

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

**SCHEDULE 14A
(RULE 14a-101)**

**INFORMATION REQUIRED IN
PROXY STATEMENT**

SCHEDULE 14A INFORMATION

**Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934 (Amendment No.)**

Filed by the Registrant ☒

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

☒ Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

KULICKE AND SOFFA INDUSTRIES, INC.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

☒ No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:



23A Serangoon North Avenue 5, #01-01 K&S Corporate Headquarters, Singapore 554369

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
March 4, 2021

THE ANNUAL MEETING OF SHAREHOLDERS OF KULICKE AND SOFFA INDUSTRIES, INC. (the “Company” or “K&S”) will be held on Thursday, March 4, 2021 at 1:00 p.m. (Singapore Time) at the Company’s headquarters at 23A Serangoon North Avenue 5, #01-01 K&S Corporate Headquarters, Singapore 554369, for the following purposes:

- 1 To elect Mr. Chin Hu Lim as director to serve until the 2025 Annual Meeting;
- 2 To ratify the appointment of PricewaterhouseCoopers LLP as the Company’s independent registered public accounting firm for the fiscal year ending October 2, 2021;
- 3 To approve the Company’s 2021 Omnibus Incentive Plan;
- 4 To hold an advisory vote on the overall compensation of the Company’s named executive officers as described in the Compensation Discussion & Analysis and the accompanying tabular and narrative disclosure included herein; and
- 5 To transact such other business as may properly come before the annual meeting.

The board of directors has fixed the close of business on December 7, 2020 as the record date for the determination of holders of common shares entitled to notice of and to vote at the annual meeting.

All shareholders are cordially invited to attend the annual meeting, but whether or not you expect to attend the annual meeting in person, the Company encourages you to vote promptly. You may vote your shares using a toll-free telephone number, over the Internet, or, if you request a paper copy of the proxy card, by signing and dating it and returning it promptly. If you attend the annual meeting, you may (but do not have to) revoke your proxy and vote in person.

By Order of the Board of Directors

SUSAN WATERS
Secretary

January 13, 2021

**Important Notice Regarding the Availability of Proxy Materials
for the Shareholder Meeting to Be Held on March 4, 2021**

Our Notice of Annual Meeting, Proxy Statement for the 2021 Annual Meeting and Annual Report to Shareholders are enclosed and are also available at <http://investor.kns.com/annuals.cfm>.



23A Serangoon North Avenue 5, #01-01 K&S Corporate Headquarters, Singapore 554369

PROXY STATEMENT

January 13, 2021

The enclosed proxy is solicited by the board of directors of Kulicke and Soffa Industries, Inc. (the “Company”, “K&S”, “we”, “our”). The annual meeting of shareholders of the Company will be held on Thursday, March 4, 2021, at 1:00 p.m. (Singapore Time) at our headquarters at 23A Serangoon North Avenue 5, #01-01 K&S Corporate Headquarters, Singapore 554639. As permitted by rules adopted by the Securities and Exchange Commission (the “SEC”), we are making our proxy statement and 2020 Annual Report to Shareholders (which includes the Company’s Annual Report on Form 10-K) (the “Annual Report”) available electronically via the Internet. On January 13, 2021, we will mail to our shareholders a Notice of Internet Availability of Proxy Materials (the “Notice”) containing instructions on how to access this proxy statement and the Company’s Annual Report and how to vote online. Shareholders who receive the Notice will not receive a printed copy of the proxy materials in the mail unless they so request. If you would like to receive a printed copy of the Company’s proxy materials, please follow the instructions included in the Notice.

Voting and Revocability of Proxies

Our board of directors has fixed the close of business on December 7, 2020 as the record date for determining the shareholders entitled to vote at the Company’s 2021 annual meeting of shareholders. As of the record date, there were 62,039,448 of the Company’s common shares outstanding. Each common share is entitled to one vote on all matters presented at the meeting. When voting is properly authorized over the Internet or by telephone, or proxies are properly dated, executed and returned, the common shares so represented will be voted at the annual meeting in accordance with the instructions of the shareholder. If no specific instructions are given on a proxy executed and returned by a shareholder of record, the common shares will be voted **“FOR”** the: (1) election of Mr. Chin Hu Lim as director; (2) ratification of the appointment of PricewaterhouseCoopers LLP (“PwC”) as the Company’s independent registered public accounting firm for the fiscal year ending October 2, 2021; (3) approval of the Company’s 2021 Omnibus Incentive Plan; and (4) approval, on a non-binding advisory basis, of the compensation of our named executive officers as described in the Compensation Discussion & Analysis together with the accompanying tabular and narrative disclosure included in this proxy statement. A shareholder may revoke a proxy at any time before its use by (a) delivering a later executed proxy or written notice of revocation to the Secretary of the Company, (b) attending the annual meeting and giving notice of such revocation or (c) granting a subsequent proxy by Internet or telephone. Attendance at the annual meeting does not by itself constitute revocation of a proxy.

The presence of a majority of the common shares entitled to vote at the annual meeting, represented in person or by proxy, constitutes a quorum. If a quorum is present, (1) the nominee for director receiving the highest number of votes cast at the annual meeting will be elected, and (2) the affirmative vote of a majority of the total votes cast by all shareholders entitled to vote at the annual meeting will be required to ratify the appointment of PwC and to approve the 2021 Omnibus Incentive Plan. The advisory vote to approve the compensation of our named executive officers is not binding on the Company, but we will consider the results of this advisory vote in making future decisions on our compensation policies and the compensation of our executives.

Under the rules that govern brokers and nominees who have record ownership of shares that are held in “street name” for account holders (who are the beneficial owners of the shares), brokers and nominees typically have the discretion to vote such shares on routine matters, but not on non-routine matters. If a broker or nominee has not received voting instructions from an account holder and does not have discretionary authority to vote shares on a particular item because it is considered to be a non-routine matter, a “broker non-vote” occurs.

Under the rules governing brokers, the election of directors, the approval of our 2021 Omnibus Incentive Plan, and the advisory vote on executive compensation are considered non-routine matters for which brokers do not have discretionary authority to vote shares held by an account holder. The ratification of our auditors is considered a routine matter.

Abstentions, the withholding of authority to vote or the specific direction not to cast a vote, such as a broker non-vote, will not constitute the casting of a vote on any matter. Consequently, abstentions and broker non-votes have no effect on the outcome of the vote for the election of directors, because only the number of votes cast for each nominee is relevant.

Additionally, abstentions and broker non-votes have no effect on the outcome of the vote to ratify the Company's independent registered public accounting firm or on the advisory vote on executive compensation because only the number of votes cast for or against are relevant, and in any event, these votes are non-binding. Abstentions and broker non-votes have no effect on the outcome of the vote on the Company's 2021 Omnibus Incentive Plan, because only the number of votes cast for or against are relevant.

How You Can Vote

Shareholders of record may vote by any of the following methods:

- **Voting by Internet.** The website and instructions for Internet voting is on the Notice, and voting is available 24 hours a day. Shareholders who wish to exercise cumulative voting rights in the election of directors must vote in person or by mail.
- **Voting by telephone.** The toll-free telephone number for voting is on the proxy card, and voting is available 24 hours a day.
- **Voting by mail.** If you choose to receive a printed copy of the proxy materials, you may vote by mail by marking the proxy card enclosed with the proxy statement, dating and signing it, and returning it in the postage-paid envelope provided.

Shareholders who hold their shares through a broker (in "street name") must vote their shares in the manner prescribed by their broker.

ITEM 1 — ELECTION OF DIRECTORS

The board of directors has nominated Mr. Chin Hu Lim for re-election at the annual meeting to serve until the 2025 annual meeting and until his successor has been duly elected and qualified. Shareholders have the right to cumulate votes in the election of directors (i.e. each shareholder may multiply the number of votes the shareholder is entitled to cast by the total number of directors to be elected and then may cast that number of votes for one candidate or distribute them among some or all candidates). By signing the proxy card, authority is given to the persons named as proxies to cumulate votes in their discretion. Shareholders, however, can withhold discretionary authority to cumulate votes on the proxy card or cumulate votes for any director by indicating so on the proxy card. However, at the 2021 annual meeting only one director will be elected, so cumulating votes will have no effect. If Mr. Lim is unable to serve as director at the time of the election, the persons named as proxies in the proxy may vote the proxies for any other individual (or individuals, as applicable) as they may choose, unless the board of directors determines that no director should be elected at the annual meeting. The following table provides information concerning Mr. Lim, as well as the other directors of the Company and the executive officers of the Company. In addition to the information presented below regarding each director's and director nominee's specific experience, qualifications, attributes and skills that led the Company to conclude that he or she should serve as a director, we also believe that all of our directors, including Mr. Lim, have significant leadership experience derived from their professional experience and have a reputation for integrity and honesty and adhere to high ethical standards. The process undertaken by the Company's Nominating and Governance Committee in recommending qualified director candidates is described below under the heading "Nominating and Governance Committee." Unless otherwise specified, the directors have held the positions indicated (including directorships) for at least five years. Each person below has an address of c/o the Company at 23A Serangoon North Avenue 5, #01-01 K&S Corporate Headquarters, Singapore 554369.

Name, Age and Occupation	Director Since	Term Expires
<i>Director Nominated for Re-Election</i>		
Chin Hu Lim (62)	2011	2021

Mr. Lim was Chief Executive Officer of BT Frontline Pte Ltd., a subsidiary of British Telecommunications Plc that provides information technology services, from 2008 until his retirement in 2010. He previously served as Chief Executive Officer and as a director of Frontline Technologies Corporation Limited, a Singapore exchange listed company that provided IT services throughout Asia, from 2000 until 2008. Before that time, Mr. Lim was Managing Director of Sun Microsystems (now Oracle) Singapore in the 1990s and held various management positions with Hewlett-Packard South East Asia in the 1980s. He is a director of Singapore Exchange Ltd, Singapore Health Services Pte Ltd., G-Able (Thailand) Ltd., Citibank Singapore Limited, Heliconia Capital Management Pte Ltd, and Singapore Technologies Engineering Ltd. He is also a partner of Stream Global Pte Ltd., an incubator venture fund. Mr. Lim is a Fellow of Singapore Institute of Directors. Mr. Lim formerly served as a Director of Keppel DC REIT and Telstra Ltd.

Director Qualifications:

In determining that Mr. Lim is qualified to serve as a director of the Company, the board of directors considered Mr. Lim's experience as Chief Executive Officer of BT Frontline Pte Ltd. and also of Frontline Technologies Corporation Limited and his 33 years of experience in information technology related businesses in the Asia Pacific region. The board of directors also considered Mr. Lim's continuing education on corporate governance with the UCLA Director Education Certification Program in 2012, Singapore Institute of Director Annual Director's Conference in 2013 to 2016, the INSEAD International Directors Program in 2014, and the NACD Technology Symposium in July 2018.

Name, Age and Occupation	Director Since	Term Expires
<i>Continuing Directors</i>		
Fusen E. Chen (61) Dr. Chen joined K&S as President and Chief Executive Officer effective October 31, 2016. He was also elected to the board of directors effective October 3, 2016. From 2013 until his resignation to join the Company, Dr. Chen served as President and CEO of Mattson Technology, a manufacturer and supplier of semiconductor equipment. From 2009 to 2012, Dr. Chen served as Executive Vice President, Semiconductor System Products at Novellus Systems, a manufacturer of semiconductor equipment used in the fabrication of integrated circuits. From 2005 to 2009, he served as Executive Vice President and Chief Technology Officer at Novellus Systems. From 2004 to 2005, he served as Senior Vice President, Asia Pacific Operations at Novellus Systems. From 1994 to 2004, Dr. Chen held various management positions at Applied Materials, a supplier of equipment and services to enable the manufacturer of semiconductor integrated circuits.	2016	2023
<u>Director Qualifications:</u> In determining that Dr. Chen should serve as a director of the Company, the board of directors considered Dr. Chen's record of achievement during his 30 year career in the semiconductor industry at all levels of management, culminating with his tenure as President and Chief Executive Officer of the Company.		
Peter T. Kong (70) Mr. Kong has served as the Chairman of the Company since October, 2020. Mr. Kong served as President, Global Components, of Arrow Electronics, Inc., a global provider of products, services and solutions to industrial and commercial users of electronic components and an enterprise computing solutions company, from 2009 until his retirement in 2013. From 2006 to 2009, Mr. Kong served as Corporate Vice President and President of Arrow Asia Pac Ltd. From 1998 to 2006, Mr. Kong served as President, Asia Pacific Operations, of Lear Corporation. He currently serves as a Board Leadership Fellow with the National Association of Corporate Directors (NACD).	2014	2022
<u>Director Qualifications:</u> In determining that Mr. Kong is qualified to serve as a director of the Company, the board of directors considered his experience as President, Global Components, of Arrow Electronics, Inc. and as President, Asia Pacific Operations, of Lear Corporation, as well as in senior leadership roles at other companies. Finally, the board of directors considered Mr. Kong's continuing education in corporate governance and leadership with the NACD Technology Symposium in 2019.		
Gregory F. Milzcik (61) Mr. Milzcik was elected to the board of directors on October 7, 2013. From 1999 until his retirement in 2013, Mr. Milzcik was an executive of Barnes Group, Inc. (NYSE: B), an international aerospace and industrial manufacturer and service provider, serving a wide range of end markets and customers. Mr. Milzcik served as President and Chief Executive of Barnes Group from 2006 until 2013. During his tenure at Barnes Group he also served as Chief Operating Officer and President of its aerospace and industrial segments. Over the past 36 years, Mr. Milzcik's career has included executive, operations and technical positions at leading Aerospace and Industrial companies including Lockheed Martin, General Electric, Chromalloy Gas Turbine Corp. and AAR Corp. He currently is a Board Leadership Fellow with the National Association of Corporate Directors (NACD). Mr. Milzcik formerly served as a Director of IDEX Corporation from 2008 to 2017.	2013	2023
<u>Director Qualifications:</u>		

In determining that Mr. Milzcik is qualified to serve as a director of the Company, the board of directors considered his experience as President and Chief Executive of Barnes Group, as well as in senior leadership roles at other companies. The board of directors also considered Mr. Milzcik's experience and continuing education in corporate governance in his role as a Board Leadership Fellow with the National Association of Corporate Directors (NACD).

David Jeffrey Richardson (56)

2020

2024

Mr. Richardson is a private investor and business development consultant since 2014. He was appointed to the Board of Directors on May 29, 2020. Mr. Richardson served as Executive Vice President and Chief Operating Officer of LSI Corporation from 2011 to 2014. Mr. Richardson previously served as Executive Vice President and General Manager, Semiconductor Solutions Group; Executive Vice President and General Manager, Networking and Storage Products Group; Executive Vice President and General Manager, Custom Solutions Group; and Executive Vice President Corporate Planning and Strategy over his nine-year tenure with LSI Corporation. Prior to these roles, Mr. Richardson was with Intel Corporation where he held several positions, including Vice President and General Manager, Servers Platform Group. Mr. Richardson currently serves on the boards of directors of Lattice Semiconductor Corporation, where he serves as Chairman of the Board, and Ambarella Inc. He previously served on the board of directors of Volterra Semiconductor Corporation from 2011 to 2013. Mr. Richardson holds a Bachelor of Science in Electrical Engineering from the University of Colorado, Boulder.

Director Qualifications:

In determining that Mr. Richardson is qualified to serve as a director of the Company, the board of directors considered his experience as Executive Vice President and Chief Operating Officer of LSI Corporation, as well as in senior leadership roles at LSI Corporation and other companies. The board of directors also considered Mr. Richardson's experience on the boards of directors of other public semiconductor and technology companies.

Mui Sung Yeo (62)

2012

2024

Ms. Yeo was appointed Managing Director of Omeyon Pte Ltd. in March 2016, a management consultancy service company. From 2010 to March 2016, Ms. Yeo served as Chief Campus Officer of MediaCorp Pte Ltd., Singapore's national broadcaster and leading media company, and as its Chief Risk Officer and Chief Financial Officer from 2007 to 2014. Ms. Yeo previously served as the Executive Chairman of Singapore Media Academy, a learning center for media excellence from 2012 to 2016, as well as the Executive Chairman of MediaCorp Vizpro International, a live entertainment company partnering with international players on musical shows, concerts and exhibitions from 2013 - 2015. Ms. Yeo served as Chief Financial Officer and Group Vice President at United Test & Assembly Center Ltd. from October 1999 to September 2007. Earlier in her career she held positions at F&N Coca Cola, Baxter Healthcare, Archive and Texas Instruments. Ms. Yeo graduated magna cum laude with a Bachelor of Science in Business Administration, majoring in Accounting, from the University of San Francisco.

