

2020 Remuneration report

This remuneration report comprises information within the meaning of articles 2:135b Dutch Civil Code and Section 3.4.1 of the Dutch Corporate Governance Code.

This remuneration report is also published as part of ASML's Annual Report 2020. We have extensive guidelines for the lay-out and the content of our reports. These guidelines are primarily based on applicable laws and regulations. With respect to the preparation process of this remuneration report, we follow the requirements of Dutch law and regulations, and apply internal procedures to safeguard the completeness and accuracy of such information as part of its disclosure controls and procedures.

A definition or explanation of abbreviations, technical terms and other terms used throughout this remuneration report that require explanation can be found in the definitions section of the Annual Report 2020. In some cases, numbers have been rounded for readers' convenience

Remuneration report

This report describes how the Remuneration Policies of the Board of Management and the Supervisory Board were implemented in 2020.



€21.8m

Total remuneration of the Board of Management



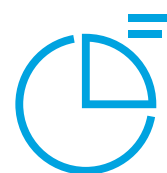
139.2%

Achieved of target



146.5%

Achieved of target



40

Internal pay ratio (CEO versus average per FTE)

Message from the Chair of the Remuneration Committee

Dear stakeholder,

On behalf of the Remuneration Committee I am pleased to present the Remuneration Report, providing a summary of the remuneration policies for the Board of Management and the Supervisory Board and an explanation about how they were implemented in 2020.

Summary of 2020 performance

We started 2020 with a positive view on the year for all the different markets. During the first quarter, the COVID-19 pandemic began to affect our business. We were not able to ship our systems to either Wuhan or California and we had to ship EUV systems without Factory Acceptance Test (FAT). This resulted in delays in revenue recognition.

On the full year we were able to execute our business activities with limited impact on our financials. Delayed revenue at the start of the year could be recognized in later quarters and with the use of remote control activities, including augmented reality, we were able to support our customers with the installs, upgrades and maintenance actions. We continued to return capital to our shareholders by means of growing dividends and execution of our share buyback program, which was paused in Q1 following the COVID-19 outbreak, but resumed in Q4, as part of our unchanged capital return policy.

Decisions made in 2020

In 2020, we finalized the review of the remuneration policies for the Board of Management and Supervisory Board to ensure compliance with the revised EU Shareholders Rights Directive, following its implementation in Dutch law on December 1, 2019. We submitted adjusted remuneration policies to the AGM in 2020. These adjusted policies did not contain substantive changes to the remuneration structure or elements; main changes related to better explaining how the Remuneration Policies encourage behavior that is focused on the long-term interests and sustainability of ASML. In this process, the Supervisory Board and the Remuneration Committee, advised by an external remuneration expert, took into account the level of support in society and considered the external environment ASML operates in, 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 and input from ASML's major shareholders. The Works Council issued a positive advice in respect of the Remuneration Policies for the Board of Management and the Supervisory Board. Both policies were adopted by the General Meeting on April 22, 2020.

During the year we also monitored to what extent COVID-19 impacted ASML's business and financial performance and we discussed the potential impact of the pandemic on remuneration. Given that ASML experienced only limited impact from the global economic consequences of COVID-19, we decided to not make (temporary) adjustments to the remuneration elements or policy in response to the COVID-19 pandemic.

Looking forward to 2021

During 2020, the Remuneration Committee reviewed the reference groups for Board of Management and Supervisory Board remuneration and performed the recurring bi-annual benchmark reviews. Based on the outcome of those reviews, we intend to submit proposals for implementing some adjustments to the Remuneration Policies for the Board of Management and the Supervisory Board to the 2021 AGM. The proposed adjustments will be set out in the convocation documents for the 2021 AGM, which will be published in March 2021.

Rolf Dieter Schwalb
Chair of the Remuneration Committee

Board of Management remuneration

In this section of the Remuneration Report we provide an overview of the Board of Management Remuneration Policy which was adopted by the General Meeting on April 22, 2020 and applied as of January 1, 2020. It also contains the details of the Board of Management members' actual remuneration for the financial year 2020. The Board of Management Remuneration Policy can be found in the governance section of our website.

Remuneration policy

Remuneration as a strategic instrument

The Board of Management Remuneration Policy supports the long-term development and strategy of ASML in a highly dynamic environment, while aiming to fulfill all stakeholders' requirements and maintaining an acceptable risk profile. More than ever, the challenge for us is to drive technology, to serve our customers and to satisfy our stakeholders. These drivers are embedded in the identity, mission and values of ASML and its affiliated enterprises and are the backbone of the policy. The Supervisory Board ensures that the policy and its implementation are linked to ASML's objectives.

The Remuneration Policy is designed to enable ASML to attract, motivate and retain qualified industry professionals for the Board of Management in order to define and achieve our strategic goals. The policy acknowledges the internal and external context as well as our business needs and long-term strategy. The policy encourages behavior that is focused on long-term value creation and the long-term interests and sustainability of ASML, while adopting the highest standards of good corporate governance. It is aimed at motivating for outstanding achievements, using a combination of non-financial and financial performance measures. Technology leadership and customer value creation are the key drivers of sustainable returns to our shareholders.

