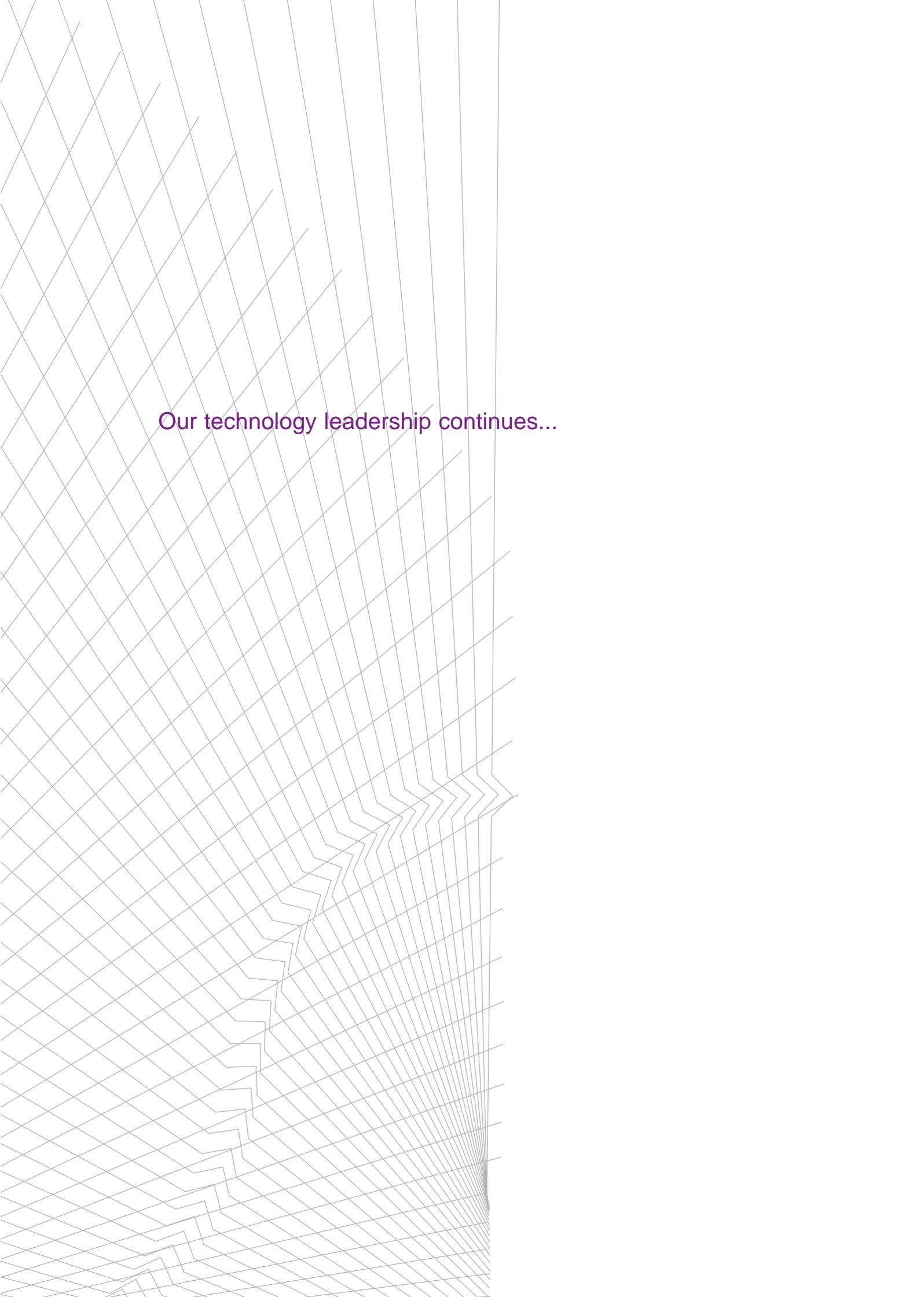




ASML

Principles of Ethical Business Conduct





Our technology leadership continues...



Principles of Ethical Business Conduct

ASML Mission
Providing leading edge imaging solutions
to continuously improve customers'
global competitiveness



ASML Profile

General Information

ASML is a world leader in the manufacture of advanced technology systems for the semiconductor industry. The company offers an integrated portfolio of lithography, track and thermal systems, mainly for manufacturing complex integrated circuits (also called ICs or chips).

ASML designs, develops, manufactures, markets and services advanced systems used by the semiconductor industry to fabricate state-of-the-art integrated circuits. ASML's customers include most of the major global semiconductor manufacturers that provide the chips used in a wide array of electronic, communications and information technology products.

ASML's corporate headquarters is in Veldhoven, the Netherlands. Manufacturing sites and research and development facilities are located in Connecticut, California and the Netherlands. Technology development centers and training facilities are located in Japan, Korea, the Netherlands, Taiwan and the United States. To provide optimal service to its customers, ASML has over 50 sales and service organizations in 16 countries.

