

Agenda

Jaarlijkse Algemene Vergadering van Aandeelhouders ("AVA") van BE Semiconductor Industries N.V. ("Besi" of de "Vennootschap") te houden op **donderdag 25 april 2024** om 10.30 uur op het hoofdkantoor van de Vennootschap, Ratio 6 te Duiven.

1. Opening

Financieel jaar 2023

2. Bespreking van het jaarverslag 2023
 - a. Bespreking van het bestuursverslag 2023 (ter bespreking)
 - b. Bespreking naleving Corporate Governance Code (ter bespreking)
3. Bespreking en vaststelling van de jaarrekening 2023 (ter stemming)
4. Dividend
 - a. Reserverings- en dividendbeleid (ter bespreking)
 - b. Vaststelling van dividend (ter stemming)
5. Decharge
 - a. Decharge van de directeur voor het gevoerde beleid (ter stemming)
 - b. Decharge van de commissarissen voor het gehouden toezicht (ter stemming)

Bezoldiging

6. Adviserende stemming remuneratierapport 2023 (ter adviserende stemming)
7. Beloning commissarissen (ter stemming)

Machtigingen

8. Machtiging van de Directie
 - a. tot uitgifte van gewone aandelen en verlening van rechten tot het nemen van gewone aandelen, en (ter stemming)
 - b. tot uitsluiting of beperking van het voorkeursrecht op gewone aandelen en op rechten tot het nemen van gewone aandelen (ter stemming)
9. Machtiging van de Directie tot het verkrijgen van gewone aandelen (ter stemming)
10. Vermindering van het geplaatste aandelenkapitaal door intrekking van gewone aandelen (ter stemming)

Overig

11. Rondvraag
12. Sluiting

Toelichting

op de agenda voor de AVA van Besi te houden op 25 april 2024.

Agendapunt 2 – Bespreking van het jaarverslag 2023

a. Bespreking van het bestuursverslag 2023

De Directie zal verslag doen van de hoofdpunten van het jaarverslag 2023. Het jaarverslag 2023 is beschikbaar op de website van de Vennootschap: www.besi.com en ligt ter kennisneming ten kantore van de Vennootschap, Ratio 6, 6921 RW Duiven, tel. (+31) 26 3194500, email: info@besi.com, en bij ABN AMRO Bank N.V. via email: ava@nl.abnamro.com. Op verzoek wordt het kosteloos beschikbaar gesteld aan de aandeelhouders van de Vennootschap en andere vergadergerechtigden.

b. Bespreking naleving Corporate Governance Code

De Directie zal verslag doen van de hoofdlijnen van de corporate governance structuur van Besi en de naleving van de Corporate Governance Code. De corporate governance structuur en de hoofdpunten op de naleving van de Corporate Governance Code zijn opgenomen in het jaarverslag 2023 op pagina's 104 tot en met 109, en beschikbaar zoals opgenomen onder agendapunt 2.a.

Agendapunt 3 – Bespreking en vaststelling van de jaarrekening 2023

De jaarrekening 2023, als opgenomen in het jaarverslag 2023, is voorzien van een goedkeurende verklaring door Ernst & Young Accountants LLP. De Raad van Commissarissen en de Directie stellen de Algemene Vergadering van Aandeelhouders voor om de jaarrekening 2023 vast te stellen.

Agendapunt 4 – Dividend

a. Reserverings- en dividendbeleid

In overeenstemming met de Corporate Governance Code zal de Directie toelichting geven op het reserverings- en dividendbeleid van de Vennootschap.

Bij de jaarlijkse overweging om dividend uit te keren baseert de Directie zich op (i) het behaalde en verwachte financiële resultaat en de liquiditeits- en financieringsbehoeften van Besi, de dan geldende marktvooruitzichten en Besi's strategie, marktpositie en acquisitiestrategie, en/of (ii) een uitkeringsratio van 40-100% van Besi's nettoresultaat met een aanpassing als de factoren onder (i) daar aanleiding toe geven.

b. Vaststelling van dividend

Gezien Besi's resultaat en kasstroom over 2023, de huidige kaspositie en de marktvooruitzichten, wordt voorgesteld om een bedrag gelijk aan 94% van het nettoresultaat van Besi als dividend voor het boekjaar eindigend op 31 december 2023 uit te keren. De Directie, met goedkeuring van de Raad van Commissarissen, stelt derhalve voor om een contant dividend uit te keren gelijk aan € 2,15 per gewoon aandeel.

Vanaf 3 mei 2024 zal betaling van het dividend plaatsvinden. Indien het dividendvoorstel wordt aangenomen, zullen de gewone aandelen op 29 april 2024 ex-dividend noteren en zal de dividend-registratiedatum op 30 april 2024 worden gesteld.

Agendapunt 5 – Decharge

a. Decharge van de directeur voor het gevoerde beleid

Voorgesteld wordt om de directeur decharge te verlenen voor het in 2023 gevoerde beleid. De decharge zal worden verleend op basis van hetgeen daartoe vermeld staat in het jaarverslag 2023 of anderszins publiekelijk bekend is gemaakt.



Besi

b. Decharge van de commissarissen voor het gehouden toezicht

Voorgesteld wordt om ieder van de commissarissen decharge te verlenen voor het in 2023 gehouden toezicht. De decharge zal worden verleend op basis van hetgeen daartoe vermeld staat in het jaarverslag 2023 of anderszins publiekelijk bekend is gemaakt.

Agendapunt 6 – Adviserende stemming remuneratierapport 2023

Het remuneratierapport 2023 is opgenomen in het jaarverslag 2023 op pagina's 110 tot en met 130, opgenomen als Bijlage 1 bij deze agenda en beschikbaar op de website van de Vennootschap: www.besi.com. Het is opgesteld in overeenstemming met artikel 135b van Boek 2 Burgerlijk Wetboek. In overeenstemming met deze wetgeving zal het remuneratierapport 2023 worden besproken en ter adviserende stemming aan de Algemene Vergadering van Aandeelhouders worden voorgelegd.

Agendapunt 7 – Beloning commissarissen

De bezoldiging van de commissarissen wordt periodiek herzien en is voor het laatst gewijzigd tijdens de AVA van 26 april 2018. Gezien de groei van de onderneming, de toegenomen complexiteit, tijdsbesteding, verantwoordelijkheden en benodigde vaardigheden om het toezicht op de onderneming uit te voeren, stelt de Raad van Commissarissen, op voorstel van zijn Remuneratiecommissie, voor om de bezoldiging van de Raad van Commissarissen te verhogen met ingang van 1 januari 2024. Het voorstel betreft een wijziging op het hoofdstuk "Remuneration Policy 2024 Supervisory Board" in het Bezoldigingsbeleid 2024. Het voorgestelde gewijzigde Bezoldigingsbeleid 2024, dat betrekking heeft op de beloning van de Raad van Commissarissen, is opgenomen in Bijlage 2 bij deze agenda.

De voorgestelde verhoging is als volgt:

- Lid van de Raad van Commissarissen, inclusief commissielidmaatschap(pen), van € 62.700 naar € 86.750
- Lid van de Raad van Commissarissen, en voorzitter van een commissie, van € 66.000 naar € 91.750
- Voorzitter van de Raad van Commissarissen, van € 79.200 naar € 113.125

De intercontinentale reiskostenvergoeding voor een minimale fysieke aanwezigheid bij drie vergaderingen van € 6.000 vervalt in dit voorstel.

Met betrekking tot dit voorstel wil de Raad van Commissarissen opmerken dat hij is geadviseerd door een onafhankelijke externe deskundige op dit gebied en dat het advies is gebaseerd op een compensatiebenchmark van AEX- en AMX-bedrijven in overeenstemming met het Bezoldigingsbeleid 2024. De voorgestelde beloning bevindt zich in het laagste kwartiel van de AEX benchmark en in het hoogste kwartiel van de AMX benchmark.

Agendapunt 8 – Machtiging van de Directie

a. Machtiging van de Directie tot uitgifte van gewone aandelen en verlening van rechten tot het nemen van gewone aandelen

Voorgesteld wordt om de huidige machtiging van de Directie, welke verleend is tot 26 oktober 2024, te vernieuwen om de Directie in staat te stellen om te besluiten, met goedkeuring van de Raad van Commissarissen, tot uitgifte van gewone aandelen en verlening van rechten tot het nemen van gewone aandelen tot een maximum van 10% van het geplaatste aandelenkapitaal van de Vennootschap ten tijde van de machtiging, te weten 25 april 2024.

Voorgesteld wordt om deze nieuwe machtiging te laten gelden voor de periode van 25 april 2024 tot 25 oktober 2025. Dit voorstel wordt gedaan om de Directie in staat te stellen de Vennootschap op een zo efficiënt mogelijke wijze te financieren. Na goedkeuring zal de huidige machtiging niet meer worden gebruikt.

b. Machtiging van de Directie tot uitsluiting of beperking van het voorkeursrecht op gewone aandelen en op rechten tot het nemen van gewone aandelen

Voorgesteld wordt om de huidige machtiging van de Directie, welke verleend is tot 26 oktober 2024, te vernieuwen om de Directie in staat te stellen om te besluiten, met goedkeuring van de Raad van Commissarissen, tot uitsluiting

of beperking van het voorkeursrecht op gewone aandelen en op rechten tot het nemen van gewone aandelen, uitgegeven op grond van de onder agendapunt 8.a. genoemde delegatie.

Voorgesteld wordt om deze nieuwe machtiging te laten gelden voor de periode van 25 april 2024 tot 25 oktober 2025. Dit voorstel wordt gedaan om de Directie in staat te stellen de Vennootschap op een zo efficiënt mogelijke wijze te financieren. Na goedkeuring zal de huidige machtiging niet meer worden gebruikt.

Agendapunt 9 – Machtiging van de Directie tot het verkrijgen van gewone aandelen

Voorgesteld wordt om de machtiging van de Directie te vernieuwen om, met goedkeuring van de Raad van Commissarissen, namens de Vennootschap, anders dan om niet, gewone aandelen te verkrijgen tot een maximum aantal gewone aandelen gelijk aan 10% van het geplaatste aandelenkapitaal van de Vennootschap ten tijde van de machtiging, 25 april 2024, en overigens binnen de grenzen zoals vastgelegd in de wet en de statuten zoals deze van tijd tot tijd zullen luiden. De verkrijging mag op elke wijze worden geëffectueerd, daaronder begrepen onderhandse transacties en transacties ter beurse. De prijs zal gelegen moeten zijn tussen het bedrag gelijk aan de nominale waarde van de gewone aandelen en het bedrag gelijk aan 110% van de beursprijs. Onder beursprijs zal worden verstaan het gemiddelde van de hoogste prijs per gewoon aandeel voor elk van de vijf beursdagen voorafgaande aan de dag van de verkrijging blijkens de Officiële Prijscourant van Euronext Amsterdam.

Deze nieuwe machtiging zal gelden voor een periode van 18 maanden, te rekenen vanaf 25 april 2024, tot 25 oktober 2025. Deze machtiging stelt de Directie onder meer in staat om aandeleninkoopprogramma's op efficiënte wijze uit te voeren, onder meer voor kapitaalverminderingsoepleinden. Na goedkeuring zal de huidige machtiging niet meer worden gebruikt.

