



Agenda

Annual General Meeting of Shareholders (“AGM”) of BE Semiconductor Industries N.V. (“Beside” or the “Company”) to be held on **Thursday April 30, 2020** at 10.30 a.m. at the Company’s headquarters, Ratio 6, 6921 RW Duiven, the Netherlands.

1. Opening

Financial year 2019

2. Consideration of the Annual Report 2019 (discussion)
3. Advisory vote on Remuneration Report 2019 (vote)
4. Consideration and adoption of the annual accounts 2019 (vote)
5. Dividend
 - a. Reservation and dividend policy (discussion)
 - b. Declaration of dividend (vote)
6. Discharge
 - a. Discharge of the member of the Board of Management for his responsibilities (vote)
 - b. Discharge of the Supervisory Board members for their responsibilities (vote)

Remuneration

7. Remuneration
 - a. Remuneration Principles and Procedures underlying the Remuneration Policies 2020-2023 for the Board of Management and the Supervisory Board (vote)
 - b. Proposed Remuneration Policy 2020-2023 for the Supervisory Board (vote)

Composition Supervisory Board

8. Reappointment of Ms Mona EINaggar as Supervisory Board member (vote)

Authorizations

9. Authorization of the Board of Management to (i) issue ordinary shares and grant rights to subscribe for ordinary shares and (ii) exclude or restrict pre-emptive rights in relation to ordinary shares and rights to subscribe for ordinary shares (vote)
10. Authorization of the Board of Management to acquire ordinary shares (vote)
11. Reduction of the Company’s issued share capital by cancellation of ordinary shares (vote)
12. Any other business
13. Closing



Explanatory Notes
to the agenda for the AGM of Besì to be held on April 30, 2020.

Agenda item 2 – Consideration of the Annual Report 2019

The Board of Management will discuss the key highlights of the Annual Report 2019. The Annual Report 2019 is available on the Company's website www.besi.com or for inspection at the offices of the Company, Ratio 6, 6921 RW Duiven, the Netherlands, tel. (+31) 26 3194500, email: info@besi.com, and at the offices of ABN AMRO Bank N.V., Gustav Mahlerlaan 10, 1082 PP Amsterdam, the Netherlands, email: ava@nl.abnamro.com. Upon request, it can also be distributed free of charge to the Company's shareholders and others who are entitled to attend the AGM.

Agenda item 3 – Advisory vote on Remuneration Report 2019

The Remuneration Report 2019 is included in the Annual Report 2019 on pages 71 through 81 and is separately available on the Company's website www.besi.com. It has been prepared in line with new Dutch legislation implementing the revised EU Shareholders Rights Directive. In accordance with this new legislation, the Remuneration Report 2019 will be discussed and put forward for an advisory vote at the General Meeting of Shareholders.

Agenda item 4 – Consideration and adoption of the annual accounts 2019

Ernst & Young Accountants LLP has issued an unqualified auditors' opinion on the annual accounts 2019 as included in the Annual Report 2019. The Supervisory Board and the Board of Management recommend that the General Meeting of Shareholders adopt the annual accounts 2019.

Agenda item 5 – Dividend

a. Reservation and dividend policy

In accordance with the Dutch Corporate Governance Code, the Board of Management will explain the Company's reservation and dividend policy.

The Board of Management will consider the payment of dividends on an annual basis based upon (i) a review of the annual and prospective financial performance and Besì's liquidity and financing needs, the prevailing market outlook and Besì's strategy, market position and acquisition strategy, and/or (ii) a dividend payout ratio in the range of 40-100% relative to net income to be adjusted if the factors referred to under (i) so require.

b. Declaration of dividend

In view of Besì's earnings and cash flow generation in 2019, its net cash position and market outlook, it is proposed to distribute an amount equal to 90% of Besì's net income as a dividend for the year ended December 31, 2019. As such, the Board of Management proposes, with the approval of the Supervisory Board, to distribute a cash dividend equal to € 1.01 per ordinary share.

Payment of the dividend will take place as from May 8, 2020. In case the above dividend proposal is adopted, the ordinary shares will be traded ex-dividend May 5, 2020, and the dividend record date will be May 6, 2020.

