

Agenda

Jaarlijkse Algemene Vergadering van Aandeelhouders (“AVA”) van BE Semiconductor Industries N.V. (“Beside” of de “Vennootschap”) te houden op **woensdag 26 april 2023** om 10.30 uur op het hoofdkantoor van de Vennootschap, Ratio 6 te Duiven

1. Opening

Financieel jaar 2022

2. Bespreking van het jaarverslag 2022 (ter bespreking)
3. Bespreking en vaststelling van de jaarrekening 2022 (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 2022 (ter adviserende stemming)
7. Bezoldigingsbeleid 2024 (ter stemming)

Samenstelling Raad van Commissarissen

8. Benoeming van de heer Richard Norbruis als commissaris (ter stemming)

Machtigingen

9. Machtiging van de Directie tot (i) uitgifte van gewone aandelen en verlening van rechten tot het nemen van gewone aandelen en (ii) uitsluiting of beperking van het voorkeursrecht op gewone aandelen en op rechten tot het nemen van gewone aandelen (ter stemming)
10. Machtiging van de Directie tot het verkrijgen van gewone aandelen (ter stemming)
11. Vermindering van het geplaatste aandelenkapitaal door intrekking van gewone aandelen (ter stemming)

Overig

12. Statutenwijziging van de Vennootschap (ter stemming)
13. Rondvraag
14. Sluiting

Toelichting

op de agenda voor de AVA van Besi te houden op 26 april 2023.

Agendapunt 2 – Bespreking van het jaarverslag 2022

De Directie zal verslag doen van de hoofdpunten van het jaarverslag 2022. Het jaarverslag 2022 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.

Agendapunt 3 – Bespreking en vaststelling van de jaarrekening 2022

De jaarrekening 2022, als opgenomen in het jaarverslag 2022, 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 2022 vast te stellen.

Agendapunt 4 – Dividend

a. Reserverings- en dividendbeleid

In overeenstemming met de Nederlandse 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 2022, de huidige kaspositie en de marktvooruitzichten, wordt voorgesteld om een bedrag gelijk aan 93% van het nettoresultaat van Besi als dividend voor het boekjaar eindigend op 31 december 2022 uit te keren. De Directie, met goedkeuring van de Raad van Commissarissen, stelt derhalve voor om een contant dividend uit te keren gelijk aan € 2,85 per gewoon aandeel.

Vanaf 4 mei 2023 zal betaling van het dividend plaatsvinden. Indien het dividendvoorstel wordt aangenomen, zullen de gewone aandelen op 28 april 2023 ex-dividend noteren en zal de dividend-registratiedatum op 2 mei 2023 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 2022 gevoerde beleid. De decharge zal worden verleend op basis van hetgeen daartoe vermeld staat in het jaarverslag 2022 of anderszins publiekelijk bekend is gemaakt.

b. Decharge van de commissarissen voor het gehouden toezicht

Voorgesteld wordt om ieder van de commissarissen decharge te verlenen voor het in 2022 gehouden toezicht. De decharge zal worden verleend op basis van hetgeen daartoe vermeld staat in het jaarverslag 2022 of anderszins publiekelijk bekend is gemaakt.

Agendapunt 6 – Adviserende stemming remuneratierapport 2022

Het remuneratierapport 2022 is opgenomen in het jaarverslag 2022 op pagina's 105 tot en met 128, opgenomen als Bijlage 1 bij deze agenda en beschikbaar op de website van de Vennootschap: www.besi.com. Het is opgesteld in overeenstemming met de Nederlandse wetgeving ter implementatie van de herziene EU Aandeelhoudersrechtenrichtlijn. In overeenstemming met deze wetgeving zal het remuneratierapport 2022 worden besproken en ter adviserende stemming aan de Algemene Vergadering van Aandeelhouders worden voorgelegd.

Agendapunt 7 – Voorgesteld bezoldigingsbeleid 2024 (ter stemming)

Voorgesteld wordt het bezoldigingsbeleid te wijzigen vanwege het aflopen van het huidige bezoldigingsbeleid 2020-2023 dat van toepassing is tot en met eind 2023. Het is de intentie dat het voorgestelde bezoldigingsbeleid van toepassing is voor een periode van vier jaar, zijnde de boekjaren 2024 tot en met 2027 voor de Directie en de Raad van Commissarissen. De rationale achter dit voorstel, alsmede het voorgestelde bezoldigingsbeleid 2024, is uiteengezet in Bijlage 2 bij deze toelichting en is ook beschikbaar op de website van de Vennootschap: www.besi.com.

Agendapunt 8 – Benoeming van de heer Richard Norbruis als commissaris

De Raad van Commissarissen draagt de heer Richard Norbruis voor tot benoeming als commissaris voor de termijn van vier jaar.

De heer Norbruis (66) heeft een uitgebreide achtergrond in internationaal ondernemingsrecht met ongeveer 40 jaar ervaring in corporate finance, fusies en overnames en herstructureringen. Hij is sinds 2019 partner bij Norbruis Clement Advocaten in Amsterdam. Tussen 2014 en 2018 was hij partner en lid van het wereldwijde leiderschapsteam bij EY Law (kantoren Amsterdam en New York). Daarvoor was hij partner bij Freshfields Bruckhaus Deringer (kantoor Amsterdam) en lid van het wereldwijde leiderschapsteam van Freshfields tussen 2011 en 2014. Voordat hij in 1999 bij Freshfields in dienst trad, was hij partner bij NautaDutilh (kantoren Amsterdam en New York). De heer Norbruis is momenteel voorzitter van de Stichting Administratiekantoor van gewone aandelen A Van Lanschot Kempen.

In lijn met de Nederlandse Corporate Governance Code en gezien het gewenste profiel van de Raad van Commissarissen, beveelt de Raad van Commissarissen aan de heer Norbruis te benoemen op basis zijn uitgebreide juridische en internationale praktijkervaring. Indien benoemd, is de Raad van Commissarissen voornemens de heer Norbruis aan te wijzen als voorzitter van de Raad van Commissarissen.

De heer Norbruis is onafhankelijk in de zin van de Nederlandse Corporate Governance Code en houdt geen aandelen in het kapitaal van de Vennootschap.

De gegevens met betrekking tot de te benoemen commissarissen als bedoeld in artikel 2:142 lid 3 van het Burgerlijk Wetboek zijn beschikbaar op de website van de Vennootschap: www.besi.com en liggen ter kennisneming ten kantore van de Vennootschap, Ratio 6, 6921 RW Duiven, tel. (+31) 26 3194500, e-mail: info@besi.com, en bij ABN AMRO Bank N.V. via e-mail: ava@nl.abnamro.com. Op verzoek worden ze kosteloos beschikbaar gesteld aan de aandeelhouders van de Vennootschap en andere vergadergerechtigden.

Agendapunt 9 – Machtiging van de Directie tot (i) uitgifte van gewone aandelen en verlening van rechten tot het nemen van gewone aandelen en (ii) 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 29 oktober 2023, te vernieuwen om de Directie in staat te stellen om te besluiten, met goedkeuring van de Raad van Commissarissen, tot:

- (i) 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 26 april 2023, en



Besi

- (ii) uitsluiting of beperking van het voorkeursrecht op gewone aandelen en op rechten tot het nemen van gewone aandelen, eveneens met inachtneming van voormeld maximum.

Voorgesteld wordt om deze nieuwe machtiging te laten gelden voor de periode van 26 april 2023 tot 26 oktober 2024. 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 10 – 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, 26 april 2023, 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 beurze. 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 26 april 2023, tot 26 oktober 2024. Deze machtiging stelt de Directie onder meer in staat om aandeleninkoopprogramma's op efficiënte wijze uit te voeren, onder meer voor kapitaalverminderingdoeleinden. Na goedkeuring zal de huidige machtiging niet meer worden gebruikt.

Agendapunt 11 – 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 26 april 2023. 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.

Agendapunt 12 – Statutenwijziging van de Vennootschap

Gezien de verplaatsing van het operationele hoofdkantoor van de Vennootschap van Nederland naar Zwitserland wordt voorgesteld om in de statuten van de Vennootschap op te nemen dat het operationele hoofdkantoor in Zwitserland is gevestigd. De statutaire zetel van de Vennootschap blijft in Nederland.

Het letterlijke voorstel is beschikbaar op de website van de Vennootschap: www.besi.com. Het ligt tevens ter inzage ten kantore van de Vennootschap, Ratio 6, 6921 RW Duiven, tel. (+31) 26 3194500, e-mail: info@besi.com, en bij ABN AMRO Bank N.V. via e-mail: ava@nl.abnamro.com. Op verzoek wordt het kosteloos beschikbaar gesteld aan de aandeelhouders van de Vennootschap en andere vergadergerechtigden. Het voorstel omvat de machtiging van iedere practice support lawyer en (kandidaat- of toegevoegd) notaris van Freshfields Bruckhaus Deringer LLP, kantoor Amsterdam, om de akte van statutenwijziging te doen verlijden en vervolgens de vereiste registraties te verrichten.