Agendapunt 10 – Vermindering van het geplaatste aandelenkapitaal door intrekking van gewone aandelen

De Directie stelt voor aan de Algemene Vergadering van Aandeelhouders, met goedkeuring van de Raad van Commissarissen, om het geplaatste aandelenkapitaal van de Vennootschap te verminderen door intrekking van gewone aandelen die worden gehouden door de Vennootschap. Het aantal gewone aandelen dat zal worden ingetrokken (al dan niet in een tranche) zal door de Directie naar eigen goeddunken worden vastgesteld, maar mag niet meer bedragen dan 10% van het geplaatste aandelenkapitaal van de Vennootschap per 25 april 2024. De intrekking kan plaatsvinden in één of meer tranches en op tijdstippen die door de Directie naar eigen goeddunken worden vastgesteld. Een vermindering van het geplaatste aandelenkapitaal van de Vennootschap door intrekking van gewone aandelen vindt plaats met inachtneming van de toepasselijke bepalingen van de wet en de statuten zoals deze van tijd tot tijd zullen luiden. Het doel van de intrekking van gewone aandelen is het optimaliseren van de kapitaalstructuur van de vennootschap.

Remuneration Report



2023 Remuneration Report

Introduction

We are pleased to present the 2023 Remuneration Report to stakeholders. The Remuneration Committee (the "Committee") concluded that the Board of Management delivered impressive results this year with respect to the key metrics most relevant to the Company's short- and long-term sustainable value creation and business objectives despite a significant industry downturn in the assembly equipment market. Besi, under the leadership of the Board of Management, responded quickly and effectively to adverse market conditions by rapidly aligning its production and overhead with changing market conditions in order to enhance its market position, increase gross margins and maintain peer leading financial performance. Increased R&D investment continued as Besi further built out its wafer level assembly portfolio and responded effectively to the industry's capacity expansion for future generative AI and high-performance computing applications. Shareholders responded favorably to Besi's progress and prospects for the next industry upcycle, which combined with superior financial metrics and strong execution of strategic initiatives resulted in a total shareholder return of 149.7% in 2023. In addition, we distributed € 435.5 million to shareholders in the form of dividends and share repurchases which has increased the total capital allocation to shareholders since 2011 to € 1.9 billion repurchases (including the dividend proposed for 2023), representing approximately 30% of cumulative revenue during this period.

In addition, we expanded our operational footprint in Malaysia, Singapore and Vietnam this year in response to customers' re-allocation of certain production outside of China and in anticipation of the growth of hybrid bonding and other advanced packaging technologies. Further, forty-two management members and key customers participated in a four-month, comprehensive strategic review to analyze current strengths and weaknesses and formulate new initiatives for the achievement of business model objectives in the 2023-2027 period. Significant progress also was achieved on Besi's ESG agenda as we made advances in the sustainable design of our platforms, positioned ourselves to meet or exceed challenging targets set for 2024 and launched many new initiatives across the Company to further reduce our environmental footprint. Moreover, we performed a Double Materiality Assessment as a precondition for adherence to CSRD requirements in 2024. Our ESG ratings with the major publicly recognized frameworks such as Sustainalytics, S&P Global, ISS ESG and MSCI also improved materially, underscoring Besi's commitment to excel in this area. In addition, we set an objective of reaching net zero greenhouse gas emissions in our operations by 2030, incorporating all Scope 1 & 2 emissions. All such actions continued to advance Besi's future business prospects, market position and long-term sustainable value creation for shareholders.

Besi achieved exceptional value creation during the period of the current Remuneration Policy 2020-2023 including its financial and stock market performance, capital allocation, strategic positioning, new product development and ESG progress. Specifically, over the period 2020-2023, revenue, gross margins and net income each increased by 62.5%, 9.1 points and 117.8%, respectively. In addition, a total of € 1.1 billion was returned to shareholders in the form of dividends and share repurchases. Similarly, the market capitalization of Besi's shares increased from € 2.5 billion to € 10.5 billion at year end 2023. Further, our estimated market share of our addressable market increased from 28.5% in 2020 to 32.3% in 2022 with an estimated 74% market share in the advanced die placement market as defined by TechInsights. Further, we invested € 221 million in R&D during the period to develop the industry's most advanced wafer level and advanced packaging assembly portfolios. In addition, Besi organized an important development agreement with Applied Materials to enhance the commercial adoption of hybrid bonding assembly, a generational shift in advanced packaging. Hybrid bonding and other wafer level assembly technologies will usher in a new generation of heterogeneous device architectures to further artificial intelligence and high-performance computing applications in our principal end-user markets and facilitate the extension of Moore's law beyond its current limits. Finally, Besi made a substantial commitment to further its ESG ambitions during the 2020-2023 period, organizing challenging targets through 2030 including compliance with substantially all relevant frameworks and reporting requirements. We have already exceeded initial goals set for 2022 and are well on our way to meeting or exceeding targets set for 2024.

EXCEPTIONAL VALUE CREATION 2020 - 2023*

Market Cap	€ 2.5B to € 10.5B 4.2x increase	Revenue	Leader advanced packaging +62.5%	ROAE	Best in class + 9.5 points
Net Margin	Peer leading + 7.8 points	Gross Margin	Superior through cycle profitability +9.1 points	Capital Allocation	€ 1.1B 45% of revenue

* Market capitalization at year end 2023 versus year end 2019. Income statement items and capital allocation for four-year period 2020-2023.

SHARE PRICE OUTPERFORMANCE

Total Return	1 year	3 years	5 years
Besi	149.7%	210.3%	812.5%
Direct peers	82.5%	96.3%	276.8%
SOX index	67.0%	55.4%	289.7%

- Total Shareholder Return includes reinvestment of dividends.
- Besi returns calculated in euro. Philadelphia SOX returns calculated in US dollar.
- Peer group average consists of Kulicke & Soffa, ASM PT, and Disco Corp.

Source: Refinitiv Data Stream

Our outreach with shareholders has also increased substantially over the past five years as more investors and industry analysts have expressed interest in Besi's market segment, business and progress. The increase has been due, in part, to significant changes in our future prospects, scale, efficiency, profitability, market capitalization, shareholder composition and increased trading liquidity. As such, Besi was upgraded to the AEX in 2021. In addition, the number of research analysts covering the Company more than doubled from 9 in 2020 to 21 currently. On an ongoing basis, Besi maintains extensive and ongoing dialogue with its global shareholder base via an active investor relations program comprised of one-on-one investor calls, conferences in North America, Europe and Asia and frequent conversations with industry analysts on topics including Besi's business development, prospects, ESG and corporate governance.

Shareholder issues addressed in 2024 Remuneration Policy

A new Remuneration Policy 2024 was approved by shareholders at Besi's Annual General Meeting on April 26, 2023 ("2023 AGM") which received 94.7% support. In formulating the new policy, we hired an independent external consultant, conducted extensive shareholder engagement with approximately 25% of our shareholder base and evaluated changes in legislation, market developments and external market best practices. We gathered valuable feedback from other stakeholders as well.

The new Remuneration Policy 2024 reflects best market practices, taking into account further contribution to sustainable long-term value creation and is responsive to shareholder concerns and replaces, in particular, additional discretionary LTI performance-based awards as part of the Board of Management's remuneration in favor of traditional LTI awards only. In addition, the new remuneration policy applicable as from 2024 provides for a cap on the Board of Management's remuneration in any particular year, meaning that the total compensation award opportunity for any member of the Board of Management shall not exceed 10 times their base salary in any financial year.

The new Remuneration Policy 2024 successfully addressed a key investor concern relating to the granting of additional performance-based LTI awards on a discretionary basis. Going forward, there will be no further awards of such type. However, executive remuneration in 2024 will reflect the application of the last year of the Remuneration Policy 2020-2023. In this regard, the last block of additional performance-based LTI awards under the old policy associated with Besi's performance over the financial year 2023 was granted in January 2024.

2023 in review

The Supervisory Board applied the current Remuneration Policy 2020-2023 during 2023. This policy seeks to achieve three broad goals in connection with Besi's Remuneration Policy and decisions regarding individual compensation:

- It structures the Company's remuneration programs in a manner it believes will enable Besi to retain, motivate and attract executives capable of achieving its business objectives in an increasingly competitive global market.
- It creates a performance-oriented environment for company executives by linking remuneration to the achievement of specified business, financial and ESG objectives or related to the member's particular product group or specific area of expertise. Notably, they are linked to, and depend on, the execution of the Company's strategy in a socially responsible and sustainable manner.
- It designs remuneration programs for the Board of Management well aligned with the interests of stakeholders by linking a portion of executive compensation with the long-term performance of Besi's ordinary shares, strategy and financial performance.

The Supervisory Board also (i) reviews Besi's business and strategic objectives, (ii) undertakes risk assessments, (iii) assesses Besi's overall performance with respect to its business and strategic objectives and (iv) considers the performance of the individual member of the Board of Management versus specific business objectives. Based on these considerations, the Supervisory Board then determines a balanced mix between fixed and variable remuneration components. It also determines a set of key performance indicators linked to variable remuneration components that are aligned with Besi's business and strategic objectives.

In determining the remuneration of the Board of Management, the Committee also assesses performance realized relative to Besi's strategy and Code of Conduct. Further, the Committee takes into account the impact of the overall remuneration of the Board of Management relative to pay differentials within the Company and obtains the views of the Board of Management with respect to the level and structure of remuneration. In addition, the Committee analyzes the possible outcomes of its variable remuneration elements and how they may affect the total remuneration of the Board of Management. In this respect,

the Committee evaluates the development of Besi's underlying share price as well as other factors that create variable remuneration exposure such as the Company's financial performance, business, strategy and ESG execution. Variable remuneration is primarily linked to predetermined, challenging, assessable and quantifiable financial targets which are predominantly of a sustainable nature. It is also linked to Besi's strategy including associated business, financial and sustainability objectives, values, purpose and vision, all of which are aligned with sustainable long-term shareholder value creation.

In establishing remuneration for the Board of Management, the Supervisory Board consulted PwC, an external remuneration consultant. In its evaluation of the efficacy of Besi's Remuneration Policy, the Supervisory Board asked PwC to conduct scenario analyses of the variable remuneration components under the policy including the usage of the Monte Carlo stochastic model for the expected Total Shareholder Return ("TSR") performance analysis. The probability of vesting and payout of the performance share awards was also considered in the scenario analyses. The Supervisory Board has set the performance targets based on the outcome of the scenario analyses, pay differentials, the executive's position at Besi and its internal pay ratio. Furthermore, when drafting the remuneration proposal for the member of the Board of Management, the Supervisory Board annually considers the views of the member of the Board of Management with respect to the level and structure of his own remuneration. The member of the Board of Management is not present when the Committee discusses his fixed and variable pay components.

Set forth below is a description and analysis of the circumstances contributing to compensation decisions by the Supervisory Board in 2023. Key topics include an understanding of corporate and individual performance metrics underlying remuneration decisions and feedback received from stakeholders.

Company performance

Set forth below is a table presenting Besi's key financial performance indicators for long-term value creation in 2023 versus 2022.