Business Strategy

ASML's strategic objective is to realize profitable and sustainable growth by providing leading edge manufacturing solutions to the worldwide semiconductor industry that continually improve customers' competitiveness by enhancing the value of their ownership of ASML equipment.

The principal elements of ASML's value of ownership strategy are:

- Maintaining significant levels of research and development spending in order to offer customers, at the earliest possible date, the most advanced technology suitable for high-throughput, low-cost volume production.
- Offering customers continuing improvements in pro-

ductivity and value by introducing advanced technology, based on the modular, upgradeable design of ASML's families of tools.

- Pursuing continuing reductions in the cycle time between a customer's order of a tool and the use of that tool in volume production at the customer site.
- Providing superior customer support services that ensure rapid and efficient installation, as well as continuing on-site support and training to optimize the manufacturing process and improve customers productivity.
- Expanding operational flexibility in research and manufacturing by reinforcing strategic alliances with world-class partners.

ASML Technology Overview

ASML offers an integrated portfolio of lithography, track and thermal systems primarily for manufacturing complex integrated circuits.

Lithography

Lithography, or imaging, is the critical technology that allows semiconductor manufacturers to continually shrink IC designs and produce more chips per wafer with higher yield, faster performance and more functionality. Lithography systems called "steppers" or "Step & Scan" tools transfer the integrated circuit pattern onto a silicon wafer using a photographic process, much like a camera prints an image on film. A light generated by a source such as a laser is transmitted through a photomask (a quartz plate with the master copy of the circuit image) and then through a series of lenses to project the image onto a thin slice of silicon, the wafer, which has been coated with a light-sensitive material called photoresist. The wafer is then developed and one layer of the circuit pattern appears on the wafer.

Track

Track systems prepare the wafer before and after the lithographic systems. Semiconductor manufacturers need photo-

resist processing equipment, commonly known as wafer tracks, as well as imaging systems (steppers and Step & Scan tools). The wafer track applies a film of light-sensitive photoresist, and then the coated wafer is delivered by the track to the lithography system for exposure under high intensity light. After the wafer is exposed, the track system is used to develop the image in the photoresist. The wafer is then baked to stabilize the resist and then the process is repeated. The result of this coat, bake, expose, develop and bake process is a relief image of the integrated circuit pattern.

Thermal

Thermal oxidation and deposition systems are used to grow or deposit thin films on the surface of the silicon wafer. Depending on the film's properties, these layers establish the silicon wafer's electrical properties and act as either insulators, conductors or semiconductors. The repeated patterning and layering of thin films is what, in effect, creates the multidimensional microelectronics commonly called integrated circuits.

Introduction

To our shareholders and other stakeholders:

Our mission is to provide leading edge imaging solutions to continuously improve customers' global competitiveness.

To succeed in our mission, we believe that all our activities must stem from our core values:

Quality
Integrity
Trust
Continuity
Excellence
Professionalism

Our objective is to produce high quality imaging solutions. We believe that our business conduct should always be based on integrity. Integrity is the primary value in ASML's relationships with its shareholders, employees, customers, suppliers and other stakeholders. Without integrity, no trust exists. Trust is the foundation on which long-lasting relationships can be built, which will secure the continuity and success of ASML.

Our main business focus is to improve the competitiveness of our customers. By continuously improving our products and customer services, we maintain our leading position. To achieve the improvement in the quality of our products and services, one of the prerequisites is the improvement of the professionalism, competency and welfare of our employees through training, personal development programs and competitive employment conditions. Therefore, we invest in long-term relationships with our employees.

Our strong position in leading edge imaging solutions entails responsibilities towards our shareholders, our employees, customers, suppliers and other stakeholders such as the communities in which we operate. As a responsible corporate citizen, we need to be transparent as to our business conduct and the values underlying this conduct. We express our commitment to our stakeholders in particular and the global society in general by declaring the principles laid down in the ASML Principles of Ethical Business Conduct applicable to our global business. These Principles were developed, in close cooperation with the Board of Management and the Works Council, by the ASML Working Group on Ethical Business Conduct, representing employees worldwide.

In support of the ASML Principles of Ethical Business Conduct, the Working Group also developed several internal practices together with specific compliance measures. Through these measures we aim to achieve the highest level of transparency in our business conduct towards our shareholders and other internal and external stakeholders.

Doug J. Dunn



CEO and Chairman of the Board of Management

ASML Holding N.V.

