



In Bernin, on June 14, 2023

**COMPENSATION INFORMATION RELATED TO THE CHIEF EXECUTIVE OFFICER  
AND THE CHAIRMAN OF THE BOARD OF DIRECTORS**

In accordance with the recommendations of the AFEP-MEDEF Code of Corporate Governance (the Afep-Medef Code), Soitec hereby discloses the compensation paid or granted to the Chief Executive Officer and the Chairman of the Board of Directors during or in respect of the fiscal year 2022-2023, as well as its compensation policy for the fiscal year 2023-2024.

This information was approved by the Board of Directors on June 7, 2023, on the recommendation of the Compensation and Nominations Committee, and will be submitted for approval to the Annual General Meeting on July 25, 2023.

**I. Compensation components paid during or granted for the fiscal year 2022-2023 to the Chief Executive Officer and the Chairman of the Board of Directors**

At its meeting on June 7, 2023, the Board of Directors, acting on the recommendation of the Compensation and Nominations Committee, took the following decisions concerning the compensation package for Paul Boudre, Chief Executive Officer until the close of the Annual General Meeting on July 26, 2022, for Pierre Barnabé, Chief Executive Officer with effect from the close of the Annual General Meeting on July 26, 2022, and for Eric Meurice, Chairman of the Board of Directors.

These compensation components are in line with the compensation policy approved by the Annual General Meeting on July 26, 2022, which stipulated that the compensation of Paul Boudre and Pierre Barnabé, Chief Executive Officers, would comprise a fixed compensation, a short-term variable compensation and a long-term compensation, and that of Eric Meurice, Chairman of the Board of Directors, would comprise a fixed compensation.

In accordance with article L. 22-10-34, II, of the French Commercial Code, these compensation packages will be submitted for approval to the Annual General Meeting of July 25, 2023, under the terms of the 13<sup>th</sup> (concerning Paul Boudre), 14<sup>th</sup> (concerning Pierre Barnabé) and 12<sup>th</sup> (concerning Eric Meurice) resolutions.

a) Fiscal year 2022-2023 compensation components of Paul Boudre, Chief Executive Officer until the close of the Annual General Meeting on July 26, 2022

- Fixed compensation:

The compensation policy for Paul Boudre, Chief Executive Officer until the close of the Annual General Meeting on July 26, 2022, included a fixed compensation of 550,000 euros.

Paul Boudre's fixed compensation for fiscal year 2022-2023 amounted to 175,939.58 euros, calculated *pro rata temporis*.

- Short-term variable compensation:

Based on the recommendation of the Compensation and Nominations Committee, the Board of Directors assessed the performance levels of the quantitative and discretionary criteria provided for in the compensation policy applicable to Paul Boudre, and set his short-term variable compensation at 100.2% of his fixed compensation, in proportion to his performance against the targets shown in the table below:

Type of objective	Description	Weighting	Maximum % in case of overperformance	% achieved
I. FINANCIAL OBJECTIVES	1. Level of revenue ( <i>in € millions</i> ) <i>US\$1,195 million, i.e., 98.6% of the amount in the budget, corresponding to a 93.1% achievement rate</i>	20%	30%	18.6%
	2. Level of consolidated EBITDA <i>(as a % of revenue in € at constant exchange rates)</i> <i>36%, i.e., 100% of the % in the budget taking into account the adjustment to the currency effect modeling in the budget, corresponding to a 100% achievement rate</i>	20%	30%	20%
	3. Level of operating cash ( <i>in € millions</i> ) <i>€262 million, i.e., 88% of the figure in the budget after neutralizing a non-budgeted exceptional payment, corresponding to a 37.5% achievement rate</i>	20%	30%	7.5%
II. STRATEGIC OBJECTIVES	Strategic contract 1 (business) <i>Maximum rate achieved: SmartSiC contract with STMicro</i>	10%	15%	15%
	Strategic contract 2 (strategy) <i>Maximum rate achieved: Funding for the PR1 extension</i>	10%	15%	15%
	Governance: transition (new Chief Executive Officer) <i>Partially achieved (estimated by the Board of Directors)</i>	20%	30%	15%
<b>Subtotal</b>			<b>150%</b>	<b>91.1%</b>
<b>Criterion for increase in variable portion</b>	<b>Improvement in the ESG rating assigned by MSCI</b> <i>BBB in April 2023 vs. B in fiscal year 2021-2022</i>	<b>10% increase</b>		<b>x1.1</b>
<b>TOTAL VARIABLE PORTION DUE FOR FISCAL YEAR 2022-2023 AFTER APPLYING THE 10% INCREASE</b>				<b>100.2%</b>