Director Qualifications:

In determining that Ms. Yeo is qualified to serve as a director of the Company, the board of directors considered her approximately 15 years of experience as a chief financial officer of large, publicly-traded, technology and media businesses. Ms. Yeo also has approximately 20 years of experience in the semiconductor industry. The Board also considered Ms. Yeo's continuing education in corporate governance with the Stanford Law School Directors' College in 2014, continuing education for compensation committees with the Harvard Business School in 2015, and corporate governance with the NACD Technology Symposium in 2018.

There were two directors who retired during fiscal 2020:

- Mr. Brian R. Bachman, director since 2003, retired February, 2020
- Mr. Garret E. Pierce, former Chairman and director since 2005, retired September, 2020.

Executive Officers (other than Dr. Chen)

Stephen Ray Drake (52), *Vice President, Legal Affairs and General Counsel*

Mr. Drake was appointed Vice President, Legal Affairs and General Counsel in March 2020. Prior to joining the Company, Mr. Drake served as Senior Director of Legal for Global Operations, and held certain other positions, at Micron Technology from 2008 to 2020. Prior to Micron Technology, Mr. Drake had been in private practice in the US for 12 years. Mr. Drake obtained his Juris Doctorate degree from Willamette University College of Law and his Bachelor of Arts degree from the College of Idaho.

Chan Pin Chong (52), *Executive Vice President & GM, K&S Products & Solutions*

Mr. Chong was appointed Vice President, Wedge Bonder in February 2014, and promoted to Executive Vice President & GM, K&S Products & Solutions in December of 2019 as part of an organizational realignment placing all capital equipment business units, including the Ball Bonder, Wedge Bonder, Advanced Packaging, Electronics Assembly/APMR and Lithography business units, under his responsibility. Prior to joining the Company, Mr. Chong was the Chief Executive Officer of Everett Charles Technologies, a semiconductor manufacturing company, from 2010 to 2014. Prior to Everett Charles Technology, Mr. Chong was the Vice President of Sales and General Country Manager for Singapore at Form Factor from 2007 to 2010, General Manager for Beijing and Shanghai and Senior Technical Director, Singapore and Milpitas at KLA-Tencor from 2005 to 2007 and 1999 to 2005 respectively. Mr. Chong held various technical, management, and engineering roles at Flextronics Singapore and Motorola Inc. Mr. Chong received Bachelor of Science degrees in Computer Science and Electrical and Electronics from the State University of New York, Buffalo, and also holds an MBA degree from Leicester University. Since Mr. Chong's hire in 2014, his responsibilities have expanded to include our Electronics Assembly and Advanced Packaging - Hybrid business lines. Mr. Chong was promoted to Senior Vice President in December 2016 in recognition of his contribution to growth in the Wedge Bond business and his expanded responsibility for the Electronics Assembly and Advanced Packaging - Hybrid business units.

Lester Wong (54), *Senior Vice President, Chief Financial Officer*

Mr. Wong joined the Company in September 2011 as Senior Vice President, Legal Affairs and General Counsel and assumed the role of interim Chief Financial Officer and interim Principal Accounting Officer effective November 28, 2017. Mr. Wong was appointed Chief Financial Officer on December 20, 2018. Prior to joining the Company, Mr. Wong was General Counsel at GigaMedia Limited, a US listed major provider of online entertainment software, from May 2008 to August 2011. He previously served as Senior Legal Counsel at CDC Corporation, a US listed software and media company, from June 2003 to November 2007, and as an executive with Cowen Latitude Asia, the wholly owned subsidiary of Cowen Group, a diversified financial services company, from April 2001 to June 2003. Mr. Wong obtained a Bachelor's Degree from Western University in Ontario, Canada and a Juris Doctor (J.D.) from the University of British Columbia in Canada. He was admitted to the Law Society of Upper Canada (Ontario) in 1993, Law Society of British Columbia in 1993 and Law Society of Hong Kong in 1997.

Nelson Wong (60), *Senior Vice President, Global Sales*

Mr. Wong joined the Company in 1997 and served as Vice President, Ball Bonder Business Unit since 2011 and was responsible for leading the Ball Bonder and Support Services Business Unit. Mr. Wong was promoted to Senior Vice President in October 2017 in recognition of his leadership of the Ball Bonder Business Unit in maintaining market share of existing market segments and execution of strategies to gain market share in other market segments. Mr. Wong assumed leadership of the Global Sales function in November 2019. He previously served as Director of Marketing - Ball Bonder from 2000 to 2006 and Application Manager from 1997 to 2006. Mr. Wong holds a Masters of Business Administration and a degree in Physics from the National University of Singapore.

Shai Soloveizik Zamir (49), *Vice President, Global Operations and Supply Chain*

Mr. Soloveizik Zamir was appointed Vice President, Global Operations and Supply Chain in March 2019. He previously served as General Manager and Vice President of Equipment Operations for K&S Singapore from 2013 to 2019. Prior to that, he served as General Manager of K&S Suzhou from 2010 to 2013. Mr. Soloveizik Zamir received a Master of Business Administration from the Haifa University, and a Bachelor of Science in Industrial Engineering & Management from Technion-Israel Institute of Technology.

**THE BOARD OF DIRECTORS RECOMMENDS VOTING FOR THE ELECTION OF
MR. CHIN HU LIM AS DIRECTOR**

ITEM 2 — RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Audit Committee of the board of directors has appointed PricewaterhouseCoopers LLP (“PwC”) as the Company’s independent registered public accounting firm for the fiscal year ending October 2, 2021. The ratification of the appointment of the independent registered public accounting firm by the shareholders is not required by law or by the Company’s By-laws. Traditionally, the Company has submitted this matter to the shareholders for ratification and believes that it is good practice to continue to do so. If a majority of the votes cast on this matter are not cast in favor of the appointment of PwC, the Audit Committee will reconsider its appointment. See Audit and Related Fees.

Representatives of PwC are expected to be present at the annual meeting to make a statement if they so desire and will be available to respond to any appropriate questions.

**THE BOARD OF DIRECTORS RECOMMENDS VOTING FOR RATIFICATION OF
THE APPOINTMENT OF PRICEWATERHOUSECOOPERS LLP
AS THE COMPANY’S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM.**

ITEM 3 – APPROVAL OF THE COMPANY’S 2021 OMNIBUS INCENTIVE PLAN

Executive Summary of Proposal and Selected Plan Information

Introduction: On December 10, 2020, upon recommendation of the Management Development and Compensation Committee, the Board approved the Kulicke and Soffa Industries, Inc. 2021 Omnibus Incentive Plan (the “Plan”), subject to shareholder approval at the 2021 Annual Meeting. The Plan will supersede the Company’s 2017 Equity Plan (the “2017 Plan”), which is the only plan under which equity-based compensation may currently be awarded to our officers, other employees, non-employee directors, consultants and/or advisors. Awards currently outstanding under the 2017 Plan will remain outstanding under the 2017 Plan in accordance with their terms.

We believe that the adoption of the Plan is necessary in order to allow us to modernize the Plan in a manner that is consistent with governance and market best practices and to continue to use equity awards, including performance awards. We believe that granting equity-based compensation to eligible officers, employees, non-employee directors and, when appropriate, consultants, is an effective means to promote the future growth and development of the Company. Equity awards, among other things, further align the interests of award recipients with Company shareholders and enable the Company to attract and retain qualified personnel.

If the Plan is approved by our shareholders, the Plan will become effective on March 4, 2021 (the “Effective Date”), and, as of such Effective Date, no further awards will be made under the 2017 Plan. If our shareholders do not approve the Plan, the 2017 Plan will remain in effect in its current form, subject to its expiration date.

Proposed Share Reserve: A total of 4,450,000 shares of common stock are reserved for awards granted under the Plan. The Plan’s reserve will be reduced by one (1) share for every one (1) share granted under the 2017 Plan after October 3, 2020 and prior to the Effective Date.

If (i) any shares subject to an award are forfeited, an award expires or otherwise does not result in the issuance of all or a portion of the shares subject to such Award, or an award is settled for cash (in whole or in part), or (ii) after October 3, 2020 any shares subject to an award under the 2017 Plan are forfeited, an award under any 2017 Plan expires or otherwise does not result in the issuance of all or a portion of the shares subject to such Award, or is settled for cash (in whole or in part), then in each such case the Shares subject to such award shall, to the extent of such forfeiture, expiration, non-issuance or cash settlement, be added to the Plan’s reserve. In the event that withholding tax liabilities arising from a full-value award or, after October 3, 2020, arising from a full-value award under the 2017 Plan are satisfied by the tendering of shares (either actually or by attestation) or by the withholding of shares by the Company, the shares so tendered or withheld shall be added to the Plan’s reserve.

Impact on Dilution and Fully-Diluted Overhang: Our Board recognizes the impact of dilution on our shareholders and has evaluated this share request carefully in the context of the need to motivate, retain and ensure that our leadership team and key employees are focused on our strategic priorities. If the Plan is approved, the total fully-diluted overhang as of October 3, 2020, would be approximately 8.5%. In this context, fully-diluted overhang is calculated as the sum of awards outstanding under Prior Plans *plus* the proposed share reserve under the Plan (numerator) divided by the sum of the numerator and basic common shares outstanding, with all data effective as of October 3, 2020. Our Board believes that the proposed share reserve represents a reasonable amount of potential equity dilution to accommodate our long-term strategic and growth priorities.

Expected Duration of the Share Reserve: We expect that the share reserve under the Plan, if this proposal is approved by our shareholders, will be sufficient for awards to attract, retain, and motivate employees for approximately six (6) years. Expectations regarding future share usage could be impacted by a number of factors such as award type mix; hiring and promotion activity at the executive level; the rate at which shares are returned to the Plan's reserve under permitted addbacks; the future performance of our stock price; the consequences of acquiring other companies; and other factors. While we believe that the assumptions we used are reasonable, future share usage may differ from current expectations.

Governance Highlights: The Plan incorporates numerous governance best practices, including:

- ☒ No "liberal share recycling" of options or SARs.
- ☒ No dividends or dividend equivalents on options or SARs.
- ☒ Dividends and dividend equivalent rights, if any, on all other awards will be subject to the same vesting requirements as the underlying award and will only be paid at the time those vesting requirements are satisfied.
- ☒ Minimum 100% fair market value exercise price for options and SARs.
- ☒ No repricing of options or SARs and no cash buyout of underwater options and SARs without shareholder approval, except for equitable adjustments in connection with certain corporate transactions.
- ☒ No "liberal" change in control definition or automatic "single-trigger" change in control vesting.
- ☒ No "evergreen" share increases or automatic "reload" awards

Plan Term: The Plan will terminate on March 4, 2031, unless terminated earlier by the Board. Termination of the Plan shall not affect the terms or conditions of any award granted prior to termination.

SUMMARY OF KEY STOCK PLAN DATA

Share Usage

The following table sets forth information regarding stock-settled, time-vested equity awards granted, and performance-based equity awards earned, over each of the last three fiscal years (rounded to the nearest thousand shares):

	2020	2019	2018	
Stock Options/Stock Appreciation Rights (SARs) Granted	0	0	0	
Stock-Settled Time-Vested Restricted Shares/Units Granted	527,000	558,000	492,000	
Stock-Settled Performance-Based Shares/Units Earned*	272,000	117,000	168,000	
Weighted-Average Basic Common Shares Outstanding	62,828,000	65,286,000	69,380,000	3-Year Average
Share Usage Rate	1.3%	1.0%	1.0%	1.1%

* With respect to performance-based shares/units in the table above, we calculate the share usage rate based on the applicable number of shares earned each year. For reference, the performance-based shares/units granted during the foregoing 3-year period were as follows: 242,000 shares in fiscal 2020, 221,000 shares in fiscal 2019 and 240,000 shares in fiscal 2018.

Overhang as of October 3, 2020

The following table sets forth certain information as of October 3, 2020, unless otherwise noted, with respect to the Company's equity compensation plans (rounded to the nearest thousand shares):

Stock Options/SARs Outstanding	0
Weighted-Average Exercise Price of Outstanding Stock Options/SARs	--
Weighted-Average Remaining Term of Outstanding Stock Options/SARS	--
Total Stock-Settled Full-Value Awards Outstanding	1,342,000
Proposed share reserve under the new 2021 Plan*	4,450,000
Basic common shares outstanding as of the record date (December 7, 2020)	62,039,448

* The proposed share reserve is subject to reduction for any awards granted under the 2017 Plan after October 3, 2020. As of October 3, 2020, there were 3,408,899 shares available for future grant under the 2017 Plan. Upon shareholder approval of the new Plan, no further awards will be made under the 2017 Plan.

As of 4 January 2021, the per-share closing price of our common stock as reported on the Nasdaq was \$32.28.

Description of the Plan

The following description is qualified in its entirety by reference to the plan document, a copy of which is attached as Appendix and incorporated into this Proxy Statement by reference.

Administration

The Plan is administered by the Management Development and Compensation Committee (the "Compensation Committee"), or a subcommittee thereof, consisting of two or more members of the Board, each of whom is intended to be a "non-employee director" within the meaning of Rule 16b-3 under the Exchange Act and "independent" within the meaning of the rules of the Nasdaq.

Subject to the express provisions of the Plan, the Compensation Committee has the authority to select eligible persons to receive awards and determine all of the terms and conditions of each award.

The Compensation Committee may delegate some or all of its power and authority under the Plan to the Board, a subcommittee of the Board, the Chief Executive Officer or other executive officer of the Company as the Compensation Committee deems appropriate, except that that the Compensation Committee may not delegate its power and authority to the Chief Executive Officer or other executive officer of the Company with regard to the selection for participation in the Plan of an officer or director subject to Section 16 of the Exchange Act or decisions concerning the timing, pricing or amount of an Award to such officer or director.

Eligibility

Participants in the Plan will consist of such officers, other employees, non-employee directors, advisors and consultants, of the Company and its subsidiaries (and such persons who are expected to become any of the foregoing) as selected by the Compensation Committee. As of December 28, 2020, approximately 1,400 employees (including officers), and 5 non-employee directors were eligible to participate in the Plan.

Available Shares

Subject to the adjustment provisions included in the Plan, a total of 4,450,000 shares of common stock are reserved for awards granted under the Plan. The Plan's reserve will be reduced by one (1) share for every one (1) share that is granted under the 2017 Plan after October 3, 2020 and prior to the Effective Date.

If (i) any shares subject to an award are forfeited, an award expires or otherwise does not result in the issuance of all or a portion of the shares subject to such Award, or an award is settled for cash (in whole or in part), or (ii) after October 3, 2020 any shares subject to an award under the 2017 Plan are forfeited, an award under the 2017 Plan expires or otherwise does not result in the issuance of all or a portion of the shares subject to such Award, or is settled for cash (in whole or in part), then in each such case the Shares subject to such award shall, to the extent of such forfeiture, expiration, non-issuance or cash settlement, be added to the Plan's reserve. In the event that withholding tax liabilities arising from a full-value award or, after October 3, 2020, arising from a full-value award under the 2017 Plan, are satisfied by the tendering of shares (either actually or by attestation) or by the withholding of shares by the Company, the shares so tendered or withheld shall be added to the Plan's reserve.

Notwithstanding anything to the contrary, the following shares will not again be available for awards under the Plan: (a) shares tendered by the participant or withheld by the Company in payment of the purchase price of an option under the Plan or the 2017 Plan, (b) shares tendered to or withheld by the Company to pay the withholding taxes relating to an outstanding option or stock appreciation right under the Plan or the 2017 Plan, (c) shares subject to a stock appreciation right under the Plan or the 2017 Plan that are not issued in connection with its stock settlement or exercise, or (d) shares repurchased by the Company on the open market with the proceeds of the exercise of an option under the Plan or the 2017 Plan.

No more than 4,450,000 shares of common stock may be issued in the aggregate in respect of incentive stock options under the Plan.

Non-Employee Director Limit

The maximum number of shares subject to awards granted during a single fiscal year to any non-employee director, taken together with any cash fees paid during the fiscal year to the non-employee director in respect of such director's service as a member of the Board during such year (including service as a member or chair of any committees of the Board), shall not exceed \$500,000 in total value (calculating the value of any such awards based on the grant date fair value of such Awards for financial reporting purposes). The independent members of the Board may make exceptions to this limit for a non-executive chair of the Board, provided that the non-employee director receiving such additional compensation may not participate in the decision to award such compensation.