Remuneration Report



Remuneration Report

Introduction

We are pleased to present the 2022 Remuneration Report. Overall, the Remuneration Committee (the "Committee") concluded that the Board of Management continued to deliver impressive results with respect to all aspects of the Company's short- and long-term value creation objectives in 2022. Such results were achieved despite significant headwinds including a new industry downturn, a rapid rise of global inflation, decelerating growth in China, increased geopolitical tensions between the US and China and ongoing pandemic disruptions and supply chain constraints. Besi, under the leadership of the Board of Management, responded quickly to changing market conditions by aligning its production and overhead in order to maintain peer leading financial performance. R&D spending increased significantly in 2022 to support new product development programs for Besi's wafer level portfolio and all other products. Hybrid bonding commercial production began in 2022 and additional orders were received in the fourth quarter for delivery in 2023, underscoring the promise of hybrid bonding for Besi's future business prospects and long-term sustainable value creation for shareholders. Significant progress continued on Besi's ESG agenda wherein targets set for 2022 were exceeded. In addition, we decreased our environmental footprint via reduced emissions intensity and relative decreases in waste, hazardous waste, energy consumption and water withdrawal. Finally, our commitment to shareholders was confirmed with a 132% increase in capital allocation in the form of dividends and share repurchases.

The advisory vote on the Remuneration Report 2021 did not receive the majority required at the 2022 AGM. As a result, we expanded our engagement with key stakeholders to better understand their views on remuneration and to solicit feedback on our Remuneration Report and the proposed Remuneration Policy 2024-2027. Such interactions were productive, led to positive dialogue and valuable feedback in crafting a new Remuneration Policy 2024-2027 and better aligned our policy with the best practices of the Dutch Corporate Governance Code.

The Supervisory Board 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 that it believes will enable Besi to retain, motivate and attract executives who are capable of achieving its business objectives.
- It creates a performance-oriented environment for Company executives by linking remuneration to the achievement of specified business objectives or related to the member's particular business.
- 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.

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 assesses realized performance relative to Besi's strategy and Code of Conduct. The Committee also 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 the Company'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, 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 long-term shareholder value creation.

In establishing remuneration for the Board of Management, the Supervisory Board consulted PwC, an external remuneration consultant, in carrying out its duties. 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 have also been taken into account 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. The Supervisory Board also conducted a remuneration benchmark survey in 2022 prior to which it verified that the consultant selected did not similarly provide advice to the Board of Management so that no conflicts of interest existed.

Set forth below is a description of the circumstances contributing to compensation decisions of the Supervisory Board in 2022. It also includes our proposed Remuneration Policy 2024-2027 which seeks to meet shareholder expectations for simplification, additional transparency, defined performance metrics and quantum limits on total compensation. Key topics include an understanding of corporate and individual performance metrics underlying remuneration decisions and outreach undertaken to address shareholder dissent expressed. In addition, it details the current applicable Remuneration Policy 2020-2023 and describes how it was implemented during 2022.

Company performance

Set forth below is a table presenting Besi's key financial performance indicators for long-term value creation in 2022 versus 2021.

BESI VALUE CREATION 2022/2021

(€ millions, except otherwise stated)	2022	2021	Δ	Highlights
Revenue	722.9	749.3	-3.5%	<ul style="list-style-type: none"> Hybrid bonding orders accelerating. Significant new revenue potential Peer leading financial metrics Return on average equity above 38% despite renewed industry downturn Ranked #8 in Remuneration Reference Group of 19 companies Record shareholder distributions
Gross Margin	61.3%	59.6%	+1.7pts	
Net Income	240.6	282.4	-14.8%	
Net Margin	33.3%	37.7%	-4.4pts	
Return on Avg. Equity	38.6%	57.0%	-18.4pts	
Total Return	-20.0%	55.4%	NM	
Capital Allocation	416.3	179.5	+132%	

Other important factors contributing to value creation in 2022 included the following:

Expanded R&D investment in support of next generation assembly applications

- Gross R&D spending up 22% versus 2021 and up 66% since 2019.
- Next generations of current advanced packaging portfolio developed.
- TCB chip-to-wafer and embedded bridge die attach systems introduced.
- Hybrid bonding progress continues:
 - Broad based engagement with leading semiconductor manufacturers.
 - 35 hybrid bonders shipped to date.
 - Follow on orders received for delivery in 2023.

Strategic initiatives undertaken to help position Besi for future growth

- Strategic plan 2025 updated. Revenue goal of € 1 billion++ as well as increased market share at peer leading margins.
- Sub micron wafer level product portfolio organized under separate SVP.
- Increased development staff in Austria, Singapore, Taiwan and the US.
- Expanded cleanroom R&D and production facilities and began construction of a cleanroom in Singapore to accommodate future hybrid bonding process development and customer support.
- Increased capacity to 12-15 hybrid bonders per month in alignment with customer demand roadmaps for 2023-2026.
- Additional 125,000 square foot facility in Malaysia to facilitate future growth.
- Retrofitted existing Malaysian production facilities to better protect against potential climate change events such as flooding.
- Began work on tooling and support facility in Vietnam as Chinese-based customers intend to shift production to other Southeast Asian countries.

Significant progress achieved on ESG agenda

- Met or exceeded approximately 80% of all 2022 relative ESG targets set in 2020.
- Reduced Scope 1 & 2 and 3 emissions intensity by 64% and 14%.
- Relative reductions in fuel and hazardous waste.
- 76% of energy needs supplied by renewable sources, up from 20% in 2021.
- Completed 77% of ESG initiatives.
- "A" rating received from MSCI ESG Ratings.
- Included in AEX ESG index.
- Climate-related assessment completed. Further alignment with TCFD disclosure.
- New targets set for 2024-2030.

Peer leading financial metrics achieved in challenging business environment

- 2022 revenue and orders of € 722.9 million and € 663.7 million decreased by 3.5% and 29.3%, respectively, as industry downturn began in Q2-22.
- Production model aligned with changing market conditions:
 - Gross margins rose to 61.3%.
 - Operating and net margins achieved of 40%+ and 33%+, respectively.
 - Return on average equity of 38.6%.
- Net income of € 240.6 million versus € 282.4 million reached in 2021 industry peak.

Strong cash flow generation supports increased capital allocation to shareholders

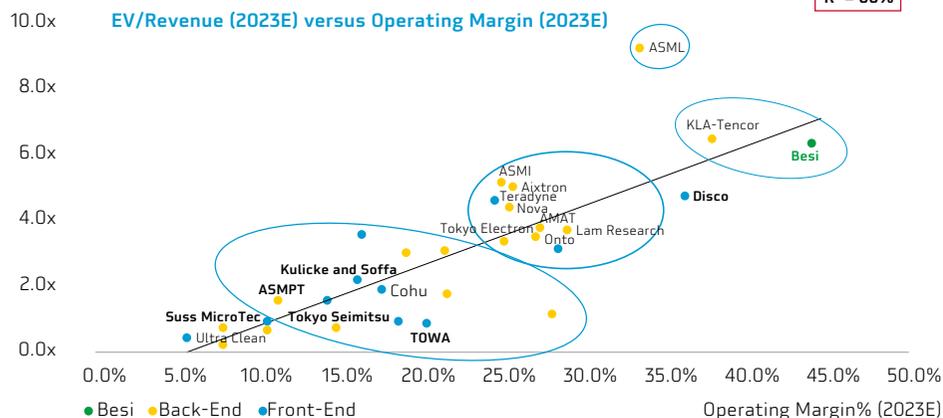
- Solid cash flow generation of € 271.9 million equal to 37.6% of revenue.
- Strong liquidity position with net cash of € 346.5 million.
- Capital allocation to shareholders (dividends and share repurchases) increased by 132% to € 416.3 million.
- Proposed 2022 dividend of € 2.85 per share. Pay-out ratio of approximately 93%. 90%+ dividend pay-out ratio since 2015.
- New € 300 million share buyback program initiated until October 2023.