ASML Principles of Ethical Business Conduct

Responsible corporate citizenship

Through our employees, shareholders, customers and suppliers we interact with and operate our business in many different communities worldwide. We develop leading edge imaging solutions and thereby we contribute to the technological advances and modernization of society. According to the United Nations Commission on Global Governance, “business must be encouraged to act responsibly in the global neighbourhood and contribute to its governance.” As one of the many participants on the global playing field, we believe in acting as a responsible corporate citizen and in continuation thereof. We therefore:

- emphasize the importance of sustainable development of our global environment by respecting people, preserving our planet while earning a fair profit;
- believe that the human rights as proclaimed by the United Nations in the Universal Declaration of Human Rights is a common standard of achievement for all members within the global community and we encourage the respect of these rights and freedoms;
- believe in respecting the different cultural identities of our internal and external stakeholders;
- respect the rule of law and act in accordance with the national laws and regulations of the countries and communities in which we operate;
- in general support the principles as laid down in the OECD Guidelines for Multinational Enterprises and the Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy of the International Labor Organization.

In relation to our shareholders

In relation to our shareholders, we:

- put forth our best efforts to maximize the value of their investments in ASML;
- provide our shareholders with regular, reliable and relevant transparent information regarding our activities, structure, financial situation, performance and other information, including information on our social, ethical and environmental records and policies;
- apply high quality standards for disclosure, accounting and audit;

- apply stringent rules with regard to inside information and insider security trading.

In relation to our employees

In relation to our employees, we:

- respect our employees and fully acknowledge their individual contribution to the quality of our products and services and the continuity and success of ASML;
- competitively reward our employees for their performance and provide motivating working conditions, including coaching, training and personal career development programs;
- take adequate steps to ensure the health and safety of our employees in their operations and their welfare in general;
- provide equal opportunity for all in recruiting, hiring, developing, promoting and compensating without discrimination as to race, color, sex, religion, political opinion, nationality, social origin or any other reason and show zero tolerance to any form of discrimination by our employees on these grounds, unless selectivity concerning employee characteristics further established governmental policies that specifically promote greater equality of employment opportunity or relate to the inherent requirements of a job;
- respect the different cultural identities of our employees.

In relation to our customers

In relation to our customers, we:

- conduct our business in good faith;
- pursue our business on the basis of integrity;
- secure the highest possible level of business confidentiality as to all information concerning their activities;
- fulfil our obligations to the best of our abilities;
- aim at supporting our customers’ success by providing high quality products adding value to their enterprises;
- maintain significant levels of research and development in order to offer our customers, at the earliest possible date, the most advanced technology and the highest possible level of service;
- promptly react to our customers’ needs by assisting them on the basis of our Value of Ownership concept.

Integrity

The results of our business conduct must stem from sound economic and financial practices. Therefore, we:

- conduct our business on the basis of the principles of fairness, good faith and integrity and we expect the same from those we do business with;
- do not engage in local political activities and we urge our employees who participate in local political activities to clearly separate their professional interests from their political interests;
- abstain from making any improper contribution to candidates for public office, to political parties or other political organizations;
- abstain from any improper action to obtain business advantage.

Sustainable Development

In conducting our business we want to participate in the sustainable development of people and our planet while pursuing the continuity of ASML and maximizing the value of our shareholders' investment in the company.

People

- Our objective is to build and maintain a health and safety management system in compliance with international standards and to receive certification of compliance with those standards by means of regular audits by independent experts.

Planet

- We believe in the preservation of our planet. We contribute to the sustainable development of the environment by developing annual environmental programs.
- Our objective is to build and maintain an environmental management system in compliance with international standards and to receive certification of compliance with those standards by means of regular audits by independent experts.
- We adopt technologies and operating procedures in all parts of the enterprise with a view to improving our environmental performance.

Profit

- We believe that investing in environmentally sound activities is investing in the future of our planet and all people.

- We believe that investing in the sustainable development of people and our planet also is beneficial to the continuing success of ASML.

Competition

We conduct our activities in a competitive manner, within the framework of applicable laws and regulations. As a result, we:

- compete fairly and honestly and comply with the letter and the spirit of all applicable laws and regulations;
- believe in sound economic competition and endeavor to increase our market share by constantly improving the quality of our products and services;
- abstain from, directly or indirectly, demanding or accepting from an employee of a business partner or competitor, a bribe or other undue advantage for them to obtain or retain business or other improper advantage;
- abstain from, directly or indirectly, offering, promising or giving a public official or an employee of a business partner or a competitor, a bribe or other undue advantage to obtain or retain business or other improper advantage;
- expect third parties with whom we do business not to solicit or expect us to render a bribe or other undue advantage.

Our place in the global and local community

- Our company's success is based on developing leading edge imaging solutions. We have acquired a high level of expertise and wish to contribute to the further development of science and technology in the field of imaging solutions.
- Taking into account the legitimate requirements of business confidentiality and within the framework of protecting our intellectual property rights, we desire to exchange our scientific and technological knowledge with new generations of scientists. As a result, we have developed and will continue to develop programs with universities to allow for scientists to acquire and/or extend their practical knowledge of imaging solutions at ASML.
- We believe in interacting with the communities in which we operate and to contribute to the welfare and well being of these communities through appropriate community projects.

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