REMUNERATION POLICY FOR THE BOARD OF MANAGEMENT OF ASML HOLDING N.V.
(VERSION 2025)

Board of Management Remuneration Policy 2025
This remuneration policy for the Board of Management of ASML Holding N.V. ("ASML" or "the Company") applies as from January 1, 2025 onwards.

The remuneration policy was adopted by the General Meeting on April 23, 2025 at the proposal of the Supervisory Board of ASML, upon recommendation of its Remuneration Committee. The Works Council of ASML Netherlands B.V. exercised its right of advice in respect of this remuneration policy.

Remuneration as a strategic instrument
The remuneration policy supports the strategy, long-term interests, and sustainability of the Company in a highly dynamic environment, while aiming to fulfill stakeholders' requirements and keeping an acceptable risk profile. More than ever, the challenge for us is to drive technology, to serve our customers and aim to satisfy our stakeholders. These drivers are embedded in the purpose, vision, mission and values of ASML and its affiliated enterprises and are the backbone of the remuneration policy. The Supervisory Board ensures that the policy and its implementation are linked to the Company's objectives. A direct way in which this is achieved is by determining performance measures and setting targets with respect to variable compensation that are linked to our short- term and long-term ambitions. More indirectly, we want to ensure that our remuneration policy enables ASML to attract, motivate and retain qualified industry professionals for the Board of Management in order to define and achieve our strategic goals. This is reflected by determining a remuneration structure and remuneration levels that intend to be competitive in the relevant labor market, while at the same time being aware of societal trends and perceptions. Therefore, the policy acknowledges the internal and external context as well as our business needs and sustainable long-term strategy. The policy is designed to encourage behavior that is focused on sustainable long-term value creation and the long-term interests and sustainability of the Company, while intending to comply with the principles of good corporate governance. The policy is aimed at motivating and rewarding for outstanding achievements, using a combination of non-financial and financial performance measures, as well an appropriate ratio between base salary and variable compensation.

Remuneration principles
The remuneration philosophy that ASML applies for all its employees includes the principle that ASML wants to be competitive in its relevant labor markets and pay what is fair in such markets, while maintaining internal consistency in reflecting differences in size and complexity of individual responsibilities. The Supervisory Board applies the same principle for the Board of Management of ASML and in doing so takes the pay and employment conditions for the ASML employees into account when formulating the remuneration policy. The level of stakeholder support, including the support in society (with tools such as societal benchmark information), for the remuneration policy that ASML applies is important to us and is taken into account as well when formulating the various elements of this remuneration policy. The Supervisory Board has considered the external environment in which the Company operates, the relevant statutory provisions and provisions of the Dutch corporate governance code, competitive market practice as well as the guidance issued by organizations representing institutional shareholders. The Supervisory Board's Remuneration Committee engages extensively with various stakeholders to obtain their perspectives. These stakeholders included ASML's shareholders, shareholder interest organizations, proxy advisors and the Works Council of ASML Netherlands B.V. In line with the Dutch corporate governance code, the members of the Board of Management have been asked to share their views on the proposed amendments of their own remuneration. Furthermore, advice has been obtained from an external remuneration expert.

The remuneration policy is built on the following principles:

- Competitiveness – the remuneration structure and levels intend to be competitive in the relevant labor market, while at the same time taking into account societal trends and perceptions

- Alignment – the remuneration policy is aligned with the short-term and long-term incentive policy for ASML senior management and other ASML employees and takes into account internal relativities
- Long term orientation – the remuneration policy focuses on sustainable long-term value creation and the incentives are aligned accordingly
- Compliance – the remuneration policy is intended to comply with the principles of good corporate governance
- Simplicity and transparency – the remuneration policy and its execution are as simple as possible and easily understandable to all stakeholders

Reference group and market positioning

Similar to the remuneration philosophy for all ASML employees, ASML intends to offer the members of the Board of Management a remuneration package that is competitive compared to a relevant labor market, with the aim to attract, retain and motivate talent in all of its diverse markets.