2022 ESG HIGHLIGHTS

Process Pillar	2022 Target	2022 Progress
Environmental Impact 	<ul style="list-style-type: none"> • 15% reduction in Scope 1 & 2 emissions versus 2019 index. • 5% reduction in hazardous waste. • 25% energy from renewable sources. • Develop targets for sustainable design. 	<ul style="list-style-type: none"> • 64% reduction in Scope 1 & 2 emissions intensity versus 2021. • Relative and absolute reduction in hazardous waste. • Energy generated from renewable sources increased from 20% to 76%. • Initiative developed for 10% reduction in die attach platform energy consumption.
People Wellbeing 	<ul style="list-style-type: none"> • Increase % local managers to 85%. • Increase % female managers to 20%. • Increase training hours by 15%+. 	<ul style="list-style-type: none"> • Increased % local managers to 88%. • Achieved 20% female managers. • 19% increase in training hours.
Responsible Business 	<ul style="list-style-type: none"> • 70% Purchasing Volume to sign CFSI. • 75% Purchasing Volume to sign GWA. 	<ul style="list-style-type: none"> • 73% Purchasing Volume signed CFSI. • 77% signed GWA.

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

EV/Revenue (2023E)



Source: CapIQ and Morgan Stanley. All values calendarized as per year end December 2022

Shareholder dissent on remuneration

The Remuneration Policy for the Board of Management applicable for the years 2020 up to and including 2023 (the “Remuneration Policy 2020-2023”) was approved by the Annual General Meeting of Shareholders (“AGM”) on April 26, 2019. The Remuneration Policy 2020-2023 was developed in view of changes in legislation, market developments, external market best practices and best practice provisions of the Dutch Corporate Governance Code. During the AGM on April 30, 2021, certain amendments to the Remuneration Policy 2020-2023 were proposed for approval which received a simple majority of votes cast but did not receive the required threshold of 75% for approval under Dutch Law. In addition, shareholders were asked to provide an advisory vote on the Remuneration Report 2021 at the AGM on April 29, 2022. The advisory vote did not receive the required simple majority of votes cast.

After the outcome of the votes at the 2021 and 2022 AGMs, the Supervisory Board initiated shareholder engagement in order to better understand the expectations of our broad and geographically diverse shareholder base. As such, it retained external proxy and corporate governance advice to facilitate the engagement process and discussion. In addition, the Supervisory Board consulted extensively with shareholders in preparation for the 2023 AGM with specific outreach to approximately 25% of the issued share capital as well as proxy advisors.

In response to shareholder feedback, the Supervisory Board made adjustments to the application of the Remuneration Policy 2020-2023 in order to lower the quantum level of total compensation for the member of the Board of Management. In 2022, the Supervisory Board reduced the number of additional performance shares available for award to the member of the Board of Management (120,000 shares) by 42% given the substantial increase in the underlying price of Besi’s ordinary shares. This reduction was greater than the maximum potential downward adjustment of 20% stipulated in the Remuneration Policy 2020-2023.

The proposed Remuneration Policy 2024-2027 will increase transparency and certainty of the quantum payout with respect to compensation for the Board of Management by eliminating any discretionary share-based compensation and placing a cap on the total amount of compensation available for award to the member of the Board of Management relative to each of its principal components: base salary, short-term incentive compensation and long-term incentive compensation. In addition, it will better align Besi’s Remuneration Policy with market and EU best practices, reflect the significant growth of Besi’s business since 2019 and maintain the competitive alignment of executive compensation with semiconductor equipment peers in order to help attract, retain and motivate international talent.

Besi maintains an ongoing dialogue with its broader shareholder base and an active investor relations programs comprised of one-on-one investor calls, conferences and conversations with industry analysts on topics including Besi’s business development, prospects, ESG and corporate governance. The number and frequency of shareholder communications has increased significantly in recent years as more investors and industry analysts are interested in Besi’s market segment, business and progress. The increase has been due, in part, to significant changes in Besi’s scale, efficiency, profitability, market capitalization, shareholder composition and increased trading liquidity.

Proposal for new Remuneration Policy 2024-2027

A new Remuneration Policy 2024-2027 will be proposed to shareholders for approval at the 2023 AGM as a result of the upcoming expiration of the current Remuneration Policy 2020-2023, shareholder dissent expressed at the two most recent Besi AGMs and input received from outreach to shareholders and proxy advisors. The key principles underlying the new Remuneration Policy include (i) placing 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 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. If adopted at the 2023 AGM, the Remuneration Policy 2024-2027 will take effect on January 1, 2024.

The Committee also sought an updated remuneration benchmarking peer group in the context of the new proposed Remuneration Policy. The rationale for a new peer group included (i) Besi's changed business and financial profile versus 2019, (ii) the need for a more representative group of companies with which we compete for talent, (iii) the addition of more European companies in the comparison to satisfy proxy advisors' geographical requirements and (iv) a desire to enhance the comparability of Besi's reference group on the basis of market capitalization. As such, we believe the new peer group meets shareholder expectations in several ways:

- It has been refined to focus on semiconductor equipment/semiconductor producers exclusively.
- The proportion of European companies has been increased from 50% to 67%.
- Besi now ranks above the median in terms of market capitalization. The Committee considers market capitalization as the most important parameter to compare, because the continuous focus on value creation is an integral part of Besi's strategy, more important than volume and size.

The new remuneration reference group represents an important component of our proposed Remuneration Policy 2024-2027 but is not a formal part of the policy. The composition of such group will be reviewed and amended by the Supervisory Board on a regular basis and may be updated to reflect any changes in Besi's business and financial profile or the business and profile of peer group constituent members. Any changes to the peer group will be disclosed in the subsequent annual Remuneration Report. Set forth below is the new remuneration reference group.

Company name	Avg. market cap € millions*	Country of HQ	GICS subindustry
BE Semiconductor Industries N.V.	4,724	Netherlands	Semiconductor Equipment
Aixtron SE	2,695	Germany	Semiconductor Equipment
ams Osram AG	2,622	Austria	Semiconductors
ASM International N.V.	13,662	Netherlands	Semiconductor Equipment
Elmos Semiconductor SE	863	Germany	Semiconductors
Entegris, Inc.	12,768	US	Semiconductor Equipment
FormFactor, Inc.	2,342	US	Semiconductor Equipment
KLA Corporation	45,558	US	Semiconductor Equipment
Kulicke and Soffa Industries, Inc.	2,553	Singapore	Semiconductor Equipment
NXP Semiconductors N.V.	40,550	Netherlands	Semiconductors
Siltronic AG	2,515	Germany	Semiconductor Equipment
SMA Solar Technology AG	1,581	Germany	Semiconductor Equipment
Soitec SA	5,382	France	Semiconductor Equipment
STMicroelectronics N.V.	32,740	Switzerland	Semiconductors
SUESS MicroTec SE	286	Germany	Semiconductor Equipment
Teradyne, Inc.	14,407	US	Semiconductor Equipment
25 th percentile	2,429		
Median	2,695		
75 th percentile	14,034		

* Average market capitalization for 2022.

In addition, Besi proposes to make the following key adjustments in the proposed Remuneration Policy 2024-2027:

- Adjustment of the composition of STI and LTI awards and limitation on the total compensation available for award to the Board of Management:
 - Elimination of discretionary, additional performance shares.
 - Increase of the STI target opportunity from 100% of base salary to 300% of base salary to partially compensate for the elimination of the additional performance shares.
- Adjustment of STI compensation to include both cash-based and share-based award components.
 - Share-based STI awards will be subject to a five-year holding period to ensure long-term shareholder alignment.
- Increase of LTI target and maximum opportunities from 175% of salary/150% of target to 200% of salary/200% of target to partially compensate for the elimination of the additional performance shares.

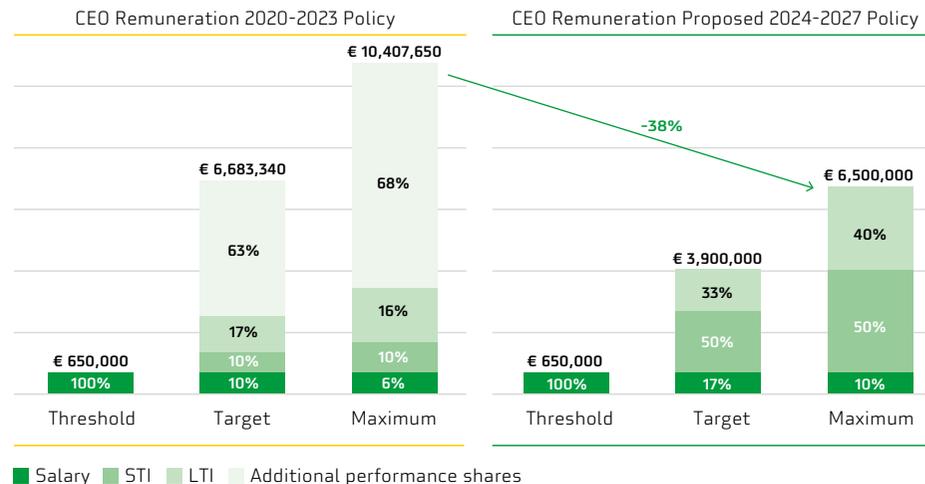
- Subject LTI awards to more defined, measurable and challenging financial and non-financial metrics in determining awards in accordance with Besi’s Strategic Plan.
- Placement of a cap on total compensation per annum available to the member of the Board of Management.
- Reduction of the total compensation available for payment to the member of the Board of Management by 38% versus the current Remuneration Policy 2020-2023 based on the average share price for 2022.
- Revision of the current remuneration reference group first established in 2011 to better reflect Besi’s improved business and financial profile, enhanced market presence, profitability and stock market capitalization as well as the global competitors against which we compete for talent.
- Establishment of a minimum level of share ownership for members of the Board of Management equal to three times the base salary of the Chairman of the Board of Management and two times the base salary for other members to better align the interests of the Board of Management with those of shareholders.