The total gross amount of variable compensation payable to Paul Boudre for fiscal year 2022-2023 is therefore €176,291, calculated on a pro rata basis.



Its payment is subject to the approval at the Annual General Meeting of July 25, 2023 of the compensation paid during or granted for fiscal year 2022-2023 to Paul Boudre (13<sup>th</sup> resolution).

- Long-term variable compensation:

Paul Boudre did not receive any performance shares or other long-term benefits during the fiscal year 2022-2023.

- Others:

During the fiscal year 2022-2023, Paul Boudre benefited from a supplementary pension plan, the use of a company car as well as private unemployment insurance and key-person insurance.

- b) Fiscal year 2022-2023 compensation components of Pierre Barnabé, Chief Executive Officer with effect from the close of the Annual General Meeting on July 26, 2022

- Fixed compensation:

The compensation policy for the fiscal year 2022-2023 of Pierre Barnabé, Chief Executive Officer as from the close of the Annual General Meeting of July 26, 2022, included a fixed compensation of 480,000 euros.

Pierre Barnabé's fixed compensation for fiscal year 2022-2023 amounted to 325,714.29 euros, calculated *pro rata temporis*.

For information purposes, Pierre Barnabé was a salaried employee of the Company, holding the role of advisor from May 1 to July 26, 2022, for which he received annual fixed compensation of €480,000 (gross), representing €114,285.71 on a pro rata basis.

- Short-term variable compensation:

Based on the recommendation of the Compensation and Nominations Committee, the Board of Directors assessed the performance levels of the quantitative and discretionary criteria provided for in the compensation policy applicable to Pierre Barnabé, and set his short-term variable compensation at 116.7% of his fixed compensation, in proportion to his performance against the targets shown in the table below:

Type of objective	Description	Weighting	Maximum % in case of overperformance	% achieved
I. FINANCIAL OBJECTIVES	1. Level of revenue (in € millions) <i>US\$1,195 million, i.e., 98.6% of the amount in the budget, corresponding to a 93.1% achievement rate</i>	20%	30%	18.6%
	2. Level of consolidated EBITDA (as a % of revenue in € at constant exchange rates) <i>36%, i.e., 100% of the % in the budget taking into account the adjustment to the currency effect modeling in the budget, corresponding to a 100% achievement rate</i>	20%	30%	20%
	3. Level of operating cash (in € millions) <i>€262 million, i.e., 88% of the figure in the budget after neutralizing a non-budgeted exceptional payment, corresponding to a 37.5% achievement rate</i>	20%	30%	7.5%
II. STRATEGIC OBJECTIVES	Innovation/commercial and technological wins <i>Maximum rate achieved (45%) Various commercial wins: the milestones required for the 5-year forecast (15%), SmartSiC business milestones on track (5%), filter and mmW business development on track (5%), FD SOI sub 20 nm business milestones on track (5%), stable RF SOI market share (5%), 200 mm SiC technology advancement plan on track (10%)</i>	30%	45%	45%
	Strategy: structuring the M&A strategy <i>Maximum rate achieved: Assessed by the Board of Directors</i>	3%	5%	5%
	ESG: governance, climate, water, diversity and inclusion <i>Maximum rate achieved: Assessed by the Board of Directors for governance (1/4), Scope 3 carbon footprint 795 tCO<sub>2</sub>eq./€m vs. 854 tCO<sub>2</sub>eq. (1/4), water 564 l/wafer vs. 611 l (1/4), 21% women in senior management positions &gt; 20% (1/4)</i>	7%	10%	10%
<b>Subtotal</b>			<b>150%</b>	<b>106.1%</b>
<b>Criterion for increase in variable portion</b>	<b>Improvement in the ESG rating assigned by MSCI</b> <i>BBB in April 2023, vs. B in fiscal year 2021-2022</i>	<b>10% increase</b>		<b>x1.1</b>
<b>TOTAL VARIABLE PORTION DUE FOR FISCAL YEAR 2022-2023 AFTER APPLYING THE 10% INCREASE</b>				<b>116.7%</b>