Agenda item 6 – Discharge

a. Discharge of the member of the Board of Management for his responsibilities

It is proposed to grant discharge to the member of the Board of Management for the performance of his management activities during 2019. This discharge only covers matters that are apparent from the Annual Report 2019 and matters about which information is provided to the General Meeting of Shareholders.

b. Discharge of the Supervisory Board members for their responsibilities

It is proposed to grant discharge to each of the Supervisory Board members for the performance of his/her supervisory activities during 2019. This discharge only covers matters that are apparent from the Annual Report 2019 and matters about which information is provided to the General Meeting of Shareholders.

Agenda item 7 – Remuneration

a. Remuneration Principles and Procedures underlying the Remuneration Policies 2020-2023 for the Board of Management and the Supervisory Board

It is proposed to the General Meeting of Shareholders to adopt the Principles and Procedures underlying the Remuneration Policies 2020-2023 for the Board of Management and the Supervisory Board. The Principles and Procedures will become an integral part of the Remuneration Policy 2020-2023 for the Board of Management and, if adopted, of the Remuneration Policy 2020-2023 for the Supervisory Board. The Principles and Procedures fundamentally continue Besi's existing remuneration practice as included in the Remuneration Policy 2020-2023 for the Board of Management, articulating in detail the principles and procedures that underpin Besi's remuneration approach. The proposed Principles and Procedures are included as Annex 1 to this agenda and available on the Company's website: www.besi.com.

b. Proposed Remuneration Policy 2020-2023 for the Supervisory Board

In accordance with new Dutch legislation implementing the revised EU Shareholders Rights Directive, it is proposed to introduce a written remuneration policy for the Supervisory Board this year. The Remuneration Policy 2020-2023 for the Supervisory Board formalizes Besi's existing remuneration practice whereby compensation levels will remain unchanged. The proposed Remuneration Policy 2020-2023 for the Supervisory Board will be applicable for a period of four years, commencing in 2020 until the end of 2023 and will apply to all compensation payable as from 2020. The proposed policy is included as Annex 2 to this agenda and is available on the Company's website: www.besi.com.

Agenda item 8 – Reappointment of Ms Mona ElNaggar as Supervisory Board member

Ms Mona ElNaggar (1967) will be available for reappointment upon the expiration of her term in 2020. The Supervisory Board proposes to reappoint Ms ElNaggar as a Supervisory Board member for an additional two-year term.

Ms ElNaggar was first appointed as a Supervisory Board member in 2012 and has served on Besi's Supervisory Board for eight years. Ms ElNaggar has extensive experience in the semiconductor industry as a Supervisory Board member of the Company and in the area of international finance, with particular expertise in asset management, technology investment banking, international mergers and acquisitions and securitized products. Currently, Ms ElNaggar is a partner at Valo Ventures, where she invests in early stage technology businesses. Previously, Ms ElNaggar was managing director of The Investment Fund for Foundations (TIFF), a fund-of-funds manager working exclusively with US charities, endowments and foundations, where she managed investments outside the US. Prior to that, she was executive director in the investment banking division of Morgan Stanley, where she worked in technology corporate finance, mergers and acquisitions and securitized products. As a technology banker, Ms ElNaggar's expertise was in advising semiconductor and semiconductor capital equipment clients. Ms ElNaggar, a UK and US citizen, holds a B.A. in Economics from the University of Chicago and an MBA from Stanford University Graduate School of Business. Her knowledge, combined with her performance as a Supervisory Board member, make the proposal of Ms ElNaggar's reappointment in the best interest of Besi.

Ms ElNaggar is considered independent for the purposes of the Dutch Corporate Governance Code and does not own any ordinary shares in the Company's issued share capital.



The information in respect of the Supervisory Board member to be reappointed required to be submitted under Section 2:142(3) of the Dutch Civil Code is available on the Company's website: www.besi.com or for inspection at the offices of the Company, Ratio 6, 6921 RW Duiven, the Netherlands, tel. (+31) 26 3194500, email: info@besi.com, and at the offices of ABN AMRO Bank N.V., Gustav Mahlerlaan 10, 1082 PP Amsterdam, the Netherlands, email: ava@nl.abnamro.com, and will be distributed free of charge to the Company's shareholders and others who are entitled to attend the AGM upon request.

Agenda item 9 – Authorization of the Board of Management to (i) issue ordinary shares and grant rights to subscribe for ordinary shares and (ii) exclude or restrict pre-emptive rights in relation to ordinary shares and rights to subscribe for ordinary shares

It is proposed to renew the authorization of the Board of Management currently granted until May 14, 2021 enabling the Board of Management, subject to the approval of the Supervisory Board, to resolve on:

- (i) the issuance of ordinary shares and the granting of rights to subscribe for ordinary shares up to a maximum of 10% of the Company's issued share capital at the date of the authorization, being April 30, 2020, and
- (ii) the exclusion or restriction of the pre-emptive rights in relation to ordinary shares and rights to subscribe for ordinary shares in accordance with the maximum as described above.