The total remuneration package and pay mix for the member of the Board of Management under the current Remuneration Policy 2020-2023 is established on an annual basis by the Supervisory Board upon proposal by the Committee. At present, it is comprised of five components based on the goals set forth below:

- Base Salary
- Benefits
- Pension
- Short-Term Incentive (annual performance-based cash bonus)
- Long-Term Incentive (annual conditional award of performance shares and additional performance share awards)

Set forth in the illustration below is a comparison of the principal incentive compensation components and potential compensation outcomes under the current Remuneration Policy 2020-2023 versus the proposed new Remuneration Policy 2024-2027. It highlights an approximate 38% reduction in the potential maximum remuneration (based on the average 2022 share price) which can be earned by the member of the Board of Management if the new Remuneration Policy 2024-2027 is adopted by shareholders at Besi’s 2023 AGM.

REMUNERATION OUTCOMES UNDER CURRENT VERSUS PROPOSED POLICY



* CEO remuneration excludes pension and other benefits and is based on € 650,000 base salary.

** The value of the additional performance shares is calculated based on the average share price over 2022 (€ 58.97) multiplied by 72,000 shares (60%) for at target performance and by 120,000 shares at maximum performance (and as reduced by shares vested for stretched LTI performance).

The following table sets forth a detailed comparison of the principal pay components involved in the current Remuneration Policy 2020-2023 versus the proposed new Remuneration Policy 2024-2027:

COMPARISON OF EXISTING VERSUS PROPOSED NEW STRUCTURE OF BOARD OF MANAGEMENT REMUNERATION

Pay Component	Current Remuneration Policy 2020-2023	Proposed Remuneration Policy 2024-2027	Main implications of proposed changes
Base Salary	<ul style="list-style-type: none"> Set by Supervisory Board based on median and 90th percentile levels of remuneration reference group. 	<ul style="list-style-type: none"> Set by Supervisory Board based on median and 90th percentile levels of remuneration reference group. 	<ul style="list-style-type: none"> No change.
Benefits	<ul style="list-style-type: none"> Expense compensation, medical insurance and social security premiums in accordance with generally prevailing market practice. 	<ul style="list-style-type: none"> Expense compensation, medical insurance and social security premiums in accordance with generally prevailing market practice. 	<ul style="list-style-type: none"> No change.
Pension	<ul style="list-style-type: none"> Different pension arrangements based on local customs and rules existing in the country of domicile. 	<ul style="list-style-type: none"> Different pension arrangements based on local customs and rules existing in the country of domicile. 	<ul style="list-style-type: none"> No change.
STI	<ul style="list-style-type: none"> STI based 70% on financial and 30% on non-financial measures including personal, strategic and ESG. STI paid-out in cash. Target STI of 100% of salary. Maximum STI of 150% of target. 	<ul style="list-style-type: none"> STI based 70% on financial and 30% on non-financial measures including personal, strategic and ESG. Target STI increased to 300% of salary consisting of two elements: cash-based and share-based (partly compensates for discontinuation of additional performance shares). Performance metrics selected annually by Supervisory Board from pre-defined list including: <ul style="list-style-type: none"> Net income, cash flow and return related metrics such as gross and net margins and ROAE. Non-financial metrics may include: ESG, business, strategic, customer and/or leadership, all of which will be measurable and formula based. Target for cash-based STI of 100% of salary. Maximum of 150% of target. Target for share-based STI of 200% of salary. Maximum of 175% of target. Share-based STI subject to five year holding period. 	<ul style="list-style-type: none"> Higher STI partially compensates for discontinuation of additional performance shares. Total STI target compensation will increase from 100% to 300%. $\frac{2}{3}$ of STI target compensation in the form of share-based compensation. Five-year holding period to ensure long-term shareholder alignment.

Pay Component	Current Remuneration Policy 2020-2023	Proposed Remuneration Policy 2024-2027	Main implications of proposed changes
LTI	<ul style="list-style-type: none"> Target LTI of 175% of salary. Maximum LTI of 150% of target. Paid in shares. Three-year performance period. 50% based on three-year Net Income as % of revenue. 50% based on relative TSR. Two-year lockup. 	<ul style="list-style-type: none"> Target LTI increased to 200% of salary. Maximum LTI increased to 200% of target. Paid in shares. Three-year performance period. 50% based on three-year Net Income as % of revenue. 50% based on relative TSR. Vesting for relative TSR will start only if Besi's TSR performance is at, or above, the peer group's median range. Two-year lockup. 	<ul style="list-style-type: none"> Aligned with best market practices. Higher LTI target and maximum opportunities partially compensates for discontinuation of additional performance shares.
Additional discretionary performance share awards	<ul style="list-style-type: none"> 0-120,000 shares for exceptional performance. Supervisory Board determines based on financial and strategic/ESG metrics. Immediate vesting. Five-year lockup. 	<ul style="list-style-type: none"> Discontinued. 	<ul style="list-style-type: none"> No discretionary element. Market-aligned remuneration structure. Reduction in target total compensation. Cap on total compensation.
Share ownership requirement	<ul style="list-style-type: none"> None. 	<ul style="list-style-type: none"> Three times base salary for the Chairman of the Board of Management. Two times base salary for other members of the Board of Management. 	<ul style="list-style-type: none"> Aligned with best market practices.
Remuneration Reference Group	<ul style="list-style-type: none"> Global peer group of 20 semiconductor/equipment and other industrial companies. Balanced mix – 50%-50% between Europe and non-European (US and Asian) companies. 	<ul style="list-style-type: none"> Global semiconductor industry-specific peer group of 15 semiconductor/equipment companies – most relevant business and talent competitors. Primarily European focus – 67% European/33% non-European. At median market capitalization rank. 	<ul style="list-style-type: none"> New reference group better aligned with Besi's business, size and competitive/talent landscape. Better aligned with European proxy advisors' views as to geographical mix.

Current Remuneration Policy 2020-2023

The following is a summary of Besi's existing Remuneration Policy. 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 this remuneration reference group currently, 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 composition of the remuneration reference group is reviewed by the Supervisory Board on a regular basis 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 comprise 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	Lam Research Corporation
Applied Materials, Inc.	MKS Instruments, Inc. ¹
ASM International N.V.	Nova Ltd.
ASML Holding N.V.	Onto Innovation, Inc.
ASM Pacific Technology Ltd.	FormFactor, Inc.
Axcelis Technologies, Inc.	SÜSS MicroTec SE
Cohu, Inc.	Tokyo Electron Ltd.
DISCO Corporation	Tokyo Seimitsu Co., Ltd.
Entegris, Inc.	Veeco Instruments, Inc.
Kulicke & Soffa Industries, Inc.	

¹ Brooks Automation, Inc. divested its semiconductor solutions group in 2021. As a result, it was replaced by MKS Instruments Inc. in 2022.

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)	At target performance	At maximum performance
	as % of the individual's gross annual base salary		
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

For awards granted in 2019 and which vest in 2022, the Supervisory Board may at its absolute discretion upwardly or downwardly adjust by a maximum 20% the number of performance shares awarded. 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 of the Remuneration Policy 2020-2023 in 2022

The Supervisory Board, upon the recommendation of the Committee, applied the Remuneration Policy in 2022 without exception as set forth below. The only member of the Board of Management in 2022 was Richard W. Blickman, Besi's CEO.

1. Base salary

The base salary of the CEO is reviewed annually taking into consideration the remuneration reference group. The Supervisory Board, upon the recommendation of the Committee, decided that the 2022 base salary of the CEO would remain unchanged at € 600,000, equal to the base salary applicable for the past four years (2018-2021).

At the end of 2022, the base salary of the CEO was reviewed, taking into consideration the remuneration reference group as well as developments within the Company and within 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. The Committee considered an 8.3% salary increase reasonable particularly given that the CEO's base salary of € 600,000 has not been increased since 2018.