Dividends; Dividend Equivalents

In no event will dividends or dividend equivalents be paid with respect to options or stock appreciation rights under the Plan. Further, notwithstanding anything to the contrary, with respect to full-value awards, if such award provides for a right to dividends or dividend equivalents, any dividends or dividend rights will be subject to the same vesting requirements as the underlying award and will only be paid at the time those vesting requirements are satisfied.

Stock Options and SARs

The Plan provides for the grant of stock options and SARs. The Compensation Committee will determine the conditions to the exercisability of each option and SAR.

Each option will be exercisable for no more than ten (10) years after its date of grant, except with respect to certain options that expire during blackout periods. If the option is an incentive stock option and the optionee owns greater than ten percent (10%) of the voting power of all shares of capital stock of the Company (a "ten percent holder"), then the option will be exercisable for no more than five years after its date of grant. Except in the case of substitute awards granted in connection with a corporate transaction, the exercise price of an option will not be less than 100% of the fair market value of a share of common stock on the date of grant, unless the option is an incentive stock option and the optionee is a ten percent holder, in which case the exercise price will be the price required by the Internal Revenue Code.

Each SAR will be exercisable for no more than ten (10) years after its date of grant, except with respect to certain SARs that expire during blackout periods. Other than in the case of substitute awards granted in connection with a corporate transaction, the base price of a SAR will not be less than 100% of the fair market value of a share of common stock on the date of grant, provided that the base price of a SAR granted in tandem with an option (a "tandem SAR") will be the exercise price of the related option. A SAR entitles the holder to receive upon exercise (subject to withholding taxes) shares of common stock (which may be restricted stock) or, to the extent provided in the award agreement, cash or a combination thereof, with an aggregate value equal to the difference between the fair market value of the shares of common stock on the exercise date and the base price of the SAR.

All of the terms relating to the exercise, cancellation or other disposition of stock options and SARs (i) upon a termination of employment or service of a participant, whether by reason of disability, retirement, death or any other reason, or (ii) during a paid or unpaid leave of

absence, are determined by the Compensation Committee. Notwithstanding anything in the award agreement to the contrary, the holder of an option or SAR will not be entitled to receive dividend equivalents with respect to the shares of common stock subject to such option or SAR.

Stock Awards

The Plan provides for the grant of Stock Awards. The Compensation Committee may grant a Stock Award as a restricted stock award, restricted stock unit award or unrestricted stock award. Restricted stock awards and restricted stock unit awards are subject to forfeiture if the holder does not remain continuously in the employment of the Company during the restriction period or if specified performance measures (if any) are not attained during the performance period. Unrestricted stock awards are not subject to any restriction periods or performance measures.

Unless the agreement relating to a restricted stock award specifies otherwise, the holder of such award shall have all rights as a shareholder of the Company, including, but not limited to, voting rights, the right to receive dividends (to the extent the restricted award vests) and the right to participate in any capital adjustment applicable to all holders of common stock.

The agreement awarding restricted stock units will specify (1) whether such award may be settled in shares of common stock, cash or a combination thereof; and (2) whether the holder will be entitled to receive dividend equivalents. Prior to settlement of a restricted stock unit, the holder of a restricted stock unit has no rights as a shareholder of the Company.

All of the terms relating to vesting of a Stock Award, or the forfeiture and cancellation of a Stock Award (i) upon a termination of employment or service, whether by reason of disability, retirement, death or any other reason, or (ii) during a paid or unpaid leave of absence, will be determined by the Compensation Committee.

Cash Awards

The Plan provides for the grant of cash-based awards which may be granted as an element of or a supplement to any other award under the Plan or as a stand-alone award. The terms and conditions relating to such cash-based awards shall be set forth in the applicable award agreement.

Performance Awards

The Plan also provides for the grant of performance awards. The agreement relating to a performance award will specify whether such award may be settled in shares of common stock (including shares of restricted stock) or cash or a combination thereof. The agreement relating to a performance award will provide, in the manner determined by the Compensation Committee, for the vesting of such performance award if the specified performance measures are satisfied or met during the specified performance period and for the forfeiture of such award if the specified performance measures are not satisfied or met during the specified performance period. Prior to the settlement of a performance award in shares of common stock, the holder of such award has no rights as a shareholder of the Company with respect to such shares. All of the terms relating to the satisfaction of performance measures and the termination of a performance period, or the forfeiture and cancellation of a performance award upon (i) a termination of employment or service, whether by reason of disability, retirement, death or any other reason, or (ii) during a paid or unpaid leave of absence, will be determined by the Compensation Committee.

Performance Measures

Under the Plan, the grant, vesting, exercisability or payment of certain awards, or the receipt of shares of common stock subject to certain awards, may be made subject to the satisfaction of performance measures. The performance goals applicable to a particular award will be determined by the Compensation Committee at the time of grant and may include, without limitation, one or more of the following measures: return on invested capital, return on assets, return on net assets, asset turnover, return on equity, return on capital, market price appreciation of Shares, economic value added, total stockholder return, net income, pre-tax income, earnings per share, operating profit margin, net income margin, sales margin, cash flow, market share, inventory turnover, sales growth, net revenue per shipment, net revenue growth, capacity utilization, increase in customer base, environmental health and safety, diversity; strategic business criteria; and/or any other objective or subjective measures determined by the Compensation Committee. Each such goal may be expressed on an absolute or relative basis and may include comparisons based on current internal targets, the past performance of the Company (including the performance of one or more subsidiaries, divisions, or operating units) or the past or current performance of other companies (or a combination of such past and current performance). The applicable performance measures may be applied on a pre- or post-tax basis and may be adjusted to include or exclude one or more components of any performance measure, including, without limitation, restructuring or impairment charges, acquisitions or dispositions, foreign exchange, debt refinancing costs,

extraordinary or noncash items, unusual, nonrecurring or one-time events affecting the Company or its financial statements or changes in law or accounting principles.

Change in Control

Subject to the terms of the applicable award agreement, in the event of a Change in Control (as defined in the Plan), the Compensation Committee (as constituted prior to such Change in Control) may, in its discretion:

- Require that shares of stock of the corporation resulting from such Change in Control, or a parent corporation thereof, be equitably substituted for some or all of the shares subject to an outstanding award;
- Provide that (A) some or all outstanding options and SARs shall become exercisable in full or in part, either immediately or upon a subsequent termination of employment, (B) the restriction period applicable to some or all outstanding awards shall lapse in full or in part, either immediately or upon a subsequent termination of employment, (C) the performance period applicable to some or all outstanding awards shall lapse in full or in part, and (D) the performance criteria applicable to some or all outstanding awards shall be deemed to be satisfied at the target or any other level; and/or
- Require outstanding awards, in whole or in part, to be surrendered to the Company by the holder, and to be immediately cancelled by the Company, and to provide for the holder to receive (A) a cash payment in an amount equal to (1) in the case of an option or an SAR, the aggregate number of shares then subject to the portion of such option or SAR surrendered multiplied by the excess, if any, of the fair market value of a share as of the date of the Change in Control, over the exercise price or grant price per share subject to such option or SAR, (2) in the case of a performance-based award denominated in shares, the aggregate number of shares then subject to the portion of such award surrendered to the extent the performance criteria applicable to such award have been satisfied or are deemed satisfied, multiplied by the fair market value of a share as of the date of the Change in Control, and (3) in the case of a performance-based award denominated in cash, the value of the award then subject to the portion of such award surrendered to the extent the performance criteria applicable to such award have been satisfied or are deemed satisfied; (B) shares of capital stock of the corporation resulting from or succeeding to the business of the Company pursuant to such Change in Control, or a parent corporation thereof, having a fair market value not less than the amount determined under clause (A) above; or (C) a combination of the payment of cash pursuant to clause (A) above and the issuance of shares pursuant to clause (B) above.

No Repricing

The Compensation Committee may not, without the approval of shareholders, (i) reduce the purchase price or base price of any previously granted stock option or SAR, (ii) cancel any previously granted stock option or SAR in exchange for another stock option or SAR with a lower purchase price or base price or (iii) cancel any previously granted stock option or SAR in exchange for cash or another award if the purchase price of such stock option or the base price of such SAR exceeds the fair market value of a share of common stock on the date of such cancellation, in each case, other than in connection with a change in control or pursuant to the plan's adjustment provisions.

Clawback of Awards

The awards granted under the Plan and any cash payment or shares of common stock delivered pursuant to an award are subject to forfeiture, recovery by the Company or other action pursuant to the applicable award agreement or any clawback or recoupment policy which the Company may adopt from time to time, including any such policy which the Company may be required to adopt under the Dodd-Frank Wall Street Reform and Consumer Protection Act and implementing rules and regulations thereunder, or as otherwise required by law or the rules of any primary securities exchange on which the Company's shares of common stock are listed.

Effective Date, Termination and Amendment

The Plan will become effective as of the date of shareholder approval and will terminate as of the tenth anniversary of the date of such shareholder approval, unless earlier terminated by the Board. The Board may amend the Plan at any time, subject to any requirement of shareholder approval required by applicable law, rule or regulation, including any rule of the Nasdaq, and provided that no amendment may be made that seeks to modify the prohibition on repricing of stock options and SARs without shareholder approval under the Plan, or that materially impairs the rights of a holder of an outstanding award without the consent of such holder.

Federal Income Tax Consequences

The following is a brief summary of certain United States federal income tax consequences generally arising with respect to awards under the Plan. This discussion does not address all aspects of the United States federal income tax consequences of participating in the Plan that may be relevant to participants in light of their personal investment or tax circumstances and does not discuss any state, local or non-United States tax consequences of participating in the Plan. Each participant is advised to consult his or her particular tax advisor concerning the application of the United States federal income tax laws to such participant's particular situation, as well as the applicability and effect of any state, local or non-United States tax laws before taking any actions with respect to any awards.

Stock Options

A participant will not recognize taxable income at the time an option is granted and the Company will not be entitled to a tax deduction at that time. A participant will recognize compensation taxable as ordinary income (and subject to income tax withholding in respect of an employee) upon exercise of a non-qualified stock option equal to the excess of the fair market value of the shares purchased over their exercise price, and the Company will be entitled to a corresponding deduction, subject to Section 162(m) of the Internal Revenue Code. A participant will not recognize income (except for purposes of the alternative minimum tax) upon exercise of an incentive stock option. If the shares acquired by exercise of an incentive stock option are held for the longer of two years from the date the option was granted and one year from the date it was exercised, any gain or loss arising from a subsequent disposition of those shares will be taxed as long-term capital gain or loss, and the Company will not be entitled to any deduction. If, however, those shares are disposed of within the above-described period, then in the year of that disposition the participant will recognize compensation taxable as ordinary income equal to the excess of the lesser of (1) the amount realized upon that disposition, and (2) the excess of the fair market value of those shares on the date of exercise over the exercise price, and the Company will be entitled to a corresponding deduction, except to the extent the deduction limits of Section 162(m) apply.

SARs

A participant will not recognize taxable income at the time SARs are granted and the Company will not be entitled to a tax deduction at that time. Upon exercise, the participant will recognize compensation taxable as ordinary income (and subject to income tax withholding in respect of an employee) in an amount equal to the fair market value of any shares delivered and the amount of cash paid by the Company, and the Company will be entitled to a corresponding deduction, except to the extent the deduction limits of Section 162(m) apply.

Stock Awards

A participant will not recognize taxable income at the time restricted stock is granted and the Company will not be entitled to a tax deduction at that time, unless the participant makes an election to be taxed at that time. If such election is made, the participant will recognize compensation taxable as ordinary income (and subject to income tax withholding in respect of an employee) at the time of the grant in an amount equal to the excess of the fair market value for the shares at such time over the amount, if any, paid for those shares. If such election is not made, the participant will recognize compensation taxable as ordinary income (and subject to income tax withholding in respect of an employee) at the time the restrictions constituting a substantial risk of forfeiture lapse in an amount equal to the excess of the fair market value of the shares at such time over the amount, if any, paid for those shares. The amount of ordinary income recognized by making the above-described election or upon the lapse of restrictions constituting a substantial risk of forfeiture is deductible by the Company as compensation expense, except to the extent the deduction limits of Section 162(m) apply. In addition, a participant receiving dividends with respect to restricted stock for which the above-described election has not been made and prior to the time the restrictions constituting a substantial risk of forfeiture lapse will recognize compensation taxable as ordinary income (and subject to income tax withholding in respect of an employee), rather than dividend income, in an amount equal to the dividends paid and the Company will be entitled to a corresponding deduction, except to the extent the deduction limits of Section 162(m) apply.

A participant will not recognize taxable income at the time a restricted stock unit is granted and the Company will not be entitled to a tax deduction at that time. Upon settlement of restricted stock units, the participant will recognize compensation taxable as ordinary income (and subject to income tax withholding in respect of an employee) in an amount equal to the fair market value of any shares delivered and the amount of any cash paid by the Company, and the Company will be entitled to a corresponding deduction, except to the extent the deduction limits of Section 162(m) apply.

A participant who receives shares of common stock that are not subject to any restrictions under the Plan will recognize compensation taxable as ordinary income on the date of grant in an amount equal to the fair market value of such shares on that date, and the Company will be entitled to a corresponding deduction, except to the extent the deduction limits of Section 162(m) apply.

Performance Awards

A participant will not recognize taxable income at the time performance awards are granted and the Company will not be entitled to a tax deduction at that time. Upon settlement of performance awards, the participant will recognize compensation taxable as ordinary income (and subject to income tax withholding in respect of an employee) in an amount equal to the fair market value of any shares delivered and the amount of cash paid by the Company, and the Company will be entitled to a corresponding deduction, except to the extent the deduction limits of Section 162(m) apply.

Section 162(m) Implications

In general, there will be no tax consequences to us except that we will be entitled to a deduction when a participant has compensation income. Any such deduction for certain senior executives will be subject to the limitations of Section 162(m) of the Internal Revenue Code. Beginning January 1, 2018, with the passage and signing of the Tax Cuts and Jobs Act of 2017 (the “Act”), the limitations under Section 162(m) will apply to the Company’s Chief Executive Officer, Chief Financial Officer, the Company’s other named executive officers, and anyone who was a covered person after December 31, 2016. Prior to January 1, 2018, certain performance-based compensation was excluded from the deduction limitations. In light of the Act, beginning January 1, 2018 (with an exception for certain grandfathered arrangements, that would have been granted under a Prior Plan), the Company will be denied a deduction for any compensation exceeding \$1,000,000 for such covered persons, regardless of whether the compensation is performance-based compensation.

Parachute Payments.

The vesting of any portion of an award that is accelerated due to the occurrence of a change in control may cause a portion of the payments with respect to such accelerated awards to be treated as “parachute payments” as defined in the Internal Revenue Code. Any such parachute payments may be non-deductible to the Company, in whole or in part, and may subject the recipient to a non-deductible 20% federal excise tax on all or a portion of such payment (in addition to other taxes ordinarily payable).

New Plan Benefits

If the Plan is approved by our shareholders, awards under the Plan will be determined by the Compensation Committee in its discretion, and it is, therefore, not possible to predict the awards that will be made to particular persons in the future. For information regarding grants made to our named executive officers under the 2017 Plan for fiscal 2020, please refer to the current Compensation Discussion & Analysis. Additionally, for information regarding grants made to our directors under the 2017 Plan for fiscal 2020, please refer to the discussion in the Director Compensation section.

In order to be approved, the Kulicke and Soffa Industries, Inc. 2021 Omnibus Incentive Plan requires the affirmative vote of a majority of total votes cast on the proposal.

THE BOARD OF DIRECTORS RECOMMENDS VOTING FOR THE APPROVAL OF THE KULICKE AND SOFFA INDUSTRIES, INC. 2021 OMNIBUS INCENTIVE PLAN.

ITEM 4 — ADVISORY VOTE ON THE COMPENSATION OF THE COMPANY’S NAMED EXECUTIVE OFFICERS

Section 951 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 requires the Company to provide our shareholders with the opportunity to approve, on an advisory (non-binding) basis, the compensation of our named executive officers as disclosed in this proxy statement in the “Compensation Discussion & Analysis” and the accompanying tabular and narrative disclosures. This vote is intended to assess our overall executive compensation program rather than focus on any specific item of compensation. At the annual meeting of shareholders in 2020, the Company’s shareholders approved the compensation of our named executive officers as disclosed in the proxy statement by approximately 97.5%. Previously, at the 2017 annual meeting of shareholders, the Company’s shareholders voted on an advisory basis in favor of holding annual advisory votes on the Company’s executive compensation. Following that vote, the board of directors determined that the advisory vote on the Company’s executive compensation should be held annually. Accordingly, the board of directors asks that at the annual meeting of shareholders in 2021 you approve the compensation of our named executive officers for fiscal 2020.