Remuneration principles

The remuneration philosophy that ASML applies for all its employees includes the principle that ASML wants to pay what is fair in the relevant labor market. 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 Board of Management Remuneration Policy is built on the following principles:

- **Transparent** – The policy and its execution are clear and practical;
- **Aligned** – The Remuneration Policy is aligned with the Short-term Incentive and/or Long-Term Incentive policy for ASML senior management and other ASML employees;
- **Long-term** – The incentives focus on long-term value creation;
- **Compliant** – ASML adopts the highest standards of good corporate governance; and
- **Simple** – The 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, we offer the Board of Management a remuneration package that is competitive compared to a relevant labor market. This market is defined by creating a reference group of companies comparable to ASML in terms of size and complexity, data transparency and geographical area. The median market level serves as reference point for determining the level of pay for the Board of Management for as long as ASML is positioned around the median of the reference group in terms of company size (measured by enterprise value, revenue and number of employees) and thus complexity.

In principle, a benchmark is conducted every two years. To ensure an appropriate composition of the relevant labor market, the Supervisory Board reviews the composition of the reference group at the time a benchmark is conducted. Substantial changes applied to the composition of the reference group will be proposed to the shareholders. In the year without a market assessment, the Supervisory Board considers the appropriateness of any change of base salary in light of the market environment as well as the salary adjustments for other ASML employees.

Current reference group composition

AkzoNobel	Leonardo-Finmeccanica
Alstom	Linde
Continental	Nokia
Covestro	Philips
DSM	SAP
Essilor	Schindler
Evonik	Shire
Givaudan	Smith & Nephew
Infineon Technologies	Solvay
Legrand	Yara International

Total direct compensation

The remuneration levels are determined using the total direct compensation. Total direct compensation consists of a fixed base salary and variable remuneration in the form of a short-term incentive (STI) and a long-term incentive (LTI). Other remuneration elements are pension and expense reimbursements.

Variable compensation

The performance parameters are set by the Supervisory Board and consist of financial and qualitative measures in such a way that an optimal balance is achieved between the various corporate 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 ASML. The Supervisory Board may adjust the performance measures and their relative weighting of the variable income based on the rules and principles as outlined in the Remuneration Policy, if required by changed strategic priorities in any given year. The Supervisory Board may use its discretionary power to adjust the incentive pay-out upward or downward ('ultimum remedium').

The following table represents the variable pay as percentage of base salary for the Presidents and the other Board of Management members in the case of on-target performance.

2020 variable compensation (on-target)	Presidents	Other board members
Short-term incentive	80%	80%
Long-term incentive	110%	100%
Total variable compensation as % of base salary	190%	180%

Summary of Remuneration Policy Board of Management

The elements of the Remuneration Policy for the Board of Management and their link to the strategy of ASML are summarized as:

Base salary	<p>Description and link to company strategy: Fixed cash compensation</p> <p>Attract, motivate and retain qualified industry professionals for the Board of Management in order to define and achieve strategic goals</p> <p>Policy summary:</p> <ul style="list-style-type: none"> • Derived from total direct compensation • Determined by the Supervisory Board 																		
Short-term incentive (STI)	<p>Description and link to company strategy: Short-term performance-related cash incentive</p> <p>Ensure a balanced focus on both the (financial) performance of ASML in the short term, as well on the sustained company future in terms of technological advancement and customer satisfaction, fueling long-term success</p> <p>Policy summary:</p> <ul style="list-style-type: none"> • On-target level: 80% of base salary • Performance measures (in principle set and evaluated annually) <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 80%;"></th> <th style="text-align: right;">Weight</th> </tr> </thead> <tbody> <tr> <td>• Qualitative: Technology Leadership Index</td> <td style="text-align: right;">20%</td> </tr> <tr> <td>• Qualitative: Market Position</td> <td style="text-align: right;">20%</td> </tr> <tr> <td>• Financial measures, equally weighted, in principle selected from a pre-defined list: https://www.asml.com/rempolicy-bom</td> <td style="text-align: right;">60%</td> </tr> </tbody> </table> • Pay-out levels <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 80%;"></th> <th style="text-align: right;">% of target</th> </tr> </thead> <tbody> <tr> <td>• Maximum</td> <td style="text-align: right;">150%</td> </tr> <tr> <td>• Target</td> <td style="text-align: right;">100%</td> </tr> <tr> <td>• Threshold</td> <td style="text-align: right;">50%</td> </tr> <tr> <td>• Below threshold</td> <td style="text-align: right;">0%</td> </tr> </tbody> </table> <p style="margin-left: 20px;">Linear pay-out between threshold and target, and between target and maximum</p> • Aligned with STI applicable to ASML employees (except employees in Netherlands subject to CLA with own profit sharing plan) 		Weight	• Qualitative: Technology Leadership Index	20%	• Qualitative: Market Position	20%	• Financial measures, equally weighted, in principle selected from a pre-defined list: https://www.asml.com/rempolicy-bom	60%		% of target	• Maximum	150%	• Target	100%	• Threshold	50%	• Below threshold	0%
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• Threshold	50%																		
• Below threshold	0%																		
Long-term incentive (LTI)	<p>Description and link to company strategy: Long-term performance-related share-based incentive</p> <p>Contribute to the strategy, long-term interests and sustainability of ASML using performance measures which balance the direct interest of ASML's investors, the long-term financial success of ASML, the long-term continuation of technological advancement and the environmental and social dimensions of sustainability</p>																		