The total gross amount of variable compensation granted to Pierre Barnabé for fiscal year 2022-2023 and payable in fiscal year 2023-2024 is therefore €380,109, calculated on a pro rata basis.

Its payment is subject to the approval at the Annual General Meeting of July 25, 2023 of the compensation paid during or granted for fiscal year 2022-2023 to Pierre Barnabé (14th resolution).

For information purposes, Pierre Barnabé was a salaried employee of the Company, holding the role of advisor from May 1 to July 26, 2022, for which he received €133,371 in variable compensation (gross) on a pro rata basis.



- Long-term variable compensation:

Pursuant to the authorization granted in the 27<sup>th</sup> resolution of the Annual General Meeting held on July 28, 2021, the Board of Directors allocated Pierre Barnabé 9,612 performance shares, corresponding to ordinary shares of the Company and representing a value of €332,286.84. At the date of publication of this document, these shares corresponded to 0.01% of the Company's share capital.

The ordinary performance shares allocated to Pierre Barnabé are subject to a vesting period running from July 26, 2022 to August 1, 2025 (inclusive). At the end of the vesting period, they will vest to Pierre Barnabé, subject to the fulfillment of the presence condition, assessed in thirds on three successive performance achievement dates, i.e., July 1, 2023, 2024 and 2025 (except in the event of (i) gross negligence or misconduct, in which case the presence condition is deemed not to be fulfilled, and (ii) death or invalidity, where the presence condition is deemed to be fulfilled), and based on the achievement rates placed on record by the Board of Directors for the objectives underlying the performance conditions, as follows:

- 30% of the shares will be subject to a performance condition based on consolidated EBITDA margin generated over the three years of the plan;
- 30% of the shares will be subject to a performance condition based on consolidated revenue generated over the three years of the plan;
- 20% of the shares will be subject to a performance condition based on the Total Shareholder Return (TSR) of the Company's ordinary shares compared to the Euro Stoxx 600 Technology index;
- 20% of the shares will be subject to an ESG performance condition based on (i) the Company's long-term objectives for Scope 3 carbon emissions (in line with the 1.5°C objectives validated by the SBTi), (ii) water withdrawal in line with the reduction commitments published by the Group and (iii) an increase in women in senior management positions and, more generally, in the number of women hired within the Group.

These performance conditions were set by the Board of Directors in line with the five-year business plan presented and approved in April 2022. They relate to the results of fiscal years 2022-2023 and 2023-2024, in particular:

- the EBITDA objective, measured at actual exchange rates and expressed as a percentage of reported revenue in euros, corresponds to a minimum value representing a 50% achievement rate, and a maximum value representing a 100% achievement rate;
- the consolidated revenue objective corresponds to a minimum value representing a 50% achievement rate, and a maximum value representing a 100% achievement rate;
- the objective based on the Total Shareholder Return (TSR) of the Company's ordinary shares compared to the Euro Stoxx 600 Technology index over the full duration of the plan corresponds to between 80% and 120%, representing a 0% and 100% achievement rate respectively.

- Others:

During the fiscal year 2022-2023, Pierre Barnabé benefited from a supplementary pension plan, the use of a company car, a company accommodation, as well as the contributions paid for the private unemployment insurance.

c) Fiscal year 2022-2023 compensation components of Eric Meurice, Chairman of the Board of Directors

- Fixed compensation:

The compensation policy for Eric Meurice, Chairman of the Board of Directors, for the fiscal year 2022-2023 included a fixed remuneration of 230,000 euros.

