



Bernin, July 28, 2021,

COMPENSATION POLICY FOR CORPORATE OFFICERS VOTED AT THE GENERAL MEETING HELD ON JULY 28, 2021

Pursuant to the provision of the article R. 22-10-14 of the French Commercial Code, the compensation policy for corporate officers presented hereafter was voted at the Ordinary and Extra-Ordinary General meeting held on July 28, 2021 (resolutions No. 13, 14 and 15 voted respectively at 99.9%, 96.2% and 99.9% with a quorum of 74.9%).

The compensation policy presented hereafter recalls the ones published on paragraphs 1.2.3. "Compensation policies applicable to our corporate officers" of the Universal Registration Document submitted to the AMF (Autorité des Marchés Financiers) under number 21-0681 on July 5, 2021 and available on the Company's website (www.soitec.com), in the section Company - Investors - Financial Reports - All reports – 2020-2021, at the following link: https://www.soitec.com/en/investors/financial-reports/2020-2021?_geom=%E2%9C%AA.

COMPENSATION POLICY FOR CORPORATE OFFICERS FOR THE CURRENT FISCAL YEAR 2020-2021

The compensation policies for the Company's corporate officers were defined by our Board of Directors at its meetings on June 9 and June 25, 2021, based on the recommendations of the Compensation Committee. As required under Article L.22-10-8, II of the French Commercial Code, these policies have been approved by shareholders at the Shareholders' General Meeting held on July 28, 2021:

- for the Chief Executive Officer in the 14th resolution;
- for the Chairman of the Board of Directors in the 13th resolution; and
- for the members of the Board of Directors (other than the Chairman and the Chief Executive Officer) in the 15th resolution.

1.2.3.1 Principles and rules for determining the compensation and benefits granted to the Company's corporate officers

The compensation policies applicable to the Company's corporate officers are in Soitec's best interests, contribute to the success of its commercial strategy and help ensure its longevity. In particular, they encourage directors to attend and participate in the Board's work. Additionally, the fact that annual variable compensation and long-term compensation are based on exacting and stable criteria adapted to the Group's imperatives ensures that corporate officers' compensation is aligned with shareholders' interests.

In accordance with the AFEP-MEDEF Code, the compensation policies for the Chairman and the Chief Executive Officer are intended to ensure that their compensation packages are competitive and adapted to Soitec's business strategy and operating context, and are designed to promote the Company's

performance and competitiveness in the mid and long term. They also take into account the compensation and employment conditions of Soitec's employees. In particular, the same performance criteria for multi-annual variable compensation plans apply to eligible corporate officers and employees and the fairness ratio, as set out in section 4.2.1.3 of the 2020-2021 Universal Registration Document, shows a decrease in the compensation multiple of the Chief Executive Officer compared to the median compensation. The structuring of the Chief Executive Officer's variable compensation, the terms and conditions of the long-term incentive plans and the compensation levels of the Chairman of the Board and the directors were carefully reviewed by the Compensation Committee in 2020. In 2021, the Compensation Committee closely reviewed the Chief Executive Officer's multi-annual compensation, particularly with regard to market guidance and practices.

The compensation policies for the corporate officers set by the Board of Directors based on the recommendations of the Compensation Committee are reviewed annually, as recommended by the Compensation Committee. The same process applies for changes to the corporate officers' compensation policies.

At meetings of the Board of Directors and the Compensation Committee (where applicable), the Chairman of the Board of Directors and the Chief Executive Officer abstain from participating in the discussions and votes on the compensation policy relating to themselves, thereby avoiding any potential conflict of interest.

Based on the recommendations of the Compensation Committee, the Board of Directors sets the compensation and benefits of the corporate officers taking into account the provisions of the AFEP-MEDEF Code. The components of the compensation packages are set in a comprehensive manner, taking into consideration all commitments given by the Company, including indemnities or benefits that are due or could be due for the take-up, termination or change in duties, or subsequent to exercising such duties. The compensation packages for the Chairman and the Chief Executive Officer are set in line with the duties assigned to them and take into account their experience and market practices. If a new corporate officer (other than a director) is appointed, their compensation package will be set by the Board of Directors based on the recommendations of the Compensation Committee, in compliance with the compensation principles applicable to each corporate officer as described below and subject to the applicable caps.