Policy summary:

- On-target levels as % of base salary
 - Presidents 110%
 - Other members Board of Management 100%
- Performance measures (set annually, evaluated over 3-year period) Weight
 - ROAIC 40%
 - Total shareholder return (TSR) vs Index 30%
 - Technology Leadership Index 20%
 - Sustainability 10%
- Pay-out levels TSR vs Index (TSR ASML–TSR PHLX Index (X.SOX)) % of target
 - Greater than or equal to 20% 200%
 - 0 to 20% 100-200%
 - -20 to 0% 50-100%
 - Less than or equal to -20% 0%
- Pay-out levels ROAIC, Technology Leadership Index, Sustainability % of target
 - Maximum 200%
 - Target 100%
 - Threshold 50%
 - Below threshold 0%

Linear pay-out between threshold and target, and between target and maximum
- Aligned with LTI of ASML employees eligible to receive performance shares - by using identical performance measures

Share ownership guidelines**Description and link to company strategy:**

Requirement for a minimum share ownership by members of the Board of Management

Ensure alignment between the interests of the Board of Management members and ASML's long-term value creation

Policy summary:

- Presidents 3x annual base salary, other Board members 2x annual base salary
- 3-year period to comply for new members
- Supervisory Board has discretion to allow a temporary deviation in extraordinary circumstances
- Any shortfall will be remediated through the next vesting of shares

Other remuneration**Description and link to company strategy:**

Contribute to the competitiveness of the overall remuneration package and creates alignment with market practice

Policy summary:

- Pension arrangement based on the 'excedent' (supplementary) arrangement for ASML employees in the Netherlands - a defined contribution plan
 - Expense reimbursements, such as company car costs, travel expenses, representation allowances, housing costs (gross amount before taxes), social security costs, and health and disability insurance costs
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Remuneration Board of Management in 2020

The remuneration of the Board of Management for the financial year 2020 is based upon and complies with the Remuneration Policy as further explained below. As such, the remuneration of the Board of Management in 2020 contributed to the objectives of the Remuneration Policy and, as a result, to ASML's strategy aimed at long-term value creation. Scenario analyses of the possible outcomes of the variable remuneration components and their effect on the remuneration of the Board of Management are conducted.

Base Salary

At the beginning of 2020 the Supervisory Board decided to increase the base salaries of the members of the Board of Management by 2%, taking into account the market environment as well as the salary adjustments for other ASML employees.

Short-Term Incentive

The financial and non-financial target levels for the STI were set at the beginning of the 2020 financial year in accordance with the Remuneration Policy and taking into account the annual plan for 2020, ensuring that targets are realistic, but challenging.

For the STI, the following qualitative performance metrics applied in 2020:

- Market Position, measuring ASML's performance in the market, not only in terms of market share, but also customer satisfaction and quality.
- Technology Leadership Index, consisting of a set of targets related to ASML's product and technology roadmaps. It measures the technological progress made by ASML over the relevant performance period, supporting our efforts to drive innovation and thereby helping our customers achieve their goals and realize new technology and applications. Both the STI and LTI make use of the Technology Leadership Index as a qualitative performance measure. The objective is the same, but the applicable measures, targets and performance periods are different and aligned with specific short- and long-term strategic priorities.

In addition to the Technology Leadership Index and Market Position performance metrics, three financial performance metrics were selected for the 2020 STI. Based on ASML's business challenges and circumstances in 2020, the Supervisory Board chose the following three financial measures from the pre-defined list as included in the Remuneration Policy:

- EBIT Margin %, measuring Income from operations as percentage of revenues
- EUV Gross Margin %, measuring Gross Profit as a percentage of revenues for EUV
- Free Cash Flow, measuring Cash flow from operations minus purchases of Property, Plant and Equipment and intangible fixed assets.

After the end of the performance period, the Supervisory Board assessed the performance achieved against the targets, in cooperation with the relevant subcommittees Technology Committee, Audit Committee and Remuneration Committee. We do not disclose the exact actual target and achievement levels for the STI performance criteria, as these qualify as commercially or strategically sensitive information, but in view of transparency, we report performance as follows:

STI Performance metric 2020	Weight	Pay-out (as % of target)
EBIT Margin %	20%	149.5%
EUV Gross Margin %	20%	150.0%
Free Cash Flow	20%	150.0%
Technology Leadership Index	20%	Between target and max
Market position	20%	Between target and max
Total	100%	139.2%

The total STI outcome results in a cash pay-out of €5.4 million, representing 111.3% of the base salary of the Board of Management.

At the beginning of 2021, the Supervisory Board decided to apply the same three financial performance measures for 2021 as in the previous year: 1. EBIT Margin %, 2. EUV Gross Margin % and 3. Free Cash Flow.