The Management Development and Compensation Committee (the “Committee”) and the board of directors value the opinion of our shareholders and will take into account the outcome of the vote when considering future executive compensation matters. Because this vote is advisory, however, it is not binding on the board of directors and will not directly affect or otherwise limit any existing compensation or award arrangements of any of our named executive officers.

The Company’s balanced compensation culture and focus on pay-for-performance are illustrated by the amounts and types of compensation paid to our executives. We invite you to consider the details provided in the “Compensation Discussion & Analysis”, as well as the accompanying tabular and narrative disclosure. We are asking our shareholders to indicate their support for the compensation of our named executive officers by voting “FOR” the following resolution:

“RESOLVED, that the Company’s shareholders approve, on an advisory basis, the compensation of the Company’s named executive officers, as disclosed pursuant to the SEC’s compensation disclosure rules, in the “Compensation Discussion & Analysis” and the related compensation tables and narrative discussion included in the Company’s Proxy Statement for the 2021 Annual Meeting of Shareholders.”

**THE BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE FOR THIS PROPOSAL
APPROVING THE COMPENSATION OF THE COMPANY’S NAMED EXECUTIVE OFFICERS.**

COMPENSATION OF NAMED EXECUTIVE OFFICERS

Compensation Discussion & Analysis

Introduction

The purpose of the Compensation Discussion & Analysis (“CD&A”) section of our proxy statement is to describe to shareholders how and why compensation decisions are made for our named executive officers. For fiscal 2020, the Company’s named executive officers discussed in this CD&A are:

Fusen Chen	President & Chief Executive Officer
Lester Wong	Senior Vice President, Chief Financial Officer (and Senior Vice President, Legal Affairs and General Counsel until March 2020)
Chan Pin Chong	Executive Vice President & GM, K&S Products & Solutions
Nelson Wong	Senior Vice President, Global Sales (Senior Vice President, Ball Bonder Business Unit until November 2019)
Shai Soloveizik Zamir	Vice President, Global Operations and Supply Chain

Collectively, we refer to these individuals in this proxy statement as our “named executive officers.”

The Company

We are a leading provider of semiconductor packaging and electronic assembly solutions supporting the global automotive, consumer, communications, computing, and industrial segments. We utilize our leadership positions, research and development investments, and acquisitions to continue expanding our served market.

We are incorporated in Pennsylvania and listed on NASDAQ. Over the last two decades, much of our customer base has transitioned to Asia and, as a commercial response, we moved most of our manufacturing operations to Asia as well, including moving our corporate headquarters to Singapore. Today, all of our named executive officers are employed in Singapore, and their compensation is determined and denominated in Singapore dollars, except for the CEO who is paid in U.S. dollars.

The Company is subject to the rules and regulations of the U.S. Securities and Exchange Commission, which, among other things, require that the compensation narrative and tabular disclosure included in this proxy statement show amounts in U.S. dollars. Because the compensation of most of our named executive officers is delivered in Singapore dollars, our U.S. dollar reporting of compensation reflects year-to-year changes due to foreign currency fluctuations, even when compensation levels as denominated in local currency may not have changed. As an aid to understanding these foreign currency fluctuations, we have provided a narrative discussion, as well as a chart showing Singapore dollar compensation, under the heading “Foreign Currency Considerations.” Neither the Management Development and Compensation Committee of the Company’s board of directors (referred to as the “Committee”) nor the CEO has any control over the currency exchange rate fluctuations between U.S. dollars and Singapore dollars.

Fiscal 2020 Business Highlights

Fiscal 2020 created a unique set of global challenges stemming from the global coronavirus pandemic which disrupted global supply chains, shifted end-market demand patterns and altered our standard approach to conducting business. Despite global challenges, our business continuity planning enabled us to efficiently transition our working environment. This transition allowed us to address local and regional operating dynamics while ensuring the safety and welfare of our global workforce.

Revenue in fiscal 2020 increased by 15% sequentially to \$623.2 million with operating profits increasing by 171% sequentially. This increase in operating profit highlights our business model’s operating leverage today and its future potential. We closed the year with cash and investments of \$530.1 million. In addition to our strong financial position, our ability to adapt to this new environment allowed us to operationally prepare for an underlying core business recovery, execute on new growth initiatives and return value to investors.

Muted semiconductor unit growth through fiscal 2019 and 2020 reduced the necessity for capital equipment investments throughout our served end-markets. The delay of incremental capacity additions is historically abnormal and began to recover towards the end of fiscal 2020. Looking out to fiscal 2021 we anticipate a fundamental unit-driven recovery is occurring and provides new opportunities for both our Capital Equipment and Aftermarket Products and Services segments. Operationally, we are prepared for this potential demand ramp and have increased our manufacturing footprint, added production capacity and initiated new automation programs.

Next, our ongoing investments in research and development have accelerated our strategy to further extend served markets while ensuring our solutions are closely aligned with fundamental and long-term technology transitions. These transitions specifically relate to the adoption of electrification within automotive, the adoption of advanced packaging in semiconductor assembly and the adoption of new advanced LED technologies supporting the global display market. We have an established history and track record of supporting the broad automotive and the semiconductor markets. During fiscal 2020 we have meaningfully entered the advanced display market by enhancing our competencies, customer engagements and the adoption of our initial advanced display systems. During fiscal 2020, revenue for our initial advanced LED solution, Pixalux®, has increased by seven times over fiscal 2019, and we continue to anticipate ongoing demand growth into fiscal 2021.

Finally, as we continue to execute on these and other opportunities to create value, we remain focused on delivering that value to investors. Our long-term target is to return 50% of free cash flow to investors in the form of dividends and share repurchases. Over the past five fiscal years, we have exceeded this long-term target, by returning 85% of free cash flows.

We look forward to delivering additional value and sharing our progress as we continue to execute on our fundamental growth strategy.

Compensation Program Overview

Pay-for-Performance

Our compensation programs are based on the fundamental principle of pay-for-performance, where we deliver differentiated pay based on performance. Since fiscal 2018, the Company has used four metrics to align pay for performance: Net Income (“NI”), Operating Margin (“OM”), relative Total Shareholder Return (“rTSR”), and Organic Growth. For our cash-based Incentive Compensation Plan (the “ICP”) in fiscal 2020, the Committee measured performance using NI (with a fiscal 2020 target of \$56.2 million versus the fiscal 2019 target of \$149.8 million) and OM (with a fiscal 2020 target of 8.9% versus a fiscal 2019 target of 16.8%), weighted equally. Targets were set at the beginning of the fiscal year after reviewing industry performance data and macro industry economic factors relative to our annual operating plan and based on projected market conditions targets may be lower than previous years. When we achieve superior NI and OM results, maximum payouts can be earned. Specifically, achievements of NI of \$109.6 million (195% of target) and OM of 17.4% (195% of target) would have earned a maximum 200% of target payout under the ICP.

Relative total shareholder return (“TSR”), which captures growth and shareholder value created over a three-year period, is used for performance-based equity awards (“PSUs”). The Committee believes that relative performance measures will mitigate macroeconomic effects (both positive and negative) on vesting, which are beyond the executives’ control. The Committee has adopted this program for three primary reasons.

- First, the Committee seeks to align long-term incentive value for its executives with value created for shareholders, and the Committee believes that total shareholder return relative to an index of companies in the same industry as the Company provides a good measurement to provide this alignment.
- Second, vesting is tied to performance relative to shareholder return achieved by an index of similar investments, rather than performance against an absolute metric established based on internal forecasts.
- Third, both the Company’s total shareholder return and the total shareholder return of the companies in our comparator groups are transparent to shareholders and Company employees and make clear the Company’s link between pay and shareholder value creation. The comparator group we use is the GICS (45301020) Semiconductor Index (“GICS Index”). The GICS Index consists of companies in the same general industry classification system code as the Company. For actual performance measurement, those companies in the GICS Index traded on the “Pink Sheets LLC Exchange” are excluded from the computation as those companies have extremely low market capitalizations and their share prices are extremely volatile, which can interfere with, and possibly mask, their actual TSR. The measurement comparator group consists of approximately 60 companies. The number of comparator companies in the GICS Index decreased relative to last year due to merger and acquisition activities during the fiscal year.

To better align with market practice and enhance our focus on growth, we introduced an organic revenue growth metric for a portion of PSUs granted for fiscal 2018 and have continued to use this metric for subsequent awards to focus on growth. The Organic Revenue Growth metric measures annual growth averaged over a three-year performance period. Any merger and acquisition activity will be considered organic after four complete quarters in the baseline. In

addition to organic growth, we also compare our growth against two named direct competitors, and allow for payout if we outperform our direct competitors when the organic growth metric is not achieved.

Beginning in fiscal 2018, 75% of PSUs granted are based on the relative TSR metric, and 25% of PSUs granted are based on the organic revenue growth metric.

Total Shareholder Return

Shown below is the Company's most recent three-year relative TSR performance cycle compared to the GICS Index and the associated payout as a percent of target for the performance-based portion of our equity compensation. The GICS Index was the comparator group for performance based equity during this performance cycle. Because we set our targets at market median levels, our payout is aligned with shareholders, and our equity program delivers less than median compensation for below median performance. To illustrate the pay-for-performance linkage, our three-year TSR through fiscal 2020 was below the median, resulting in payout at 95% of target, and we outperformed 71% and 47% of the comparator group respectively in the two most recent performance cycles, resulting in above target payouts.

Performance Cycles	K&S Actual 3-Year TSR results	Percentile Ranking of K&S Actual 3-Year TSR results Relative to the GICS Index	Payout as a Percent of Target
FY2016 through FY2018	155%	92%	183%
FY2017 through FY2019	80%	71%	141%
FY2018 through FY2020	24%	47%	95%

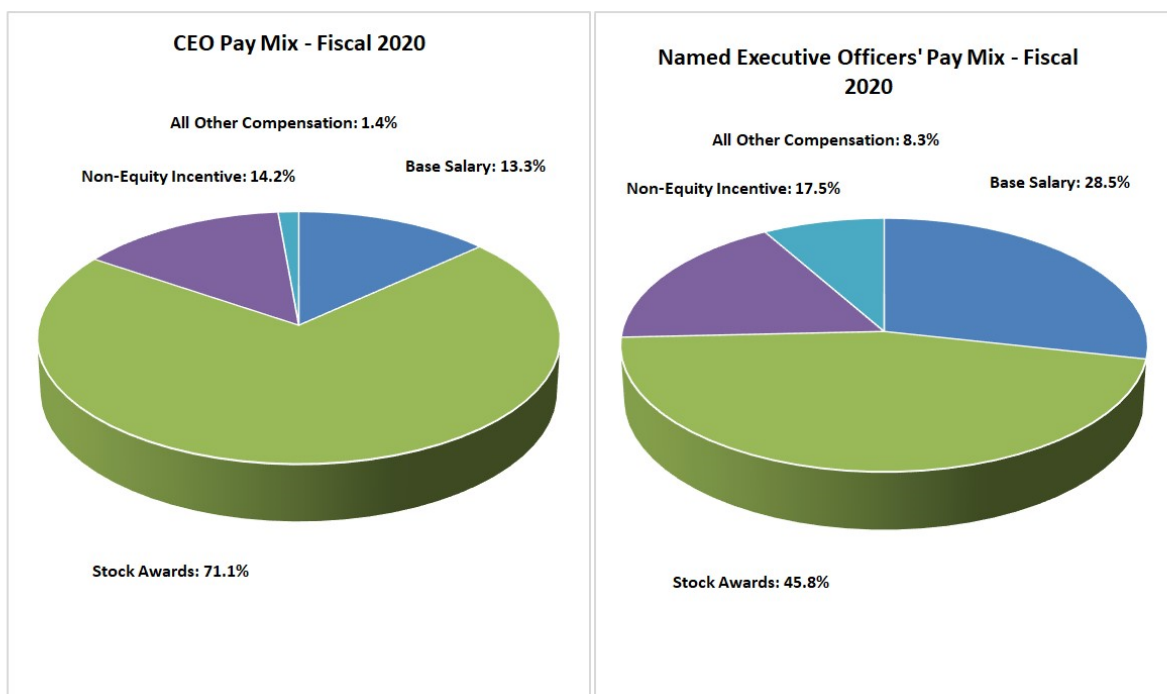
Organic Revenue Growth

Shown below is the Company's Organic Revenue Growth performance for the first payout for using the new metric. The target was average organic growth of 5% for the three-year performance cycle. Although we did not achieve the organic growth threshold, we had higher growth than one of our named direct competitors for two of the three years in the performance period, resulting in a partial payout of 17%.

Performance Cycle	K&S 3-Year Revenue Growth	Number of Outperformance Periods (maximum of 6) Against Direct Competitors (paid at 1/12 of target per outperformance period)	Payout as a Percent of Target
FY2018 through FY2020	(5)%	2	17%

Performance-Based Cash and Equity Compensation

The Company's compensation program has three core elements: base salary, annual performance-based cash incentive compensation under the ICP and equity incentives under the Company's 2017 Equity Plan. Cash incentive compensation under the ICP is determined by performance against NI and OM targets. As noted above, the vesting of performance-based equity was tied to TSR as compared to the GICS Index beginning in fiscal 2016 and an additional organic revenue growth metric was added beginning in fiscal 2018. In general, a significant portion (75% for the CEO and CFO and 50% for other executives) of the equity compensation awarded to our executives under the 2017 Equity Plan is performance-based.



The percentages above were calculated using base salary, annual cash incentives, grant date fair value of equity awards, discretionary bonuses, and all other compensation as reported in the "Summary Compensation Table."

Say-On-Pay Feedback from Shareholders

Although the say-on-pay voting is non-binding, the Committee and the board of directors value the opinion of our shareholders and carefully consider the outcome of the vote in their subsequent executive compensation decision-making.

At the 2020 annual meeting of shareholders, the say-on-pay result was 97.5% approval, comparable to the 97.8% approval at the 2019 annual meeting. We believe that our efforts to actively address any issues raised by our shareholders, and our continued focus on demonstrating strong linkage between pay and performance of our compensation programs were responsible for the strong support on say-on-pay.

We believe in continued active shareholder engagement, soliciting and responding to feedback about our compensation programs to better understand our shareholders' concerns and the issues on which they are focused. We will continue to ensure that we engage with shareholders as appropriate in the future.

Goals and Objectives of the Compensation Program

The Committee structures the executive compensation program to reward executives for performance, to build and retain a team of tenured, seasoned executives by maintaining competitive levels of compensation and to invest in our executives, and in the long-term success of the Company and its shareholders. By adhering to these goals, we believe that the application of our compensation program has resulted in executive compensation decisions that are appropriate and that have benefited the Company and its shareholders over time.

The Committee evaluates our compensation programs annually to ensure that they remain aligned with the goals of the Company and our shareholders, that compensation opportunities provided to key executives are competitive with those available to similarly situated executives in our industry and geographic regions, and that compensation opportunities are motivating executives to take appropriate actions to create shareholder value. The Committee seeks to foster a performance-oriented environment by making a significant portion of each executive's cash and equity compensation conditioned on the achievement of performance targets that the Committee believes drive shareholder value creation. For fiscal 2020, these performance targets included NI, OM, relative TSR, and organic revenue growth.