Accordingly, Eric Meurice's fixed compensation for fiscal 2022-2023 amounted to 230,000 euros.

## **II. Compensation policies for fiscal year 2023-2024 applicable to the Chief Executive Officer and the Chairman of the Board of Directors**

a) 2023-2024 compensation policy applicable to Pierre Barnabé, Chief Executive Officer

In his capacity as Chief Executive Officer, Pierre Barnabé's compensation policy provides for compensation comprising a fixed portion, an annual variable portion, a long-term variable portion and certain commitments and benefits.

After analyzing a benchmark study on peer company senior management compensation, both on a sectoral basis in Europe and on a national basis, comprising a panel of technical and industrial companies in the CAC mid 60 index<sup>1</sup>, and based on the recommendation of the Compensation and Nominations Committee, at its June 7, 2023 meeting the Board of Directors set the compensation of Pierre Barnabé, Chief Executive Officer, as follows for the fiscal year 2023-2024.

This policy will be submitted for approval to the Annual General Meeting of July 25, 2023 under the 10<sup>th</sup> resolution.

- Fixed compensation:

Pierre Barnabé's annual fixed compensation has been set at €480,000, unchanged from fiscal year 2022-2023 (representing around 60% of his maximum variable compensation). The level of his compensation will be benchmarked to the level of compensation of a group of Chief Executive Officers of similar European companies (peers) on an annual or semi-annual basis (benchmarks).

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<sup>1</sup> Companies in the panels for the benchmarking studies performed in 2023. European companies: Aixtron SE, AMS-OSRAM, ASM International, AT&S – Austria Technologie & SYS, Barco, BE Semiconductor Industries, Elmos Semiconductor, Eutelsat, Infineon Technologies, Iqe PLC, Jenoptik, Melexis, NCAB Group, Nordic Semiconductor, Siltronic, SMA Solar, STMicroelectronics N.V., Tecan Group, Technoprobe. French companies (CAC Mid 60): Alten, Aperam, BIC, CGG, Eramet, Euroapi, Eutelsat Communic., GTT, Imerys, Ipsen, Ipsos, JC Decaux SA, Metropole TV, Neoen, OVH, Quadiant, SES, Somfy, Sopra Steria Group, TF1, Vallourec, Verallia, Virbac.



- Short-term variable compensation:

On the recommendation of the Compensation and Nominations Committee, the Board decided to maintain the structuring and main weightings implemented during the previous fiscal year based on an analysis of market practices and a projection of earning expectations in view of the performance of the various companies of the panel, carried out by reputed independent consultants specialized in the compensation of corporate officers.

Pierre Barnabé's variable annual compensation is subject to the following performance criteria and may represent between 0% and 165% of his fixed annual compensation:

Objectives	Weighting	Overperformance
I. FINANCIAL OBJECTIVES	60%	90%
Of which:		
a. Revenue	a. 20%	a. 30%
b. EBITDA ( <i>in %</i> )	b. 20%	b. 30%
c. Operating cash flow	c. 20%	c. 30%
II. STRATEGIC OBJECTIVES	40%	60%
Of which:		
a. Innovation	a. 10%	a. 15%
b. Business development	b. 10%	b. 15%
c. Leadership and organization	c. 10%	c. 15%
d. ESG (diversity, climate change, water)	d. 10%	d. 15%
Criterion for increase in the variable portion (external ESG rating)	+10% of the total amount	N/A

As was the case for the previous fiscal year:

- If the target values of the objectives set by the Board of Directors are achieved, the variable portion will correspond to 100% of Pierre Barnabé's fixed compensation;
- The achievement of the budget objectives will represent 100% of the target amounts of the financial criteria; and
- Any overperformance of the target values of the financial objectives can be taken into account subject to a cap representing 150% of his fixed compensation.
- Most of the strategic criteria include several sub-criteria, the cumulative achievement of which corresponds to an overperformance level of 150%. Under the environmental criteria (ESG), control over water use, which is a major challenge in our industry, has been added to the climate change criterion as of 2022.
- The amount of Pierre Barnabé's variable compensation for fiscal year 2023-2024 based on the financial and strategic objectives can be increased by a further 10% if an additional objective is achieved related to improving the ESG rating assigned by MSCI.