Long-Term Incentive

For the LTI, the following performance metrics apply, in accordance with the Remuneration Policy:

- Total shareholder return vs. Index, measuring ASML's relative change in share price, plus dividends paid over the relevant performance period. ASML's total shareholder return is compared to the PHLX Semiconductor Sector Index, a NASDAQ index designed to track the performance of a set of companies engaged in the design, distribution, manufacture, and sale of semiconductors.
- Return on Average Invested Capital (ROAIC), measuring ASML's rate of return on capital it has put to work, regardless of our capital structure. It is used as a fundamental metric to measure value creation of the company. The ROAIC is calculated by dividing the Net Operating Profit After Tax by the Average Invested Capital.
- Technology Leadership Index, a qualitative measure which is also applied for the STI. Reference is made to the description under STI.
- Sustainability, a qualitative measure for determining our performance in the area of sustainability by benchmarking our result from the annual comprehensive Dow Jones Sustainability Index (DJSI) against the best of the semiconductor industry. This DJSI Assessment is a comprehensive assessment measuring our performance on more than 20 ESG aspects. It allows us to benchmark our company performance in the wider field of ESG with our industry peers and drive continuous improvement. Underlying is our Sustainability Strategy 2019-2025 containing a set of 16 KPIs and targets, which we define by means of a comprehensive materiality assessment and input from continuous stakeholder engagement. For more information see Non-financial statements - Materiality: assessing our impact.

Vesting LTI 2018-2020

After the end of the three-year performance period 2018-2020, the Supervisory Board assessed the performance achieved against the LTI targets, in cooperation with the Technology Committee, Audit Committee and Remuneration Committee. For the LTI performance criteria, the actual target and achievement levels are not disclosed for the same reason as mentioned under STI, with the exception of total shareholder return. We report performance as follows:

LTI Performance metric 2018-2020	Weight	Pay-out (as % of target)
Total Shareholder Return	30%	200.0%
ROAIC	40%	88.4%
Technology Leadership Index	20%	164.2%
Sustainability	10%	183.5%
Total	100%	146.5%

The total LTI outcome results in a share vesting of 146.5% of target (73.3% of max).

Grant 2020

At the beginning of 2020, 9,245 performance shares were conditionally granted to each of the two Presidents; the other members of the Board of Management were each conditionally granted 5,718 performance shares. These conditional grants are based on the maximum achievable opportunity.

The targets levels related to the LTI performance measures ROAIC, Technology Leadership Index and Sustainability were set at the beginning of 2020 for the performance period 2020-2022. This was done taking into account the long-term product roadmap, sustainability goals and the long-term financial plan, thereby ensuring alignment between the various targets and ASML's long-term strategic priorities and encouraging behavior focused on long-term value creation.

Other remuneration

In 2020, the Board of Management members participated in the pension arrangement for the Board of Management, which is based on the 'excedent' (supplementary) arrangement for our employees in the Netherlands, a defined contribution opportunity as defined in Dutch fiscal regulations. It consist of a gross pension element (for the salary below approximately 110,000 euro) and a net pension element (for the salary above 110,000 euro). Some members opted out of the net pension due to different tax treatment of this outside the Netherlands. Details on the incurred accounting expenses relating to the application of the pension arrangement in 2020 can be found in the table Total Remuneration Board of Management.

Expenses reimbursed by ASML in 2020 included company car costs, travel expenses, representation allowances, housing costs, social security costs, and health and disability insurance costs.

Share ownership guidelines

All members of the Board of Management complied with the share ownership guidelines as incorporated in the Remuneration Policy.

Total remuneration Board of Management

The remuneration of the members of the Board of Management based on incurred accounting expenses in 2020, 2019 and 2018 was as follows (amounts are in € thousands):

