



MEMBERSHIP  
May 18, 2021

Company name: TOKYO ELECTRON DEVICE LIMITED  
Representative: Atsushi Tokushige  
President & Representative Director  
(TSE First Section, Stock Exchange Code: 2760)  
Contact: Noriaki Uchida  
Director, General Affairs Department  
TEL: +81-45-443-4000

### **Announcement of the Renewal and Partial Amendments of the Annual Performance-linked Stock-based Remuneration Plan**

TOKYO ELECTRON DEVICE LIMITED (the “Company”) announces that, at its Board of Directors’ meeting held today, the Company decided to make a proposal (the “Proposal”) at the 36th Annual General Meeting of Shareholders (the “General Meeting of Shareholders”) scheduled for June 22, 2021, regarding the renewal and partial amendment of the annual performance-linked stock-based remuneration plan (the “Plan”) for Corporate Directors (excluding Outside Directors and part-time Corporate Directors; hereinafter the same) that was introduced from the fiscal year ended March 31, 2015 (and extended for two years from the fiscal year ended March 31, 2020).

#### 1. Renewal of the Plan

- (1) At its Board of Directors’ meeting held today, the Company made the decision to submit the Proposal at the General Meeting of Shareholders. As is the case with the annual performance-linked stock-based remuneration plan for Corporate Directors, which was introduced in the fiscal year ended March 31, 2015 (and extended for two years from the fiscal year ended March 31, 2020), the aim of the Plan is to further clarify the links between the remuneration of the Corporate Directors, the Company’s business performance and shareholders’ value, and thus enhance the incentive toward continuously improving business performance and the awareness toward contributing to the increase in shareholders’ value.

The renewed period will be a period of four fiscal years from the fiscal year ending March 31, 2022 to the fiscal year ending March 31, 2025.

- (2) The renewal of the Plan is subject to the approval at the General Meeting of Shareholders. Under the Plan, the Company's shares are delivered to Corporate Directors when they retire, in principle.
- (3) In regard to the Plan, the Company has adopted a system called the Directors' Compensation BIP (Board Incentive Plan) Trust (the "BIP Trust"), and a new trust (the "Trust") will be established when the Plan will be renewed in or after the fiscal year ending March 31, 2022. The BIP Trust is a plan similar to the "Performance Share" or "Restricted Stock" plans in the US and Europe in which the Company's shares and money equivalent to the value of the Company's shares (the "Company's shares, etc.") are delivered or provided to Corporate Directors (the "Delivery, etc."), in accordance with their position and level of achievement of the performance targets. The Trust is identical to the BIP Trust explained in the "Announcement of the Introduction of a Stock-based Remuneration Plan as Medium-term Incentive Remuneration for the Group's Officers and Employees" announced today.

## 2. Partial amendments of the Plan

Subject to approval at the General Meeting of Shareholders, the Company will partially amend the Plan, as detailed below.

### (1) Target period of the Plan

The introduction of the Plan was approved at the 29th Annual General Meeting of Shareholders held on June 18, 2014, and the renewal of the Plan was approved at the 34th Annual General Meeting of Shareholders held on June 19, 2019. The Company intends to renew the Plan by establishing a new trust, subject to approval at the General Meeting of Shareholders. The Plan after the renewal will target the four fiscal years from the fiscal year ending March 31, 2022 to the fiscal year ending March 31, 2025 (the "Target Period").

### (2) Maximum amount of remuneration for the Target Period under the Plan

The General Meeting of Shareholders is scheduled to vote on a resolution to set the maximum amount of remuneration to be paid under the Plan in the extended Target Period at ¥300 million.

### (3) Maximum number of points granted to Corporate Directors

The General Meeting of Shareholders is scheduled to vote on a resolution to set the maximum number of total points to be granted to Corporate Directors during the Target Period at 71,000 points. If approved, the total number of points that Corporate Directors may receive during

the Target Period will be subject to the above maximum number of total points.

One point shall equal one share of the Company's common stock. In the event that circumstances occur whereby an adjustment of points is deemed reasonable, such as a share split or a consolidation of shares, the number of the Company's shares per point shall be adjusted according to such split ratio, consolidation ratio, etc.

3. Other

(1) Clawback system, etc.

In the event that there has been a serious fraud or violation committed by an eligible Corporate Director, the Company may request the forfeiture of the right to receive the shares that were scheduled to be delivered under the Plan (malus) or the refund of money equivalent to the shares, etc. that have already been delivered (clawback) to the Corporate Director.

(2) Treatment of residual shares and remaining dividends at the expiration of the trust period

With respect to any residual shares at the expiration of the trust period, the Trust will continue to use the residual shares under the Plan or a share delivery system equivalent to the Plan by amending the trust agreement or making additional contribution to the Trust, or otherwise transfer them to the Company without consideration, and the Company will cancel them by resolution of the Board of Directors.

Further, dividends on the Company's shares remaining in the Trust at the expiration of the trust period will be used as funds to acquire shares if the Trust is to be continued. However, if the Trust will be terminated at the expiration of the trust period, the amount exceeding the allowances for trust expenses is planned to be donated to organizations with no interest in the Company or persons eligible under the plan.

(Reference)

[Details of Trust Agreement]

1) Type of trust:	Money trust other than a specified money trust for separate investment (third party benefit trust)
2) Purpose of trust:	To grant incentives to Corporate Directors of the Company who meet the beneficiary requirements
3) Trustor:	The Company
4) Trustee:	Mitsubishi UFJ Trust and Banking Corporation (Co-trustee: The Master Trust Bank of Japan, Ltd.)
5) Beneficiaries:	Corporate Directors who meet the beneficiary requirements
6) Trust administrator:	A third party that has no interest in the Company (Certified Public Accountant)
7) Date of trust agreement:	August 2, 2021 (scheduled)
8) Trust period:	August 2, 2021 (scheduled) to August 31, 2025 (scheduled)
9) Plan start date:	November 2014
10) Exercise of voting rights:	Shall not be exercised
11) Acquisition method of shares:	Acquisition from the stock market
12) Period of acquisition of shares:	August 5, 2021 (scheduled) to August 31, 2021 (scheduled)
13) Amount of trust money:	¥300 million (scheduled) (including trust fees and trust expenses)
14) Vested rights holder:	The Company
15) Residual assets:	Residual assets that the Company can receive as the holder of vested rights shall be within the extent of allowances for trust expenses calculated by deducting funds to acquire the Company's shares from the trust money.

\* Since the newly established trust is identical to the BIP Trust explained in the “Announcement of the Introduction of a Stock-based Remuneration Plan as Medium-term Incentive Remuneration for the Group’s Officers and Employees” announced today, it will have the same trust agreement. (However, the amount of trust money, as noted above, is to be the maximum amount of remuneration for the Target Period under the Plan that is to be proposed at the General Meeting of Shareholders.)