None of the compensation policies provide for the possibility for the Company to require the restitution of any variable compensation.

An overall compensation policy for the Company's corporate officers was approved in the 8th resolution of the September 23, 2020 Shareholders' General Meeting. At the Shareholders' General Meeting held on July 28, 2021, the shareholders voted on:

- the compensation policy for the Chief Executive Officer similar to the previous one. This compensation policy is described in section 1.2.3.3 below;
- the compensation policy for the Chairman of the Board of Directors. This policy is unchanged from the previous one adopted in 2020, which provided that the Chairman's compensation would henceforth solely comprise fixed compensation. This compensation policy is set out in section 1.2.3.4 below; and
- the compensation policy for the members of the Board of Directors (other than the Chief Executive Officer and the Chairman of the Board). This policy is also unchanged from the previous one adopted in 2020, which provided for an increase in the aggregate amount of directors' compensation. This compensation policy is described in section 1.2.3.5 below.

The information relating to fiscal year 2019-2020, disclosed pursuant to Article L. 22-10-9 I of the French Commercial Code, was also approved at the September 23, 2020 Annual General Meeting.

1.2.3.2 Compensation policy for the Chief Executive Officer (executive corporate officer)

The compensation policy for the Chief Executive Officer, which takes into account the principles described in section 1.2.3.1 above, provides for the following compensation components: (i) a fixed portion, (ii) an annual variable portion, (iii) a long-term variable portion and (iv) certain commitments and benefits. It does not provide for any additional compensation from any entities consolidated by the Company.

In respect of the compensation policy approved at the September 23, 2020 Shareholders' General Meeting, the Board of Directors decided on June 25, 2021 to amend the presence condition applicable to the multi-annual compensation in order to include, in accordance with the AMF guidance published in 2020 and the AFEP-MEDEF Code, a provision by which the Chief Executive Officer would maintain *prorata temporis* rights in the event of his retirement with a full benefit.

If a new executive corporate officer is appointed during fiscal year 2021-2022, such as a Deputy Chief Executive Officer, for example, their compensation package will be set by the Board of Directors based on the recommendations of the Compensation Committee and in compliance with the principles applicable to the Chief Executive Officer described below and subject to the related caps.

A. Fixed compensation

The Chief Executive Officer's annual fixed compensation is set in line with the principles described in section 1.2.3.1 above. In accordance with the AFEP-MEDEF Code, the Chief Executive Officer's fixed compensation is only reviewed at relatively long intervals.

Paul Boudre's annual fixed compensation has been set at a gross amount of €550,000, paid in 12 equal monthly installments. This amount, set by our Board of Directors on July 26, 2018, came into effect on January 1, 2019, and has remained unchanged since that date.

B. Variable compensation

The Chief Executive Officer's annual variable compensation, which is subject to the achievement of pre-determined performance conditions defined by the Board of Directors based on recommendations issued by the Compensation Committee, can represent between 0% and 165% of the Chief Executive Officer's annual fixed compensation. On the recommendation of the Compensation Committee, the Board decided to maintain the structuring and weighting implemented during the 2020-2021 fiscal year, based on an analysis of market practices and a perspective 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 executive corporate officers.

The respective weightings of the financial (60%) and strategic (40%) objectives are therefore unchanged, as are the nature of the financial objectives and the principle of a criterion which allows for a 10% increase of the result obtained. The strategic criteria cover the Company's main strategic issues, in line with what was put in place for the previous fiscal year, adapting the criteria to the roadmap for the 2021-2022 fiscal year in the areas of innovation, commercial challenges, partnerships, leadership and governance. In accordance with the AFEP-MEDEF recommendations, three criteria relate to the Company's social and environmental responsibility (diversity, quality of life at work and climate).