Key Compensation Practices

The following table summarizes the key practices that we followed for fiscal 2020 within our total direct compensation program and also those practices we do not follow:

What We Do	What We Don't Do
Align target compensation to median levels with our Compensation Peer Group	No stock options and no repricing of underwater options
Tie realized pay to performance by setting clear financial goals for the Company, business units, and individuals	No excise tax gross-ups on change in control provisions, as well as no excessive severance payouts
A majority of the pay of our named executive officers is at risk and performance contingent. Base salaries of the Company's named executive officers range from 13% to 29% of total targeted direct compensation in fiscal 2020	No excessive perquisites
Majority of equity grant for CEO and CFO is performance contingent, based on 3-year TSR relative to the GICS Index and organic revenue growth metric	No supplemental executive retirement plans that provide extra benefits to executive officers
Have clawback provisions to mitigate risk	No compensation programs that encourage risk-taking that is likely to pose a material adverse impact on the Company
Compensation Peer Group reviewed annually based on prior year revenues to ensure appropriate benchmarking of compensation	No loans, or purchases of Company securities on margin
Share ownership guidelines (including mandatory holding requirements if necessary) for executive officers and directors	Executives and directors may not engage in hedging transactions with respect to Company equity, nor pledge or use as collateral Company equity to secure personal loans
Double trigger change-in-control provisions for both cash and equity awards	

Roles of the Committee and Management in Compensation Decisions

The Committee is responsible for establishing our compensation policies, setting base salaries for officers, and reviewing and approving our cash incentive compensation plans and equity compensation plans for all eligible employees. In fiscal 2020, the Committee consisted of three independent members of the board of directors, namely, Committee Chairperson Mui Sung Yeo, Mr. Peter T. Kong, and Mr. Chin Hu Lim. The Committee establishes the named executive officers' compensation and, on an annual basis, reviews the performance of each named executive officer (other than the CEO whose performance is reviewed by the Board of Directors). The Committee reviews and approves all newly hired executive employment arrangements, executive severance arrangements, change of control agreements and inducement grants to new executive officers. The Committee annually reviews our performance metrics under the Incentive Compensation Plan and performance based equity compensation relative to the market to ensure that they are competitive and support the strategic goals of the Company. The Committee also recommends to the full board of directors the amount and form of compensation to be paid to directors for serving on the board of directors and its committees. The Committee meets at least quarterly, and all decisions of the Committee must be approved by a majority of its members.

The Committee consults with the CEO, the Vice President of Global Human Resources, and members of the Company's compensation staff ("Management"), on executive compensation matters. Each year, Management recommends to the Committee base salary levels and target levels for cash incentive payments and equity compensation for each named executive officer (other than the CEO) and other direct reports of the CEO. These recommendations are based upon Management's assessments of individual performance, the individual's potential to contribute to the Company's success in the future, and by reference to benchmarking using the peer group and survey data discussed below. The CEO may also recommend to the Committee promotion and/or retention grants during the year for key executive employees. Additionally, the CEO and Chief Financial Officer calculate and recommend incentive compensation targets to the Committee annually. These targets provide the basis for cash incentive payments made under the ICP.

The Committee also develops recommendations to the Board of Directors for the compensation opportunity of the CEO, using generally the same factors as it does for the other named executive officers as discussed below.

The Committee uses industry and peer group survey data to help in its allocation between short-term and long-term compensation and between cash and equity compensation. The Committee also has discretion in the granting of cash incentive awards and performance based awards and can accelerate the "vesting" of certain awards to named executive officers. Historically, the Committee has exercised this discretion only in extraordinary circumstance. In fiscal 2020, all

awards granted under the 2017 Equity Plan vested in accordance with the applicable performance period or vesting schedule and in accordance with the terms of the applicable grant award agreements.

Compensation Consultant

The Committee has the authority to engage independent advisors to assist it in carrying out its responsibilities. The Committee has engaged FW Cook since May of 2017 as its independent advisor after review and assessment of qualifications of consulting firms identified by Management based on technology sector expertise, international experience, and experience with advising compensation committees. Management had no role in the decision of selecting FW Cook as the Committee's advisor, except for identifying various consulting firms for the Committee to review. Taking into consideration the applicable factors affecting the independence of such advisors that are required by SEC and NASDAQ rules, the Committee determined that the work of FW Cook and the individual compensation advisors employed by FW Cook who provided services to the Committee have not created any conflict of interest. In fiscal 2020, the Committee worked with FW Cook for peer group analysis, survey data, and counsel on compensation trends and issues. The Committee also regularly consults FW Cook on individual employment and compensation issues. The Committee independently engaged with and approved all of the services provided by FW Cook.

Design of the Compensation Program

Our executive compensation program has two principal components:

- establishing a targeted total direct compensation ("TDC") - base salary, target bonus and grant date equity value amount for each named executive officer that is competitive within the Company's industry and the named executive officer's geographic location; and
- establishing for each individual named executive officer an appropriate mix of base salary and performance-based cash and equity incentive compensation.

Total Direct Compensation

The targeted TDC amount for each named executive officer (other than the CEO) is established by the Committee based on a number of individual factors, including performance, level of responsibility within the Company, experience, potential to contribute to the Company's future success in the executive's current role or in an expanded role, and pay levels for similar positions, with the objective that TDC targets are, on average, consistent with median TDC levels as reflected in peer data and industry surveys.

Beginning in fiscal 2018, the Committee adopted an approach proposed by FW Cook to establish market benchmarks for our executives. Step one was to determine the U.S. Market Compensation by benchmarking against the Compensation Peer Group (described below) for primarily our CEO and CFO and survey data from the Radford Global Technology Survey of U.S. companies with annual revenues between \$500 million and \$1.0 billion for the remainder of the executive team. Step two was to determine the relationship of Asia-Pacific relative to U.S. compensation levels, by establishing an Asia-Pacific peer group (described below) to determine the discount to be applied to the U.S. data. Separate discounts were established for annual cash compensation and long-term incentive compensation in order to account for differences in market levels among each element of compensation. We intend to refresh the Asia-Pacific peer group every three years. Step three was to compare internal compensation to the adjusted market levels.

The Committee believes this methodology provides a consistent, empirical basis for benchmarking our Singapore based executives and aids its decision making in executive compensation matters.

As benchmarked using the methodology described above, named executive officers' TDC generally fell within +/-15% of the market median based on the 2020 analysis and the Committee only considered exceeding +15% of the market median in extraordinary circumstances. No named executive officer had TDC in excess of the 75th percentile.

Peer Group Companies and Comparison Data

Each year, the Committee analyzes whether it is using the most appropriate compensation peer group and market data, based on a number of factors, including the size of the Company in terms of revenues, market capitalization, similarity of industry, and the availability of such data.

Although the Company is Asia-based and is predominantly staffed with executives who have been based in Asia for many years, our peer and survey companies are principally U.S.-based. This is because most non-U.S.-listed companies are not required to disclose the same level of compensation data as is required of U.S. public companies. Therefore, the Committee considers benchmarking against peer companies in the U.S. to be a necessary point of reference, subject to appropriate adjustments to reflect differences between Asia and U.S. executive compensation practices, as described above, in determining whether the total targeted compensation opportunity offered by the Company is competitive in the marketplace for its executives. As a result, the Compensation Peer Group consists of U.S. public companies.

In consultation with FW Cook, the Committee selected the following peer group of 22 technology companies (collectively, the “Compensation Peer Group”) to be used for fiscal 2020 compensation benchmarking:

Advanced Energy Industries, Inc.	II-VI Incorporated
Axcelis Technologies, Inc.	MACOM Technology Solutions
Brooks Automation, Inc.	MKS Instruments, Inc.
Cirrus Logic Inc.	Monolithic Power Systems, Inc.
CMC Materials, Inc.	OSI Systems, Inc.
Coherent, Inc.	Photronics, Inc.
Cohu, Inc.	Semtech Corporation
Cree, Inc.	Silicon Laboratories, Inc.
Diodes Incorporated	Synaptics Incorporated
Entegris, Inc.	Ultra Clean Holdings, Inc.
FormFactor Inc.	Veeco Instruments, Inc.

The Compensation Peer Group was selected primarily because the companies were U.S.-based technology companies in the same or similar industries as K&S that were similar to us in complexity and size (measured by revenue and market capitalization), and because the Committee concluded that the Compensation Peer Group companies were representative of likely competitors with the Company for executive talent. In addition, the peer group was compared to the peer groups independently established and utilized by certain of our institutional shareholders and their advisors. The Compensation Peer Group resulting from our fiscal 2020 review was altered from the fiscal 2019 review by the removal of three companies due to merger and acquisition transactions: Integrated Device Technology, Inc., Microsemi Corporation, and Xcerra Corporation. Four companies were added that reflected similar size and complexity features: Axcelis Technologies, Inc., Cohu, Inc., Cree, Inc., and MACOM Technology Solutions. The Company’s trailing twelve months revenues were at the 46th percentile of the Compensation Peer Group at the time it was approved.

The Committee’s analysis with respect to executive compensation decisions is supplemented by broader U.S. technology industry data. In fiscal 2020, the Committee considered the Radford Global Technology Survey with data scaled to our revenue size. The Committee does not select or have any influence over the companies that participated in these surveys and is not aware of the identities of any of the component companies that are included in the surveys.

As described above, we also established an Asia-Pacific peer group to analyze the pay differences between the U.S. and Asia-Pacific. The screening process for the development of the Asia-Pacific peer group was similar to the process for the Compensation Peer Group. Preference was also given to companies listed on the Singapore and Hong Kong exchanges (over those in China, Taiwan, Korea, and Japan) due to greater comparability and pay disclosure practices. Based on the criteria described above, the following list of 20 companies were selected as our Asia-Pacific Peer Group:

ASM Pacific Technology Limited	Ninestar Corporation
ChipMOS Technologies Inc.	Pax Global Technology Ltd
Cogobuy Group PLC	Powertech Technology Inc.
Digital China Holdings Ltd.	Semiconductor Manufacturing International Corporation
Shanghai Fudan Microelectronics Group Co., Ltd.	Tongda Group Holdings Ltd
GCL-Poly Energy Holdings Limited	Truly Semiconductors Ltd
HI-P International Limited	Venture Corporation Ltd
Hua Hong Semiconductor Limited	VTech Holdings Limited
JCET Group Co., Ltd.	Yangtze Optical Fibre and Cable Joint Stock Limited Company
Kingboard Chemical Holdings Limited	Yestar International Holdings Company Limited

Elements of Compensation

An executive's targeted TDC in fiscal 2020 was generally comprised of the following elements. We target market median for each of the compensation elements and typically consider +/- 15% of market median to be a market competitive range as we make compensation decisions.

Element	Description	Objective
Base salary	Fixed cash salary reflecting executive's roles and responsibilities.	Provide basic level of compensation and stable source of income; and Recruit and retain executives.
Cash incentive plan	Rewards business performance; based on Net Income and Operating Margin and funded only if the Company exceeds threshold Net Income and Operating Margin for the year.	Align executive compensation with Company financial performance.
Equity incentive awards	Performance-based awards based on the Company's ranking of total shareholder return relative to the GICS Index over a defined period and organic revenue growth; and Time-based awards vesting over a defined period.	Align management's interests with shareholders' interests; Promote long-term strategic and financial goals; Recruit new executives; and Retain executives through stock price value and appreciation.

The Committee selected these elements because it believes each is a necessary compensation element to help drive the achievement of the objectives of its executive compensation program: motivating executives to achieve both short-term and long-term goals to create shareholder value while considering prudent risk taking; aligning the executives' and shareholders' interests; and attracting and retaining high-performance executives. In setting compensation levels for each named executive officer, the Committee considered each element of compensation, the compensation package as a whole and the executive's achievements and expected future contributions to the business, in light of available peer group and other data.

Base Salaries

The Committee believes that it must provide a competitive level of base salary in order to attract and retain its executives. In determining base salaries, the Committee considers a number of factors, including the executive's roles and responsibilities, the performance of the executive's business segment or functional group, and the executive's individual performance, experience, employment location, and potential for driving the Company's success in the future. The Committee also considers the median base salaries in the Compensation Peer Group and survey data discussed above for comparable positions and experience. The Committee also considers local salary progressions and their relationship to the salary progressions derived from available market data from U.S. public companies. Except for the CEO who is paid in U.S. dollars, each of the named executive officers is paid, and has his or her compensation values managed by the Committee, in Singapore dollars.

Effective January 1, 2020, the Board approved a base salary increase of 5.0% for Dr. Chen, and base salary increases for Mr. Lester Wong, Mr. Chong, Mr. Nelson Wong, and Mr. Soloveizik of 5.0%, 5.0%, 4.0%, and 3.5% respectively.

Cash Incentive Plan

Overview

The Company's cash incentive program, the Incentive Compensation Plan ("ICP"), is designed to align executive pay with financial performance. The CEO and all other ICP participants were eligible to receive an annual payment under the ICP based on fiscal 2020 financial results. The targets and funding scales for fiscal 2020 were set based on the Company's achievement against our annual operating plan. The Committee rigorously reviews our annual operating plan and takes into account all relevant factors including market conditions and industry outlook as part of overall target setting.

The Committee believes that the higher the executive's level of responsibility and influence within the Company, the greater the percentage of the executive's total target cash compensation that should be performance-based. These

target percentages are generally set by the Committee based on its assessment of market median target incentive percentages within the Compensation Peer Group and industry surveys for each named executive officer's role and may change based on market trends.

For fiscal 2020, the target annual cash incentive percentages were as follows:

Executive	Target Annual Cash Incentive as a % of Base Salary
Dr. Chen	110%
Mr. Lester Wong	70%
Mr. Chong	55%
Mr. Nelson Wong	55%
Mr. Soloveizik	50%

Fiscal 2020 Performance Goals

Under the fiscal 2020 ICP for our named executive officers, the annual incentive pool was established based on actual Net Income ("NI") and Operating Margin ("OM") performance against targets. NI and OM were selected as performance metrics because the Committee believes that these metrics are closely correlated with shareholder value creation.

For fiscal 2020, targets are set based on projected overall market conditions and may be lower than previous year. The funding of the incentive pools based on Company Net Income and Operating Margin performance was based on the following funding scales which are relatively wide to reflect the cyclical nature of our business:

FY2020 - Corporate Net Income Funding Scale*

	NI (in Millions)	ICP Funding %
Maximum	109.6	200%
	96.3	175%
	82.9	150%
	69.6	125%
Target	56.2	100%
	43.1	75%
	30.0	50%
	16.0	25%
Threshold		

*Net Income results are weighted 50% of overall Corporate Performance Measure. Interpolation is applied between each of the discrete points in the scale.

FY2020 - Corporate Operating Margin Funding Scale*

	OM%	ICP Funding %
Maximum	17.4%	200%
	15.3%	175%
	13.1%	150%
	11.1%	125%
Target	8.9%	100%
	6.8%	75%
	4.7%	50%
Threshold	2.7%	25%

*Operating Margin results are weighted at 50% of the overall Corporate Financial Performance Measure. Interpolation is applied between each of the discrete points in the scale.

For purposes of the ICP calculation, Net Income results were \$52.4 million and Operating Margin results were 8.8%, which resulted in a total payout of 95.8%. Net Income and Operating Margin results used in the calculations of the annual incentive payments to named executive officers under the ICP exclude the effects of one-time extraordinary items (both positive and negative) as we believe this better reflects the performance of the business for purposes of determining incentive compensation. For fiscal 2020, this resulted in adding back \$3.5M of adjustments and subtracting \$3.8M of grants and associated expenses from the Singapore government's Job Support Scheme program to reported GAAP Net Income of \$52.3 million and a reduction to our Operating Margin of 0.1% (down from 8.9%). These were considered non-operational one-time items. Absent these adjustments, our ICP payout factor would have been 99.2% of target.

Long-Term Equity Incentive Compensation

Overview

The Committee believes that our equity incentive program appropriately aligns management's interests with shareholders' long-term interests because the value of the awards is tied to stock price appreciation and, in the case of performance-based stock awards, to relative market performance and organic revenue growth, which correlates to long-term shareholder value creation. Named executive officers typically receive annual equity incentive grants under the 2017 Equity Plan in the first quarter of the fiscal year.

Equity awards are either time-based restricted stock unit awards ("RSUs"), which are subject to service-vesting conditions and are efficient for attraction and retention, or performance-based share unit awards ("PSUs"), which are subject to both service-vesting and performance vesting conditions. Neither the RSUs nor the PSUs include any dividend equivalent rights under the 2017 Equity Plan. The Committee believes that awards to the CEO and the CFO should be more heavily weighted toward performance-based awards than for other executives. The allocation of performance-based to time-based equity awards generally is as follows:

Position	Performance-based	Time-based
CEO and CFO	75%	25%
Other Executives	50%	50%

In addition, newly hired executive officers may receive sign-on grants. The Committee also retains the discretion to grant special equity incentive awards for incentivizing the accomplishment of a key strategic objective or for retention purposes, in addition to annual awards, which typically are made in October. For example, Mr. Chong and Mr. Nelson Wong each received special equity awards in connection with their equity grants for fiscal 2020 with the market for their new roles.