Board of Management	Financial Year	Base salary	Pension	Other benefits	Total fixed	% Fixed	STI	LTI	Total variable	% Variable	Total Remuneration	Relative proportion fixed vs. variable
P.T.F.M. Wennink	2020	1,020	216	57	1,293	28.3%	1,135	2,136	3,271	71.7%	4,564	0.40
	2019	1,000	207	53	1,260	28.9%	1,070	2,031	3,101	71.1%	4,361	0.41
	2018	978	203	53	1,234	35.9%	747	1,452	2,199	64.1%	3,433	0.56
M.A. van den Brink	2020	1,020	216	57	1,293	28.3%	1,135	2,136	3,271	71.7%	4,564	0.40
	2019	1,000	207	52	1,259	28.9%	1,070	2,031	3,101	71.1%	4,360	0.41
	2018	978	203	51	1,232	35.9%	747	1,452	2,199	64.1%	3,431	0.56
F.J. van Hout	2020	694	122	47	863	29.4%	773	1,302	2,075	70.6%	2,938	0.42
	2019	680	114	44	838	30.6%	728	1,172	1,900	69.4%	2,738	0.44
	2018	661	114	44	819	37.6%	505	853	1,358	62.4%	2,177	0.60
F.J.M. Schneider-Maunoury	2020	694	122	36	852	29.1%	773	1,302	2,075	70.9%	2,927	0.41
	2019	680	114	30	824	30.3%	728	1,172	1,900	69.7%	2,724	0.43
	2018	661	114	31	806	37.2%	505	858	1,363	62.8%	2,169	0.59
R.J.M. Dassen	2020	694	100	51	845	22.2%	773	2,186	2,959	77.8%	3,804	0.29
	2019	680	93	47	820	27.7%	728	1,408	2,136	72.3%	2,956	0.38
	2018	386	53	28	467	52.0%	295	135	430	47.9%	897	1.09
C.D. Fouquet	2020	694	83	51	828	27.8%	773	1,374	2,147	72.2%	2,975	0.39
	2019	680	74	47	801	36.4%	728	674	1,402	63.6%	2,203	0.57
	2018	496	45	32	573	50.9%	379	173	552	49.1%	1,125	1.04
Total Board of Management	2020	4,816	859	299	5,974	27.4%	5,362	10,436	15,798	72.6%	21,772	0.38
	2019	4,720	809	273	5,802	30.0%	5,052	8,487	13,539	70.0%	19,341	0.43
	2018	4,160	732	239	5,131	38.8%	3,178	4,923	8,101	61.2%	13,232	0.63

The remuneration reported as part of the LTI (share awards) is based on costs incurred under US GAAP and EU-IFRS. The costs of share awards are charged to the Consolidated Statements of Operations over the 3-year vesting period based on the number of awards expected to vest. For the first 2 years, we apply the maximum achievable number of share awards, and in the final performance year of the awards we update this estimate for the non-market performance conditions to the best estimated amounts which are anticipated to vest. Any difference between the amount based on the best estimate of achievable number of shares awards and the amount based on the actual number of share awards that vest, is taken into account in the Consolidated Statements of Operations in the financial year in which the share awards vest.

The LTI (share awards) remuneration reported for the year 2020 includes a release for the 2018 performance share plan based on the actual number of share awards vesting early 2021. The release is as follows: Mr. Wennink: €772,357; Mr. van den Brink: €772,357; Mr. van Hout: €443,710; Mr. Schneider-Maunoury: €443,840; Mr. Dassen: €281,317; Mr. Fouquet: €361,691.

The Supervisory Board applied an upward adjustment for the pay-out related to the ROAIC performance metric of the 2018-2020 LTI plan. This adjustment is made to correct for the effects of higher than anticipated investments in R&D and CAPEX since target setting. The increase in investments is mainly needed to meet customer development roadmaps for High-NA and as such supports long-term value creation of ASML and our stakeholders. The pay-out changed from 111.2% to 146.5%. The upward adjustments are as follows: Mr. Wennink: 2,307 shares for €369,050; Mr. van den Brink: 2,307 shares for €369,050; Mr. Van Hout: 1,326 shares for €212,017; Mr. Schneider-Maunoury: 1,326 shares for €212,087; Mr. Dassen: 773 shares for €140,560; Mr. Fouquet: 994 shares for €180,720. Amounts involved are based on the number of extra vested shares multiplied with the share price at grant date adjusted for the number of service days until vesting in 2021. The modified vesting conditions have been taken into account in the adjustment.

The net impact in the 2020 Consolidated Statements of Operations is a release of: Mr. Wennink: €403,307; Mr. Van den Brink: €403,307; Mr. Van Hout: €231,693, Mr. Schneider-Maunoury: €231,753; Mr. Dassen: €140,757; Mr. Fouquet: €180,971.

W.U. Nickl is no longer part of the Board of Management since he left the company in 2018.

Former Board of Management	Financial Year	Base salary	Pension	Other benefits	Total fixed	% Fixed	STI	LTI	Total variable	% Variable	Total Remuneration	Relative proportion fixed vs. variable
W.U. Nickl	2018	220	25	19	264	18.2%	168	1,020	1,188	81.8%	1,452	0.22

Share-based payments

Performance based share-based remuneration current members of the Board of Management

