Board:

	Year ended December 31,				
	Annual fee	Committee fee	Allowances ²	Total remuneration	
	2023	2023	2023	2023	2022
Supervisory Board:					
P.F.M. van der Meer Mohr ¹	97.5	7.4	12.5	117.4	103.2
S. Kahle-Galonske	66.0	15.0	15.0	96.0	101.0
M.J.C. de Jong	66.0	10.0	5.0	81.0	86.0
D.R. Lamouche	66.0	11.0	15.0	92.0	97.0
M. de Virgiliis	66.0	10.0	12.5	88.5	96.0
A.T. Sanchez	66.0	17.4	22.5	105.9	105.9
Total	427.5	70.8	82.5	580.8	589.1

¹ Appointed as Chair of the Supervisory Board as of May 16, 2022

² Consist of allowances for (inter)continental meetings.

	Year ended December 31,				
	Annual fee	Committee fee	Allowances ²	Total remuneration	
	2023	2023	2023	2023	2022
Former Supervisory Board:					
M.C.J. van Pernis ¹	—	—	—	—	41.3
Total	—	—	—	—	41.3

¹ Period to May 16, 2022.

² Consist of allowances for (inter)continental meetings.

Annual change	2019/2018	2020/2019	2021/2020	2022/2021	2023/2022
Supervisory Board remuneration					
P.F.M. van der Meer Mohr	— %	— %	— %	806 %	114 %
J.C. Lobbezoo	106 %	100 %	38 %	— %	— %
M.C.J. van Pernis	104 %	100 %	119 %	60 %	— %
U.H.R. Schumacher	105 %	38 %	— %	— %	— %
S. Kahle-Galonske	107 %	100 %	100 %	168 %	95 %
M.J.C. de Jong	169 %	100 %	106 %	141 %	94 %
D.R. Lamouche	— %	— %	166 %	168 %	95 %
M. de Virgiliis	— %	— %	161 %	167 %	92 %
A.T. Sanchez	— %	— %	— %	827 %	100 %

Any recommended changes to the remuneration of members of the Supervisory Board will be submitted to the Annual General Meeting for approval.

The remuneration of members of the Supervisory Board was most recently revised during the 2022 Annual General Meeting.

Derogations from Remuneration Policy

The Supervisory Board has not derogated or deviated from the Remuneration Policy.

ASM does not provide any loans, advanced payments, deposits, or related guarantees to the Supervisory Board members (nor to the CEO, CFO or CTO).

Ahead of what's next

Feedback and questions

Please feel free to contact us if you have any feedback on or questions about our Annual Report:
investor.relations@asm.com

ASM International N.V.

Versterkerstraat 8
1322 AP Almere
The Netherlands

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