It is proposed that this new authorization be valid for the period from April 30, 2020 until May 14, 2022. The purpose of this proposal is to allow the Board of Management to finance the Company as efficiently as possible. Upon approval, the current authorization will no longer be utilized.

Agenda item 10 – Authorization of the Board of Management to acquire ordinary shares

It is proposed to renew the authorization of the Board of Management, with the approval of the Supervisory Board, to cause the Company to acquire, other than for no consideration, ordinary shares up to a maximum number of ordinary shares representing 10% of the issued share capital of the Company at the date of the authorization, April 30, 2020, and otherwise within the limits set out in Dutch law and the articles of association in effect at that time. Such acquisition may be effected by any agreement, including private transactions and transactions effected through a stock exchange. The price shall range between the amount equal to the nominal value of the ordinary shares and the amount equal to 110% of the share price. The share price shall be understood to mean the average of the highest quoted price for each ordinary share during the five trading days prior to the date of acquisition as published in the Daily Official List of Euronext Amsterdam.

This new authorization shall be valid for a period of 18 months commencing April 30, 2020 and ending October 30, 2021. The authorization, among other things, enables the Board of Management to execute share repurchase programs in an efficient manner, including for capital reduction purposes. Upon approval, the current authorization will no longer be utilized.

Agenda item 11 – Reduction of the Company's issued share capital by cancellation of ordinary shares

The Board of Management proposes to the General Meeting of Shareholders, with the approval of the Supervisory Board, to reduce the Company's issued share capital by cancellation of ordinary shares held by the Company, to the extent that these ordinary shares are not being held as treasury shares for the purpose of fulfilling obligations under outstanding employee share and stock option plans. The number of ordinary shares that will be cancelled (whether or not in a tranche) will be determined by the Board of Management at its discretion, but may not exceed 10% of the issued share capital of the Company as of April 30, 2020. The cancellation may be made in one or more tranches and at such dates and times as determined by the Board of Management at its discretion. Any reduction of the Company's issued share capital by cancellation of ordinary shares shall take place with due observance of the applicable provisions of Dutch law and the articles of association in effect at that time.



Remuneration Principles and Procedures underlying the Remuneration Policies 2020-2023 for the Board of Management and the Supervisory Board

The remuneration principles and procedures underlying the Remuneration Policy for the Board of Management and the new Remuneration Policy for the Supervisory Board will be presented and proposed to be adopted by the AGM on 30 April 2020 and will have the same term as the Remuneration Policy for the Board of Management (2020-2023).

Introduction

The Remuneration Policy seeks to achieve three broad goals in connection with Besic's Remuneration Policy 2020-2023 and decisions regarding individual compensation:

1. The Company's remuneration programs are structured in a manner that it believes will enable Besic to attract, motivate and retain highly qualified executives with the relevant background capable of leading the Company to achieve its strategic business objectives in an increasingly competitive global market.
2. The Company establishes remuneration programs that are designed to reward members of the Board of Management for the achievement of specified business objectives as a whole or the individual executive's particular business unit and are therefore linked to and dependent on the delivery 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 the eligible executives and to align their interests with those of internal and external stakeholders and the commitment to make a sustainable contribution in society. In designing the Remuneration Policy, the Company considers specific market trends, trends and developments in the industry and trends in society.
3. The Company's remuneration programs are intended to provide members of the Board of Management with an equity interest in the Company linking a portion of executive remuneration with the long-term performance of Besic's ordinary shares and aligning their interests with long-term interests of Besic's stakeholders by imposing a five-year lock-up period following the award date.

In addition to the 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.

Besic's Principles

The design of the Remuneration Policy is based on the guiding principles outlined below. Since the Company does not provide any variable compensation to the Supervisory Board, some of these principles may not or only partly apply to the compensation of the members of the Supervisory Board.

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 as set by the Supervisory Board prior to the start of the relevant performance period. These performance objectives reflect the essential elements of the strategy and business objectives of the Company.