BESI VALUE CREATION 2023 VERSUS 2022

(€ millions)	2023	2022	Δ	Highlights
Revenue	578.9	722.9	-19.9%	• Assembly equipment downturn. Trough in Q2-23.
Gross Margin	64.9%	61.3%	+3.6 pts	• Performance significantly above peers.
Net Income	177.1	240.6	-26.4%	• Significant gross margin improvement despite downturn.
Net Margin	30.6%	33.3%	-2.7 pts	• Peer leading ROAE maintained.
Return on Avg. Equity	33.7%	38.6%	-4.9 pts	• Ranked #1 in TSR in Remuneration Reference Group.
Total Shareholder Return	149.7%	-20.0%	NM	• Record shareholder distributions.
Capital Allocation	435.5	416.3	+4.6%	

Other important factors contributing to value creation in 2023 included the following:

Peer leading financial metrics in challenging business environment

- Revenue, orders and operating profit up 62.5%, 57.2% and 132.2% versus comparable period of last industry downturn.
- Revenue development and profitability significantly exceeded peers.
- New orders received for 3D, 2.5D and silicon photonics applications for next generation AI, logic and memory devices.
- Production model aligned with changing market conditions:
 - Gross margins rose to 64.9% reflecting Besi's leadership position in advanced packaging.
 - Operating and net margins of 36.9% and 30.6% achieved despite 19.9% revenue decrease.
 - Maintained high return on average equity of 33.7%.

Expanded R&D investment in support of next generation applications

- R&D, excluding amortization and capitalization, rose to 11.0% of 2023 revenue. Up 66% versus 2019.
- Progress continued to build out Besi's advanced packaging portfolio:
 - Hybrid Bonding adoption increasing:
 - Installed base rose to 40 systems (ex. demo units), and traction in fully integrated production lines is increasing with several systems installed.
 - Number of customers increased to nine.
 - Orders and year end backlog approximately doubled versus 2022.
 - First orders received for HBM applications.
- First TCB chip to wafer delivered.
- First in-line flip chip system shipped for 2.5D HBM/logic devices.

Well positioned to meet 2024 ESG targets

- Completed 76% of ESG initiatives developed since 2020.
- Energy from renewable sources increased to 71% versus 20% in 2021.
- Scope 1 & 2 emissions intensity reduced by 38% versus 2021 baseline.
- Set objective of net zero greenhouse gas emissions in operations by 2030.
- Launch of Design-to-X initiative to enhance sustainability and reduce cost.
- Conducted Double Materiality Assessment for European CSRD reporting in 2025.
- Improved ratings with MSCI, Sustainalytics, ISS ESG and S&P Global.

Strategic initiatives implemented to help position Besi for future growth

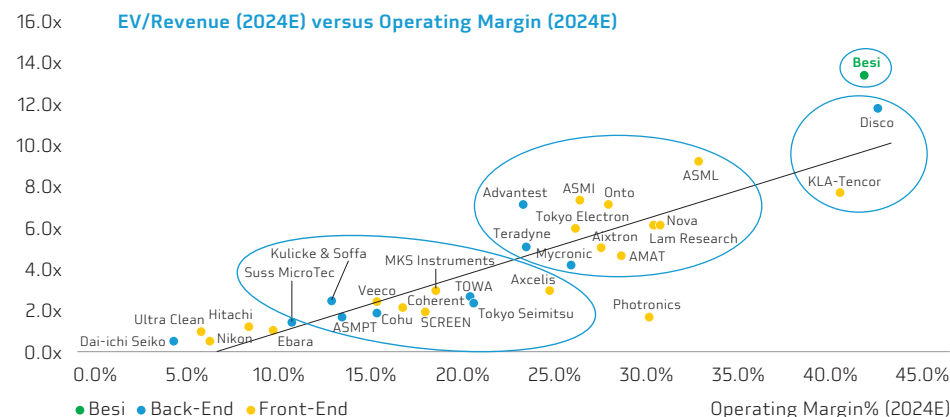
- Strategic Plan 2023-2027 finalized to help achieve business, financial and ESG objectives.
- Singapore cleanroom facility completed for expanded hybrid bonding service/support.
- Vietnam facility established to support customers' geographic expansion outside China.
- Technology Advisory Board formed to enhance Besi's advanced packaging strategy and competitive position.

Strong cash flow generation supports increased capital allocation to shareholders

- Solid cash flow from operations of € 208.6 million, equal to 36.0% of revenue.
- Capital allocation increased by 4.6% to € 435.5 million.
- € 300 million share buyback program completed. New € 60 million program initiated.
- € 1.9 billion returned to shareholders since 2011, including the dividend proposed for 2023.
- Solid liquidity position with cash of € 413.5 million at year end.
- Proposed 2023 dividend of € 2.15 per share. Pay-out ratio of 94%.

BESI PERFORMANCE/VALUATION IN UPPER QUARTILE OF ALL SEMICONDUCTOR EQUIPMENT COMPANIES

EV/Revenue (2024E)



Source: Morgan Stanley & CapIQ. January 17, 2024. All values calendarized per year end December 2023.

As a result of the activities and leadership of the member of the Board of Management, the Supervisory Board determined that the Company is fit for purpose, has successfully retained and enhanced its position (i) as a technological leader in the highly cyclical assembly equipment industry with timely and sustainable forward strategic thinking as to Besi's internal development, (ii) in the assembly equipment market and with its key customers and (iii) relative to its direct competition. Other items were also considered by the Supervisory Board such as market developments and the views of society.

Besi strives to align the incentives for its Board of Management with its annual goals, strategic plan objectives and the long-term interests of our shareholders for sustainable growth. The Company made substantial progress on its strategic agenda and achieved exceptional financial performance during the prior Remuneration Policy period, in most cases exceeding our most optimistic targets in a highly cyclical industry. We look forward to similar success in the next Remuneration Policy period 2024-2027.

Remuneration Policy 2020-2023

The following is a summary of Besi's Remuneration Policy applicable during 2020-2023, which expired in January 2024 and was applied during the year of review, 2023. For more information, please see the [Remuneration Policy 2020-2023](#), adopted on April 26, 2019, which is available on our website.

Remuneration Reference Group

The components underlying the remuneration of the Board of Management are regularly compared to a remuneration reference group of companies selected based on industry, size, profitability, market capitalization and geography. The following companies are included in the current remuneration reference group as adjusted per annum for any acquisition or stock delisting related thereto.

Remuneration Reference Group	
Aixtron SE	Jenoptik AG
AMG N.V.	Kendrion N.V.
ASM International N.V.	Kulicke & Soffa Industries, Inc.
Axcelis Technologies, Inc.	MTS Systems Corporation
Brooks Automation, Inc.	Siltronic AG
Cohu, Inc.	TKH Group N.V.
Corbion N.V.	Ultra Clean Holdings, Inc.
Entegris, Inc	Veeco Instruments, Inc.
Ichor Holdings, Inc.	Xperi Corporation
IMCD N.V.	

The remuneration reference group composition is reviewed by the Supervisory Board regularly and updated, if necessary, to ensure an appropriate composition. Any changes to the composition of the remuneration reference group is subject to approval of the Annual General Meeting of Shareholders.

1. Base salary

Each year, the Supervisory Board reviews the annual base salary for the member of the Board of Management and considers whether to adjust his base salary level. The base salary of the member of the Board of Management is determined relative to the median and 90th percentile base salary levels of the remuneration reference group. The Supervisory Board also considers the historic salary levels of the individual and the nature of the individual's roles and responsibilities in positioning the base salary level relative to the remuneration reference group.

2. Benefits

Benefits awarded to the Board of Management such as expense compensation, medical insurance and social security premiums are linked to base pay and are in accordance with generally prevailing market practice.

3. Pension

Different pension arrangements are provided to the Board of Management based on their salaries, local customs and the rules existing in their countries of origin. A defined contribution scheme is in place for statutory directors, of whom the CEO is currently the only one. The pension contribution on behalf of the statutory director is based on a premium ladder as in effect from 2014 of which a portion is funded directly to his personal pension account as a tax-exempt contribution and the remaining balance is paid as a taxable pension allowance which can be used to build up his net pension on a voluntary basis.

4. Short-Term Incentive (annual performance-based cash bonus)

The annual cash bonus opportunity for the member of the Board of Management is linked to the achievement of two predetermined performance conditions which include net income as a percentage of revenue and personal performance goals set by the Supervisory Board on an annual basis. As such, the performance conditions incorporate financial, non-financial and ESG objectives according to the following performance/pay-out grid.

Performance versus payout

Metric and weighting as % of total award	At minimum performance (below threshold)	At target performance	At maximum performance
as % of the individual's gross annual base salary			
Net income as % of revenue (70% of STI)	0%	70%	105%
Personal performance targets (30% of STI)	0%	30%	45%
Total annual bonus pay-out	0%	100%	150%

These two performance conditions are explained in more detail below:

- *Net income expressed as a percentage of revenue (70% of STI):*

The financial measure net income is preferred over other financial ratios for the Short-Term Incentive because net income is:

- A key indicator in evaluating Besi's overall performance for the year and therefore an important contributor to shareholder value.
- A key factor given the cyclical nature of the market in which Besi operates.
- A financial measure that can be influenced by the member of the Board of Management.
- A key component utilized to help determine Besi's stock market valuation.

- *Personal performance of the member of the Board of Management (30% of STI):*

The annual criteria used to measure the personal performance of the member of the Board of Management are at the sole discretion of the Supervisory Board. Each year, the Committee proposes to the Supervisory Board a set of specific goals for the member of the Board of Management based on a variety of business, strategic, financial and ESG targets considered important to Besi's achievement of sustainable value creation in the medium-term and long-term in alignment with the Company's strategic planning.

5. Long-Term Incentive (annual conditional award of performance shares and additional performance share awards)

The Long-Term Incentive for the member of the Board of Management consists of a conditional award of performance shares based on the achievement of predetermined objectives set by the Supervisory Board over a three-year performance period, subject to continued service. The performance metrics utilized as the basis for this award include:

- *Net income as a percentage of revenue over three calendar years (50% of LTI):*

Net income as a percentage of revenue over a three-year performance period is considered a key measure for creating sustainable long-term shareholder value.

- *Relative Total Shareholder Return ("TSR") over three calendar years (50% of LTI):*

The TSR over a three-year performance period is also considered a key measure for determining the development of shareholder value and Besi's relative share price performance versus peers in the semiconductor equipment industry. It is also an appropriate performance measure to align the interests of the Board of Management with those of shareholders. This metric measures the development of Besi's share price, including the reinvestment of dividends, over a three-year performance period as compared to a comparator group of 19 publicly listed companies operating in the semiconductor equipment industry. Three-month share price averaging is applied at the start and at the end of the TSR performance period. The composition of the comparator group will be reviewed and adjusted by the Supervisory Board if circumstances arise

which could affect the comparability of the companies involved, particularly in the event of a merger, acquisition or material change of business. Adjustments to the comparator group, including replacements, will be based on predetermined internal guidelines. The TSR comparator group currently consists of the following companies:

TSR comparator group	
Aixtron SE	Kulicke & Soffa Industries, Inc.
Applied Materials, Inc.	Lam Research Corporation
ASM International N.V.	MKS Instruments, Inc.
ASML Holding N.V.	Nova Ltd.
ASM Pacific Technology Ltd.	Onto Innovation, Inc.
Axcelis Technologies, Inc.	SÜSS MicroTec SE
Cohu, Inc.	Tokyo Electron Ltd.
DISCO Corporation	Tokyo Seimitsu Co., Ltd.
Entegris, Inc.	Veeco Instruments, Inc.
FormFactor, Inc.	

Conditional award

The at target number of performance shares conditionally awarded will be determined by the Supervisory Board based on a ratio equal to (i) 175% of the individual's gross annual base salary divided by (ii) the average closing price of Besi's shares for all trading days in the calendar quarter immediately preceding the start of the three-year performance period.