Board of Management	Grant date	Status	Full control	Market based element		Non-Market based element		Total target shares at grant date	Maximum shares (200%)	Vesting date	Number of shares at vesting date	Share price at vesting	End of lock-up date
				Number of shares at target	Fair value at grant date	Number of shares at target	Fair value at grant date						
P.T.F.M. Wennink	1/24/20	Conditional	No	1,387	286.9	3,235	263.7	4,622	9,245	1/1/23	n/a	n/a	1/1/25
	7/19/19	Conditional	No	2,217	245.4	5,173	194.4	7,390	14,780	1/1/22	n/a	n/a	1/1/24
	1/19/18	Unconditional	No	1,958	215.1	4,570	162.8	6,528	13,056	1/19/21	9,566	439.9	1/19/23
	1/20/17	Unconditional	No	3,037	145.4	7,085	110.5	10,122	20,243	1/1/20	16,733	263.7	1/1/22
	1/22/16	Unconditional	No	n/a	n/a	8,290	83.6	8,290	16,579	1/22/19	12,435	141.4	1/22/21
M.A. van den Brink	1/24/20	Conditional	No	1,387	286.9	3,235	263.7	4,622	9,245	1/1/23	n/a	n/a	1/1/25
	7/19/19	Conditional	No	2,217	245.4	5,173	194.4	7,390	14,780	1/1/22	n/a	n/a	1/1/24
	1/19/18	Unconditional	No	1,958	215.1	4,570	162.8	6,528	13,056	1/19/21	9,566	439.9	1/19/23
	1/20/17	Unconditional	No	3,037	145.4	7,085	110.5	10,122	20,243	1/1/20	16,733	263.7	1/1/22
	1/22/16	Unconditional	No	n/a	n/a	8,290	83.6	8,290	16,579	1/22/19	12,435	141.4	1/22/21
F.J. van Hout	1/24/20	Conditional	No	858	286.9	2,001	263.7	2,859	5,718	1/1/23	n/a	n/a	1/1/25
	7/19/19	Conditional	No	1,371	245.4	3,198	194.4	4,569	9,137	1/1/22	n/a	n/a	1/1/24
	1/19/18	Unconditional	No	1,125	215.1	2,626	162.8	3,751	7,501	1/19/21	5,496	439.9	1/19/23
	1/20/17	Unconditional	No	1,745	145.4	4,070	110.5	5,815	11,629	1/1/20	9,613	263.7	1/1/22
	1/22/16	Unconditional	No	n/a	n/a	5,603	83.6	5,603	11,205	1/22/19	8,404	141.4	1/22/21
F.J.M. Schneider-Maunoury	1/24/20	Conditional	No	858	286.9	2,001	263.7	2,859	5,718	1/1/23	n/a	n/a	1/1/25
	7/19/19	Conditional	No	1,371	245.4	3,198	194.4	4,569	9,137	1/1/22	n/a	n/a	1/1/24
	1/19/18	Unconditional	No	1,125	215.1	2,626	162.8	3,751	7,502	1/19/21	5,496	439.9	1/19/23
	1/20/17	Unconditional	No	1,745	145.4	4,070	110.5	5,815	11,629	1/1/20	9,613	263.7	1/1/22
	1/22/16	Unconditional	No	n/a	n/a	5,603	83.6	5,603	11,205	1/22/19	8,404	141.4	1/22/21
R.J.M. Dassen	1/24/20	Conditional	No	858	286.9	2,001	263.7	2,859	5,718	1/1/23	n/a	n/a	1/1/25
	7/19/19	Conditional	No	1,371	245.4	3,198	194.4	4,569	9,137	1/1/22	n/a	n/a	1/1/24
	1/25/19	Conditional	No	3,000	169.0	7,000	148.3	10,000	20,000	1/1/22	n/a	n/a	1/1/24
	7/20/18	Unconditional	No	657	274.6	1,531	185.0	2,188	4,376	1/19/21	3,207	439.9	1/19/23
C.D. Fouquet	1/24/20	Conditional	No	858	286.9	2,001	263.7	2,859	5,718	1/1/23	n/a	n/a	1/1/25
	7/19/19	Conditional	No	1,371	245.4	3,198	194.4	4,569	9,137	1/1/22	n/a	n/a	1/1/24
	7/20/18	Unconditional	No	844	274.6	1,969	185.0	2,813	5,626	1/19/21	4,122	439.9	1/19/23

W.U. Nickl is no longer part of the Board of Management since he left the company in 2018.

Former Board of Management	Grant date	Status	Full control	Market based element		Non-Market based element		Total target shares at grant date	Maximum shares (200%)	Vesting date	Number of shares at vesting date	Share price at vesting	End of lock-up date
				Number of shares at target	Fair value at grant date	Number of shares at target	Fair value at grant date						
W.U. Nickl	1/19/18	Unconditional	No	375	215.1	876	162.8	1,251	2,501	1/19/21	1,833	439.9	1/19/23
	1/20/17	Unconditional	No	1,745	145.4	4,070	110.5	5,815	11,629	1/1/20	9,613	263.7	1/1/22
	1/22/16	Unconditional	No	—	—	5,603	83.6	5,603	11,205	1/22/19	8,404	141.4	1/22/21

Reasons, criteria and principal conditions for granting shares

For the reasons and criteria for granting the performance shares to each member of the Board of Management, reference is made to the table summarizing the Remuneration Policy for the Board of Management and to the section Board of Management Remuneration in 2020 - Long Term Incentive as included in this Remuneration Report.

The principal conditions applicable to the performance shares are described below. These apply to each member of the Board of Management.

Instrument:	Performance Shares
Grant:	Conditional grant on an annual basis based on maximum achievable opportunity. The number of performance shares to be conditionally awarded is calculated using the volume-weighted average share price during the last quarter of the year preceding the conditional award.
Grant date:	Two days after the publication of ASML's annual results in January of the year in which the three-year performance period starts
Performance period:	Three years, starting on January 1 in year of grant
Vesting:	The shares will become unconditional in the year after the end of the three-year performance period, depending on the level of achievement of the predetermined performance targets
Lock-up period:	The minimum holding period is two years after the vesting date. Upon termination of contract the transfer restrictions will remain in place during the holding period except in case of decease. 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 law and internal regulations.