In determining the actual remuneration, the Supervisory Board assesses the actual performance delivered based on the strategy and takes into account and considers the impact and development of the overall remuneration of the Board of Management on the pay differentials within the Company and the views of society. Besic has expanded its corporate social responsibility ("CSR") activities in recent years with a focus on the environmental impact of its products and operations, sustainability in the supply chain, and the communities in which it operates.



Besi aims to report its CSR activities in line with the Global Reporting Initiative Sustainability Reporting Standards. Besi also evaluates its CSR and non-financial risks that could affect both its strategy and business operations. Besi's CSR strategy is influenced by important global trends currently such as climate change and the circular economy as well as challenges such as diversity, human rights and the recruitment of highly qualified technical personnel. Short and long-term topics are assessed through measures such as materiality analyses, key performance indicators for energy, water and waste usage, customer and employee satisfaction metrics, supplier audits and continuous stakeholder dialogue. Besi's CSR and non-financial risks form an integrated part of the actual remuneration when setting predetermined non-financial performance objectives.

Performance-oriented pay

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

Competitive pay

Besi competes for qualified talent in an increasingly competitive global market. The competitiveness of the Remuneration Policy is benchmarked regularly against a balanced remuneration reference group of companies selected based on industry, size and geographical spread to determine the total remuneration package for members of the Board of Management, whereby consideration is given to the size of Besi relative to the peer group.

Consistency and disclosure

The structure of the Board of Management remuneration is consistent with the remuneration structure for senior management positions to ensure internal alignment and to support a shared purpose. In the annual remuneration report and on the Company website, we provide extensive disclosures of how the Remuneration Policy is implemented. This includes:

- Full disclosure of the peer group used for benchmarking purposes.
- Transparency on the term, as well as the performance measures and weights used in the Short-Term and Long-Term Incentive.
- The realized performance per objective for the Short-Term and Long-Term Incentive.

Alignment with stakeholder interest

As indicated in preparation of and as discussed during AGM on 26 April 2019, the views of shareholders as expressed during the AGM or in dialogue with the largest investors and shareholder representative bodies are considered by the Remuneration and Nomination Committee when operating and setting the Remuneration Policy.

The Remuneration Policy aligns the strategic business objectives of Besi with the interests of the Company's stakeholders and society. As a globally operating company, we have a large variety of stakeholders. We also commit to transparency and high integrity with a broad list of stakeholders who have a strong interest in the Company, including employees, customers, suppliers, business partners and shareholders.

The stakeholders support us to improve constantly by challenging us, sharing insights on their concerns, offering feedback and collaborating with us. We engage with them in both formal and informal ways throughout the year on a wide range of topics that include societal, economic, and environmental aspects and reflect on the feedback provided.



Besic's procedures

Determination and execution

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

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

- The adjustment of the Base Salary of the members of the Board of Management.
- The update of the Remuneration Reference Group and the TSR peer group in case of de-listings, mergers, or other extraordinary circumstances.
- The adjustment, positive or negative, of the performance of the incentive plans in case of unforeseen or unusual circumstances occurring during the performance period.

Risk assessment and compliance

A comprehensive analysis contemplating the various risks and scenarios associated with variable compensation elements is conducted regularly. This includes the calculation of remuneration under different scenarios, whereby different performance assumptions are reviewed and considered.

The design and implementation of the remuneration policies are 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 - Supervisory Board – 2020-2023

The Remuneration Policy for the Supervisory Board will be presented and proposed to be adopted by the AGM on 30 April 2020 and will have the same term as the Remuneration Policy for the Board of Management (2020-2023) and apply to all payments effective as from 2020.

The principles and procedures underlying the Remuneration Policy for the Board of Management and the Supervisory Board form an integral part of the Remuneration Policy of the Supervisory Board.

Supervisory Board Policy

In line with the roles and responsibilities of the Supervisory Board, the compensation of the members is based on fixed amounts paid in cash. 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

The Supervisory Board members are entitled to the following elements:

- A fixed base fee for the chair and the membership of the Supervisory Board and/or a committee; and
- A fixed membership and committee fee for the Supervisory Board and a committee.

As approved by the AGM, the 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 operated for physical attendance of at minimum three meetings. No additional meeting attendance fees are provided.

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

Appointment

Members of the Supervisory Board are appointed for a maximum term of four years and shall thereafter be eligible for reappointment for another term of four years. Members of the Supervisory Board may then be reappointed for a term of two years, which appointment may be extended with two years.

Loans

The Company does not provide its Supervisory Board members any personal loans, guarantees or advance payments.