Vesting of performance shares

The vesting of performance shares awarded will be determined at the end of the three-year performance period depending on Besi's actual performance during such period according to the following grid:

Performance versus payout

Metric and weighting as% of total award	At minimum performance (below threshold) as % of the individual's gross annual base salary	At target performance	At maximum performance
Net income as % of revenue (50% of LTI)	0%	50%	75%
Relative TSR performance (50% of LTI)	0%	50%	75%
Total number of shares vesting	0%	100%	150%

As shown in the table above, 50% of the vesting of the conditional awards is linked to Besi's net income relative to its revenue over a three-year performance period. The other half is linked to Besi's relative TSR performance over a three-year performance period. The performance shares awarded from 2020 onwards subject to Besi's TSR performance are based on the actual absolute ranking of Besi within the comparator group. In addition, vested shares are subject to a two-year lock-up period which means that the member of the Board of Management will have to retain such shares for two years following the vesting date. However, he will be allowed to sell shares sufficient to cover any income tax liability resulting from the vesting of performance shares.

Vesting is determined based on the following schedule whereby straight-line vesting percentages are applied on a pro rata basis between ranks 3 and 12 for awards made as from 2020:

Besi TSR ranking relative to comparator group	Vesting percentage
Top 3	75%
Rank 6	50% (at target)
Rank 12	25%
Rank 13 – Rank 20	0%

Performance adjustment

Under the previous policy, the Supervisory Board may at its absolute discretion upwardly or downwardly adjust the number of performance shares awarded by a maximum of 20%. This discretionary performance adjustment may be applied to reflect the Company's overall performance and market developments and further align the interests of the Board of Management with those of shareholders. In accordance with the Remuneration Policy 2020-2023, this performance adjustment was eliminated for performance shares granted as from 2020 onwards.

Clawback and ultimate remedium

The Short-Term Incentive and Long-Term Incentive components for the Board of Management are subject to clawback provisions. In addition, risk assessment tests are in place and measures are included in the variable remuneration documentation for the Board of Management to ensure that shareholders' interests are protected. In this respect, the Supervisory Board holds the discretionary authority to reclaim all or part of the Short-Term Incentive and Long-Term Incentive if such variable remuneration was made based on incorrect financial data or other data or in the case of fraud, gross negligence, willful misconduct or any activity detrimental to the Company. This clawback is applicable to both the vested and unvested part of the Long-Term Incentive components.

The Short-Term Incentive and Long-Term Incentive components for the Board of Management are also subject to ultimate remedium clauses under which the Supervisory Board can adjust the value of the conditional variable remuneration components downwards as well as upwards. The adjustment can be made if the Supervisory Board is of the opinion that an unfair result would be produced due to extraordinary circumstances.

Additional performance share awards

The Supervisory Board may, at its absolute discretion and upon the recommendation of the Committee, award up to a maximum of 120,000 additional performance shares to the Board of Management in the event of extraordinary achievements or exceptional performance during a fiscal year. Market developments and the views of society are also considered in addition to the performance of the Company and the Board of Management.

If the number of Long-Term Incentive performance shares awarded under the policy vest between at target and maximum performance levels (stretched performance), such Performance Shares related to stretched performance levels will be included as part of the maximum 120,000 additional performance shares that can be awarded to members of the Board of Management at the discretion of the Supervisory Board. In addition, the Supervisory Board has the right to downwardly adjust the number of additional performance shares awarded to the Board of Management by up to a maximum of 20% in case of a market downturn or a high underlying share price.

Additional performance shares awarded vest immediately but are subject to a five-year lock-up period, which means that the Board of Management will have to retain them for five years following the award date. However, the Board of Management is allowed to sell shares sufficient to cover any income tax liability arising from the vesting of additional performance shares. Additional performance share awards may also be subject to additional terms and conditions as determined by the Supervisory Board.

Number of shares available

The aggregate total number of performance shares available under Besi's Long-Term Incentive arrangement (for all participants including the Board of Management) shall not exceed 1.5% of the total number of outstanding shares at December 31 of the year prior to the year in which the performance shares are awarded.

Loans

As a matter of policy, the Company does not provide loans to members of the Board of Management.

Employment contracts/service contracts

Service contracts with any new member of the Board of Management will in principle be entered into for a period of four years. Existing employment contracts for members of the Board of Management with an indefinite period of time will not be replaced by contracts with a limited period or by contracts with different conditions. The current notice period applicable to the member of the Board of Management is six months.

Severance payment

In the event of dismissal, the remuneration paid to members of the Board of Management may not exceed the individual's gross annual base salary (fixed component). If the maximum of one-year's base salary would be manifestly unreasonable for a member of the Board of Management who is dismissed during his first term of office, such member of the Board of Management shall be eligible for severance pay not exceeding two times their annual base salary.

Application Remuneration Policy 2020-2023

This section refers to the decisions made during the year under review according to the 2020-2023 Remuneration Policy. The Supervisory Board, upon the recommendation of the Committee, applied the Remuneration Policy 2020-2023 in 2023 without exception as set forth below. The only member of the Board of Management in 2023 was Richard W. Blickman, Besi's CEO.

1. Base salary

The base salary of the CEO is reviewed annually, considering the remuneration reference group. At the end of 2022, the base salary of the CEO was reviewed taking into consideration the remuneration reference group as well as developments at the Company and in the industry. The Committee analyzed and considered the outcome of this review and recommended to the Supervisory Board a base salary set between the median and 90th percentile levels of the remuneration reference group. The Supervisory Board, upon the recommendation of the Committee, decided to increase the 2023 base salary of the CEO from € 600,000 to € 650,000. This increase was also included and approved in the Remuneration Policy 2024.

2. Benefits

Other benefits include expense compensation, medical insurance and social security premiums.

3. Pension

Since the CEO has reached the applicable retirement age in the Netherlands, contributions to all of his pension plans have terminated. Any pension contribution is based on the premium ladder in the policy (32% of base salary) and is paid as a taxable pension allowance.

4. Short-Term Incentive (annual performance-based cash bonus)

The Short-Term Incentive awarded to the member of the Board of Management is based on the following predetermined performance conditions: (i) net income as a percentage of revenue and (ii) personal performance of the member of the Board of Management relative to certain non-financial and ESG goals of importance for 2023. The Committee reviewed at year end the quality of the predetermined financial, non-financial and ESG performance goals and the sustainable value delivered with respect thereto in determining the Short-Term Incentive awarded for 2023.

As a result, the total annual cash bonus for the member of the Board of Management was as follows:

Metric and weighting as % of total award	Payout (€)
Net income as % of revenue (70% of STI)	682,500
Personal performance targets (30% of STI)	292,500
Total annual bonus pay-out	975,000

(a) Net income as a percentage of revenue (70% of STI)

The targets set for the 'net income expressed as a percentage of revenue metric are as follows:

Metric and weighting as % of total award	At minimum performance (below threshold)	At target performance	At maximum performance
	as % of the individual's gross annual base salary		
Net income as % of revenue (70% of STI)	0%	70%	105%
Personal performance targets (30% of STI)	0%	30%	45%
Total number of shares vesting	0%	100%	150%

Outcome

Target	Net Income as % of revenue	Vesting Schedule
Minimum	<5%	0%
Target	5-12%	0-70%
Maximum	12-20%	70-105%
Actual NIR/STI payout	30.6%	105%

Besi's 2023 net income as a percentage of revenue was 30.6%, well above the maximum pre-defined target range of 20%. As a result, and upon the recommendation by the Committee, the Supervisory Board awarded the member of the Board of Management a cash bonus equal to 105% of his annual base salary, or € 682,500, for this financial performance condition.

(b) Personal performance of the member of the Board of Management (30% of STI)

The Committee reviewed the performance realized by the member of the Board of Management with respect to five equally weighted and pre-defined personal, non-financial and ESG performance objectives representing 30% of the potential total STI cash bonus. These five pre-defined personal, non-financial and ESG performance objectives are set forth below along with achievements against such objectives in 2023:

Pre-defined performance objectives	Weighting	Achievements / Overachievements 2023
- Update Besi's Strategic Review 2023-2027 and the initiatives related thereto. - Identify resources, expenditures and timescale to carry out these initiatives and review quarterly with the Supervisory Board. - The Strategic Review should include competitive analysis.	20%	- Strategic review 2023-2027 completed in July 2023. - Review conducted over 16 weeks. Involved participation of 42 management members and key customers. - Review focused on: - Performance versus current initiatives. - Development of new initiatives. - Analysis of Besi's business model and ESG targets and the means to achieve such targets. - Review of Engine 1 and Engine 2 business, product strategy and financial plans. - Competitive analysis and management and financial resources required to execute such targets. - Board of Management shared findings with the Supervisory Board at regular intervals. - Opened new tooling facility in Vietnam. First production in Q4-23. - Office established in India. First orders received. - Significant financial outperformance versus peers. - Bi-weekly reviews on progress of strategic initiatives by management. - Technology Advisory Board established to enhance Besi's advanced packaging development and market position.
Define and investigate potential M&A roadmap; big picture and adding additional products.	20%	Several deep dives performed on potential M&A candidates, particularly in wafer level assembly.
- Implement Management Development and Succession Planning for CEO, Management Team and key staff, including top performers. - Review with the Supervisory Board.	20%	- Overall management succession plan reviewed bi-annually including key staff related thereto. - CTO responsibilities re-assigned to various senior management personnel. - New senior personnel hired for oversight and management of ESG activities. - No vacancies in senior management at year end 2023. - Specific succession topics and planning for the Board of Management and management team members discussed with the Supervisory Board.

Pre-defined performance objectives	Weighting	Achievements / Overachievements 2023
- Implement the 2023 R&D programs (below 10 nm) for major customers. - Continue to assess requirement, timescales and expenditure and report regularly on these important programs. - Include assessment of account penetration. - Hybrid bonding: - Continue roll-out hybrid bonding to logic and memory applications. - Develop partnership with Applied Materials to next level, installing integrated tools at major customers. - Establish customer application lab for hybrid bonding and chip to wafer in Besi Singapore.	20%	- Expanded R&D investment continues in support of next generation, <10 nm assembly applications. - Gross R&D spending of € 63.9 million equal to 11.0% of 2023 revenue. Up 66% since 2019. - Hybrid bonding progress continues: - Broad based engagement with leading semiconductor manufacturers for generative AI and high-performance computing. - Commercial adoption expanded to nine customers. - Installed base increased to 40 units (ex. demo units), and traction in fully integrated production lines is increasing with several systems installed. - Significant orders received in H2-23 for delivery in 2024. - Orders and year end backlog approximately doubled versus comparative levels in 2022. - First orders received for use in HBM applications. - First orders received from leading subcontractors. - Shipped first 100nm hybrid bonding system to customers. - First TCB chip to wafer system shipped. - In-line high-performance flip chip system delivered for 2.5D HBM/logic applications. - Singapore cleanroom facility completed for sales/service support of Besi's wafer level portfolio. - Significant orders received in H2-23 for silicon photonics and HBM and AI devices.
- Further enhance environmental, social and corporate governance and sustainability strategy as presented in our Annual Report 2022. - Prepare for reporting based on CSRD in 2025. - Prepare a plan to meet the net zero commitment as set out in the Annual Report.	20%	- Progress continues versus Besi's 2024 ESG targets. - Conducted Double Materiality Assessment for European CSRD reporting in 2025. - Improved ratings with MSCI, Sustainalytics, ISS ESG and S&P Global. - Scope 1 & 2 emissions intensity declined by 38% versus 2021 baseline. - Set net zero carbon emissions by 2030 for Scope 1 & 2 emissions. - Energy from renewable sources increased to 71% versus 20% in 2021. - Completed 76% of ESG initiatives developed since 2020. - Launch of Design-to-X initiative to enhance sustainability and reduce cost. - New initiatives developed particularly aimed at reducing Besi's environmental footprint. 2023 employee survey indicated high levels of participation and engagement. Six of seven categories above high-tech norm. - On target to meet 2024 ESG targets.
TOTAL	100%	

During 2023, the Committee regularly reviewed the progress of the pre-defined personal, non-financial and ESG performance objectives including the assessment of new initiatives developed during the year. The effectiveness and progress of the objectives set were tested and monitored by the Supervisory Board during the year based on strategic updates provided. An overall assessment was also completed after year end 2023 including a review of customer satisfaction, strategic plan execution and effectiveness, wafer level assembly and ESG progress achieved and cost reduction initiatives realized.

