



General guidelines for the remuneration policy at Topsil Semiconductor Materials A/S (CVR no.: 24932818)

In order to ensure openness and transparency in respect of significant matters relating to the remuneration of members of the Company's Board of Directors and Management Board (Management), and to comply with the corporate governance recommendations, the Board of Directors has adopted the below-stated.

Object

In order for Topsil's Management to attract and retain the best and most qualified members, Management receives a competitive remuneration. This remuneration must reflect the long-term value creation for Topsil and must be fair in relation to Management's independent performance, responsibilities and value creation.

Remuneration components

Unless otherwise provided in the legislation in force from time to time and in Topsil's remuneration policy or guidelines for incentive pay, Management may receive the following remuneration components:

- Fixed pay
- Performance-related/variable pay
- Pensions
- Other benefits
- Severance payment/retention allowances

The above-mentioned remuneration components ensure the flexibility and competitiveness in relation to Management's remuneration which is required to attract and retain the best and most qualified persons. Historically, Topsil has used and maintained these remuneration components because they reflect the remuneration components offered by Topsil's peers and because they ensure the possibility of always being able to offer a flexible and balanced remuneration.

Remuneration structure

The concrete, current remuneration structure for the Board of Directors and the Management Board is described below:

The Board of Directors receives a fixed remuneration containing no variable elements so as to ensure the Board's focus on long-term value creation. The Chairman, Deputy Chairman and the members of the Audit Committee receive an additional fee for their services in addition to the basic board fee. The Board of Directors' remuneration does not include share option or warrant programmes.

The remuneration to the Management Board consists of two components to motivate the positive short-term as well as long-term development of the Company.

Short-term:

A fixed salary plus a bonus calculated as a percentage of the profit for the year before tax plus a percentage of the annual increase in the profit for the year before tax.

Long-term:

A warrant programme according to which the Management Board may, for a period of three years, subscribe for shares at a price corresponding to the price at the beginning of the period.

Finally, the Management Board's remuneration package includes pension contributions, company car, telephone and Internet.

Disclosure of remuneration

The guidelines for the remuneration policy and the remuneration paid in a financial year are disclosed in the annual report. The Board of Directors' proposal for the remuneration paid to members of the Board of Directors in a financial year is a fixed item on the agenda for the Annual General Meeting.

The description must include details on the Board of Directors' reasons for its allocations.