Statement of Practices

The Company has adopted a Statement of Practices for equity grants, which defines the primary terms and conditions for the administration of equity awards granted to employees and officers under the Company's equity incentive plans. It includes the following:

1. Eligibility for awards is limited to those full time individuals employed by the Company or its direct or indirect subsidiaries.
2. Subject to Paragraph 4 below, awards are only made annually. Annual awards (other than with respect to the CEO) are made by the Committee based on recommendations made by the Company's management which are reviewed by the Committee.
3. Annual awards are approved and priced at the Committee meeting that takes place in the first quarter of the Company's fiscal year, generally held in October, although sometimes grants have been made at other times, for instance, to provide the Committee with additional time to review management recommendations.
4. Inducement grants to newly hired executives and officers require specific pre-approval by the Committee. The Committee has delegated authority to the CEO to approve inducement equity awards for newly hired employees (not officers) that are consistent with market data that has been approved by the Committee. In addition, the CEO may recommend to the Committee promotion and/or retention grants during the year for key executive employees. The total number of shares authorized for use by the CEO for this purpose during the fiscal year is set at the Committee's October meeting.
5. All exercises of previously granted, outstanding stock options are made through the Company's stock plan services provider. Employees may "exercise and hold," initiate a cashless exercise, or pay for the exercise by a "swap" of currently owned shares, subject to the terms of the relevant equity award plan. The Company does not provide loans or facilitate loans for the exercise of stock options.

The value of equity awards granted to each participant (other than the CEO) is determined based on the CEO's evaluation of the executive's level of responsibility and influence over the Company's results, performance, potential to contribute to our future success and award values for executives in the peer companies based on our benchmarking exercise, as approved by the Committee. Any award to the CEO is based on the Committee's evaluation of the same factors and its recommendation to the full board of directors for approval. The extent of existing non-vested equity awards or stock ownership is not generally considered in granting equity awards, except that we sometimes grant an initial round of equity awards to newly recruited executives. Initial equity awards are intended to induce executives to join us, to replace equity compensation that may have been forfeited at the executives' prior place of employment, and to better align the executives' interests with the shareholders' interests from the start of employment.

Fiscal Year 2020 Equity Awards

On October 10, 2019, the Committee granted RSUs and PSUs respectively to the CEO, named executive officers, and certain eligible employees for fiscal 2020. The grants are based on compensation benchmarking against each of our named executive officers' roles and based on market practice. The amounts of PSUs and RSUs awarded to the Company's named executive officers were as follows:

	Performance-Based Stock (PSUs)	Time-Based Stock (RSUs)
Dr. Fusen Chen	111,111	37,037
Mr. Lester Wong	21,389	7,129
Mr. Chan Pin Chong ⁽¹⁾	11,811	11,811
Mr. Nelson Wong ⁽²⁾	10,157	10,155
Mr. Shai Soloveizik	6,654	6,654

⁽¹⁾ Includes 721 PSUs and 721 RSUs associated with Mr. Chong's promotion to Executive Vice President, K&S Products and Solutions

⁽²⁾ Includes 1,443 PSUs and 1,442 RSUs associated with Mr. Nelson Wong's promotion to Senior Vice President, Global Sales

Time Based Restricted Stock Units ("RSUs")

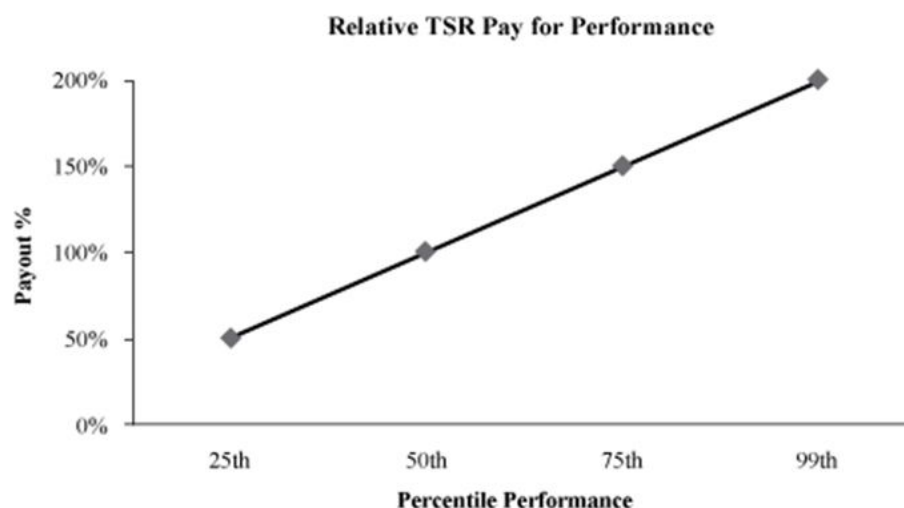
RSUs granted in fiscal 2020 vest in equal installments on each of the first three anniversaries of the grant date, provided the recipient remains continuously employed through each vesting date.

Performance Based Performance Stock Units Based on Relative Total Shareholder Return ("rTSR PSUs")

The vesting of rTSR PSUs granted in fiscal 2020 is tied to total shareholder return relative to the companies comprising the GICS Index, measured over a three-year performance period. The three-year performance period for the

rTSR PSUs granted in fiscal 2020 will end in October 2022 and between 0% and 200% of the PSUs will be earned and vest based on the following scale.

Relative Total Shareholder Return



The payout scale above shows rTSR PSU vesting percentages at percentile performance points from the 25th or less percentile to the 99th percentile. Actual vesting of rTSR PSUs will be expressed as a full percentage point ranging from 0% to 200% with interpolation between the points in the above graph.

We believe that this scale is consistent with the majority of TSR based plans in our industry. It provides below market pay opportunity for below market performance, but we have to outperform the market in order for the executives to earn more than median compensation, continuing to link pay to performance.

We cap the payout of the relative TSR PSUs at target when absolute TSR is negative, even if actual performance would suggest a higher payout, to ensure that our executives do not receive above-target payouts unless they have created value for shareholders.

Performance Based Performance Stock Units Based on Organic Revenue Growth (“Growth PSUs”)

For fiscal 2020, 25% of PSUs awarded will be subject to achieving an organic revenue growth target of 5% averaged over three fiscal years. Final vesting of performance share awards will be interpolated and expressed as a full percentage from 0% to 200% based on the table below:

Average Revenue Growth over 3-year Performance Cycle	Payout
$\geq 10\%$	200%
5%	100%
0%	25%
$< 0\%$	0%

To ensure our executives remain focused on outperforming our direct competitors even when going through an industry downturn, participants will be eligible to earn 1/12 of target vesting for outperformance versus each of our named direct competitors during any year, up to a maximum of 6/12 (or 50%) of target if we outperform both direct competitors in all three years. Actual payout will be based on the greater of the achievements for absolute organic growth or relative growth compared to direct competitors. Note that for relative growth, the maximum potential payout is limited to 50% of target to maintain the primary focus on absolute performance.

Vesting of Performance-Based Equity Awards

For the most recent completed three-year performance period, (October 1, 2017 through October 3, 2020) related to PSUs granted in fiscal 2018, for each of metrics discussed above:

- Company performance for relative TSR resulted in a cumulative TSR of 24%. This performance ranked 31 out of 38 peer companies (47th percentile), resulting in a payout equal to 95% of target.
- Company performance for organic growth was negative but we outperformed one of the direct competitors in two years, resulting in a payout equal to 17% of target.

Equity Ownership Guidelines for Executives

The Committee has adopted stock ownership guidelines for our named executive officers to closely align the interests of the named executive officers with those of our shareholders. These guidelines are based on the Committee's review of market data and "best practice" governance guidelines. The guidelines apply to the Company's common shares owned outright by the executives, including shares held in 401(k) accounts, as well as vested RSUs and PSUs. The Committee recommends that named executive officers achieve these stock ownership levels within five years. Ownership levels and progress towards the guidelines over the five-year period are reviewed annually by the Committee.

Position	Requirement
CEO	3x base salary
CFO	2x base salary
Other Executive Officers	1x base salary

In addition, executives who have held their executive positions for less than five years and prior to reaching the stock ownership requirement will be required to retain at least 50% of their pre-tax vested stock awards.

Chief Executive Officer Compensation

In October 2016, the Company appointed Fusen Chen as President and Chief Executive Officer effective October 31, 2016. He was also appointed to the Board of Directors effective October 3, 2016.

Pursuant to an offer letter ("Letter") dated October 3, 2016, which sets forth his compensation arrangements, Dr. Chen received an annual base salary of US\$635,000 and was eligible to receive a bonus of up to 200% of his base salary (100% is the annual target level for such bonus) based on the achievement of certain performance goals of the Company. Bonuses are awarded and paid annually. The Company also granted Dr. Chen a sign-on equity award of RSUs with a value equal to US\$1.5 million which vested six months after the grant date. This grant was a make-up of prior employer forfeited compensation that would have vested in the same timeframe and was necessary to recruit and hire an executive with the experience and proven track record of Dr. Chen. The short vesting period is atypical of the Company's equity award practices but was necessary to match the vesting period of the forfeited compensation that was being replaced. Mr. Chen also received an inducement equity award of performance share units ("PSUs") with a value at target equal to US\$700,000 to align him with outstanding PSU cycles. Fifty percent of these PSUs vested on September 30, 2017 based on total shareholder return ("TSR") relative to the companies comprising the Philadelphia Stock Exchange, Semiconductor Index (the "SOX Index"), measured over a three-year performance period commencing September 29, 2014. Based on performance, 55% of the target PSUs vested in September 2017. The remaining fifty percent were vested on September 29, 2018 based on TSR relative to the companies comprising the GICS Index, measured over a three-year performance period commencing October 4, 2015. Based on performance, 183% of the target PSUs vested in September 2018. In addition, Dr. Chen received an initial annual equity award equal to US\$2,800,000. Twenty-five percent of this award consists of RSUs that vest ratably over 36 months, with one-third vesting on each anniversary of the grant date. The remaining seventy-five percent of this award consists of PSUs vested on the third anniversary of the grant date, based on TSR relative to the GICS index of companies, measured over a three-year performance period. Based on performance, 141% of the target PSUs vested in October 2019. Each of the foregoing grants were made on October 31, 2016 pursuant to the terms of the Company's 2009 Equity Plan.

The Letter also provided for a reimbursement of up to US\$50,000 of relocation expenses and a housing allowance of US\$5,000 per month to be provided for a period of 24 months commencing October 31, 2016. In August of 2019 the Committee approved an additional 12 months of housing allowance as transitional assistance while securing permanent housing. In addition, Dr. Chen received tax preparation and filing assistance for the first two years of his employment in Singapore.

The Letter provides that if the Company terminates Dr. Chen for any reason other than for cause or if he resigns for good reason, he will be entitled to 24 months' base salary (six months if he does not execute a general release in favor of the Company) and continued participation in certain benefit plans. Dr. Chen has also entered into a Change in Control Agreement on substantially the same terms as the Company's other executive officers, except that as CEO Dr. Chen may be eligible to receive 24 months' base salary and bonus at target (six months if he does not execute a general release in

favor of the Company). He also will be subject to the Company's Executive Severance Pay Plan and the Company's Policy on Recovery of Previously Paid Executive Compensation.

The Committee generally uses the same factors in determining the recommendation to the Board of Directors with respect to the compensation opportunity of the CEO as it does for the other executive officers, except that the discounts described above applied to U.S. market data to account for differences in market levels in Asia do not apply for the CEO. The reason for this difference is that Dr. Chen was previously a U.S. based CEO with compensation at U.S. market levels.

Compensation and Risk

In fiscal 2020, the Committee engaged FW Cook to conduct a comprehensive compensation risk assessment of our incentive compensation programs. The assessment is performed annually to ensure that incentive programs in place are not reasonably likely to have material adverse effects on the Company. The scope of the assessment included all of the Company's incentive plans, including the ICP, equity plan, support staff incentive, the sales incentive plan, and the Company's recognition programs.

FW Cook reported that the results of its evaluation indicate that there are no significant compensation risk areas for the Company. Overall, our incentive plans were found to be well-aligned with sound compensation design principles and provide for a balanced approach to delivering incentives given various levels of performance.

We have in place the following risk mitigating factors for our compensation programs:

Risk Mitigating Factors	Comments
Cash Incentive Award Cap	Avoids potential windfall circumstances; limits excessive risk taking behavior
Multiple Performance Factors across the Cash and Equity Programs	Avoids risk of focusing on only one aspect of performance by incentivizing a balanced perspective on performance
Annual Review of Targets and Opportunity	Ensures compensation is properly aligned with current market median levels
Clawback Feature	Mitigates risk of inappropriate behavior
Range of Awards	Avoids risk of "all or nothing" mentality
Share Ownership Guidelines	Discourages focus on short-term results without regard for longer term consequences
Multi-year Vesting Schedule	Focuses executive officers on the long-term interests of the Company and shareholders
No Severance if Termination is for "Cause"	Discourages potential for inappropriate behavior
Anti-Pledging and Hedging Policies	Avoids risk of using Company stock as collateral for loans or insulating against stock price declines

Policy on Anti-Hedging and Anti-Pledging

Directors and executive officers are prohibited from engaging in hedging transactions involving Company shares or other Company securities. "Hedging" refers to any strategy to offset or reduce the risk of price fluctuations in Company shares or other Company securities or to protect, in whole or in part, against declines in the value of Company shares or other Company securities. The prohibition on hedging thus applies to all transactions in derivative securities based on Company stock such as other securities, including puts, calls, swaps and collar arrangements.

Directors and executive officers are also prohibited from purchasing Company securities on a margin or otherwise pledge Company securities as collateral for a loan.

Policy on Recovery of Previously Paid Executive Compensation ("Clawbacks")

The Company has in place a recoupment or "clawback" policy regarding the recovery, under certain circumstances, of executive compensation, including cash incentive compensation, stock-based awards, performance-based awards and any other form of compensation under our incentive compensation plans that are based on performance targets relating to the financial results of the Company. The policy applies to our named executive officers and to the Company's controller. In accordance with the recoupment policy, if the board of directors or the Committee determines that any fraud, gross negligence or intentional misconduct by any such officer was a significant factor contributing to the Company restating all or a portion of its financial statements, the board of directors or the Committee will take, in its discretion, such action as it deems necessary to remedy the fraud, gross negligence or intentional misconduct and prevent its recurrence. The board of directors or the Committee will also review the facts and circumstances underlying the

restatement, and if any incentive award to such officer was calculated based on the achievement of financial results that were subsequently reduced due to a restatement, may in its discretion (i) require reimbursement to the Company of all or a portion of the incentive award; (ii) cancel any unvested or outstanding incentive award; and (iii) seek reimbursement of any gains realized on the exercise of the incentive awards. Under the recoupment policy, the Company may seek to recover or recoup incentive awards that were paid or vested up to 60 months prior to the date the applicable restatement is disclosed. The recoupment policy operates in addition to, and not in lieu of, any other rights of the Company to recoup or recover incentive awards under applicable laws and regulations, including the Sarbanes-Oxley Act of 2002 and the Dodd-Frank Act. The Company to date has not sought to recoup any payments under this policy. We review our policy periodically and will amend or update the policy as necessary to comply with the applicable regulations and any new requirements.

Expatriate and Other Compensation

Our named executive officers do not typically receive perquisites or other personal benefits or property from the Company. The Committee generally believes that such perquisites or personal benefits can make executive compensation less transparent to shareholders. In limited instances, the Committee has approved certain transitional relocation benefits, when appropriate, to retain talented executives or to assist in the transition of certain executives and their families to our headquarters in Singapore or when on long-term overseas assignment from Singapore. For example, in connection with the hiring of Dr. Chen as CEO, and Mr. Wong as SVP and General Counsel, relocations to Singapore were necessary, and the Company paid certain relocation benefits to each executive. In connection with Mr. Chong's long-term assignment to the U.S., we provided certain relocation benefits including tax equalization payments. Any excess tax payments refunded to Mr. Chong is reimbursed to the Company. Mr. Chong's long-term assignment to the U.S. ended in June 2019 and he was repatriated to Singapore. In determining these relocation, expatriate and hiring arrangements, the Company and each executive negotiated the specific compensation arrangements that the executives would receive. In addition, the Company provides paid medical insurance for non-Singaporean named executive officers. The Committee determined the executives' compensation based on their prior experience, record of achievement, marketplace data of similar executive officers and the executives' prior compensation packages. These benefits, including Company contributions to the Singapore Central Provident Fund for Singaporean named executive officers, are described below in a footnote to the "Summary Compensation Table." The Company believes that these benefits are critical to its ability to hire and retain talented executives.

The Company has a 401(k) Retirement Income Plan ("401(k) Plan") for U.S.-based employees under which it matches in cash up to 4% or 6% of an employee's contributed amount, based on years of service.