Based on this review and upon the recommendation by the Committee, the Supervisory Board decided to award the member of the Board of Management a cash bonus related to his personal performance equal to 45% of his annual base salary for 2023, or € 292,500.

Total Short-term Incentive

The sum of the financial and non-financial components, including ESG targets, comprising the total cash bonus for the year 2023 equaled € 975,000, or 150% of the annual base salary of the member of the Board of Management. The Supervisory Board, upon the recommendation of the Committee, unanimously agreed on such cash bonus based on the Company's peer leading revenue, net income and cash flow and operating efficiency in the face of a significant industry downturn, increased gross margins, progress on its wafer level assembly agenda as well as its return on average equity, relative share price development, increased capital allocation, strategic plan execution, peer leading financial metrics and progress on ESG and sustainability goals.

5. Long-Term Incentive (annual conditional award of performance shares)

Grants of LTI shares

The at target number of conditional performance shares awarded was calculated based on 175% of the gross annual base salary of the member of the Board of Management divided by the average closing share price for all trading days in the last calendar quarter of the year immediately preceding the start of the three-year performance period. The number of shares that will actually vest will be based on the following predetermined performance conditions:

- (i) Net income as a percentage of revenue over three calendar years (50% of LTI).
- (ii) Besi's share price development including the reinvestment of dividends during a three-year performance period versus the TSR comparator group of 19 listed companies operating in the semiconductor equipment industry (50% of LTI).

The Long-Term Incentive is subject to continued employment. Outstanding conditional grants, made on annual basis are as follows:

Conditional grants outstanding as of December 31, 2023	Performance period		
	2023-2025	2022-2024	2021-2023
Conditionally awarded at target	20,604	13,927	25,143
Average share price Q4 preceding year (€)	55.2070	75.3924	41.7606
Year of vesting	2026	2025	2024
Range of shares potential vesting (0-150%)	0-30,906	0-20,891	0-37,715

Vesting of LTI shares

The vesting of LTI shares (conditional performance shares) for the member of the Board of Management for the 2021-2023 period was based on the following factors:

- (i) Net income as percentage of revenue over the three-year performance period of 34.4% over-achieved the maximum pre-defined target of 15% resulting in a vesting of 75% of performance shares associated with this portion of the award (50% of the LTI).
- (ii) Besi ranked fourth within the TSR comparator group resulting in a vesting of 66.67% associated with this portion of the award (50% of the LTI).

Target	Net Income as % of revenue over 3 years (50% of LTI)	Vesting percentage	Besi TSR ranking relative to comparator group (50% of LTI)	Vesting percentage*	Total LTI award vested
Minimum	< 5%	0%	Top 3	75%	
Target	5%-11.7%	0-50%	Rank 6	50%	
Maximum	11.7%-15%	50-75%	Rank 12	25%	
			Rank 13 - 20	0%	
Actual	34.4%	75%	Rank 4	66.67%	141.67%

* Vesting percentage based on linear extrapolation between Top 3, Rank 6 and Rank 12 levels.

As a result, 141.67% of the 25,143 shares related to the 2021 performance share award will vest on April 25, 2024, subject to the member of the Board of Management's continued employment until such date. The vested shares are subject to a two-year lock-up period except for those shares necessary to be sold to cover any withholding/income tax liabilities arising therefrom.

The following table presents a summary of the applicable performance incentive zones and performance realized for both the STI and LTI awards in 2023:

BESI SHARE PRICE OVER LTI PERIOD



Executive	Performance criteria applicable for STI and LTI	Relative weighting	Performance incentive zones (as % of base salary)			Performance realized and actual award outcome 2023
			Threshold levels	Target levels and corresponding award	Maximum performance levels and corresponding award	
R.W. Blickman, CEO	STI	Net income as % of revenue ("NIR")	70%	Below threshold (0%); vesting starting at threshold levels	Target performance (70%); € 455,000	Maximum performance (105%); € 682,500
		Personal performance (see above)	30%	Below threshold (0%); vesting starting at threshold levels	Target performance (30%); € 195,000	Maximum performance (45%); € 292,500
	LTI	Net income as % of revenue	50%	At threshold (25%); 0 shares Below threshold (0%)	At target (50%); 12,572 shares	Maximum performance (75%); 18,857 shares
		Relative Total Shareholder Return (performance incentive zone depending on actual ranking of Besi in reference group, see above)	50%	At threshold (25%); 6,286 shares Below threshold (0%)	At target (50%); 12,571 shares	Maximum performance (75%); 18,857 shares
		Additional performance shares (see below)				88,020 shares

Additional performance share awards for the member of the Board of Management

Under the Remuneration Policy 2020-2023, the Supervisory Board may, upon recommendation of the Committee, award additional performance shares to the member of the Board of Management for extraordinary achievements or exceptional performance in the prior year, up to a maximum of 120,000 shares. In January 2023, the Supervisory Board awarded the member of the Board of Management 88,020 additional performance shares for achievements realized in 2022. This award was made following the review, inter alia, of quantitative and qualitative financial and strategic/non-financial performance criteria applied for determining whether overperformance was achieved. The award reflected (i) a downward adjustment (24,000 shares) from the potential maximum award and (ii) the subtraction of 7,980 LTI shares due to their vesting between target and maximum performance (stretching performance) of the NIR element, both in accordance with the provisions of the Remuneration Policy 2020-2023. The value of the downward adjustment equaled € 1.5 million.

The financial criteria used to determine exceptional performance in a particular year represent a broader and more challenging set of financial targets than Besi's STI and LTI financial criteria including Return on Average Equity ("ROAE") and Cash Flow from Operations ("CFO")/Revenue in addition to Net Margin ("Net Income/Revenue"). They represent 90% of the total potential additional performance share award and are based on exceeding thresholds for each of 1- and 3-year average periods. Such criteria are set forth below:

Measure	Performance versus payout for one year and three-year average periods			2022 performance	
	No award	50%+ award (pro-rata)	100% max award	1 year	3 year average
Net margin (30% of award)	< 20%	≥ 20% < 25%	≥ 25%	33.3%	34.4%
ROAE (30% of award)	< 20%	≥ 20% < 25%	≥ 25%	38.6%	45.1%
CFO/Revenue (30% of award)	< 25%	≥ 25% < 30%	≥ 30%	37.6%	37.3%

- Net margin defined as Net Income/Revenue. ROAE defined as Return on Average Equity. CFO/Revenue defined as Cashflow from Operations/Revenue.

The award of additional performance shares pursuant to this component was also made due to the recognition of the following other important business factors in 2022:

- Exceptional performance above STI and LTI targets.
- Achievement of peer and industry leading gross and net margins of 61.3% and 33.3%, respectively, and return on average equity of 38.6.%.
- Continued maintenance of the significant performance gap between Besi and its peers in terms of key financial metrics such as gross margin, net margin, average return on equity and cash flow generation relative to revenue even despite adverse pandemic influences, supply chain challenges and a significant industry downturn.
- Achieved first commercial production of hybrid bonded devices in Q4-22.
- Successful development and commercial introduction of hybrid bonding and embedded bridge die attach systems.
- Capital allocation of € 416.3 million, representing an increase of 131.9% over 2021.

In addition, the Committee reviewed the performance realized by the member of the Board of Management with respect to four equally weighted and pre-defined personal, non-financial and ESG performance objectives representing 10% of the potential award of 120,000 shares. These four pre-defined personal, non-financial and ESG performance objectives were:

Pre-defined performance objectives	Weighting	Achievements / Overachievements 2022
Progress on product strategy	25%	- Successfully completed enhancements as per plan for next generation platforms. - Overcame supply chain and COVID-19 risks to deliver systems on timely basis to customers. - Gross margin increased to 61.3% versus 59.6% in 2021 despite 29.3% order decrease. Re-affirmed Besi's leading market position. - Gross R&D investment increased by € 11.7 million, or 23% versus 2021. 66% increase over past three years.
Capital allocation – optimize shareholder value through dividends, share repurchases, acquisitions and external financing	25%	- In 2022, capital allocation increased to € 416.3 million, up 132% versus € 179.5 million in 2021. - Successful placement of € 175 million Convertible Notes due 2029 at exercise price of € 115.50 per share. € 185 million share repurchase program completed in July 2022. - New € 300 million share repurchase plan initiated in August 2022. - Dividend proposed of € 2.85 per share. Represents ~92% payout ratio. - Peer leading return on average equity of 38.6% in 2022 maintained despite significant assembly market downturn. - Total capital allocation since 2011 increased to € 1.3 billion. Represented ~25% of total revenue during period. - Five-year average return on average equity of ~40% based on organic growth and effective capital allocation program. - Over past three years, Besi market capitalization has increased by 80% to € 4.4 billion in 2022. - TSR of 84% past three years and 108% past five years. - Significant outperformance versus direct peers, SOX index and REM reference group over three-year period. - Shareholder value also enhanced via increased shareholder outreach including: (i) expanded research coverage, (ii) expanded number of investor conferences, (iii) expanded number of research and investor calls during year. - Research coverage expanded to 14 companies.
People wellbeing – diversity and inclusion, employee health and safety, employee development and engagement	25%	- Increased % of female managers to 20% versus 18% in 2021 and 14% in 2019 (base line year for comparison). - Increased % local managers to 88% versus 87% in 2021. - Maintained COVID-19 health and safety measures.
Responsible business – ethics and compliance, responsible supply chain, community impact, tax practices	25%	- No reported violations of Besi's Code of Conduct. - Compliant with tax obligations where factual economic activities take place. - Participated in several community outreach projects. - Improved overall responsible supply chain targets. - Purchasing Volume ("PV") General Work Agreement or General Procurement Contract signed increased from 64% to 77%. - PV Conflict Free Sourcing Initiative signed increased from 66% to 73%.
TOTAL	100%	

Based on the actual performance relative to the strategic/ESG objectives set for 2022, the Supervisory Board judged that the execution of strategic initiatives proved to exceed the challenging goals and timelines initially set at the beginning of the year. As such, 10% of the maximum potential award of 120,000 shares (12,000 shares) was available to be awarded to the member of the Board of Management in January 2023.

