
Key differences between the current Existing Remuneration Policy for the members of the Management Board as adopted in 2022, and the Remuneration Policy Management Board as proposed to the Annual General Meeting of Shareholders of ASM International N.V. (“ASM”) at May 15, 2023.

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

1. Adjustments to the Management Board remuneration peer group 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.
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.
3. 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.
4. 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.
5. 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).

Item	Existing Remuneration Policy (2022)	Proposed Remuneration Policy Management Board (2023 - onwards)	Comment
<p>1. <i>Adjustments to the Management Board remuneration peer group</i></p>	<p>The remuneration peer group under the current Remuneration Policy consists of 21 companies, among which multiple US companies.</p>	<p>Under the proposed Remuneration Policy the remuneration peer group will consist of 17 companies (of which 11 retained from the existing 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. <i>Updated incentive levels under the Short-Term Incentive ("STI") Plan, differentiated between the CEO and other Management Board members</i></p>	<p>Under the current Remuneration Policy, the CEO will be 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 will be eligible for a bonus 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 does not meet the threshold level (set at</p>	<p>In the proposed 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' pay-out for these criteria, and the 'stretch' level representing an exceptional level of performance awarding a maximum level of pay-out.</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 the base salary in case of performance achievement</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>70% of the target level), the related part of the bonus will be zero.</p> <p>In case the financial performance of ASM in any year does not warrant a bonus pay-out, the Supervisory Board will decide by discretion to decrease the bonus pay-out.</p> <p>The bonus performance criteria are 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>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.</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>3. <i>The introduction of a pre-defined list of performance criteria for the Short-Term incentive plan</i></p>	<p>In the current Remuneration Policy the financial performance criteria are predetermined prior to the start 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 indicators (75%) are:</p> <table border="0" data-bbox="680 1241 1055 1380"> <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>	Performance criteria	weight	Sales	1/3 rd	EBIT	1/3 rd	Free Cash Flow	1/3 rd	<p>Under the proposed 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.</p> <p>Performance measures and weighting may differ year on year</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	1/3 rd										
EBIT	1/3 rd										
Free Cash Flow	1/3 rd										

	<p>The Supervisory Board determines the non-financial indicators (25%) prior to the start of the relevant financial year. 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.</p> <p>In general performance indicators are defined for the term of this policy. Material changes will be explained and proposed to the General Meeting for approval.</p>	<p>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</p>	
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		measures may include amongst others: ESG measures, operational measures, strategic measures, customer measures and/or leadership measures.	
4. <i>The introduction of a relative Total Shareholder Return (“TSR”) modifier to the Long-Term Incentive (“LTI”) Plan</i>	Under the current Remuneration Policy the number of performance shares granted for on target performance will be determined by the Supervisory Board preceding 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.	Under the proposed 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. <i>TSR modifier effect and incentive zone</i> 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	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>TSR performance is above the median of the peer group.</p> <p><i>TSR peer group</i> 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>5. <i>Updated incentive levels under the Long-Term Incentive ("LTI") Plan</i></p>	<p>In the current Remuneration Policy the target level of the LTI is set at 165% of base salary for the CEO and at 450% of base salary for the current CTO -to be competitive in</p>	<p>It is proposed that the target level of the LTI is differentiated for Management Board members, based on geographical location of the respective individuals, whereby</p>	<p>This modification follows from a differentiated geographical approach to grant levels (reflecting market differences between Europe</p>

	<p>the US market- and at 125% of base salary for the CFO.</p> <p>The maximum number of shares that will be granted in case of outperformance of the predetermined performance indicators is 150% of the number for on target performance. The number of shares vesting will be zero in case none of the targets are met.</p>	<p>distinction is made between Management Board members in Europe (and rest of the world) and the US.</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>(and rest of the world), and the United States).</p>
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Additional Information

- Willis Towers Watson (WTW) acted as independent professional advisor to ASM in connection with the proposed remuneration policy.