Relationship between accounted remuneration and company's performance

The following table sets forth an overview of the relationship between accounted remuneration and the company's performance:

For the year ended December 31 (€, in thousands)	2016	2017	2018 ¹	2019	2020
Net sales	6,875,073	8,962,658	10,944,016	11,820,001	13,978,452
Net income based on US GAAP	1,557,850	2,066,679	2,591,614	2,592,252	3,553,670
Net income based on EU-IFRS	1,642,800	2,173,400	2,525,515	2,581,107	3,696,813
ASML share price (closing price on Euronext Amsterdam in €)	106.7	145.2	137.2	263.7	397.6
Average number of FTEs (payroll and temporary)	12,852	15,136	18,204	22,192	24,727
Remuneration P.T.F.M. Wennink (CEO)	3,458	3,455	3,433	4,361	4,564
Remuneration M.A. van den Brink	3,462	3,454	3,431	4,360	4,564
Remuneration R.J.M. Dassen	—	—	897	2,956	3,804
Remuneration F.J. van Hout	2,360	2,276	2,177	2,738	2,938
Remuneration C.D. Fouquet	—	—	1,125	2,203	2,975
Remuneration F.J.M. Schneider-Maunoury	2,301	2,260	2,169	2,724	2,927
Average remuneration per FTE	110	109	107	106	113
Internal pay ratio (CEO versus employee remuneration)	31	32	32	41	40

1. The remuneration of the R.J.M. Dassen and C.D. Fouquet is lower in 2018 as they were appointed as members of the Board of Management during 2018.

Explanation of changes in company's performance versus remuneration

The table set out above aims to provide insight into the Company's performance over the past five years and the development of the remuneration. The metrics sales, net income and share price are used to measure company performance, as they are key metrics serving as a good proxy for ASML's general performance, as well as in view of comparability with other companies. The Company has grown significantly over the last years, not only reflected in the number of employees but also in terms of revenue. Since 2016, net sales increased by 103%. The performance of the Company in that same period has increased significantly as well, reflected for example in Net Income (125% growth since 2016 based on EU-IFRS) and Total Shareholder Return (273% growth). As the table shows, the company performance over the last five years has improved more significantly compared to the development of remuneration in that same period. The size of the company (measured by enterprise value, revenue and number of employees) is taken into account in determining the group of reference companies that are used for the benchmark to assess the competitiveness of the Board of Management remuneration compared to the labor market. This has led to revisions of the Board of Management remuneration policy in 2017 and 2019, resulting into higher base salaries as well as higher levels of STI (at target) and LTI (at target). Actual remuneration may fluctuate year over year depending on actual STI pay-out in any year, as well as the vesting of performance shares (LTI) in any year and the share price at that moment.

Relationship between CEO and average remuneration (pay ratio)

The internal pay ratio¹ (CEO versus employee remuneration) remained stable 40:1 in 2020 (2019 41:1) after the reset performed in 2019. ASML intends to grant competitive remuneration to employees at all position levels within the Company. At each level remuneration should reflect the responsibilities of the role. The build-up of remuneration from level to level should therefore be gradual and in line with increasing responsibilities, also following market practice. At the highest level the steps become gradually bigger as responsibilities ultimately rise from a divisional level to an overall company level. The Supervisory Board considers the current build-up and the overall pay ratio of 40:1 to be equitable, considering the current size and organization structure of the company.

1. This ratio consists of the CEO's total remuneration during 2020 of €4,564 thousand, compared to the average remuneration of all employees. The average remuneration of all employees was calculated using the average number of payroll employees in FTE (wages and salaries + pension and retirement expenses + share-based payments) / average number of payroll employees = €2,756 million / 24,727 = €113 thousand. This ratio is prepared in accordance with the Dutch Corporate Governance Code and has not been prepared to comply the Pay Ratio Disclosure requirements under SEC regulations.

Remuneration Supervisory Board

In this section of the Remuneration Report we provide an overview of the Supervisory Board's Remuneration Policy as adopted by the General Meeting on April 22, 2020 and as in force as of April 1, 2020. It also provides the details of the Supervisory Board members' actual remuneration in 2020. The Remuneration Policy for the Supervisory Board can be found in the Governance section of our website.

Remuneration Policy

Remuneration objectives and principles

The remuneration policy for the Supervisory Board is designed to enable ASML to attract and retain qualified Supervisory Board members, which together compose a diverse and balanced Supervisory Board with the appropriate level of skills, competences and experience required to properly supervise (the execution of) ASML's strategy, which is focused on the creation of long-term value for all stakeholders.

The remuneration policy is built on the following principles:

- **Transparent** – The remuneration policy and its execution are clear and practical
- **Alignment** – The remuneration policy is benchmarked to market practice
- **Compliant** – ASML adopts the highest standards of good corporate governance
- **Simple** – The remuneration policy and its execution are as simple as possible and easily understandable to all stakeholders
- **Fair** – The remuneration should reflect the time spent and the responsibilities of the role of the members of the Supervisory Board
- **Independent** – The remuneration of a Supervisory Board member may not be made dependent on the results of the company.