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 significantly all of his pension plans have terminated. The 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 2022. 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 2022.

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)	630,000
Personal performance targets (30% of STI)	270,000
Total annual bonus pay-out	900,000

(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	5-14%	0-70%
Maximum	14-22%	70-105%
Actual NIR/STI payout	33.3%	105%

Besi's 2022 net income as a percentage of revenue was 33.3%, well above the maximum pre-defined target range of 22%. As a result, 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 € 630,000, 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 2022:

Pre-defined performance objectives	Weighting	Achievements / Overachievements 2022
<ul style="list-style-type: none"> Update Besi's Strategic Review 2021-2025 and the initiatives related thereto. Identify resources, expenditures and time scale to carry out these initiatives and review quarterly with the Supervisory Board. The Strategic Review should include competitive analysis. 	20%	<ul style="list-style-type: none"> New strategic initiatives developed. Progress against strategic plan initiatives highlighted at Supervisory Board meetings. Bi-weekly management reviews conducted on progress against strategic initiative. New organization structure implemented for Sub Micron Die Attach. Recruited senior personnel to manage. New 125,000 square foot facility in Malaysia completed to facilitate growth of hybrid bonding and wafer level assembly. Singapore cleanroom process support facility established. To be completed in 2023 to offer hybrid bonding and chip wafer process support/product development to Asian customers. Tooling and support facility in Vietnam underway following customer moves to new Southeast Asian locations. Malaysian facilities retrofitted to help mitigate risk of future flooding. Peer leading financial metrics maintained versus direct peers.
<ul style="list-style-type: none"> Define and investigate potential M&A roadmap; big picture and adding additional products. 	20%	<ul style="list-style-type: none"> Several deep dives performed on potential M&A candidates.
<ul style="list-style-type: none"> Implement Management Development and Succession Planning for CEO, management team and key staff, including top performers. Review with the Supervisory Board. 	20%	<ul style="list-style-type: none"> Overall management succession plan reviewed bi-annually including key staff related thereto. No vacancies in senior management at year end 2022. Specific succession topics and planning for the Board of Management and management team members discussed with Supervisory Board.

Pre-defined performance objectives	Weighting	Achievements / Overachievements 2022
<ul style="list-style-type: none"> Implement the 2022 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. 	20%	<ul style="list-style-type: none"> Successfully ramped gross R&D spending by 22% in 2022 and by 66% since 2019. Expanded R&D personnel (fixed and temporary) by 5% in 2022 and 27% since 2019. Successfully ramped hybrid bonding production at a customer in second half of 2022. Successfully increased hybrid bonding yields from ~40% to ~80% by year end. Shipped 35 hybrid bonders to customers since 2021. Additional orders for 11 hybrid bonding systems received in Q4. Next generation 100 nm accuracy hybrid bonding system to be delivered for qualification in 2023. First hybrid bonders being developed for incorporation in integrated production lines. Next generation TCB chip to wafer system developed. Introduced in Q4-22. Embedded bridge die attach systems introduced to market. First shipments to customer.
<ul style="list-style-type: none"> Further enhance environmental, social and corporate governance and sustainability strategy as presented in our Annual Report 2021. 	20%	<ul style="list-style-type: none"> Successfully integrated ESG in Annual Report. Hired external consultant to improve ESG reporting in 2022 Annual Report. Met or exceeded approximately 80% of all relative 2022 ESG targets set in 2020. Reduced Scope 1 & 2 and 3 emissions intensity by 64% and 14%. Relative reductions in fuel and hazardous waste. Completed 77% of ESG initiatives developed in 2020. "A" Rating from MSCI ESG Ratings, up from "BBB" in 2021. Included in AEX ESG Index. Sustainalytics ESG Risk rating improved to 15.3 versus 17.9 in 2021. Malaysian Ministry of Energy named Besi winner of Energy Performance Contracting Award. Retrofitted Malaysian facilities to help prevent future flooding events. Increased % of energy generated by renewable sources from 20% to 76%. Planned 10% reduction in energy consumption for die attach platforms as result of sustainable design collaboration with University of Lucerne (Switzerland). Climate assessment completed. Further alignment with TCFD. Set new targets for 2024-2030 based on 2022 performance.
TOTAL	100%	

During 2022, 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 the strategic updates provided. An overall assessment was also completed after year end 2022 including a review of customer satisfaction, strategic plan execution and effectiveness, ESG progress and cost reduction initiatives achieved.

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 2022, or € 270,000.

Total Short-term Incentive

The sum of the financial and non-financial components, including ESG targets, comprising the total cash bonus for the year 2022 equaled € 900,000, 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 development and efficiency in the face of a renewed industry downturn 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, 2022	Performance period		
	2020-2022	2021-2023	2022-2024
Conditionally awarded at target	31,920	25,143	13,927
Average share price Q4 preceding year (€)	32.8945	41.7606	75.3924
Year of vesting	2023	2024	2025
Range of shares potential vesting (0-150%)	0-47,880	0-37,715	0-20,891

Vesting of LTI shares

The vesting of LTI shares (conditional performance shares) for the member of the Board of Management for the 2020-2022 period was based on the following factors:

- (i) Net income as percentage of revenue over the three-year performance period of 34.4% overachieved 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 eighth within the TSR comparator group resulting in a vesting of 41.67% 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 8	41.67%	116.67%

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

As a result, 116.7% of the 31,920 shares (37,241 shares) related to the 2020 performance share award will vest on April 26, 2023, 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 2022:

BESI SHARE PRICE OVER LTI PERIOD



Executive	Performance criteria applicable for STI and LTI	Relative weighting	Performance incentive zones (as % of base salary)				
			Threshold levels	Target levels and corresponding award	Maximum performance levels and corresponding award	Performance realized and actual award outcome 2022	
R.W. Blickman, CEO	STI	Net income as % of revenue ("NIR")	70%	Below threshold (0%); vesting starting at threshold levels	Target performance (70%); € 420,000	Maximum performance (105%); € 630,000	Maximum performance (105%); € 630,000
		Personal performance (see above)	30%	Below threshold (0%); vesting starting at threshold levels	Target performance (30%); € 180,000	Maximum performance (45%); € 270,000	Maximum performance (45%); € 270,000
	LTI	Net income as % of revenue	50%	At threshold (25%); 0 shares Below threshold (0%)	At target (50%); 15,960 shares	Maximum performance (75%); 23,940 shares	Vesting at maximum level (75%); 23,940 shares
		Relative Total Shareholder Return (performance incentive zone depending on actual ranking of Besi in reference group, see above)	50%	At threshold (25%); 7,980 shares Below threshold (0%)	At target (50%); 15,960 shares	Maximum performance (75%); 23,940 shares	Vesting at rank 8 level (41.7%); 13,301 shares
		Additional performance shares (see below)				70,000 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 2022, the Supervisory Board awarded the member of the Board of Management 70,000 additional performance shares for achievements realized in 2021. 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 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			2021 performance	
	No award	50%+ award (pro-rata)	100% max award	1 year	3 year average
Net margin (X% of award)	< 20%	≥ 20% < 25%	≥ 25%	37.7%	32.2%
ROAE (X% of award)	< 20%	≥ 20% < 25%	≥ 25%	57.0%	42.6%
CFO/Revenue (X% of award)	< 25%	≥ 25% < 30%	≥ 30%	37.1%	36.4%

¹ Net margin defined as Net Income/Revenue. ROAE defined as Return on Average Equity. CFO/Revenue defined as Cashflow from Operations/Revenue.

The actual performance metrics achieved were as follows:

Based on the actual performance achieved in 2021 relative to the metrics defined, 90% of the maximum potential award of 120,000 shares (108,000 shares) was available to be awarded to the member of the Board of Management in January 2022. The award of additional performance shares was also made due to the recognition of the following other important business factors:

- Exceptional performance above STI and LTI targets.
- Revenue growth of 72.8% over 2020 even despite the significant influence of the pandemic on semiconductor supply chains.
- Achievement of peer and industry leading gross and net margins of 59.6% and 37.7%, respectively, and return on average equity of 57.0%.
- 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.
- Update of Besi's strategic plan covering the period 2021-2025 with a third-party consulting firm including important new initiatives to better position our revenue streams for future growth, particularly with respect to the advancement of our wafer level assembly ambitions.

Based on the actual performance relative to the strategic/ESG objectives set for 2021, 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 2022.