Based on the actual performance achieved against each of the defined financial and non-financial targets, the Supervisory Board approved an award of 88,020 additional performance shares relative to the maximum potential award of 120,000 shares available to the member of the Board of Management. In so doing, the Supervisory Board applied the maximum downward adjustment from the maximum award permitted under the plan (20% or 24,000 shares). The Supervisory Board considered several issues in applying the maximum discount permitted under the plan to the compensation paid to the member of the Board of Management in 2023. They considered the absolute quantum payment due to the member of the Board of Management resulting from the overperformance of the compensation metrics and the substantial long-term increase in Besi's share price between 2019 and 2022 in their decision to apply a maximum discount of 20%. In addition, they compared executive compensation paid at Besi versus comparable companies with similar business, geographic and market capitalization metrics such as Besi. Further, they considered how the award would be perceived relative to wider workforce pay, the views of society and the use of downward adjustments according to local market practice. The shares vested on January 19, 2023 and are subject to a five-year lock-up period which means that the member of the Board of Management will have to retain such shares for five years following the vesting date.

In addition, the award of additional performance shares to the member of the Board of Management was supported by an analysis of (i) Besi's performance versus the median of all industry peers used in our TSR-comparator group and (ii) its alignment with the median remuneration of all companies used in our remuneration reference group. This analysis included both one-year and three-year rolling performance periods wherein return on average equity, gross margin and the ratio of cash flow as a percentage of revenue were also considered, reviewed and analyzed in addition to the net income as a percentage of revenue metric as applied under the Remuneration Policy.

The following table presents the shares awarded or due to the member of the Board of Management for the last five reported financial years and unvested or subject to a holding period as of December 31, 2023:

Name of Director, position	The main conditions of share award plans					Information regarding the reported financial year						
						Opening balance	During the year			Closing balance		
	Specification of plan	Performance period	Award date	Vesting date	End of holding period	Shares awarded at the beginning of the year	Shares awarded	Performance adjustments	Shares vested	Shares subject to a performance condition	Shares awarded and unvested at year end	Shares subject to a holding period
R. W. Blickman, CEO	2019 PSP	Jan 1, 2019 - Dec 31, 2021	Apr 26, 2019	Apr 29, 2022	Apr 29, 2024	-	-	-	-	-	-	41,109
	2020 add. PSP		Jan 23, 2020	Jan 23, 2020	Jan 23, 2025	-	-	-	-	-	-	103,000
	2020 PSP	Jan 1, 2020 - Dec 31, 2022	Apr 30, 2020	Apr 26, 2023	Apr 26, 2025	37,241	-	-	37,241	-	-	37,241
	2021 add. PSP		Jan 21, 2021	Jan 21, 2021	Jan 21, 2026	-	-	-	-	-	-	100,000
	2021 PSP	Jan 1, 2021 - Dec 31, 2023	Apr 30, 2021	Apr 25, 2024	Apr 25, 2026	25,143	-	10,477	-	35,620	35,620	-
	2022 add. PSP		Jan 20, 2022	Feb 17, 2022	Feb 17, 2027	-	-	-	-	-	-	70,000
	2022 PSP	Jan 1, 2022 - Dec 31, 2024	Apr 29, 2022	AGM 2025	AGM 2025 + 2 years	13,927	-	-	-	13,927	13,927	-
	2023 add. PSP		Jan 19, 2023	Jan 19, 2023	Jan 19, 2028	-	88,020	-	88,020	-	-	88,020
	2023 PSP	Jan 1, 2023 - Dec 31, 2025	Apr 26, 2023	AGM 2026	AGM 2026 + 2 years	-	20,604	-	-	20,604	20,604	-
Total						76,311	108,624	10,477	125,261	70,151	70,151	439,370

In January 2024, the Supervisory Board approved an award of 70,000 additional performance shares relative to the maximum potential award of 120,000 shares available to the member of the Board of Management, subject to adoption of the 2023 annual accounts at the 2024 AGM. The award reflected (i) a 20% downward adjustment (24,000 shares) from the potential maximum award and (ii) the subtraction of 10,477 LTI shares due to their vesting between target and maximum performance (stretched performance) of the NIR and TSR elements, both in accordance with the provisions of the Remuneration Policy. In addition, a further downward adjustment of 15,523 shares was agreed with the member of the Board of Management due to Besi's 141.2% share price increase in 2023. As a result, a total of 70,000 additional performance shares were awarded to the member of the Board of Management. The downward adjustment of additional performance shares in 2024 related primarily to the quantum amount of the award in 2023 and in no way reflected dissatisfaction with his performance, which was deemed to be exceptional.

Such shares are subject to a five-year lock-up period, which means that the member of the Board of Management will have to retain such shares for five years following the vesting date. In accordance with IFRS 2 ("share-based payments"), expenses for such additional performance shares will be recognized in the first quarter of 2024 since the award was made and communicated in the first quarter of 2024. This 2024 award reflects the last payment of additional performance shares to the member of the Board of Management under the Remuneration Policy 2020-2023.

Clawback and ultimate remedium

In accordance with Dutch law and the Remuneration Policy, the Short-Term Incentive and Long-Term Incentive components for the member of the Board of Management are subject to clawback provisions and ultimate remedium clauses. During 2023, no circumstances were identified by the Supervisory Board that could result in any adjustments or clawback.

Remuneration of the Board of Management

Remuneration of the member of the Board of Management recognized by the Company in its Financial Statements for the years ended December 31, 2023 and 2022 was as follows:

(€, except for performance shares)	Year ended December 31,	
	2023	2022
Base salary	650,000	600,000
Annual cash bonus	975,000	900,000
Other benefits ¹	257,529	232,910
Total cash benefits	1,882,529	1,732,910
Pension contribution	-	12,430
Equity compensation benefits: Incentive Plan ²	1,547,777	1,326,796
Total remuneration, excluding discretionary elements	3,430,306	3,072,136
Equity compensation benefits: additional performance shares ³	5,529,416	5,223,400
Total remuneration	8,959,722	8,295,536
Conditional performance shares awarded ⁴	20,604	13,927

¹ Other benefits include expense compensation, medical insurance, employer social security contributions and for 2023 and 2022 a taxable pension allowance of € 214,756 and € 187,262, respectively.

² Expenses recognized in 2023 and 2022 for performance shares awarded from 2019 to 2023 made under the Incentive Plan as determined in accordance with IFRS.

³ Expenses recognized in 2023 and 2022 for the additional performance share award of 88,020 shares which vested on January 19, 2023 and of 70,000 shares which vested on February 17, 2022 as determined in accordance with IFRS.

⁴ Performance shares for 2023 and 2022 may vest in 2026 and 2025, respectively, subject to continued service and the actual performance during the performance period 2023-2025 and 2022-2024, respectively.

Other remuneration information

The actual cash remuneration paid by the Company to the member of the Board of Management and the value of the vested equity remuneration for the member of the Board of Management for the years ended December 31, 2023 and 2022 were as follows:

(€)	Year ended December 31,	
	2023	2022
Base salary	650,000	600,000
Fringe benefits	257,529	232,910
Total fixed remuneration	907,529	832,910
One-year variable	6,504,416	6,123,400
Equity compensation benefits: Incentive Plan	3,049,293	2,414,743
Total variable remuneration	9,553,709	8,538,143
Pension expense	-	12,430
Total remuneration	10,461,238	9,383,482
Proportion of fixed and variable remuneration	9%/91%	9%/91%

The difference between the total remuneration paid to the member of the Board of Management in 2023 as recognized in the Company's Financial Statements (€ 8,959,722) and the actual cash remuneration paid and value of the vested equity remuneration for the member of the Board of Management (€ 10,461,238) was primarily due to the share price variation between the grant dates and vesting date used for determining the value of LTI share-based compensation.

Loans

At the end of 2023, no loans, advances or guarantees were provided or outstanding to the CEO in accordance with the Remuneration Policy.

Summary compensation and key performance metrics 2019-2023

The following table presents the items used to evaluate remuneration and company performance over the last five reported financial years:

		2023	2022	2021	Year ended December 31,	
					2020	2019
<i>Director's actual cash remuneration and value of equity remuneration</i>						
R.W. Blickman, CEO	Board of Management (€)	10,461,238	9,383,482	8,698,528	7,066,003	6,068,127
	Annual change	11%	8%	23%	16%	-33%
<i>Company performance</i>						
Net income as % of revenue realized		30.6%	33.3%	37.7%	30.5%	22.8%
Total shareholder return (base 2018 = 100%)		913%	365%	457%	294%	199%
<i>Average actual cash remuneration and value of equity remuneration</i>						
Employees of the Company, excluding CEO (€ thousands)		80.4	73.6	70.8	68.2	64.8
Annual change		9%	4%	4%	5%	0%
Internal pay ratio*		115	115	128	100	72

* The internal pay ratio is calculated based on the annual total remuneration of the CEO relative to the average annual remuneration of the employees of the Company as reported in accordance with IFRS and in accordance with the requirements under the Dutch Corporate Governance Code. The Remuneration Committee noted that certain factors influence the internal pay ratio. The internal pay ratio of 115 in 2023 was equal to 2022 and decreased versus 2021 as the total 2023 remuneration of the CEO as reported in accordance with IFRS increased by 17% versus 2021, whereas the average remuneration of the other employees in accordance with IFRS increased by 17%. The internal pay ratio is mainly impacted by the value of the equity compensation awarded to the CEO and as such aligned with the share price performance. Given the dependence on the share price development, the Remuneration Committee does not have a preferred ratio. Instead, remuneration of employees and the CEO should be in line with the relevant internal and external references for the relative weight of the position, responsibilities and performance.

Shares held by members of the Board of Management

Members of the Board of Management are expected to hold Besi shares as a long-term investment to better align their interests with those of shareholders. As per a resolution approved at the 2023 AGM, the Chairman of the Board of Management is expected to hold shares in an amount equal to three times his base salary (or € 1,950,000 based on his 2023 salary). Other members of the Board of Management are expected to hold shares in an amount equal to two times their base salary. The table below shows the holdings of the member of the Board of Management as of December 31, 2023:

Board of Management	2023 base salary in €	Number of shares held	Ownership ratio*
Richard W. Blickman	650,000	1,342,098	282x

* The ownership ratio is calculated based on the number of shares held by the member of Board of Management multiplied with the share price at December 31, 2023, divided by the base salary.

Remuneration members of the Supervisory Board

The remuneration of the members of the Supervisory Board is reviewed on an annual basis. The Annual General Meeting of Shareholders on April 26, 2023 approved the Remuneration Policy of the Supervisory Board.

The total cash remuneration of the members of the Supervisory Board for the five years ended December 31, 2023 was as follows, as reported by the Company:

(€)	Year ended December 31,				
	2023	2022	2021	2020	2019
R. Norbruis – Chairperson ¹	52,800	–	–	–	–
N. Hoek – Member and Chair Audit Committee	66,000	66,000	66,000	66,000	66,000
C. Bozotti – Member and Chair Remuneration Committee	66,000	66,000	64,900	62,700	62,700
E. Eckstein – Member and Chair Nomination Committee	66,000	64,900	20,900	–	–
L. Oliphant – Member	68,700	62,700	41,800	–	–
Former members of the Supervisory Board:					
L.J. Hijmans van den Bergh ¹	25,800	79,200	79,200	79,200	53,900
D.J. Dunn	–	–	22,000	66,000	66,000
M. ElNaggar	–	–	41,800	68,700	70,700
T. de Waard	–	–	–	–	26,400
K.W. Loh	–	–	–	–	26,900
Total remuneration	345,300	338,800	336,600	342,600	372,600

¹ Mr Richard Norbruis was appointed as a member of Besi's Supervisory Board at the 2023 AGM on April 26, 2023. Mr Norbruis succeeded Mr L.J. Hijmans van den Bergh, who did not seek reappointment to his position as a Supervisory Board member at the 2023 AGM. Their respective remuneration is pro-rated.