Reference group and market positioning

The remuneration of the Supervisory Board should be competitive compared to a relevant reference market. This market is defined using a reference group of companies with a two-tier board structure listed on the AEX Index of Euronext Amsterdam. To determine the positioning in this group, enterprise value, revenue and number of employees are taken into account.

Summary of Remuneration Policy Supervisory Board

The table below provides an overview and description of the elements of the Remuneration Policy for the Supervisory Board.

Remuneration element	Description	Value
Fixed remuneration	Basic membership fee	Chair € 110,000 Vice-Chair € 80,000 Member € 70,000 Chair Audit Committee € 23,000 Member Audit Committee € 15,000 Chair other committees € 18,000 Member other committees € 12,000
Extra allowance for intercontinental meetings	Extra, fixed allowance paid in connection with additional time commitment for intercontinental travel	€ 5,000 for each meeting that involves intercontinental travel
Expenses	Expenses incurred in relation to meeting attendance are reimbursed. In addition, a fixed net cost allowance is paid, covering certain pre-defined out-of-pocket expenses	Depends on level of expenses € 1,980 for the Chair of the Supervisory Board and € 1,380 for the other Supervisory Board members
Loans and guarantees	No (personal) loans or guarantees or the like will be granted	Not applicable
Shares and share ownership	No (rights to) shares are granted by way of remuneration. Any holding of ASML shares for the purpose of long-term investment. Any trading activity is subject to ASML's Insider Trading Rules	Not applicable
Other arrangements	(Re)appointment based on Dutch law and ASML's articles of association. No claw-back, severance or change in control arrangements are in place	Not applicable

Remuneration Supervisory Board in 2020

Overview of the remuneration awarded to the Supervisory Board members over five years (amounts are in € thousands):

	Membership fees 2020	Committee fees 2020	Allowances 2020 ¹	Proportion fixed vs. variable 2020	Total remuneration 2020	Total remuneration 2019	Total remuneration 2018	Total remuneration 2017	Total remuneration 2016
G.J. Kleisterlee	110	45	2	100:0	157	154	138	135	113
D.A. Grose	80	30	7	100:0	117	133	115	113	105
T.L. Kelly	70	12	6	100:0	88	101	60	—	—
A.P. Aris	70	24	1	100:0	95	98	80	80	76
R.D. Schwalb	70	33	1	100:0	104	101	88	86	81
C.M.S. Smits Nusteling	70	24	1	100:0	95	91	80	79	75
J.M.C. Stork	70	24	6	100:0	100	118	100	100	94
D.W.A. East	48	10	1	100:0	59	—	—	—	—
D.M. Durcan	48	8	1	100:0	57	—	—	—	—
Total	636	210	26	100:0	872	796	661	593	544

1. Allowances consist of fixed expense allowances and allowances for intercontinental meetings.

No shares and options have been granted to the current and former members of the Supervisory Board during the last five years. The remuneration of the Supervisory Board is not directly linked to the performance of ASML.

Overview of the remuneration awarded to the former Supervisory members in 2020, 2019 and 2018 (amounts are in € thousands):

	Membership fees 2020	Committee fees 2020	Allowances 2020 ¹	Proportion fixed vs. variable 2020	Total remuneration 2020	Total remuneration 2019	Total remuneration 2018
P.F.M. van der Meer Mohr	—	—	—	—	—	—	27
W.H. Ziebart	22	8	—	100:0	30	101	82
Total	22	8	—	100:0	30	101	109

1. Allowances consist of fixed expense allowances and allowances for intercontinental meetings.

Other information

Total remuneration

The annual remuneration for the members of the Board of Management and Supervisory Board members during 2020 amounts to €22.6 million (2019: €20.1 million).

Other arrangements

No remuneration has been granted and allocated by subsidiaries or other companies whose financials are consolidated by ASML, since all members of the Board of Management and the Supervisory Board are paid directly by ASML Holding N.V.

No (personal) loans have been granted to the members of the Board of Management or the Supervisory Board and no guarantees or the like have been granted in favor of any of the members of the Board of Management and the Supervisory Board.

No severance payments were granted to members of the Board of Management and the Supervisory Board in 2020 and no variable remuneration has been clawed-back.

Derogation

In 2020 no deviations took place from the decision-making process for the implementation of the Remuneration Policies for the Board of Management and the Supervisory Board and no temporary deviations took place from the Remuneration Policies.

Shareholder voting

At the 2020 AGM the 2020 Remuneration Policy for the Board of Management was adopted with 95% of the votes cast in favor. The Remuneration Policy for the Supervisory Board was also adopted at the 2020 AGM with a majority of 99.47% of the votes cast in favor of the proposal.

The Remuneration Report for the financial year 2019 was submitted to the 2020 AGM for an advisory vote. 93.78% of the votes were cast in favor. As a result there are no specific topics to be addressed in this Remuneration Report.

This Remuneration Report will be submitted to the 2021 AGM for an advisory vote in line with Dutch law.