Details of the assessment of the achievement rates of the performance criteria underlying the calculation of the Chief Executive Officer's annual variable compensation have not been disclosed for confidentiality reasons.

- Long-term variable compensation:

The vesting of the performance shares to be allocated to the Chief Executive Officer will be subject to the achievement of performance criteria based on financial objectives and, non-financial objectives, assessed at the end of fiscal year 2025-2026. At the end of a vesting period of at least three years, the final number of shares that vest will be calculated based on the Board of Directors' assessment of several appropriate financial objectives (such as EBITDA, revenue and the Total Shareholder Return (TSR) of the Company's ordinary shares compared with the Euro Stoxx 600 Technology index) and sustainability-related performance criteria (diversity and inclusion, climate change roadmap and water stress). On TSR, a -10% performance against the index (instead of -20% last year) will give a 0% reward to partially address the comments we received on rewarding negative performance. However, the Board decided not to start at index median to take into account the volatility of Soitec stock and the fact that the share plan is granted to all employees within Soitec.

No lock-up period will apply at the end of the vesting period. However, the Chief Executive Officer is required to hold a certain number of vested shares in registered form, for the duration of his term of office. The value of these shares has been set by the Board of Directors at 10% of the Chief Executive Officer's annual fixed compensation at the vesting date.

The vesting of the performance shares allocated to the Chief Executive Officer is also subject to a pro rata presence condition, i.e., one-third of each allocation is subject to his continued presence per vesting year. In the event of retirement with a full benefit, the Chief Executive Officer's performance shares will vest on a pro rata basis (where appropriate, the Board of Directors may waive this condition on the basis of a reasoned decision). In the event of dismissal for gross misconduct, the Chief Executive Officer would lose all of the allocated shares. Any notice periods may not be taken into account for the purpose of assessing the applicable presence conditions.

- Others:

Pierre Barnabé will continue to benefit from a supplementary pension plan, the use of a company car, a company accommodation, as well as the contributions paid for the private unemployment insurance.

In line with the previous year, Pierre Barnabé's compensation policy for fiscal year 2023-2024 includes the following commitments by the Company: indemnity in lieu of notice, a termination benefit and a non-competition indemnity.

b) 2023-2024 compensation policy applicable to Eric Meurice, Chairman of the Board of Directors

The compensation policy for the Chairman of the Board of Directors comprises fixed compensation. It does not include any variable or exceptional compensation, performance share allocations, termination benefits or a non-compete indemnity.

This policy will be submitted for approval to the Annual General Meeting of July 25, 2023 under the 7<sup>th</sup> resolution.



- Fixed compensation:

The annual fixed compensation of the Chairman of the Board of Directors has been set at a gross amount of €230,000, unchanged since fiscal year 2020-2021. This compensation is not paid out of the budget allocated for the compensation of the members of the Board of Directors, and the Chairman does not receive any compensation for his duties as a director.

This level of compensation was benchmarked in March 2022 by an independent firm, based on two panels: one consisting of 33 comparable companies in the CAC Mid 60 index and the other comprising 20 comparable European companies operating in the semiconductor or technology sectors.

- Others:

The Chairman of the Board of Directors is entitled to the reimbursement of any travel expenses incurred in connection with his directorship duties, on presentation of receipts.

The Chair of the Board of Directors does not receive any benefits in kind and has not been given any other commitments. In addition, no service agreement has been entered into between the Chair and the Company or any of its subsidiaries that provides for entitlement to benefits.

For further information on the compensation of the Chief Executive Officer and the Chairman of the Board of Directors, please refer to the 2022-2023 Universal Registration Document available on the Company's website [www.soitec.com](http://www.soitec.com)