To define the relevant labor market, a reference group is created, consisting of companies that are comparable to ASML in terms of size and complexity, industry or business profile, data transparency and geographical area. The reference group may include Dutch and international companies where members of the Board of Management might be recruited to and from.

The median market level may serve as a reference in determining the level of remuneration for the Board of Management.

In principle, a comprehensive market benchmark of the Board of Management remuneration is typically conducted every two years. In the year without a comprehensive market benchmark, the Supervisory Board considers the appropriateness of any change of base salary, taking into account the market environment as well as the salary adjustments for other ASML employees. To ensure the reference group remains appropriate throughout the duration of the remuneration policy, the Supervisory Board reviews the composition of the reference group prior to each comprehensive market benchmark. If the reference group companies no longer fit within the criteria pursuant to which the reference group has been defined (i.e. as a result of delisting, mergers or other corporate transactions or in case of changes in business, company size, or competitive nature), adjustments may be made to the composition of the reference group. Substantial changes applied to the composition of the reference group will be proposed to the shareholders.

The current reference group consists of the following companies:

Reference group composition (as defined for 2025)		
European companies with focus on long-term technology / industrial engineering / R&D	**Semiconductor manufacturing / design companies**	**Semiconductor equipment companies**
ABB	Broadcom	Applied Materials
Airbus	Intel	KLA Corporation
Dassault Systèmes	Micron Technology	Lam Research
Medtronic	Qualcomm	
Novartis	STMicroelectronics	
Philips	Infineon Technologies	
Roche	NXP Semiconductors	
Safran		
SAP		
Siemens		
Schneider Electric		

Total direct compensation
The total direct compensation (''TDC'') of our Board of Management members consists of base salary, a short-term incentive ("STI") and a long-term incentive ("LTI").
Since ASML is a Dutch headquartered company, the Supervisory Board takes into account the external environment in which the Company operates in the Netherlands and considers the competitive market practice as well as the guidance issued by organizations representing institutional shareholders in the Netherlands. As such, the Supervisory Board has decided not to increase the target LTI up to the midpoint of our global peer group and cap the target LTI at a lower level. Consequently, the TDC positioning is well below median market level. To enhance ASML's ability to attract, retain and motivate a global leadership structure that is critical to deliver upon on our strategy and growth ambition, the levels as included in this policy should be seen as a step towards the Supervisory Board's long-term ambition of gradually reducing the TDC gap with the market.
Each component of TDC and the corresponding performance measures are described below.

Base salary
The base salary of the Board of Management members constitutes the main fixed element of the remuneration package and is derived from, among others, the market benchmark as well as the aimed TDC positioning. Base salaries are reviewed annually by the Supervisory Board. The actual base salary and annual increases will be reported in the remuneration report.

Variable compensation
The variable compensation consists of the STI and the LTI. The performance parameters for the variable compensation are set by the Supervisory Board and consist of financial and non-financial measures in such a way that an optimal balance is achieved between the various Company objectives, both in the short term and the long term. By doing so, it is ensured that the variable compensation contributes to the strategy, long-term interests and sustainability of the Company. The Supervisory Board may adjust the performance measures and relative weighting of the variable income based on the rules and principles as outlined in this remuneration policy, if required due to strategic priorities in any given year. The Supervisory Board assesses the extent to which the financial and non-financial performance standards are met at the end of a performance period.

Maximum variable compensation (at- target)	All Board of Management members
STI at target	Up to 150% of base salary
LTI at target	Up to 350% of base salary
LTI at target (business critical)	Up to 450% of base salary

The maximum at-target levels for the STI and LTI for all Board of Management members are 150% and 350% of base salary respectively. Given the competitive and varied remuneration landscape ASML operates in, especially with relation to widely differentiated practices across geographies and industries for LTI levels, the target LTI can be set at a maximum of 450% of base salary in business-critical circumstances. Business-critical reasons can include circumstances in which remuneration becomes a material business risk and a barrier to attracting critical talent, such as hiring in non-European locations or from non-European companies, accommodating for unique LTI structures, or Board of Management members joining through acquisitions. Business critical reasons can also apply in relation to talent retention in case of competitive offers.