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 2021
<ul style="list-style-type: none"> Progress on product strategy 	25%	<ul style="list-style-type: none"> Gross R&D investment increased by € 10.6 million versus 2020. 14% increase in R&D personnel primarily for wafer level assembly efforts. First orders received ahead of schedule for hybrid bonding. Significant resource investment to pursue EMIB and next generation TCB to expand wafer level product portfolio. Successful launch of DB2100-hsiX. First customer acceptance of AMS-X with additional orders received. Increased plating orders by 250% in 2021. Expanded customer base in Asia.
<ul style="list-style-type: none"> Capital allocation - optimize shareholder value through dividends, share repurchases, acquisitions and external financing 	25%	<ul style="list-style-type: none"> Significant long term value creation achieved for benefit of shareholders. Capital allocation plan in form of dividends of share repurchases of € 920 million since 2011. € 179.5 million distributed in 2021, increase of 97% versus 2020. Increased share repurchase program by € 60 million to € 185 million. Peer leading return on average equity of 57.0% in 2021 versus 39.5% in 2020. 5 year average return on average equity of 41% based on organic growth and effective capital allocation program. Share price appreciation of 51% in 2021, 306% past three years and 374% past five years. Significant outperformance versus direct peers, Besi's remuneration reference group and SOX index. Market capitalization increased by 62% to € 5.8 billion in 2021 versus 2020 and 330% over past three years. Shareholder value also enhanced with significantly greater shareholder outreach including expanded number of investor conferences at leading global brokerage and increased international research coverage.
<ul style="list-style-type: none"> People wellbeing - diversity and inclusion, employee health and safety, employee development and engagement 	25%	<ul style="list-style-type: none"> Female managers as % of FTE managers increased from 16% in 2020 to 18% in 2021. Local managers as % of FTE managers increased from 85% in 2020 to 87% in 2021. Two safety incidents reported. No fatalities nor serious first aid cases. No legal proceedings related to health and safety incidents in 2021. COVID-19 protocols associated with personal interaction and hygiene still in place across operations. Vaccination programs rolled out at all Besi facilities. Global COVID-19 Pulse Survey carried out by Willis Towers Watson, an external consultant. Survey indicated high level of participation (94%) and high level of engagement (90%). Employees also had a strong understanding and motivation to contribute to Besi's business and ESG objectives and felt they were well supported from a safety standpoint during the pandemic. Monthly open-door meetings with management introduced at Besi Netherlands.

Pre-defined performance objectives	Weighting	Achievements / Overachievements 2021
<ul style="list-style-type: none"> Responsible business - ethics and compliance, responsible supply chain, community impact, tax practices 	25%	<ul style="list-style-type: none"> No reported violations of Besi's Code of Conduct. Training provided at our Asian production facilities. 59% of Purchasing Volume ("PV") audited. 63% of PV signed SAQ with respect to our Code of Conduct (+1%). 64% of PV signed GWA or GPC (equal to 2020). 66% of PV signed CFSI (+2%). Supported local charities during the pandemic. Community outreach was limited given restrictions on personal interaction and movement during the pandemic. Compliant with tax obligations where factual economic activities take place.
TOTAL	100%	

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 a result of the activities and leadership of the member of the Board of Management, 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.

Based on the actual performance achieved against each of the defined financial and non-financial targets, 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. It applied a 42% downward adjustment from the potential maximum award primarily due to a 51% increase in Besi's share price during 2021. Such shares vested on February 18, 2022 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 Besi's performance versus the median of all industry peers used in our TSR-comparator group and 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, 2022:

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	2018 PSP	Jan 1, 2018 - Dec 31, 2020	April 26, 2018	April 30, 2021	April 30, 2023	-	-	-	-	-	-	18,026
	2019 PSP	Jan 1, 2019 - Dec 31, 2021	April 26, 2019	April 29, 2022	April 29, 2024	32,887	-	8,222	41,109	-	-	41,109
	2020 add. PSP		Jan 23, 2020	Jan 23, 2020	Jan 23, 2025	-	-	-	-	-	-	103,000
	2020 PSP	Jan 1, 2020 - Dec 31, 2022	April 30, 2020	AGM 2023	AGM 2023 + 2 years	31,920	-	5,321	-	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	April 30, 2021	AGM 2024	AGM 2024 + 2 years	25,143	-	-	-	25,143	25,143	-
	2022 add. PSP		Jan 20, 2022	Febr 17, 2022	Feb 17, 2027	-	70,000	-	70,000	-	-	70,000
2022 PSP	Jan 1, 2022 - Dec 31, 2024	April 29, 2022	AGM 2025	AGM 2025 + 2 years	-	13,927	-	-	13,927	13,927	-	
Total						89,950	83,927	13,543	111,109	76,311	76,311	332,135

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, subject to adoption of the 2022 annual accounts at the 2023 AGM. The award reflected (i) a 20% 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 (stretched performance) of the NIR element, both in accordance with the provisions of the Remuneration Policy 2020-2023. 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 2023 since the award was made and communicated in the first quarter of 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 2022, 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, 2022 and 2021 was as follows:

(€, except for performance shares)	Year ended December 31,	
	2022	2021
Base salary	600,000	600,000
Annual cash bonus	900,000	900,000
Other benefits ¹	232,910	233,678
Total cash benefits	1,732,910	1,733,678
Pension contribution ²	12,430	21,340
Equity compensation benefits: Incentive Plan ³	1,326,796	1,320,399
Total remuneration, excluding discretionary elements	3,072,136	3,075,417
Equity compensation benefits: additional performance shares ⁴	5,223,400	5,730,000
Total remuneration	8,295,536	8,805,417
Conditional performance shares awarded ⁵	13,927	25,143

¹ Other benefits include expense compensation, medical insurance, employer social security contributions and for 2022 and 2021 a taxable pension allowance of € 187,262 and € 187,346, respectively.

² The pension arrangements for the member of the Board of Management are based on defined contribution plans. The Company does not have any further pension obligations beyond an annual contribution.

³ Expenses recognized in 2022 and 2021 for performance shares awarded from 2018 to 2022 made under the Incentive Plan as determined in accordance with IFRS.

⁴ Expenses recognized in 2022 and 2021 for the additional performance share award of 70,000 shares which vested on February 17, 2022 and of 100,000 shares which vested on January 21, 2021, as determined in accordance with IFRS.

⁵ Performance shares for 2022 and 2021 may vest in 2025 and 2024, respectively, subject to continued service and the actual performance during the performance period 2022-2024 and 2021-2023, 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, 2022 and 2021 were as follows:

(€)	Year ended December 31,	
	2022	2021
Base salary	600,000	600,000
Fringe benefits	232,910	233,678
Total fixed remuneration	832,910	833,678
One-year variable	6,123,400	6,630,000
Equity compensation benefits: Incentive Plan	2,414,743	1,213,510
Total variable remuneration	8,538,143	7,843,510
Pension expense	12,430	21,340
Total remuneration	9,383,482	8,698,528
Proportion of fixed and variable remuneration	9%/91%	10%/90%

The difference between the total remuneration paid to the member of the Board of Management in 2022 as recognized in the Company's Financial Statements (€ 8,295,536) and the actual cash remuneration paid and value of the vested equity remuneration for the member of the Board of Management (€ 9,383,482) 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 2022, no loans, advances or guarantees were outstanding to the CEO in accordance with the Remuneration Policy.

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

	2022	2021	2020	Year ended December 31,	
				2019	2018
<i>Director's actual cash remuneration and value of equity remuneration</i>					
R.W. Blickman, CEO	9,383,482	8,698,528	7,066,003	6,068,127	9,096,692
Board of Management (€)					
Annual change	8%	23%	16%	-33%	15%
<i>Company performance</i>					
Net income as % of revenue realized	33.3%	37.7%	30.5%	22.8%	25.9%
Total shareholder return (base 2017 = 100%)	209%	261%	168%	114%	57%
<i>Average actual cash remuneration and value of equity remuneration</i>					
Full-time equivalent basis of employees, excluding CEO (€ thousands)	73.6	70.8	68.2	64.8	64.7
Annual change	4%	4%	5%	0%	-2%
Internal pay ratio*	115	128	100	72	114

* The internal pay ratio is calculated based on the annual total remuneration of the CEO relative to the average total remuneration of all other full-time employees as reported in accordance with IFRS.

Remuneration Supervisory Board members

The remuneration of the members of the Supervisory Board is reviewed on an annual basis. Effective April 30, 2020, the General Meeting of Shareholders approved the Remuneration Policy of the Supervisory Board. The Remuneration Policy was applied as from 2020 as set forth below.

