



Bernin, July 16, 2021

## **Additional information on the eleventh and twenty-seventh resolutions submitted to Soitec's shareholders at the July 28, 2021 Ordinary and Extraordinary Shareholders' General Meeting**

To Soitec's Shareholders,

In response to comments received, Soitec is publishing the following details regarding resolutions No. 11 and No. 27 submitted to Soitec's Ordinary and Extraordinary Shareholders' General Meeting to be held on Wednesday, July 28, 2021, which relate to the Chief Executive Officer's compensation and to the grant of free performance shares.

### **RESOLUTION No. 11: Approval of the fixed, variable and exceptional components of the total compensation and benefits of any kind paid or granted to Mr. Paul Boudre, Chief Executive Officer, for the fiscal year ended March 31, 2021**

#### ***Details regarding the achievement of the performance criteria of the variable part of the annual compensation of Mr. Paul Boudre, Chief Executive Officer, for fiscal year 2020-2021:***

The following information is provided in addition to the table detailing the achievement levels of the performance conditions underlying the annual variable compensation of Mr. Paul Boudre, Chief Executive Officer, for fiscal year 2020-2021 included in the 2020-2021 Universal Registration Document (see paragraph 4.2.1.1, B, of the 2020-2021 Universal Registration Document, page 173). It should be noted that all of the performance criteria relating to the Chief Executive Officer, whether financial or strategic, are based on specific or quantified values or achievements, which are mentioned in this table, with the exception of the "Leadership & Governance" item, which corresponds to a weighting of 8.3% of the total and the nature of which justifies a more subjective approach.

The "Strategic" criteria thus correspond, for Innovation, Partnerships and Commercial Success/Design items, to the achievements during fiscal year 2020-2021 on the progress of the group's strategy. The type of achievements or the achievements considered for measuring each of these objectives is specified in the above-mentioned table presenting the achievement levels of the performance

conditions to determine the annual variable compensation of Mr. Paul Boudre, Chief Executive Officer, for fiscal year 2020-2021 (*e.g.*, qualification of product, prototype delivery for a specified product, partnerships implemented in China on given products, etc.). As these predefined criteria cannot be measured on an achievement scale with minimum and maximum values, our Board of Directors therefore acknowledged the achievement of the expected accomplishments (or lack thereof) on the basis of precise and factual elements, where appropriate, on the basis of quantified data, provided by the management.

**The “ESG” criteria** – namely quality of work life and the fight against climate change – both refer to quantitative values detailed in the above-mentioned table relating to the assessment of the achievement levels of the performance conditions underlying the annual variable compensation of Mr. Paul Boudre, Chief Executive Officer, for fiscal year 2020-2021. More detailed information (especially on the score of the “quality of work life” survey and on the reduction of energy consumption per production unit) is available in Chapter 3 of the 2020-2021 Universal Registration Document (*see paragraph 3.5.2.1 of the 2020-2021 Universal Registration Document, page 84 and paragraph 3.4.2.1 of the 2020-2021 Universal Registration Document, page 78*) and duly audited to that end.

The **criteria linked to leadership and to governance** are the only ones that have, by their very nature, given rise to a more subjective and discretionary assessment by our Board of Directors, acting on the recommendation of its Compensation Committee, for a total target weighting of 8.3%, as provided for in the compensation policy approved by the shareholders at the September 23, 2020 Shareholders’ General Meeting. They are subject to a rigorous assessment, as evidenced by the non-achievement of one of the three criteria of this “*Leadership and Governance*” item. The elements that justified the validation of the “*gender balance policy*” criterion are detailed in both Chapter 3 of the 2020-2021 Universal Registration Document (and audited as such) and Chapter 4 of the 2020-2021 Universal Registration Document (*see paragraph 3.5.3.1 of the 2020-2021 Universal Registration Document, page 87 and paragraph 4.1.2.2 of the 2020-2021 Universal Registration Document, page 128*).

The **special criterion for increasing the variable part of the compensation**, which is also based on a quantitative measure, with a target value of 80%, was not achieved.

### ***Details regarding the allocation of 13,306 ordinary free performance shares to Mr. Paul Boudre, Chief Executive officer (Onyx 2023 plan):***

The following information is provided in addition to the information relating to the allocation to Mr. Paul Boudre, Chief Executive Officer, of ordinary performance free shares under the Onyx 2023 plan included in Chapter 4.2 of the 2020-2021 Universal Registration Document, in the section related to the compensation of Mr. Paul Boudre, Chief Executive Officer, with respect of the 2020-2021 fiscal year (*see paragraph 4.2.1.1, C, of the 2020-2021 Universal Registration Document, pages 173 and 174*).

It should be noted that the performance objectives relating to the Onyx 2023 plan were pre-established by our Board of Directors based on the five years business plan presented to it on March 25, 2020 and relate to the 2022-2023 fiscal year:

- The consolidated revenue objective is measured between a minimum value of USD 900,000,000, corresponding to a 50% achievement and a maximum value of USD 1,150,000,000.
- The EBITDA objective, assessed at real exchange rates, expressed as a percentage of published revenues in euros, is measured between a minimum value of 30%, corresponding to a 50% achievement, and a maximum value of 31%, corresponding to a 100% achievement.

- Finally, the relative TSR performance compared to the Eurostoxx 600 Technology index over the entire duration of the plan is measured between 80% and 120%, corresponding to a 0% and 100% achievement.

**RESOLUTION No. 27: Authorization to be granted to the Board of Directors to allocate free ordinary shares of the Company to employees and/or corporate officers of Soitec and/or companies or groups directly or indirectly affiliated with it, entailing the waiver by shareholders of their preferential subscription rights**

During fiscal year 2021-2022, our Board of directors contemplates the grant of free ordinary performance shares to Mr. Paul Boudre, Chief Executive Officer, under the conditions and according to the principles set forth in Chapter 4.2 of the 202-2021 Universal Registration Document, in the section relating to the compensation policy of the Chief Executive Officer (*see paragraph 4.2.3.2, C, of the 2020-2021 Universal Registration Document, page 189*). It is reminded that these principles will be submitted to the shareholders' vote at the Ordinary and Extraordinary Shareholders' General Meeting to be held on July 28, 2021 as part of the fourteenth resolution (compensation policy of the Chief Executive Officer).

The plan would therefore consist of free shares with a three-year vesting period, subject to the presence and multi-year performance conditions (consolidated revenue, EBITDA percentage, TSR compared to an index) set out in the section relating to the above-mentioned compensation policy of the Chief Executive Officer submitted to the shareholders' approval at the same upcoming Shareholders' General Meeting.

It is further specified that the allocations that could, as the case may be, be made during the fiscal year to members of Soitec's Executive Committee and to certain key executives of the Soitec Group on the basis of resolution No. 27 would follow the same principles and would, in particular, be subject to similar performance conditions and to the same three-year vesting period, with the individual grant level being calculated as a proportion of the beneficiaries' base annual compensation. There are no plans to grant free shares to all group employees during the 2021-2022 fiscal year.