Both STI and LTI levels in any year will be disclosed in the remuneration report.

For each of the selected performance measures, the Supervisory Board sets challenging, but realistic target levels. All performance measures and corresponding target levels are set in advance, typically at the start of the performance period. The pay-out levels are dependent upon the level of performance against the identified measures. Below threshold performance, there is no pay-out.

The Supervisory Board has the discretionary power to adjust the incentive pay-out up- or downward if it feels that the outcome is unreasonable due to exceptional circumstances during the performance period.

Scenario analyses of the possible outcomes of variable pay, their effect on the total remuneration and the resulting pay mix for various levels of performance outcomes are conducted and considered in determining the remuneration policy.

Short-term incentive

The STI refers to the annual performance-related cash incentive that is provided to all members of the Board of Management. The STI target level is set in accordance with the remuneration policy at a maximum of 150% of base salary. In order to achieve alignment in the remuneration structure of the Board of Management and other ASML employees, the STI as set out in this remuneration policy is in principle the same as the STI that is currently applicable to all employees world-wide in ASML (except for employees in the Netherlands who are covered by the local collective labor agreement and are currently eligible for a profit sharing plan).
For all performance measures, the following performance incentive zone applies:

STI target	Below threshold	Threshold	Target	Maximum
Pay-out	0%	50%	100%	150%

STI performance measures

For the STI the following criteria are set:

STI performance measure	Weight
Financial measures	**60% - 80%**
Financial measures will be aligned with the business priorities and challenges for the given year, and may include for example revenue measures, profit / margin measures, cash flow measures, cost measures (e.g. R&D, SG&A expenses, etc.), productivity measures, capital expenditures or economic / value added measures.	
Non-financial measures	**20% - 40%**
Non-financial performance measures will be aligned with the strategic business priorities, and may include for example ESG, operational, or strategic measures.	
Total	**100%**

The selection and number of measures may vary per Board of Management member per year to ensure alignment with the key (strategic) priorities in the year. The selected performance measures and their individual weighting will be disclosed ex-ante in the remuneration report. The target levels and actual achievement per selected measure will be disclosed ex-post in the remuneration report, except when this concerns sensitive information that is not in the interest of ASML or its stakeholders to be disclosed. The accounting standards used for calculating relevant STI targets are based on US GAAP, unless explicitly mentioned otherwise.

The performance measures form a balanced mix of financial and non-financial measures, which together ensure a balanced focus on both the performance of the Company in the short term, as well on the Company's sustainable future in terms of technological advancement and customer satisfaction. Although the targets are set and assessed on an annual basis, they are intended to support long-term success of the Company.

Long-term incentive

To further enhance a long-term focus and alignment with the long-term strategy of the Company, ASML also grants an LTI to the members of the Board of Management. The target level of the LTI is capped at 350% of base salary and at 450% in business-critical circumstances. In case of excellent performance, the maximum opportunity amounts to 200% of the target level. The LTI refers to a performance and share-based incentive, based on which performance shares are conditionally granted on an annual basis to the members of the Board of Management. The shares will become unconditional depending on the achievement of predetermined performance targets during a three-year period. The number of performance shares to be conditionally awarded is calculated at the beginning of this period using the volume-weighted average share price during the last quarter of the year preceding the conditional award.

Shares are awarded with a five-year horizon, consisting of a three-year performance period followed by a two-year holding period. Upon termination of the management services contracts of a member of the Board of Management, the transfer restrictions will remain in place during the holding period, except in case the member is deceased. In case a tax payment is due by the members of the Board of Management over the retrieved variable income, performance shares may be partially sold at vesting ('sell to cover') in accordance with the applicable laws and (internal) regulations.