At its meeting on June 9, 2021, acting on the recommendations of the Compensation Committee, the Board set the following weightings and objectives for Paul Boudre's variable compensation for fiscal year 2021-2022:

Type of objective and description	Weighting
I. FINANCIAL OBJECTIVES	60%
1. Level of revenue (in US\$ millions)	20%
2. Level of consolidated EBITDA (in % of revenue in € at constant exchange rates)	20%
3. Level of operating cash (in € millions)	20%
II. STRATEGIC OBJECTIVES*	40%
5 contributions identified as the Group's main growth drivers including:	
1. Innovation (2 objectives)	14%
2. Partnerships (2 objectives)	14%
3. Commercial success/design (2 objectives)	14%
4. Growth strategy	5%
5. Governance	2.5%

6. ESG – Social/diversity, QLW (2 objectives)	8%
7. ESG - Climate	2.5%
III. ADDITIONAL STRATEGIC OBJECTIVE Confidential criterion	10% INCREASE IN TOTAL VARIABLE COMPENSATION
* <i>The strategic objectives have a 60% weighting, which corresponds to the maximum level of outperformance.</i>	

As was the case for the five previous fiscal years:

- if the target values of the objectives set by our Board of Directors are achieved, the variable portion will correspond to 100% of Paul Boudre’s fixed compensation;
- the achievement of the budget objectives will represent 90% of the target amounts of the financial criteria; and
- any outperformance of the target values of the financial objectives can be taken into account subject to a cap representing 150% of his fixed compensation.

If the consolidated EBITDA objective is not reached, the variable portion of his compensation will be capped at 100% of his fixed compensation, even if the achievement levels of his other objectives are such that the variable portion should exceed 100% of his fixed compensation.

Most of the strategic objectives have several sub-objectives, whose cumulative achievement corresponds to the level of outperformance at 150%.

As was the case for fiscal year 2020-2021, the amount of Paul Boudre’s variable compensation for fiscal year 2021-2022 based on the financial and strategic objectives can be increased by a further 10% if an additional objective is achieved related to increasing the market share of the main Soitec SOI products. Consequently, if this objective is met, his total variable compensation could represent up to 165% of his fixed compensation.

The amount of compensation paid will be calculated on a gross basis.

Details of the assessment of the achievement levels of the performance criteria underlying the calculation of the Chief Executive Officer’s annual variable compensation will be provided in the 2021-2022 Universal Registration Document. This variable compensation will only be paid if the shareholders at the 2022 Shareholders’ General Meeting approve the Chief Executive Officer’s compensation components in application of Article L. 22-10-34, II of the French Commercial Code.

C. Long-term variable compensation – Performance shares

After having implemented long-term incentives based on preferred shares in 2016 and 2019 in order to attract talents and sustain the Company’s growth, the Board of Directors considers that a long-term incentive continues to be particularly suited to the position of Chief Executive Officer in view of the direct contribution that he is expected to make to Soitec’s long-term performance.

Consequently, each year the Chief Executive Officer is allocated free performance shares (corresponding to ordinary shares of the Company). The value of the performance shares allocated – corresponding to their accounting value measured at allocation-date fair value – may not exceed 300% of the Chief Executive Officer’s annual fixed compensation.

The vesting of the free shares allocated to the Chief Executive Officer is subject to the achievement of performance criteria based on financial objectives and, in some cases, non-financial objectives, assessed at the end of the 2024-2025 fiscal year. At the end of a vesting period of at least three years, the final number of free 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 our Company’s ordinary share compared with the Euro Stoxx 600 Technology index). Other criteria may be taken into account, in particular based on the Company’s corporate social responsibility. 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 as at the vesting date.

The vesting of the performance shares allocated to the Chief Executive Officer is also subject to a *prorata temporis* presence condition, i.e., one third of each allocation being subject to the beneficiary's 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 *prorata temporis* basis (where appropriate, the Board of Directors may waive the 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.