The total cash remuneration of the members of the Supervisory Board for the five years ended December 31, 2022 was as follows, as recognized by the Company:

(€)	2022	2021	2020	Year ended December 31,	
				2019	2018
L.J. Hijmans van den Bergh – Chairman	79,200	79,200	79,200	53,900	-
N. Hoek – Member and Chairman Audit Committee	66,000	66,000	66,000	66,000	44,967
C. Bozotti – Member and Chairman Remuneration Committee	66,000	64,900	62,700	62,700	31,350
E. Eckstein – Member and Chair Nomination Committee	64,900	20,900	-	-	-
L. Oliphant – Member	62,700	41,800	-	-	-
Former members of the Supervisory Board:					
D.J. Dunn	-	22,000	66,000	66,000	64,088
M. ElNaggar	-	41,800	68,700	70,700	60,884
T. de Waard	-	-	-	26,400	76,800
K.W. Loh	-	-	-	26,900	60,884
J.E. Vaandrager	-	-	-	-	20,000
Total remuneration	338,800	336,600	342,600	372,600	358,973

The current remuneration of Supervisory Board members is as follows:

- Member of the Supervisory Board, including committee membership(s): € 62,700.
- Member of the Supervisory Board and Chair of a committee: € 66,000.
- Chairman 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.

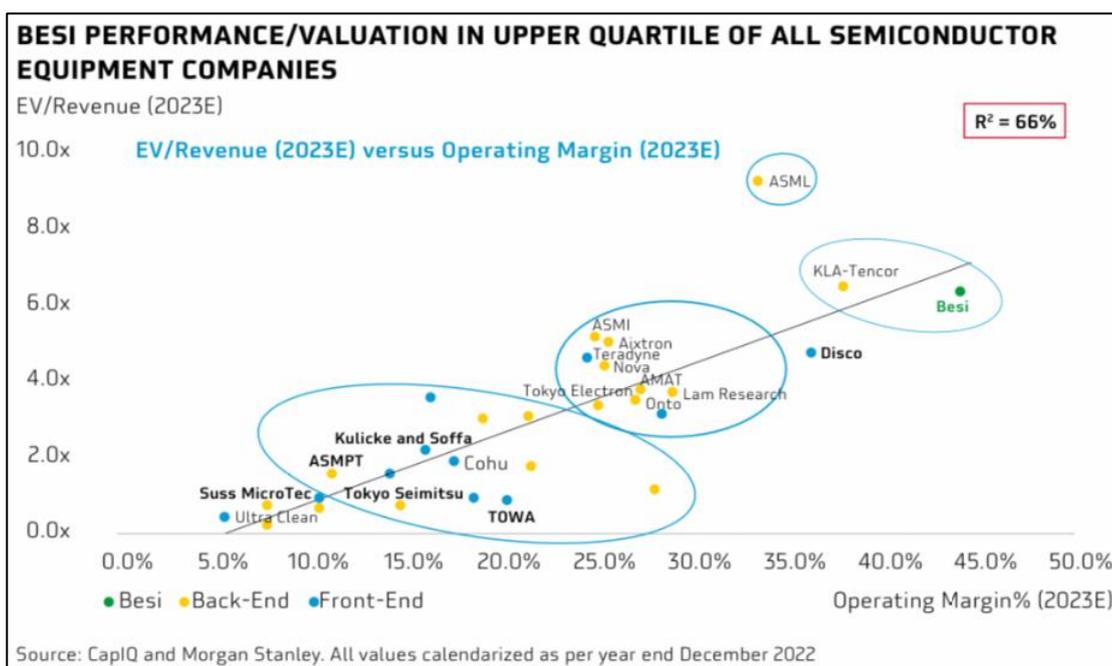
Loans

At the end of 2022, no loans, advances or guarantees were outstanding for any members of the Supervisory Board.

Annex 2 to Explanatory Notes – Principal Changes Proposed Remuneration Policy 2024 Versus Current Remuneration Policy 2020-2023

A new Remuneration Policy 2024 is being proposed to shareholders for approval at the 2023 Annual General Meeting of Shareholders to be held on April 26, 2023 (the “2023 AGM”) as a result of the upcoming expiration of the current Remuneration Policy 2020-2023. In addition, based on feedback from shareholders, proxy advisors and other stakeholders, the Supervisory Board and the Board of Management concluded that the structure of the additional performance shares and its discretionary nature caused concerns, particularly with respect to the quantum payout for the Board of Management due to a more than threefold increase in Besi’s underlying share price as a result of its industry leading financial outperformance and long term value creation since the formulation in 2019 of the Remuneration Policy 2020-2023.

Set forth in the graphic below is an analysis of Besi’s operating performance relative to its valuation as of December 31, 2022, which demonstrates its peer leading financial metrics and value creation for shareholders.



The Supervisory Board initiated extensive shareholder engagement in order to better understand the expectations of our broad and geographically diverse shareholder base. In this regard, it had specific outreach to approximately 25% of Besi’s issued share capital as well as to proxy advisors. In addition, it retained external proxy and corporate governance advisors to facilitate the engagement process and discussion and engaged Willis Towers Watson, an independent consulting firm, to help review such topics and formulate proposals to address their concerns.

The new Remuneration Policy 2024 is subject to approval by shareholders at the 2023 AGM. The key highlights of the new policy include:

- The elimination of discretionary, additional performance shares.
- A simplification of Besi’s remuneration structure.
- Placement of a cap on total compensation available to the members of the Board of Management in any given year.
- The introduction of a minimum shareholding requirement for members of the Board of Management.
- A revision of the current Remuneration Reference Group first established in 2011 to better reflect Besi’s improved business and financial profile, enhanced market presence, profitability and stock market capitalization as well as the global competitors against which we compete for talent.

The principles and compensation underlying the Remuneration Policy for members of the Supervisory Board will remain unchanged from the current Remuneration Policy 2020-2023.

Elimination of additional performance shares

Under the current Remuneration Policy 2020-2023, the Supervisory Board may, at its discretion and upon recommendation of the Remuneration Committee, award additional Performance Shares to members of the Board of Management in recognition of extraordinary achievements or exceptional performance up to a maximum of 120,000 shares.

Based on feedback from shareholders, proxy advisors and other stakeholders, the Supervisory Board concluded that the structure of the additional performance shares and its discretionary nature caused concerns, particularly with respect to the quantum payout for the Board of Management due to a threefold increase in Besi's underlying share price as a result of its industry leading financial outperformance and long term value creation since the formulation in 2019 of the Remuneration Policy 2020-2023. As such, we propose to discontinue the additional performance share component in the new proposed Remuneration Policy 2024.

Simplification of Besi's remuneration structure

We propose to make a number of key adjustments in the Remuneration Policy 2024 to simplify Besi's remuneration structure.

Such adjustments include:

- Elimination of discretionary, additional performance shares.
- Adjustment of the composition of STI and LTI awards and the limitation on the total compensation available for award to the Board of Management in order to provide more certainty and clarity in determining total annual compensation.
- Increase of the STI target opportunity from 100% of base salary to 300% of base salary in view of the elimination of the discretionary LTI awards and adjustment of the incentive compensation components to better reflect Besi's short/medium and long-term business objectives.
- Adjustment of STI compensation to include both cash-based and share-based award components. Share based STI awards will be subject to a five-year holding period to ensure long-term shareholder alignment. In addition, the new policy proposes that approximately two-thirds of any STI award will be deferred into share-based instruments.
- Increase of LTI target/maximum opportunities from 175% of salary/150% of target to 200% of salary/200% of target to partially compensate for the elimination of the additional performance shares.