LTI performance measures

The LTI performance measures applicable to the Board of Management are currently aligned with the LTI performance measures for the senior and executive management of ASML, in order to ensure optimal alignment with the employees of ASML that receive performance shares. The LTI performance measures and their weight are chosen in such a way that an optimal balance is achieved between the interest of ASML's investors, the long-term financial success of the Company and the long-term continuation of technological advancement, whilst also taking into account the objectives for the environmental, social and governance ("ESG") aspects relevant to the Company. By doing so, the LTI contributes to the strategy, long-term interests and sustainability of the Company, as reflected in the following LTI performance measures:

- ASML's change in New York (NASDAQ) share price plus dividends paid (Total Shareholders Return: TSR), relative to the TSRs of the other individual companies of the Philadelphia Semiconductor Index (PHLX Semiconductor Index, total return index) over the relevant performance period.
- Long-term strategic financial and non-financial performance measures to ensure ASML's ability to keep performing at high standards and for creating future value for all stakeholders. The Supervisory Board will select the measures for the applicable three-year performance period, taking into account the business priorities for the this period.

LTI performance measure	Weight
Relative TSR	20% - 30%
Financial Strategic value drivers may be related to return on investment, profit/income or cash measures.	30% - 50%
Non-Financial measures may be related to ESG, operational, product and technological advancements or other strategic measures.	20% - 40%
Total	**100%**

The combination of relative TSR and financial strategic value drivers will not be less than 60% of the total weighting in any plan cycle. The selection and number of measures may vary per Board of Management member per year to ensure alignment with the key (strategic) priorities in the year. The selected measures, their individual weighting and the target levels will be disclosed ex-ante in the remuneration report. Actual achievement per selected measure will be disclosed ex-post in the remuneration report. When the selected measures concern sensitive information that is not in the interest of ASML or its stakeholders to be disclosed, the target levels and actual achievement will not be disclosed. The accounting standards used for calculating financial LTI targets (if any) are US GAAP, unless explicitly mentioned otherwise.

LTI performance incentive zone

The performance shares are subject to three-year performance period. After the end of the performance period, the vesting of performance shares will be calculated for all performance measures, based on predefined pay-out matrices.

Relative TSR performance incentive zone:

Performance ASML vs PHLX Index companies	Pay-out as a % of target
Upper quartile or above	200%
Between median and upper quartile	Linear between 100% and 200%
Between lower quartile and median	Linear between 0% and 100%
Below lower quartile	0%

For measures other than the relative TSR, the following performance incentive zone applies:

LTI target	Below threshold	Threshold	Target	Maximum
Pay-out	0%	50%	100%	200%

The Supervisory Board, in cooperation with the relevant subcommittees, which may include the Technology Committee, the Audit Committee, the ESG Committee and the Remuneration Committee, sets the performance targets at the beginning of the performance period and assesses the extent to which the performance targets are met.

Share ownership guidelines

In order to ensure alignment between the interests of the members of the Board of Management and the Company's sustainable long-term value creation, minimum share ownership guidelines apply. The minimum shareholding for the President and CEO is equivalent to four times the annual base salary and for other members of the Board of Management three times their annual base salary for any given year.

These shareholdings may be built up over five years from the effective date of this policy or from the date of appointment (whichever is later). At its discretion, the Supervisory Board may waive this obligation for a limited period of time in the event of extraordinary circumstances.

Retirement and other benefits

The pension arrangements and other benefits for the members of the Board of Management are aimed at reflecting the local market practice and may evolve year-on-year.

Other benefits offered to the Board of Management members may include health and life insurance, social security costs, continued payment of remuneration during incapacity of work, company car costs, and participation in all-employee plans that may be offered at any given point. Additional benefits and allowances may be offered in case of relocation or international assignment, such as relocation support, expatriation allowance, tax equalization, reimbursement for international schools, housing support, expense reimbursement, and other benefits which reflect local market practice.

Further information regarding the other benefits and pension arrangements for members of the Board of Management is disclosed in the remuneration report.