D. Benefits in kind

The Chief Executive Officer is entitled to the following benefits in kind: a company car, private unemployment insurance and key-person insurance providing death and disability coverage.

E. Directors' compensation

The Chief Executive Officer does not receive any compensation for the directorship duties that he performs within the Company or any entities controlled by Soitec.

F. Supplementary pension plans

The Chief Executive Officer is eligible for the "Article 83" defined contribution pension plan, which also applies to all employees of Soitec's Economic and Social Unit. The plan is described in section 4.2.5 of the 2020-2021 Universal Registration Document.

Paul Boudre is a member of the "Article 39" defined benefit supplementary pension plan described in section 4.2.5 of the 2020-2021 Universal Registration Document. No entitlements have accrued under this plan since January 1, 2020.

G. Commitments given by our Company to the Chief Executive Officer in relation to the take-up, termination or change of his executive corporate officer duties

In accordance with the conditions set out in the applicable regulations and the AFEP-MEDEF Code, the Board of Directors may grant the Chief Executive Officer commitments concerning compensation, indemnities or benefits that are due or could be due for the termination or a change of his executive corporate officer duties, or subsequent to exercising such duties. Examples include a termination benefit, non-compete indemnity, and pension and post-employment benefits.

Commitments given to Paul Boudre

The AFEP-MEDEF Code recommends that when an employee becomes a Chief Executive Officer, the employment contract between that employee and the Company or another Group entity should be terminated. Consequently, on November 24, 2020, Paul Boudre resigned from his employment contract that was originally entered into on January 15, 2007 (and which had been suspended since June 1, 2008).

The termination of his employment contract entitled him, in particular in the event of an agreed termination or dismissal, to a notice period and/or the payment of compensation, in application of the French Labor Code and the collective bargaining agreement for engineers and managers in the metallurgy industry.

His employment contract also included a non-compete clause applicable for one year as from the termination date, renewable for one further year. If this non-compete clause had been applied, Paul Boudre would have been paid an indemnity corresponding to 60% of his gross compensation during the non-compete period. However, the Company had the option to waive this non-compete clause subject to Paul Boudre's agreement.

Paul Boudre asked to be relieved from performing his duties during the notice period and authorized the Company to waive the non-compete obligation with no financial compensation so that his resignation did not result in any payment.

Following the termination of his employment contract, and in view of the fact that the shareholders at the September 23, 2020 Shareholders' General Meeting had approved his compensation policy amended to provide for such commitments, at its meeting on September 24, 2020 the Board of Directors decided to grant the following commitments to Paul Boudre:

- i. A termination benefit

The termination benefit would represent one year's worth of the gross compensation paid to him during the fiscal year preceding his departure (i.e., fixed compensation and any bonuses or annual variable compensation).

It would be due and payable for any type of forced departure (except in the event of serious misconduct), provided that at least 75% of the cumulative EBITDA budget amounts is achieved for the two fiscal years preceding his departure, as approved by the Board of Directors.

In accordance with the AFEP-MEDEF Code, no benefit will be paid if he leaves the Company on his own initiative to take up a new position (except in the event of forced departure), or to hold another position within the Group.

ii. A non-compete indemnity

Paul Boudre is eligible for a non-compete indemnity as consideration for the non-compete clause to which he will be subject for the 12-month period following the date on which he ceases to serve as Chief Executive Officer. The amount of this indemnity will correspond to 50% of the gross annual compensation paid to him in the previous fiscal year (i.e., fixed compensation and any bonuses or variable compensation). It will be paid monthly over a period of 12 months.

The Board of Directors can, however, decide to waive this non-compete clause, at its discretion and with no financial compensation.

H. Exceptional compensation

The Company does not plan to pay Paul Boudre any exceptional compensation in fiscal year 2021-2022.

1.2.3.3 Compensation policy for the Chairman of the Board of Directors (non-executive corporate officer)

The compensation policy for the Chairman of the Board of Directors, which takes into account the principles described in section 1.2.3.1 above, provides that the Chairman's compensation solely comprises fixed compensation, i.e., with no variable portion.