Foreign Currency Considerations

Except for the CEO, the Company's named executive officers are compensated in local currency reflecting the primary home country location of their employment and paid in Singapore dollars as they are based in Singapore. Mr. Lester Wong's, Mr. Chong's, Mr. Nelson Wong's, and Mr. Soloveizik's base salary and total compensation were determined in Singapore dollars upon hire, and will continue to be managed in Singapore dollars going forward. For the purpose of the "Summary Compensation Table," the Singapore dollar base salary amounts paid in fiscal 2020, 2019, and 2018 to each named executive officer (other than Dr. Chen) have been translated from Singapore dollars actually received into U.S. dollars using the average conversion rate for fiscal 2020 of 1.3838, fiscal 2019 of 1.3672, and fiscal 2018 of 1.3415. For purposes of the below table, stock award amounts represent the grant date fair values and have been converted from U.S. dollars into Singapore dollars using the applicable conversion rate on the grant dates. The following table reflects the amounts paid to the respective officers in Singapore dollars and aligns with the amounts reported in the "Summary Compensation Table."

As stated previously, because the compensation for the named executive officers (other than Dr. Chen) is delivered in Singapore dollars, our U.S. dollar reporting of compensation shows year-to-year changes due to foreign currency fluctuations, even when compensation levels as denominated in local currency may not have changed.

The below table should be read in connection with the “Summary Compensation Table,” which includes footnote disclosure relevant to the amounts listed below:

Three-Year Compensation - Singapore Dollars

Name	Fiscal Year	Salary (SG \$)	Bonus (SG \$)	Stock Awards (SG \$)	Non-Equity Incentive Plan Compensation (SG \$)	All Other Compensation (SG \$)	Total (SG \$)
Lester Wong	2020	498,000	—	1,029,034	337,806	69,709	1,934,549
	2019	471,193	—	838,322	—	92,425	1,401,940
	2018	441,013	—	791,482	390,177	154,922	1,777,594
Chan Pin Chong	2020	506,688	—	822,371	321,997	399,051	2,050,107
	2019	467,932	—	516,618	—	230,552	1,215,102
	2018	441,446	—	1,095,604	392,817	631,623	2,561,490
Nelson Wong	2020	486,390	—	713,563	309,098	44,781	1,553,832
	2019	449,187	—	516,618	—	49,845	1,015,650
	2018	420,075	—	559,377	377,082	49,519	1,406,053
Shai Soloveizik	2020	400,772	—	463,042	190,769	37,825	1,092,408

Tax and Accounting Considerations

Deductibility of Executive Compensation

In designing our executive compensation program and determining the compensation of our executive officers, including our named executive officers, our Committee considers a variety of factors, including the potential impact of the Section 162(m) deduction limit. While our compensation committee is mindful of the benefit of the full deductibility of compensation, it believes that we should not be constrained by the requirements of Section 162(m) where those requirements would impair our flexibility in compensating our executive officers in a manner that can best promote our corporate objectives. Therefore, our Committee has not adopted a policy that would require that all compensation be deductible, though it does consider the deductibility of compensation when making compensation decisions. Our Committee may authorize compensation payments that are not fully tax deductible if it believes that such payments are appropriate to attract and retain executive talent or meet other business objectives.

Accounting for Stock-Based Compensation

The Company accounts for equity-based compensation under the provisions of ASC No. 718, *Compensation - Stock Compensation* (“ASC 718”). ASC 718 requires the recognition of the fair value of the equity-based compensation in net income. Compensation expense associated with Relative TSR Performance Share Units is determined using a Monte-Carlo valuation model, and compensation expense associated with time-based and Special/Growth Performance Share Units is determined based on the number of shares granted and the fair value on the date of grant. The fair value of the Company's stock option awards is estimated using a Black-Scholes option valuation model. The fair value of equity-based awards is amortized over the vesting period of the award, and the Company elected to use the straight-line method for awards granted after the adoption of ASC 718.

SUMMARY COMPENSATION TABLE FOR FISCAL 2020

For a discussion of the Management Development & Compensation Committee's objectives, discretion and criteria for setting compensation, see "Compensation Discussion & Analysis" of this proxy statement.

Name and Principal Position	Fiscal Year	Salary (\$) ⁽¹⁾	Stock Awards (\$) ⁽²⁾	Non-Equity Incentive Plan Compensation (\$) ⁽³⁾	All Other Compensation (\$) ⁽⁴⁾	Total (\$)
Fusen Chen President and CEO	2020	726,250	3,887,495	774,139	76,532	5,464,416
	2019	688,750	3,600,700	—	89,035	4,378,485
	2018	650,000	3,298,714	1,044,725	86,882	5,080,321
Lester Wong Senior Vice President, Chief Financial Officer	2020	359,879	748,334	244,115	50,375	1,402,703
	2019	344,641	611,034	—	67,602	1,023,277
	2018	328,746	583,520	285,342	114,693	1,312,301
Chan Pin Chong Executive Vice President & GM, K&S Products & Solutions	2020	366,157	598,574	232,690	288,373	1,485,794
	2019	342,256	375,340	—	168,631	886,227
	2018	329,069	807,202	287,273	483,053	1,906,597
Nelson Wong Senior Vice President, Global Sales	2020	351,489	519,976	223,369	32,361	1,127,195
	2019	328,546	375,340	—	36,457	740,343
	2018	313,139	410,853	275,806	36,914	1,036,712
Shai Soloveizik Vice President, Global Operations and Supply Chain	2020	289,617	334,616	137,859	26,334	788,426

(1) Compensation for Messrs. Lester Wong, Chong, Nelson Wong, and Soloveizik for fiscal years 2020, 2019, and 2018, as applicable, has been converted from Singapore dollars into U.S. dollars using the average conversion rate during each such year of 1.3838, 1.3672, and 1.3415 respectively. For a comparison of the amounts actually paid to Messrs. Lester Wong, Chong, Nelson Wong, and Soloveizik in Singapore dollars and the amounts reflected in the above table in U.S. dollars, see the tables provided in the "Compensation Discussion & Analysis" under the heading "Foreign Currency Considerations."

(2) The amounts included in the "Stock Awards" column represent the full grant date fair value of the grants in fiscal 2020, 2019, and 2018 related to performance-based share awards, calculated in accordance with ASC No. 718, and RSUs.

For the PSUs, the amounts reported were valued using the Monte Carlo valuation method and the closing market price of our common stock on the date of the grant assuming payout at target performance of 100%.

For fiscal 2020 these values were as follows: Dr. Chen, \$3,037,495; Mr. Lester Wong, \$584,724; Mr. Chong, \$325,650; Mr. Nelson Wong, \$283,198; and Mr. Soloveizik, \$181,907. Assuming maximum performance of 200%, the full grant date fair value of PSUs awarded in fiscal 2020 would have been: Dr. Chen, \$6,074,990; Mr. Lester Wong, \$1,169,448; Mr. Chong, \$651,300; Mr. Nelson Wong, \$566,396; and Mr. Soloveizik, \$363,814.

For fiscal 2019 these values were as follows: Dr. Chen, \$2,750,700; Mr. Lester Wong, \$383,556; Mr. Chong, \$193,708; Mr. Nelson Wong, \$193,708; and Mr. Soloveizik, \$78,636. Assuming maximum performance of 200%, the full grant date fair value of PSUs awarded in fiscal 2019 would have been: Dr. Chen, \$5,501,400; Mr. Lester Wong, \$767,112; Mr. Hoang, \$542,370; Mr. Chong, \$387,416; and Mr. Nelson Wong, \$387,416; and Mr. Soloveizik, \$157,272.

For fiscal 2018 these values were as follows: Dr. Chen, \$2,598,717; Mr. Lester Wong, \$314,219; Mr. Chong, \$438,631; Mr. Nelson Wong, \$227,232; and Mr. Soloveizik, \$19,040. Assuming maximum performance of 200%, the full grant date fair value of PSUs awarded in fiscal 2018 would have been: Dr. Chen, \$5,197,434; Mr. Lester Wong, \$628,438; Mr. Chong, \$877,262; Mr. Nelson Wong, \$454,465; and Mr. Soloveizik, \$38,080.

See the "Grants of Plan-Based Awards Fiscal 2020" table for additional information regarding the full grant date fair value for the fiscal 2020 awards.

(3) The amounts in this column for Dr. Chen, Mr. Lester Wong, Mr. Chong, Mr. Nelson Wong, and Mr. Soloveizik reflect the U.S. dollar value earned under the ICP Plan.

(4) The Company provides expatriate, relocation and transition benefits and medical benefits when appropriate. In fiscal 2020, Dr. Chen received other compensation of \$76,532, consisting of a housing allowance of \$50,000 and medical coverage of \$26,532. In fiscal 2020, Mr. Lester Wong received other compensation of \$50,375, consisting of \$44,652 of medical coverage and \$5,723 of employer contributions to the Singapore Central Provident Fund. In fiscal 2020, Mr. Chong received other compensation of \$288,373 consisting of tax equalization payments of \$279,528 and employer contributions to the Singapore Central Provident Fund of \$8,845. In fiscal 2020, Mr. Nelson Wong received other compensation of \$32,361, consisting of employer contributions to the Singapore Central Provident Fund of \$5,949, transportation allowance of \$26,015, and the cost of publication of a technical paper of \$397. In fiscal 2020, Mr. Soloveizik received other compensation of \$26,334, consisting of a pension allowance of \$25,467 and a service award of \$867. The pension allowance was a term of Mr. Soloveizik's original employment offer letter associated with his move from Suzhou to Singapore. Fiscal 2020 will be the last year of Mr. Soloveizik's pension allowance as we wish to eliminate any additional payments to our executives that are not generally available to other employees.

GRANTS OF PLAN-BASED AWARDS DURING FISCAL 2020

The following table shows all plan-based awards granted to the named executive officers during fiscal 2020. For a discussion of the Company's plan-based awards and the Committee's objectives, discretion and criteria for granting awards, see "Compensation Discussion & Analysis" of this proxy statement. The stock awards identified in the table are also reported in the "Outstanding Equity Awards at 2020 Fiscal Year-End" table, which follows this table.

Name	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards ⁽¹⁾			Estimated Future Payouts Under Equity Incentive Plan Awards			All Other Stock Awards: Number of Shares of Stock or Units (#)	Grant Date Fair Value of Stock Awards (\$)
		Threshold (\$)	Target (\$)	Maximum (\$)	Threshold (#)	Target (#)	Maximum (#)		
Fusen Chen		202,125	808,500	1,617,000					
	10/10/2019					83,333	166,666	—	2,399,990
	10/10/2019					27,778	55,556	—	637,505
	10/10/2019							37,037	849,999
Lester Wong		63,738	254,950	509,900					
	10/10/2019					16,042	32,084	—	462,010
	10/10/2019					5,347	10,694	—	122,714
	10/10/2019							7,129	163,611
Chan Pin Chong ⁽²⁾		49,521	198,085	396,169					
	10/10/2019					8,318	16,636	—	239,558
	10/10/2019					2,772	5,544	—	63,617
	10/10/2019							11,090	254,516
	12/11/2019					541	1,082	—	17,880
	12/11/2019					180	360	—	4,595
	12/11/2019							721	18,407
Nelson Wong ⁽²⁾		47,085	188,339	376,678					
	10/10/2019					6,536	13,072	—	188,237
	10/10/2019					2,178	4,356	—	49,985
	10/10/2019							8,713	199,963
	12/11/2019					1,082	2,164	—	35,760
	12/11/2019					361	722	—	9,216
	12/11/2019							1,442	36,814
Shai Soloveizik		35,995	143,979	287,957					
	10/10/2019					4,991	9,982	—	143,741
	10/10/2019					1,663	3,326	—	38,166
	10/10/2019							6,654	152,709

(1) Awards under the ICP Plan are paid at the end of the fiscal year based on performance metrics for the full fiscal year, as described above in "Compensation Discussion & Analysis." The actual payments under these awards are reported above in the "Summary Compensation Table" in the column entitled "Non-Equity Incentive Plan Compensation."

(2) Awards dated 12/11/2019 are associated with Mr. Chong and Mr. Nelson Wong's promotions.

Employment Agreements

In October 2016, the Company appointed Fusen Chen as President and Chief Executive Officer effective October 31, 2016. He was also appointed to the Board of Directors effective October 3, 2016.

Pursuant to an offer letter ("Letter") dated October 3, 2016, which sets forth his compensation arrangements, Dr. Chen received an annual base salary of US\$635,000 and was eligible to receive a bonus of up to 200% of his base salary (100% is the annual target level for such bonus) based on the achievement of certain performance goals of the Company. Bonuses are awarded and paid annually. The Company also granted Dr. Chen a sign-on equity award of RSUs with a value equal to US\$1.5 million which vested six months after the grant date. This grant was a make-up of prior employer forfeited compensation that would have vested in the same timeframe and was necessary to recruit and hire an executive with the experience and proven

track record of Dr. Chen. The short vesting period is atypical of the Company's equity award practices but was necessary to match the vesting period of the forfeited compensation that was being replaced. Mr. Chen also received an inducement equity award of performance share units ("PSUs") with a value at target equal to US\$700,000 to align him with outstanding PSU cycles. Fifty percent of these PSUs vested on September 30, 2017 based on total shareholder return ("TSR") relative to the companies comprising the SOX Index, measured over a three-year performance period commencing September 29, 2014. Based on performance, 55% of the target PSUs vested in September 2017. The remaining fifty percent were vested on September 29, 2018 based on TSR relative to the companies comprising the GICS Index, measured over a three-year performance period commencing October 4, 2015. Based on performance, 183% of the target PSUs vested in September 2018. In addition, Dr. Chen received an initial annual equity award equal to US\$2,800,000. Twenty-five percent of this award consists of RSUs that vest ratably over 36 months, with one-third vesting on each anniversary of the grant date. The remaining seventy-five percent of this award consists of PSUs vested on the third anniversary of the grant date, based on TSR relative to the GICS index of companies, measured over a three-year performance period. Based on performance, 141% of the target PSUs vested in October 2019. Each of the foregoing grants were made on October 31, 2016 pursuant to the terms of the Company's 2009 Equity Plan.

The Letter also provided for a reimbursement of up to US\$50,000 of relocation expenses and a housing allowance of US\$5,000 per month to be provided for a period of 24 months commencing October 31, 2016. In August of 2019 the Committee approved an additional 12 months of housing allowance as transitional assistance while securing permanent housing. In addition, Dr. Chen received tax preparation and filing assistance for the first two years of his employment in Singapore.

The Letter provides that if the Company terminates Dr. Chen for any reason other than for cause or if he resigns for good reason, he will be entitled to 24 months' base salary (six months if he does not execute a general release in favor of the Company) and continued participation in certain benefit plans. Dr. Chen has also entered into a Change in Control Agreement on substantially the same terms as the Company's other executive officers, except that as CEO, Dr. Chen may be eligible to receive 24 months' base salary and bonus at target (six months if he does not execute a general release in favor of the Company). He also will be subject to the Company's Executive Severance Pay Plan and the Company's Policy on Recovery of Previously Paid Executive Compensation.

In September 2011, the Company appointed Lester Wong as General Counsel and Senior Vice President, Legal Affairs effective September 12, 2011. Pursuant to an offer letter dated July 17, 2011, Mr. Wong received an initial base salary of S\$300,000 per annum. Mr. Wong is eligible to receive a bonus of up to 200% of his target (50% is the target level for such bonus) based on the achievement of certain performance targets as described under "Cash Incentive Plan." He also is eligible for health coverage as provided to other executives of the Company located outside of the U.S. The Company also entered into a Change of Control Agreement with Mr. Wong on the terms described. Mr. Wong also is subject to the Company's Executive Plan and recoupment policy. On November 27, 2017, Mr. Wong assumed the role of interim Chief Financial Officer and interim Principal Accounting Officer, and on December 20, 2018, Mr. Wong became Chief Financial Officer and Principal Accounting Officer. In connection with the appointment as interim Chief Financial Officer, Mr. Wong received a monthly stipend of S\$10,000 in addition to his regular salary for the duration of the appointment. Additionally, on November 27, 2017, Mr. Wong received an equity award of S\$300,000, consisting of 50% RSUs and 50% PSUs. 25% of the PSUs will be measured using an organic growth metric, and the remainder will be measured using a relative Total Shareholder Return metric. All of the RSUs have vested. The PSUs will cliff vest thirty-six months from the grant date, with a payout between zero percent and two hundred percent of the number of PSUs granted based on achievement of the specified metrics. As Chief Financial Officer, Mr. Wong's annual salary was increased to S\$480,000 effective January 1, 2019. Mr. Wong continues to participate in the Company's Incentive Compensation Plan and is eligible to receive a prorated bonus of up to 140% of his base salary (70% is the annual target level for such bonus). Additionally, on January 2, 2019, Mr. Wong received an equity award of S\$350,000, consisting of seventy-five percent performance share units ("PSUs") and twenty-five percent restricted share units ("RSUs"). Twenty-five percent of the PSUs will be measured using an organic revenue growth metric, and the remainder will be measured using a relative Total Shareholder Return metric. The RSUs will vest over thirty-six months, with one-third vesting on each anniversary of the grant date. The PSUs will cliff vest thirty-six months from the grant date, with a payout between zero percent and two hundred percent of the number of PSUs granted based on the achievement of the specified metrics.