Contract terms

Management services agreements with members of the Board of Management

The relationship between the Company and the members of the Board of Management does not constitute an employment agreement pursuant to Dutch law. The Company enters into a management services agreement entered into with each member of the Board of Management for the duration of his or her respective appointment as member of the Board of Management. In case circumstances so require, the agreement with a Board of Management member may also be entered into by a subsidiary of the Company. Members of the Board of Management are appointed for a maximum period of 4 years, after which reappointment is possible. The agreement can be terminated by each party by observing a notice period (6 months for ASML and 3 months for the member of the Board of Management).

Severance payment

The management services agreements entered into with members of the Board of Management contain specific provisions regarding benefits upon termination of those agreements. Board of Management members may be eligible to receive a severance payment of up to one-year gross base salary. No entitlement to severance payment exists in the event the agreement ends at the fixed term or in the case of early termination of their agreement at their own initiative, or in the case of gross negligence, willful misconduct, or urgent cause. Incentive payments upon departure are outlined in the individual management services agreements and respective plan documents.

Claw-back
ASML has implemented the claw-back provisions as laid down in the Dutch Civil Code in the (management services) agreements with the members of the Board of Management. In addition, ASML has implemented a claw-back policy in accordance with the Final Rule adopted by the U.S. Securities and Exchange Commission implementing the claw-back provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. Any application of claw-back will be disclosed and explained in the remuneration report.

New-hire policy
When determining remuneration for a new Board of Management member, the Supervisory Board will consider the requirements of the role, the needs of the business, the relevant skills and experience of the individual and the relevant external market for talent.

The Supervisory Board will seek to align the new Board of Management member's remuneration package to the remuneration policy. In the case of external hires, the Supervisory Board may on a case-by-case basis decide to grant an award either in cash and/or shares, to compensate for the loss of remuneration that an incoming Board of Management member would face upon a transfer of employment. The rationale and detail of any such award will be disclosed in the remuneration report. In case of internal promotion, commitments made prior to the appointment as Board of Management members may continue to be honored.

Loans
ASML does not grant any loans or guarantees to any of the members of the Board of Management.

Temporary deviation
In the event of exceptional circumstances, the Supervisory Board may at its own discretion, upon recommendation of the Remuneration Committee, decide to temporarily deviate from the remuneration policy. A deviation for exceptional circumstances only covers situations in which the deviation from this remuneration policy is necessary to serve the long-term interests and sustainability of the Company as a whole or to assure its viability. Any deviation shall be disclosed in the subsequent remuneration report. Deviation may relate to the following aspects of this remuneration policy (including the subsections thereof): Reference Group and Market Positioning, TDC, Retirement and other benefits, Contract Terms and New hire policy.

Decision-making process
At least every four years, the Company will submit the remuneration policy to a vote by the General Meeting, upon a proposal of the Supervisory Board following the recommendation of the Remuneration Committee and after providing the Works Council the opportunity to give advice. In case of a revision of the remuneration policy, a description and explanation is presented of all significant changes, including the rationale for those revisions and other aspects as required by law or the Corporate Governance Code. It is the Company's policy to seek input from organizations representing institutional shareholders as well as from ASML's major shareholders in case significant changes to remuneration arrangements are proposed. The Supervisory Board is responsible for the execution of the remuneration policy.

Annex: Rationale for amending the Remuneration Policy for the Board of Management of ASML Holding N.V.

ASML's remuneration policy for the Board of Management is an essential tool to attract, retain and motivate the right talent which is critical to achieving our technology roadmap and business priorities. Our remuneration principles support the long-term success and sustainable values of our company. In order to assess the competitiveness of our remuneration levels, ASML has a practice of conducting a remuneration benchmark typically every two years, which may be followed by the implementation of certain changes to the Remuneration Policy for the Board of Management (the "Remuneration Policy"). In line with that practice, and following the leadership transition in 2024, an extensive review of the current Remuneration Policy (the "2022 Remuneration Policy") was undertaken in 2024 to identify whether it was desirable to implement any changes. If adopted during the Annual General Meeting on April 23, 2025, the revised Remuneration Policy will become effective per January 1, 2025. The proposed Remuneration Policy builds on the existing remuneration principles and steps taken towards a more competitive Remuneration Policy since the 2022 Remuneration Policy was put to a vote in 2022. The proposed adjustments are aimed at further alignment with our peers who operate in dynamic and diverse markets such as ASML. During 2024, we engaged with several stakeholders, such as the Works Council, proxy advisors and investors to receive feedback on the changes proposed.