This policy is unchanged compared with the compensation policy approved at the September 23, 2020 Shareholders' General Meeting, which already provided for a change to the policy effective from fiscal year 2021-2022. This compensation is no longer charged to the overall compensation budget for directors.

A. Fixed compensation

The Board of Directors may grant fixed compensation to the Chairman of the Board of Directors. He may only receive directors' compensation if he does not receive any fixed compensation, in accordance with the conditions set in the compensation policy applicable to directors described in section 1.2.3.5 below.

In view of the roles and responsibilities assigned to Éric Meurice as Chairman of the Board of Directors, as well as his knowledge of the Company and his experience, at its meeting on June 9, 2020, the Board decided to grant him annual fixed compensation representing a gross amount of €230,000, payable on a monthly basis.

This corresponds to a median reference level based on a list of 28 comparable companies in the CAC Mid 60 index, based on data for 2019 analyzed by an independent firm. The panel was made up of all the companies in the index that have separated the positions of Chairman and Chief Executive Officer, with the exception of chairpersonships held by representatives of the main shareholders of these companies.

B. Benefits in kind/Other commitments

The Chairman does not receive any benefits in kind and has not been given any other commitments.

C. Reimbursement of expenses

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

1.2.3.4 Compensation policy for our directors (other than the Chairman and the Chief Executive Officer)

A. Principles

In accordance with the law, and on the recommendation of the Board of Directors, the Shareholders' General Meeting sets the total annual amount that can be allocated to the directors as compensation for their duties (the "Budget").

The Budget thus approved at the Shareholders' General Meeting remains applicable and unchanged for each successive fiscal year until changed by the shareholders via a new resolution submitted for their approval.

At the September 23, 2020 Shareholders' General Meeting, the Budget was set at a gross maximum amount of €780,000, bearing in mind that the Chairman's compensation is no longer included in the Budget.

The amounts due by our Company for any social contributions and charges levied on the payment of directors' compensation are not charged to the Budget.

B. Allocation principles

The compensation paid to each individual director is adapted to the specific roles and responsibilities of that director and the time they devote to their directorship. Consequently, the criteria for allocating the Budget – which are set by the Board of Directors based on recommendations issued by the Compensation Committee and are submitted for shareholder approval at the Shareholders' General Meeting as part of the resolution on approving the policy for directors' compensation – are based on the following factors:

- the directors receive compensation for their directorship duties, except for (i) directors who have an operational and/or executive role within our Group and (ii) the Chairman of the Board of Directors, if he receives other compensation for his role as Chairman;
- the total amount of compensation granted to each director is pro-rated to the actual time that they have held their directorship during the compensation period concerned;
- regular attendance at the meetings of the Board of Directors and the Committees is rewarded (100% of their compensation is based on directors' attendance rate); and
- participation in meetings via conference call or video conferencing is considered equivalent to physical attendance.

Each year, the Board of Directors places on record the aggregate Budget and the individual amounts paid as a result of applying the allocation criteria described above. As a reminder, in accordance with the Company's by-laws, employee directors are not eligible for directors' compensation.

The maximum amount of the Budget is allocated among the individual directors as follows:

Functions	Compensation based on a 100% attendance rate
Seat on the Board of Directors	€46,000 (gross)
Seat on a Committee (other than the Restricted Strategic Matters Committee)	€13,000 (gross)
Chair of a Committee	€17,000 (gross)

The above allocation is based on an attendance rate of 100% for our directors over the full fiscal year in question.

C. Other

Each of the members of the Board of Directors is entitled to the reimbursement of any travel expenses incurred in connection with their directorship duties, on presentation of receipts.

In addition, the Board may allocate exceptional compensation to a director for a specific assignment commissioned in accordance with the applicable regulations.

Employee directors have a permanent employment contract with the Company which can be terminated under the terms and conditions provided for by labor law and the applicable collective bargaining agreement, subject to the authorization of the Labor Inspectorate.