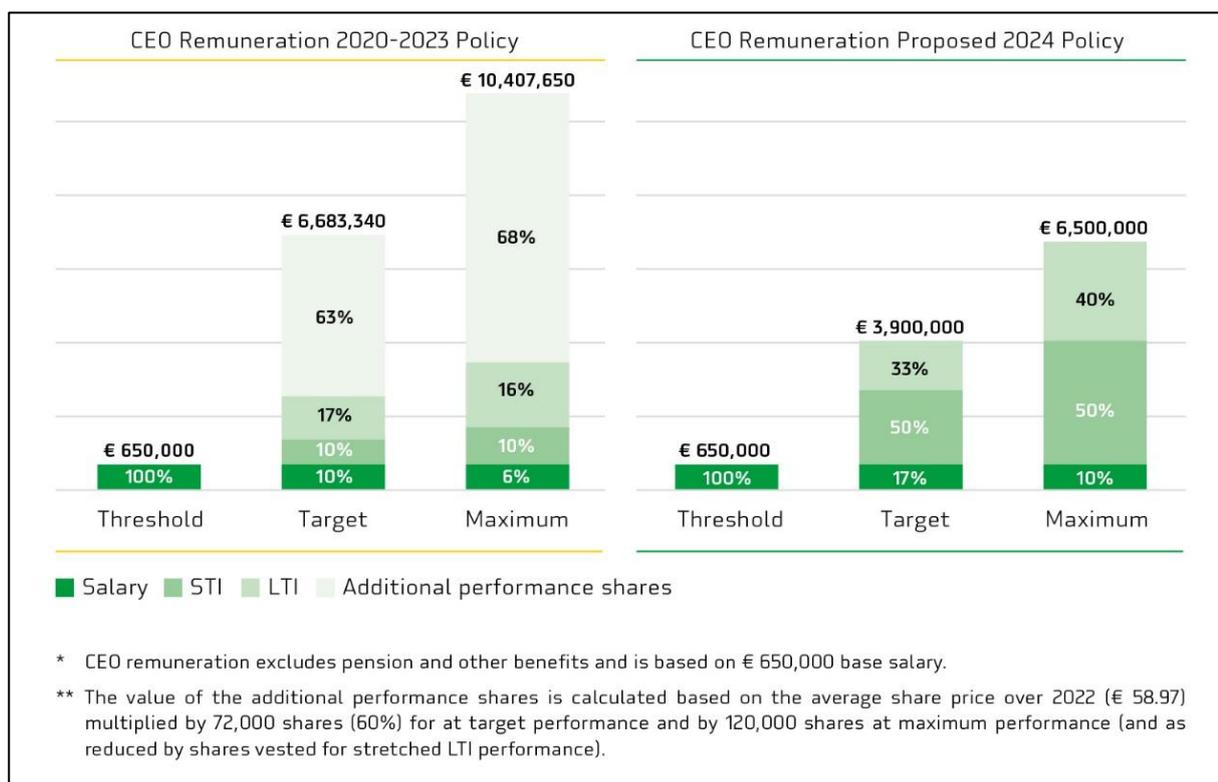
The proposed adjustments will simplify Besi's remuneration structure and further align the new policy with best market practices and shareholder expectations. They also aim to position the newly defined target total compensation (base salary plus variable incentives) between the median and 75th percentile of the proposed remuneration reference group.

Quantum Payout

The proposed Remuneration Policy 2024 will also increase the transparency and certainty of the quantum payout with respect to compensation for the Board of Management by eliminating any discretionary share-based compensation and placing a cap on the total amount of compensation available for award to the members of the Board of Management relative to each of its principal components: base salary, short term incentive compensation and long-term incentive compensation.

Set forth below in the following illustration is a comparison of the principal incentive compensation components and potential compensation outcomes under the current Remuneration Policy 2020-2023 versus the proposed new Remuneration Policy 2024.

Remuneration outcomes under current versus proposed policy



Introduction of minimum shareholding requirement

Besi is proposing a minimum shareholding requirement for members of the Board of Management, in accordance with best market practices, equal to three times the base salary for the Chair of the Board of Management and two times the base salary for other members.

Revised Remuneration Reference Group

The Supervisory Board also seeks an updated remuneration benchmarking peer group in the context of the new proposed Remuneration Policy 2024. The rationale for a new peer group includes: (i) Besi's changed business and financial profile versus 2019, (ii) the need for a more representative group of global companies with which we compete for talent, (iii) the addition of more European companies in the comparison to satisfy proxy advisors' geographical requirements and (iv) a desire to enhance the comparability of Besi's reference group on the basis of market capitalization. As such, we believe the new peer group meets shareholder expectations in several ways:

- It has been refined to focus on semiconductor equipment/semiconductor producers exclusively.
- The proportion of European companies has been increased from 50% to 67% and
- Besi now ranks above the median in terms of market capitalization. The Remuneration Committee considers market capitalization the most important parameter for comparison relative to other size parameters due to Besi's continuous focus on value creation as a key part of its business strategy.

The new remuneration reference group represents an important component of our proposed Remuneration Policy 2024 but is not a formal part of the policy. The composition of such group will be reviewed and amended by the Supervisory Board on a regular basis and may be updated to reflect any changes to Besi's business and financial profile or the business and profile of peer group constituent members. Any substantial changes made to the composition of the group will be proposed to shareholders and disclosed in the subsequent annual Remuneration Report. Set forth below is the new remuneration reference group.

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

To facilitate a comparison, a detailed comparison of the principal components of the current Remuneration Policy 2020-2023 and the proposed Remuneration Policy 2024 is set forth in the following table.

Comparison of existing versus proposed new structure of Board of Management remuneration

Pay Component	Current Remuneration Policy 2020-2023	Proposed Remuneration Policy 2024	Main implications of proposed changes
Base Salary	<ul style="list-style-type: none"> Set by Supervisory Board based on median and 90th percentile levels of remuneration reference group. 	<ul style="list-style-type: none"> Set by Supervisory Board based on median and 90th percentile levels of remuneration reference group. 	<ul style="list-style-type: none"> No change.
Benefits	<ul style="list-style-type: none"> Expense compensation, medical insurance and social security premiums in accordance with generally prevailing market practice. 	<ul style="list-style-type: none"> Expense compensation, medical insurance and social security premiums in accordance with generally prevailing market practice. 	<ul style="list-style-type: none"> No change.
Pension	<ul style="list-style-type: none"> Different pension arrangements based on local customs and rules existing in the country of domicile. 	<ul style="list-style-type: none"> Different pension arrangements based on local customs and rules existing in the country of domicile. 	<ul style="list-style-type: none"> No change.
STI	<ul style="list-style-type: none"> STI based 70% on financial and 30% on non-financial measures including personal, strategic and ESG. STI paid-out in cash. Target STI of 100% of salary. Maximum STI of 150% of target. 	<ul style="list-style-type: none"> STI based 70% on financial and 30% on non-financial measures including personal, strategic and ESG. Target STI increased to 300% of salary consisting of two elements: cash-based and share-based. Performance metrics selected annually by Supervisory Board from pre-defined list including: <ul style="list-style-type: none"> Net income, cash flow and return related metrics such as gross and net margins and ROAE. Non-financial metrics may include: ESG, business, strategic, customer and/or leadership, all of which will be measurable and formula based. Target for cash-based STI of 100% of salary. Maximum of 150% of target. Target for share-based STI of 200% of salary. Maximum of 175% of target. Share-based STI subject to five year holding period. 	<ul style="list-style-type: none"> Increase of the STI target opportunity from 100% of base salary to 300% of base salary in view of the elimination of the discretionary LTI awards and adjustment of the incentive compensation components to better reflect Besi's short/medium and long-term business objectives. Total STI target compensation will increase from 100% to 300%. 2/3 of STI target compensation in the form of share-based compensation. Five-year holding period to ensure long-term shareholder alignment.

Pay Component	Current Remuneration Policy 2020-2023	Proposed Remuneration Policy 2024	Main implications of proposed changes
LTI	<ul style="list-style-type: none"> • Target LTI of 175% of salary. • Maximum LTI of 150% of target. • Paid in shares. • Three-year performance period. • 50% based on three-year Net Income as % of revenue. • 50% based on relative TSR. • Two-year lockup. 	<ul style="list-style-type: none"> • Target LTI increased to 200% of salary. • Maximum LTI increased to 200% of target. • Paid in shares. • Three-year performance period. • 50% based on three-year Net Income as % of revenue. • 50% based on relative TSR. • Vesting for relative TSR will start only if Besi's TSR performance is at, or above, the peer group's median range. • Two-year lockup. 	<ul style="list-style-type: none"> • Aligned with best market practices. • Higher LTI target and maximum opportunities partially compensates for discontinuation of additional performance shares.
Additional discretionary performance share awards	<ul style="list-style-type: none"> • 0-120,000 shares for exceptional performance. • Supervisory Board determines based on financial and strategic/ESG metrics. • Immediate vesting. • Five-year lockup. 	<ul style="list-style-type: none"> • Discontinued. 	<ul style="list-style-type: none"> • No discretionary element. • Market-aligned remuneration structure. • Reduction in target total compensation. • Cap on total compensation.
Share ownership requirement	<ul style="list-style-type: none"> • None. 	<ul style="list-style-type: none"> • Three times base salary for the Chairman of the Board of Management. • Two times base salary for other members of the Board of Management. 	<ul style="list-style-type: none"> • Aligned with best market practices.
Remuneration Reference Group	<ul style="list-style-type: none"> • Global peer group of 20 semiconductor/equipment and other industrial companies. • Balanced mix - 50%-50% between Europe and non-European (US and Asian) companies. 	<ul style="list-style-type: none"> • Global semiconductor industry-specific peer group of 15 semiconductor/equipment companies - most relevant business and talent competitors. • Primarily European focus - 67% European/33% non-European. • At median market capitalization rank. 	<ul style="list-style-type: none"> • New reference group better aligned with Besi's business, size and competitive/talent landscape. • Better aligned with European proxy advisors' views as to geographical mix.

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 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.

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.

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.

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.

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 79,200
Member and Chair of a committee	EUR 66,000
Member including committee membership	EUR 62,700

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.