The current remuneration of Supervisory Board members as per the new Remuneration Policy 2024 and as approved by shareholders at the 2023 AGM, is as follows:

- Member of the Supervisory Board, including committee membership(s): € 62,700.
- Member of the Supervisory Board and Chairperson of a committee: € 66,000.
- Chairperson of the Supervisory Board: € 79,200.
- Meeting attendance fees, including conference calls: None.
- Intercontinental travel allowance: € 6,000 for physical attendance at a minimum of three meetings.

The members of the Supervisory Board are not entitled to any performance or equity related compensation and are not entitled to any pension allowance or contribution.

Proposed increase in Supervisory Board compensation

Compensation for members of Besi's Supervisory Board has not been increased for the past six years. The Committee reviewed its compensation structure in 2023 with the help of a third-party consultant and concluded that the pay levels for some roles were below the benchmark of market median rates for other reference companies in accordance with the Remuneration Policy 2024. Consequently, a proposal will be made at the 2024 AGM to increase the compensation for members of Besi's Supervisory Board.

Loans

At the end of 2023, no loans, advances or guarantees were outstanding for any members of Besi's Supervisory Board.

Remuneration Policy 2024

The key principles underlying the new Remuneration Policy 2024, which was approved at the 2023 AGM include the (i) placement of a cap on total compensation available to the member of the Board of Management in any given year, (ii) elimination of the discretionary element in share-based compensation, (iii) simplification of the remuneration structure, (iv) updating of the current remuneration reference group to better reflect Besi’s improved business and financial profile and (v) establishment of a minimum level of share ownership for members of the Board of Management.

Besi will apply this Remuneration Policy 2024 as from January 1, 2024.

In accordance with this policy, the Supervisory Board, upon the recommendation of the Committee, decided to increase the 2024 base salary of the CEO from € 650,000 to € 700,000. The Committee considered a 7.7% salary increase reasonable considering comparable industry peer group metrics and other industry benchmarks.

For more information, please see the [Remuneration Policy 2024](#), which is available on our website.

Remuneration Policy 2024

Introduction

This document sets out the remuneration policy ('Remuneration Policy') for BE Semiconductor Industries N.V. ('Besi' or the 'Company'). The Remuneration Policy has been adopted by the shareholders at the Annual General Meeting of Shareholders on April 26, 2023 (the "General Meeting"). The amendment to the Remuneration Policy with regard to the Compensation of the Supervisory Board has been adopted by the shareholders at the Annual General Meeting of Shareholders on April 25, 2024.

The Remuneration Policy applies to the members of the Board of Management and the members of the Supervisory Board and has been prepared in accordance with article 2:135a of the Dutch Civil Code (the "DCC") and the best practice provisions of the Dutch Corporate Governance Code. In accordance with Dutch Law, the Remuneration Policy will be submitted for approval to the General Meeting at least every four years as well as each time there is a revision to the Remuneration Policy. If adopted, the proposed Remuneration Policy replaces the current Remuneration Policy 2020-2023 and will apply prospectively for the four consecutive financial years starting January 1, 2024.

Besi's Remuneration Policy seeks to achieve three broad goals:

1. The Company's remuneration programs are structured to enable Besi to attract, motivate and retain highly qualified executives with the relevant background, skills, experience and capabilities to achieve its strategic business objectives in an increasingly competitive global market.
2. The Company's remuneration programs are designed to reward members of the Board of Management for their achievement of specified business, financial and ESG objectives. They are therefore linked to and dependent on the execution of the Company's strategy in a socially responsible and sustainable manner. By linking variable remuneration to specific financial and non-financial goals that reflect the Company's strategic business objectives, the Company believes that it creates a performance-oriented environment for eligible executives and aligns their interests with those of internal and external stakeholders and the Company's commitment to make a sustainable contribution to society. In designing the Remuneration Policy, the Company considers stakeholder interests and feedback, specific market trends, industry developments and the views of society.
3. The Company's remuneration programs are intended to provide members of the Board of Management with a significant equity interest in the Company, linking executive remuneration with the long-term performance of Besi's ordinary shares, strategy and financial performance.

In addition to these three broad goals, the Remuneration Policy operates within the framework of the Company's Code of Conduct which defines the common values inspired by the Company's vision and purpose.

The Supervisory Board regularly (i) reviews Besi's business objectives, (ii) undertakes risk assessments, (iii) assesses Besi's overall performance with respect to its business objectives, (iv) undertakes scenario analyses of the possible outcomes of the variable remuneration elements and how those may affect total remuneration and (v) considers the performance of individual members of the Board of Management compared to their own specific business objectives. Furthermore, the Remuneration Committee obtains the views of the individual members of the Board of Management with respect to the level and structure of remuneration.

Remuneration Principles

The design of the Remuneration Policy applicable to the members of the Board of Management is based on five guiding principles as outlined below:

Alignment with strategy

The variable remuneration of the members of the Board of Management is structured with Short-Term and Long-Term Incentives for which the actual payout is directly linked to the realization of financial and non-financial performance objectives set by the Supervisory Board prior to the start of the relevant performance period. These performance objectives reflect the essential elements of the Company's strategy and business objectives.

Performance-oriented pay

The Remuneration Policy supports a performance-oriented pay principle for the Board of Management and minimizes inappropriate risk-taking behavior. The Short-Term and Long-Term Incentives are subject to claw-back provisions that provide the Supervisory Board with the authority to reclaim all or part of the Short-Term and Long-Term Incentives.

Competitive pay

Besi competes for qualified talent in a highly competitive global market. The competitiveness of the Remuneration Policy is benchmarked regularly against a balanced Remuneration Reference Group consisting of global semiconductor and semiconductor equipment companies with a majority of the companies being headquartered in Europe. This reference group is used to determine the total remuneration package for members of the Board of Management. Market capitalization is considered the most relevant comparison parameter when selecting and benchmarking against other companies since Besi's continuous focus on value creation is an integral element of its strategy and is considered more relevant than other size parameters. Finally, the Remuneration Reference Group composition should be sufficiently robust so as to aid in succession planning.

Consistency, transparency and disclosure

The remuneration structure of the Board of Management is consistent with the remuneration structure for senior management positions so as to ensure internal alignment and to support a shared purpose. It also ensures that any succession planning can be enforced. Extensive disclosures will be provided in the annual Remuneration Report as to how the Remuneration Policy is implemented including:

- Full disclosure of the peer group used for benchmarking purposes;
- Transparency as to the term as well as the performance measures and weights used in the Short-Term and Long-Term Incentives;
- The retrospective disclosure of the targets and actual outcome for each performance objective in the Short-Term and Long-Term Incentives.

Alignment with stakeholder interests

As indicated in the preparation of, and as discussed during and following previous annual general meetings, the views of shareholders as expressed during the AGM or in dialogue with investors and shareholder representative bodies are considered by the Remuneration Committee when preparing and operating the Remuneration Policy.

The Remuneration Policy aligns the strategic business objectives of Besi with the interests and views of the Company's stakeholders and society at large. We also commit to transparency and a high degree of integrity when interacting with a broad list of stakeholders who have a strong interest in the Company, including employees, customers, suppliers, business partners and shareholders.

Stakeholders encourage us to constantly improve by challenging us, sharing insights with us as to their concerns and offering feedback and collaboration. We engage with them in both formal and informal ways throughout the year on a wide range of topics including societal, economic and environmental aspects and consider any feedback provided.

Overview Remuneration Elements

Remuneration structure

The total remuneration package for members of the Board of Management is established on an annual basis by the Supervisory Board upon proposal of its Remuneration Committee and consists of four components based on the goals set forth below:

1. Annual base salary
2. Short-Term Incentive (annual performance-based bonus, paid in cash and shares)
3. Long-Term Incentive (annual conditional award of Performance Shares)
4. Retirement and other benefits

The above components are regularly compared against a balanced Remuneration Reference Group of companies selected based on their industry, size and geographical presence to determine the total remuneration package for members of the Board of Management. Besi aims to position total target direct compensation between the median and 75th percentile of its Reference Group.

Bijlage 2

Voorgestelde wijzigingen in het Bezoldigingsbeleid 2024 (goedgekeurd op 26 april 2023) zijn rood gemarkeerd.

Set forth below is the composition of the Remuneration Reference Group. The Supervisory Board will regularly review the composition of the Reference Group to ensure an appropriate composition in the context of a dynamic and competitive semiconductor industry and may be adjusted over time. Substantial changes to the peer group composition will require approval at a General Meeting of shareholders and will be disclosed in the annual Remuneration Report.

Company Name	Country of HQ	GICS Subindustry category
Aixtron SE	Germany	Semiconductor Equipment
ams Osram AG	Austria	Semiconductors
ASM International N.V.	Netherlands	Semiconductor Equipment
Elmos Semiconductor SE	Germany	Semiconductors
Entegris, Inc.	US	Semiconductor Equipment
FormFactor, Inc.	US	Semiconductor Equipment
KLA Corporation	US	Semiconductor Equipment
Kulicke and Soffa Industries, Inc.	Singapore	Semiconductor Equipment
NXP Semiconductors N.V.	Netherlands	Semiconductors
Siltronic AG	Germany	Semiconductor Equipment
SMA Solar Technology AG	Germany	Semiconductor Equipment
Soitec SA	France	Semiconductor Equipment
STMicroelectronics N.V.	Switzerland	Semiconductors
SUESS MicroTec SE	Germany	Semiconductor Equipment
Teradyne, Inc.	US	Semiconductor Equipment

When determining compensation for the members of our Board of Management also the terms and conditions of employment and internal and external pay ratios are taken into consideration.

1. Annual Base Salary

Each year, the Supervisory Board reviews the fixed annual base salaries of members of the Board of Management and considers adjustments related thereto. The Supervisory Board may consider various factors when determining any changes to base salaries including (i) the development of base salaries for Besi employees globally, (ii) benchmark data using the Remuneration Reference Group, (iii) business performance, (iv) role, (v) scope, (vi) market practice in relevant countries, (vii) historical salary levels and (viii) the experience and individual contribution of members of the Board of Management. The base salary is set by the Supervisory Board between the median and the 90th percentile of the Reference Group. The actual base salary and any annual increases will be reported in the annual Remuneration Report.

2. Short-Term Incentive (annual cash bonus)

The annual bonus opportunity is linked to the achievement of pre-determined performance conditions based on financial and non-financial criteria as determined by the Supervisory Board and closely aligned to Besi's business strategy and long-term value creation. Performance measures are based on a pre-defined list against which targets are set by the Supervisory Board on an annual basis. The composition of the STI will consist of financial measures (70%) and non-financial measures (30%). Financial measures will be linked to the overachievement of Net Margin, Return on Average Equity ('ROAE') and Cash flow from Operations/Revenue metrics. Non-financial measures will include ESG, operational, strategic, customer and/or leadership measures.