The main changes proposed, as further explained below, relate to: the labor market reference group, the target market positioning, incentive levels, relative TSR payout curve, STI & LTI performance measures, Share Ownership Guidelines and the new hire policy.

Main changes to the 2022 Remuneration Policy

From Co-Presidency to single Presidency structure

Following ASML's Annual General Meeting of 24 April 2024, Mr. Christophe Fouquet was appointed as President and CEO of ASML. As per the same date, ASML's Co-Presidents Mr. Peter Wennink and Mr. Martin van den Brink retired from ASML. As a result of this change in the composition of the Board of Management, the Co-Presidents of the Board of Management of ASML have been replaced by a single President and CEO.

In view of the above, the proposed Remuneration Policy has been adjusted to reflect a single Presidency structure.

Updated labor market reference group

The first step as part of this policy review was to assess whether the current labor market reference group was still appropriate, both in terms of size and in terms of composition. The reference group under the 2022 Remuneration Policy consists of companies that are comparable to ASML in terms of size and complexity, industry or business profile, data transparency and geographical area. An update to the composition of the reference group is proposed to ensure continued alignment with the selection criteria and competitive talent landscape. The following criteria serve as a guidance for selecting the appropriate reference group with the aim to reflect markets for talent in which we compete:

- <u>Industry</u>: Focus of the industry criterion is Semiconductor (equipment) companies, High-Tech companies or other high Research & Development spend companies
- <u>Geography</u>: Global companies are selected for ASML's reference group. Hereby, we want to achieve an appropriate mix between EU and US companies. For US companies, selected peers are limited to Semiconductor (equipment) companies

- Company Size: Similar sized companies to ASML are considered, selected based on Market Capitalization and Revenues ranges. For both Market Capitalization and Revenues the applicable range is 0.25-4x of ASML's Market Capitalization/Revenues.
- R&D Spend: Selected companies with R&D spend comparable to ASML

The companies currently included in the 2025 labor market peer group are:

ABB Ltd	Novartis AG	Siemens AG	Lam Research Corp
Airbus SE	NXP Semiconductors	Broadcom Inc	Schneider Electric SE
Dassault Systemes SE	Koninklijke Philips NV	Intel Corp	KLA Corporation
Infineon Technologies	Roche Holding AG	Qualcomm Inc	Micron Technology
Medtronic PLC	Sap Se	Applied Materials Inc	Safran SA
			STMicroelectronics N.V.

Updated target market positioning in the reference group

The target market positioning under the 2022 Remuneration Policy is based on Total Cash Compensation ("TCC"), which is positioned around the median of the peer group. During the 2024 Policy review, incentive levels were reassessed and updated levels were proposed as per below. The proposed adjustments are viewed as another step towards the Supervisory Board's multi-year ambition to reduce the remuneration gap against the labor market reference group peers. As such, the proposed Remuneration Policy moves to more holistic, market aligned positioning on TDC.

Changes in incentive levels

The pay structure under the 2022 Remuneration Policy shows a significant gap with the market as predominantly LTI is significantly underweighted. As such, under the proposed Remuneration Policy, STI and LTI levels are increased to make incremental progress towards aligning STI and LTI levels more closely with the reference group, to better enable ASML is to attract, retain and motivate talent in a global landscape, and to better respond to business-critical situations.