The total Target STI level is set at 300% of base salary of which 1/3rd will be cash-based and 2/3rd will be share-based. As such, the target for the cash-based STI will equal 100% of base salary with a maximum equal to 150% of the target. For the share-based component, the target will be set at 200% of base salary with a maximum equal to 175% of the target. The share-based STI will be converted in Besi shares following the assessment of the Supervisory Board on the STI targets achieved and is subject to a five-year holding period to further ensure long-term shareholder alignment and value creation. However, members of the Board of Management are allowed to sell sufficient shares to cover their income tax liability following the vesting and transfer of share-based STI.

Details of performance measures for each year and how they support the achievement of Besi's business strategy will be disclosed in the annual Remuneration report. After the end of each fiscal year, the Supervisory Board will review the performance of the Board of Management and determine the extent to which each of the targets has been achieved in arriving at the final payout level. STI targets will be disclosed in the annual Remuneration Report in consideration of shareholder transparency.

3. Long-Term Incentive (annual conditional award of Performance Shares)

The Long-Term Incentive consists of a conditional award of Performance Shares. The award represents a conditional right to receive a certain number of Besi shares depending on the achievement of pre-determined financial and market performance objectives set by the Supervisory Board as described below measured over a three-year performance period and subject to continued service.

- 50% - *Net Income/Revenue over three calendar years*, i.e. Net Income expressed as a percentage of Revenue over a three-year performance period. Net Income/Revenue is considered a key measure for creating sustainable long-term shareholder value and therefore linked to Besi's long-term strategy.
- 50% - *Relative Total Shareholder Return ('TSR')*. The development of Besi's share price including the reinvestment of dividends over a three-year performance period will be compared to a comparator group of 21 semiconductor equipment companies whereby three month share price averaging will be applied at the start and at the end of the TSR performance period. The TSR over the three-year performance period is considered a key measure for indicating the development of shareholder value of Besi's TSR relative to its comparators in the semiconductor equipment industry and is an appropriate performance measure to align the interests of members of the Board of Management with those of shareholders. The composition of the comparator group will be reviewed annually by the Supervisory Board and, if required, will be adjusted in case of delisting, change of control or in light of changes to the performance, size and market value, among other considerations, of the companies involved which could affect comparability. Adjustments to the comparator group, including replacements, will be based on predetermined internal guidelines. The TSR comparator group currently consists of the following companies:

TSR comparator group (excluding Besi)		
Aixtron SE	Disco Corporation	Nova Ltd.
Applied Materials, Inc.	Entegris, Inc.	Onto Innovation Inc.
ASM International N.V.	Formfactor Inc.	SÜSS MicroTec SE
ASML Holding N.V.	Jenoptik AG	Teradyne Inc.
ASM Pacific Technology Ltd.	Kulicke & Soffa Industries, Inc.	Tokyo Electron Ltd.
Axcelis Technologies, Inc.	Lam Research Corporation	Tokyo Seimitsu Co., Ltd.
Cohu, Inc.	Nanometrics, Inc.	Veeco Instruments, Inc.

Award of Performance Shares

The number of Performance Shares to be awarded annually will be determined by the Supervisory Board based on the target level equaling 200% of the individual's gross annual base salary and is calculated based on the average closing price of the Besi shares of all trading days in the calendar quarter immediately preceding the start of the relevant three-year performance period.

Vesting

The number of shares that become unconditional (i.e. number of shares vesting) will be determined at the end of a three-year performance period subject to Besi's actual performance during such performance period. Vested shares will be subject to a two-year holding period which means that members of the Board of Management will have to retain such shares for two years following the vesting date. However, members of the Board of Management are allowed to sell sufficient shares to cover their income tax liability following the vesting and transfer of the Performance Shares.

Bijlage 2

Voorgestelde wijzigingen in het Bezoldigingsbeleid 2024 (goedgekeurd op 26 april 2023) zijn rood gemarkeerd.

The actual number of Performance Shares which will vest at the end of the three-year performance period will be determined according to the following grid:

Long-Term Incentive: NIR Performance versus vesting	At minimum	At target performance	At maximum stretched performance)
as % of the number of Performance Shares awarded			
Net Income as % of Revenue	0%	100%	200%

The number of Performance Shares that will vest according to Besi's TSR performance is based on the actual absolute ranking of Besi within the comparator group and will vest in a range between 0% and 200% of the total number of Performance Shares awarded to the individual. Vesting is determined based on the following schedule whereby straight-line vesting percentages are applied for ranking levels between the median range and the Top 3 level:

Ranking of Besi in comparator group based on relative TSR during performance period versus pay-out	Vesting percentage Performance Shares
Rank 22 - Rank 12	0%
Rank 11 (median range)	75%
Rank 10-4	75-200% (linear interpolation)
Top 3	200%

Claw back, malus and adjustment to Short- or Long-Term Incentives

The Short-Term Incentive and Long-Term Incentive components for members of the Board of Management as described above are subject to clawback provisions. In addition, risk assessment tests are in place and measures are included in the variable remuneration documentation for members of the Board of Management to ensure that shareholders' interests are protected. In this respect, the Supervisory Board holds the discretionary authority to reclaim all or part of the Short-Term Incentive and Long-Term Incentive if such variable remuneration has been made based on incorrect financial data or other data or in the case of fraud, gross negligence, willful misconduct or any activity deemed detrimental to the Company. This clawback provision is applicable to both the vested and unvested part of Long-Term Incentive components as well as deferred Short-Term Incentives awards (malus).

Number of shares available

The aggregate total number of Shares available for awards to be made by Besi shall not exceed 1.5% of the total number of outstanding shares as of 31 December of the year prior to the year in which the Shares are awarded

Share ownership requirement

A minimum shareholding requirement for the members of the Board of Management will apply equal to 300% of the annual base salary for the Chair of the Board of Management and 200% of the annual base salary for other members. Newly appointed members of the Board of Management will have a period of three years from their date of appointment to satisfy the minimum shareholding requirement.

Retirement and other benefits

The pensions and other benefits for which the Board of Management members are eligible are intended to be competitive in their relevant local market and may be subject to change based on the evolution of best practices in such local markets. Members of the Board of Management are eligible for benefits such as health insurance, accident insurance, travel insurance, expense allowance and a company car. Additional benefits and allowances may be offered in case of relocation or international assignment such as relocation support, expatriation allowance, reimbursement for international schools, housing support and other benefits which reflect local market practice. Retirement arrangements reflect relevant local market practice. Members of the Board of Management participate in the applicable retirement benefit plans available in the country of employment or equivalent contributions consistent with the best practices of the local market in which the member resides.

Bijlage 2

Voorgestelde wijzigingen in het Bezoldigingsbeleid 2024 (goedgekeurd op 26 april 2023) zijn rood gemarkeerd.

Further information regarding the benefits and retirement arrangements for members of the Board of Management are disclosed in the annual Remuneration Report.

Loans

As a policy, the Company does not provide loans, guarantees or advance payments to members of the Board of Management.

Employment contracts/service contracts

Service contracts with any new member of the Board of Management will in principle be entered into for a period of four years. Existing employment contracts for an indefinite period of time will not be replaced by contracts with a limited period or by contracts with different conditions.

Severance payment

The remuneration paid to members of the Board of Management in the event of dismissal may not exceed the individual's gross annual base salary (fixed component). The Notice periods are set at 12 months if the termination of the agreement is initiated by Besi and at 6 months if the member of the Board of Management terminates the agreement.

Recruitment policy

When determining remuneration for a new member of the Board of Management, the Supervisory Board will consider the requirements of the role, the needs of the business, the relevant skills and experience of the individual and relevant external market conditions. Generally, the Supervisory Board will seek to align the new Board of Management member's remuneration package in accordance with the Remuneration Policy.

Procedures

Determination and execution

The Remuneration Committee is responsible for advising the Supervisory Board in determining, revising and executing the Remuneration Policy for both the Board of Management and the Supervisory Board. The Remuneration Committee actively monitors internal and external developments to determine whether the Remuneration Policy is still aligned with, and supportive of, the Company's strategic and business objectives. It may submit a proposal for the amendment of the Remuneration Policy to the Supervisory Board if the Remuneration Committee believes circumstances so require. If supported by the Supervisory Board, any and all proposals for amendment of the Remuneration Policy will be presented to the General Meeting for adoption.

The Supervisory Board may exercise discretion in the execution of the Remuneration Policy and the related Incentive Plans within the Remuneration Policy for the Board of Management including but not limited to:

- Adjustment of the Base Salary for members of the Board of Management,
- Update of the Remuneration Reference Group and the TSR peer group in case of de-listings, mergers or other extraordinary circumstances,
- Adjustment, positive or negative, of the performance metrics of the incentive plans in the event of unforeseen or unusual circumstances which may occur during the performance period.

The Supervisory Board may at its discretion in accordance with article 2:135a under 4 and 5 of the Dutch Civil Code, in exceptional circumstances only, decide to temporarily deviate from any provision of the Remuneration Policy. Exceptional circumstances only cover situations in which the deviation from the Remuneration Policy is necessary to ensure the long-term interests and sustainability of the Company as a whole or to assure its viability in a rapidly changing business environment. Such situations may include a change of control of the Company, hiring offers for new members of the Board of Management or an appointment following a corporate transaction (e.g. merger or acquisition). In such circumstances, a temporary deviation from the Remuneration Policy is permitted. The Supervisory Board will address any such deviation during a General Meeting immediately following the occurrence of such exceptional circumstance.

Risk assessment and compliance

A comprehensive analysis contemplating the various risks and scenarios associated with variable compensation elements is conducted regularly. Such analysis includes the calculation of remuneration under different scenarios whereby different performance assumptions are reviewed and considered. The design and implementation of the Remuneration Policy is compliant with applicable laws and corporate governance regulations. Decisions related to remuneration are made in accordance with the Company's Code of Conduct.

Bijlage 2

Voorgestelde wijzigingen in het Bezoldigingsbeleid 2024 (goedgekeurd op 26 april 2023) zijn rood gemarkeerd.

Remuneration Policy 2024 Supervisory Board

This policy aims to attract, retain and fairly compensate Supervisory Board members based on their background, skills, experience and the responsibilities of their role.

The compensation of Supervisory Board members is based on fixed amounts paid in cash in accordance with their roles and responsibilities. The members of the Supervisory Board are not entitled to any performance or equity related compensation and are not entitled to any pension allowance or contribution. This compensation structure is designed to ensure the independence of the members of the Supervisory Board and the effectiveness of the role of the Supervisory Board from a corporate governance perspective.

Fixed compensation – Supervisory Board and committee fees

Supervisory Board members are entitled to the following annual fees:

Annual fee per function in the Supervisory Board	Fixed annual fee
Chair	EUR <u>113,125</u>
Member and Chair of a committee	EUR <u>91,750</u>
Member including committee membership	EUR <u>86,750</u>

~~Furthermore, an intercontinental travel allowance of EUR 6,000 is granted for physical attendance at a minimum of three meetings.~~ No ~~other~~ additional meeting attendance fees are provided.

Supervisory Board compensation is regularly assessed by comparing fixed compensation levels against a benchmark of AEX and AMX companies listed on Euronext Amsterdam selected based on their comparable size and market capitalization. The Supervisory Board will present any proposed changes to their fees or compensation elements to the AGM for their approval.

Appointment

Members of the Supervisory Board are appointed for a maximum term of four years and shall thereafter be eligible for re-appointment for another term of four years. Thereafter, they may be reappointed for a term of two years which appointment may be extended by an additional two years. In all such cases, formal appointment is subject to the approval of the AGM.

Loans

As a policy, the Company does not provide its Supervisory Board members any personal loans, guarantees or advance payments.