The proposed incentive levels are:

	Target value	Maximum value
Short Term Incentive	Up to 150% of base salary	150% of target
Long Term Incentive	Up to 350% of base salary	200% of target
Long Term Incentive in business-critical situations	Up to 450% of base salary	

Given the competitive and varied landscape ASML operates in, especially with relation to widely differentiated practices across geographies and industries for LTI levels, a target LTI level for business-critical circumstances is proposed to be introduced. Business-critical reasons can include circumstances in which remuneration becomes a material business risk and a barrier to attracting critical talent, including, but not limited to required hiring in non-European locations or from a non-

European company, accommodating for unique LTI structures, BoM members joining through acquisitions as well as retention in case of competitive offers.

The current overall incentive levels are intended to be increased gradually over time towards the maximum policy levels. The Supervisory will review the remuneration levels annually and make adjustments in light of market and internal developments.

Changes in STI and LTI performance measures
Under the 2022 Remuneration Policy, STI financial measures amount to 60% and STI non-financial measures amount to 40% (i.e. 20% Customer Orientation and 20% Technology Leadership Index) while, LTI financial measures amount to 50%-60% (30% Relative TSR and 20%-30% Strategic value drivers) and LTI non-financial measures amount to 40%-60% (20%-30% Technology Leadership Index and 20%-30% ESG measures).

The 2025 Remuneration Policy introduces ranges for the weighting of all STI and LTI financial and non-financial measures and increases flexibility in selecting non-financial measures to enable ASML to better align the Board of Management's variable remuneration with the most relevant strategic and/ or business priorities. In order to be able to do so, specific underlying non-financial measures are proposed to be replaced with broader categories of non-financial measures. The selected performance measures and their individual weighting will be disclosed ex-ante in the remuneration report.

STI performance measure	**Weight**
Financial measures	**60% - 80%**
Financial measures will be aligned with the business priorities and challenges for the given year, and may include for example revenue measures, profit / margin measures, cash flow measures, cost measures (e.g. R&D, SG&A expenses, etc.), productivity measures, capital expenditures or economic / value added measures.	
Non-financial measures	**20% - 40%**
Non-financial performance measures will be aligned with the strategic business priorities, and may include for example ESG, operational, or strategic measures.	
Total	**100%**

LTI performance measure	**Weight**
Relative TSR	20% - 30%
Financial Strategic value drivers may be related to return on investment, profit/income or cash measures.	30% - 50%
Non-Financial measures may be related to ESG, operational, product and technological advancements or other strategic measures.	20% - 40%
Total	**100%**

The combination of relative TSR and financial strategic value drivers will not be less than 60% of the total weighting in any plan cycle.

Changes in Relative TSR payout curve

Under the 2022 Remuneration Policy, vesting for the Relative TSR measure starts at the 25th percentile with vesting set between 25% and 100% for positioning between the 25th percentile and the median. In the proposed Remuneration Policy the relative TSR payout curve is amended, with vesting at the 25th percentile starting at 0% instead. Reducing the threshold vesting to 0% ensures that payouts are earned solely through measurable contributions to company success and signals our commitment to align executive compensation more closely with shareholder value creation, while still aligning with prevalent market practice among our peers.

Performance	**Payout**
Upper quartile	200%
Between median and upper quartile	Linear between 100% and 200%
Between lower quartile and median	Linear between 0% and 100%
Below lower quartile	0%

Changes in Share Ownership Guidelines

Under the 2022 Remuneration Policy, the minimum shareholding requirement for the President and CEO is equivalent to three times the annual base salary and for other members of the Board of Management two times their annual base salary. As the proposed LTI levels are increased compared to the 2022 Remuneration Policy, it is proposed to increase the Share Ownership Guidelines in line with the LTI increases to further strengthen shareholder alignment. The proposed Share Ownership Guidelines are four times the annual base salary for the President and CEO and three times the annual base salary for other members of the Board of Management.

Inclusion of new hire policy

The 2022 Remuneration Policy does not include a separate new hire policy, but it is included partly in the temporary deviation clause. In order to align with market practice, the examples of deviating circumstances that relate to new hires are removed from the temporary deviation clause and a new section specific to new hires is created in the proposed Remuneration Policy.