In February 2014, the Company appointed Chan Pin Chong as Vice President, Wedge Bonder effective February 17, 2014. Pursuant to an offer letter dated February 6, 2014, Mr. Chong received an initial base salary of S\$372,000 per annum. Mr. Chong is eligible to receive a bonus of up to 200% of his target (set at 50% of base salary) based on achievement of certain performance targets weighted 25% Corporate results, 50% Wedge Bonder results, and 25% on individual objectives. In conjunction with his hiring, Mr. Chong was granted an equity grant of S\$85,000 in October 2014 for fiscal 2015 (and a separate grant with similar terms and structure in October 2015 for fiscal 2016) consisting of 50% RSUs that vested in three equal installments commencing with the first anniversary of the grant date, and 50% PSUs that vested 36 months from the anniversary of the grant date based on shareholder return under the SOX index. The equity grant was made under the 2009 Equity Plan. The value of Mr. Chong's Stock Awards as reported in the Three-Year Compensation - Singapore Dollars table in the Compensation Discussion & Analysis represents the full grant date value of the grant and includes the valuation of the PSUs using the Monte Carlo valuation

method and the closing market price of our common stock on the date of the grant. Mr. Chong was eligible for a special performance incentive of S\$110,000 based on the successful achievement of certain key financial metrics, execution against the business strategy and product roadmap, and improvement in organizational cultural metrics at the end of his initial 2-year assignment to the U.S. Based on performance against the metrics, Mr. Chong received S\$104,500. Mr. Chong is also eligible to receive a special equity award of S\$200,000, upon the completion of his U.S. assignment, consisting of 50% PSUs and 50% RSUs under normal conditions as described above. Mr. Chong received a net housing allowance of US\$5,000 per month while on assignment in the U.S. The Company agreed to pay for Mr. Chong's actual U.S. taxes incurred on Company sourced income (less a hypothetical Singapore tax charged against Mr. Chong). He also was eligible for global health coverage while on U.S. assignment. The Company also entered into a Change of Control Agreement with Mr. Chong on the terms described. Mr. Chong also is subject to the Company's Executive Severance Plan and recoupment policy.

Mr. Nelson Wong was initially hired in July 1997. The Company appointed him as Vice President, Business Unit Executive effective June 1, 2011. Pursuant to a promotional memo dated June 27, 2011, Mr. Wong received a base salary of S\$325,000 per annum and was eligible to receive a bonus of up to 200% of his target (set at 50% of base salary) based on achievement against certain performance targets at the time of hire. In conjunction with the promotion, Mr. Wong also received an equity grant of 12,000 shares. On January 1 2020, Mr. Wong was promoted to Senior Vice President, Global Sales. In conjunction with the promotion, Mr. Wong received a base salary of S\$496,642 per annum and was eligible to receive a bonus of up to 200% of his target (set at 55% of base salary) based on achievement against the financial targets of the ICP. Mr. Wong also received an equity grant of S\$50,000 of RSUs which vest ratably over three years and of which one-third has already vested. In addition Mr. Wong received an equity grant of S\$50,000 of PSUs, 75% based on rTSR and 25% based on Growth as described in the Equity Plan section. Mr. Wong is subject to the Company's Executive Severance Plan and recoupment policy.

Mr. Soloveizik was initially hired in May 2013 as Vice President, Equipment Manufacturing. Mr. Soloveizik was promoted to Corporate Vice President March 14, 2019. In conjunction with the promotion, Mr. Soloveizik received a base salary of S\$385,000 per annum and is eligible to receive a bonus of up to 200% of his target (set at 50% of base salary) based on achievement against the financial targets of the ICP. Mr. Soloveizik also received an equity grant of S\$60,000 of RSUs which vest ratably over three years and of which one-third has already vested. In addition Mr. Soloveizik received an equity grant of S\$60,000 of PSUs, 75% based on rTSR and 25% based on Growth as described in the Equity Plan section. The PSUs will vest based on performance 36 months after grant date. Mr. Soloveizik is subject to the Company's Executive Severance Plan and recoupment policy.

OUTSTANDING EQUITY AWARDS AT 2020 FISCAL YEAR-END

The following table shows all outstanding equity awards held by the named executive officers at October 3, 2020, the last day of fiscal 2020. The amounts reported under the "Stock Awards" column are included in the "Summary Compensation Table" under "Stock Awards" to the extent included in the amount of compensation cost recognized by the Company in fiscal 2020 for financial statement reporting purposes, as calculated in accordance with ASC No. 718, *Compensation, Stock Compensation*. The stock awards reported in the "Grants of Plan-Based Awards Fiscal 2020" table above are also reported in this table. None of the named executive officers hold any outstanding stock options.

Name	Stock Awards				Grant Date
	Number of Shares or Units of Stock That Have Not Vested (#) ⁽¹⁾	Market Value of Shares or Units of Stock That Have Not Vested (\$) ⁽²⁾	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#) ⁽³⁾	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units, or Other Rights That Have Not Vested (\$) ⁽²⁾	
Fusen Chen			83,333	1,824,159	10/10/2019
			27,778	608,060	10/10/2019
	37,037	810,740			10/10/2019
			90,000	1,970,100	10/12/2018
			30,000	656,700	10/12/2018
	26,667	583,741			10/12/2018
			71,656	1,568,550	11/07/2017
			23,885	522,843	11/07/2017

Lester Wong			16,042	351,159	10/10/2019
			5,347	117,046	10/10/2019
	7,129	156,054			10/10/2019
			7,104	155,507	01/02/2019
			2,368	51,836	01/02/2019
	2,105	46,078			01/02/2019
			5,875	128,604	10/11/2018
			1,958	42,861	10/11/2018
	5,222	114,310			10/11/2018
			3,143	68,800	11/27/2017
			1,048	22,941	11/27/2017
	1,397	30,580			11/27/2017
			5,388	117,943	11/07/2017
			1,796	39,314	11/07/2017
Chan Pin Chong			541	11,842	12/11/2019
			180	3,940	12/11/2019
	721	15,783			12/11/2019
			8,318	182,081	10/10/2019
			2,772	60,679	10/10/2019
	11,090	242,760			10/10/2019
			6,528	142,898	10/11/2018
			2,175	47,611	10/11/2018
	5,802	127,006			10/11/2018
			5,707	124,926	12/11/2017
			1,902	41,635	12/11/2017
	7,608	166,539			12/11/2017
			6,266	137,163	11/07/2017
			2,088	45,706	11/07/2017
Nelson Wong			1,082	23,685	12/11/2019
			361	7,902	12/11/2019
	1,442	31,565			12/11/2019
			6,536	143,073	10/10/2019
			2,178	47,676	10/10/2019
	8,713	190,728			10/10/2019
			6,528	142,898	10/11/2018
			2,175	47,611	10/11/2018
	5,802	127,006			10/11/2018
			6,266	137,163	11/07/2017
			2,088	45,706	11/07/2017
Shai Soloveizik			4,991	109,253	10/10/2019
			1,663	36,403	10/10/2019
	6,654	145,656			10/10/2019
			1,483	32,463	04/01/2019
			495	10,836	04/01/2019
	1,318	28,851			04/01/2019
			746	16,630	10/11/2018

		248	5,429	10/11/2018
	1,988	43,517		10/11/2018
		282	6,173	10/11/2018
		93	2,036	10/11/2018
	750	16,418		10/11/2018
		525	11,492	11/07/2017
		175	3,831	11/07/2017

- (1) Number of shares represents common shares underlying time-based RSU awards. Time-based RSUs vest in 1/3 increments on each of the first three anniversaries of the grant date.
- (2) Market value for unvested shares in these columns is calculated as number of unvested shares multiplied by the closing stock price at the end of October 2, 2020 of \$21.89.
- (3) Number of shares represents common shares underlying PSU awards, assuming all are earned at target performance levels at the end of the applicable performance periods. PSUs cliff vest at the end of the three-year performance period following the grant date to the extent performance goals are achieved.

OPTION EXERCISES AND STOCK VESTED DURING FISCAL 2020

The following table reports all the vesting of stock awards of the named executive officers in fiscal 2020. No named executive officer held or exercised stock options in fiscal 2020.

Name	Stock Awards	
	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting (\$) ⁽¹⁾
Fusen Chen	275,829	6,523,690
Lester Wong	31,145	739,853
Chan Pin Chong	33,285	791,078
Nelson Wong	32,135	756,237
Shai Soloveizik	6,320	145,918

- (1) The value realized on vesting is determined by multiplying the number of vested restricted stock units and performance share units by the closing price of our common stock on the vesting date.

POTENTIAL PAYMENTS UPON TERMINATION

Executive Severance Pay Plan

On August 9, 2011, the Committee adopted the Company's Executive Severance Pay Plan (the "Executive Plan"). The Executive Plan applies to those Company officers who have been proposed by management to participate in the Executive Plan and approved to participate in the Executive Plan by the Committee. Dr. Chen, Mr. Lester Wong, Mr. Chong, Mr. Nelson Wong, and Mr. Soloveizik are covered under the Executive Plan.

The Executive Plan provides for severance payments and benefits to covered officers whose employment is terminated by the Company without "Cause" and to any covered officer who terminates his or her employment for "Good Reason." For the purposes of the Executive Plan, "Cause" means (i) intentional dishonesty, (ii) physical or mental incapacity or (iii) willful refusal to perform his or her duties persisting at least 30 days after written notice. "Good Reason" means, without the officer's consent, (i) any substantial diminution in the position or authority of the officer which is inconsistent with the officer's then current position or authority, (ii) reduction of the officer's base salary (other than a percentage reduction applicable to all other officers) or exclusion of the officer from compensation or benefit plans made available to other officers in his or her salary grade, (iii) any requirement by the Company that the officer relocate his or her primary office or location to any office or location more than 30 miles away from the officer's then current primary office or location (except in connection with termination of expatriate assignments), and (iv) failure by any successor to the Company to expressly adopt the Executive Plan. The severance payments and benefits under the Executive Plan are as follows:

- An amount equal to six months' base salary as of the last day of such officer's employment. However, if the officer enters into a general release in favor of the Company, the Company will instead pay the following:
 - 24 months' base salary, in the case of the CEO;
 - 18 months' base salary, in the case of the CFO; and
 - 12 months' base salary, in the case of all other officers.
- Continuation of medical, prescription drug, dental and vision benefits, including for covered dependents, for the number of months severance is paid at the same contribution rate as active employees.
- Continuation of eligibility to participate in the Company's life insurance program for a maximum of six months after the last day of the officer's employment, if permitted by the life insurance provider.
- Incentive awards and/or bonuses and equity compensation in accordance with the applicable plans.

Severance payments will be paid for the specified number of months on regularly scheduled pay dates beginning within 60 days following an officer's termination date. If the officer is subject to U.S. income tax, severance payments will be paid as follows: (i) on the first business day following the six-month anniversary of the officer's last day of employment, the officer will receive a lump sum payment equal to six months' base salary and (ii) thereafter, the officer will receive any remaining severance payments in accordance with such officer's regularly scheduled pay dates.

Under the Executive Plan, the Company will not pay any severance payment or benefit to an officer terminated by the Company in connection with a divestiture of a business if the officer receives an offer of employment from the purchaser (or an affiliate of the purchaser) which includes targeted annual cash compensation of at least 90% of the officer's targeted annual cash compensation at the Company on the last day of employment. For the purposes of this calculation, the Company targeted annual cash compensation does not include any special bonus or other amount payable or paid to the officer in connection with the disposition of the divested business. In addition, the officers are subject to non-competition and non-solicitation provisions which, if breached, will permit the Company to discontinue severance payments.

SEVERANCE AND EQUITY COMPENSATION IF TERMINATED (NO CHANGE IN CONTROL)

The following table presents maximum payment amounts under the Company's Executive Plan and the values of equity awards under the Company's equity plans for our named executive officers, had they been terminated without "cause" or resigned for good reason on October 3, 2020 (outside the context of a change in control).

Name	Cash Severance ⁽¹⁾	Time-based Restricted Share Awards ⁽²⁾	Performance-based Share Awards ⁽³⁾	Total
Fusen Chen	\$ 1,470,000	\$ 515,249	\$ 4,396,614	\$ 6,381,863
Lester Wong	\$ 546,322	\$ 142,821	\$ 606,171	\$ 1,295,314
Chan Pin Chong	\$ 360,154	\$ 288,973	\$ 525,221	\$ 1,174,348
Nelson Wong	\$ 342,435	\$ 124,361	\$ 360,600	\$ 827,396
Shai Soloveizik	\$ 287,957	\$ 79,187	\$ 99,767	\$ 466,911

- (1) Amounts equal the following months of base salary, payable in accordance with the officers' employment letter or the Executive Plan: Dr. Chen: 24 months; Mr. Lester Wong: 18 months; Mr. Chong, Mr. Nelson Wong, and Mr. Soloveizik: 12 months.
- (2) Time-based share awards granted under the 2017 Equity Plan vest pro rata on an accelerated basis at the sole discretion of the Committee based on full months worked upon an involuntary termination without "cause". The value of shares for purposes of vesting is based on the closing price of the Company's stock of \$21.89 on October 2, 2020.
- (3) Performance-based share awards granted under the 2017 Equity Plan may vest pro rata at the sole discretion of the Committee upon an involuntary termination without "cause" based on full months worked and the actual achievement of performance goals as determined at the end of the three-year performance period. Values assume achievement of performance goals resulting in 100% vesting of performance-based shares. The value of shares for purposes of vesting is equal to the closing price of the Company's stock of \$21.89 on October 2, 2020. Under the Executive Plan, no severance payments are payable upon death or disability. All performance-based share awards vest pro rata at the completion of the performance period upon death, disability or retirement.

Change of Control Arrangements

In 2011, the Committee approved a form of Change of Control Agreement ("Change of Control Agreement") to be entered into with its executive officers, including each of the named executive officers. The Change of Control Agreement provides for benefits in the event of the termination of an officer's employment under certain circumstances following a change of control. Under the Change of Control Agreement a "Change of Control" includes (i) the acquisition of voting securities by any person after which such person has beneficial ownership of 50% or more of the voting power of the Company's outstanding voting securities; (ii) an acquisition of all or substantially all of the assets of the Company; (iii) when the individuals who, at the beginning of a two-year period, were members of the Company's board of directors, cease for any reason to constitute at least a majority of the board of directors (unless the election, or nomination for election by the shareholders, of any new director was approved by a vote of at least 75% of the original board of directors); or (iv) a consummation by the Company of a merger, consolidation or share exchange, as a result of which the shareholders immediately before the event will not hold a majority of the voting power immediately after such event.

An officer who is a party to a Change of Control Agreement and whose employment is terminated by the Company for any reason other than "Cause," or by the officer for "Good Reason" (as provided in the Change of Control Agreement), within 18 months after a Change of Control, will receive the following payments and benefits:

- Termination pay equal to the benefit multiple assigned to the officer times the sum of the officer's annual base salary and his or her targeted cash incentive (the "Benefit Amount") provided that any Benefit Amount may be reduced to \$10 less than the amount which would subject the officer to excise tax with respect to such payment under Section 4999 of the Code or would make payment thereof non-deductible by the Company under Section 280G of the Code;
- Continuation of medical, prescription drug, dental, and vision benefits for number of months for which the Benefit Amount is payable for the officer, officer's spouse and dependent children at the same premium rate as in effect prior to the officer's termination date;
- Continuation of eligibility to participate in the Company's life insurance program for a maximum of six months after the last day of the officer's employment, if permitted by the life insurance provider; and
- Equity compensation in accordance with the applicable plans.

The benefit multiple and number of months of payment for executive officers are:

Position	Benefits Multiple	Number of Months
CEO	2x	24
CFO	1.5x	18
Other Executive Officers	1x	12

Payment of the full Benefit Amount is subject to the officer entering into a general release in favor of the Company. If the officer does not enter into a general release, the officer will only be entitled to one quarter of the Benefit Amount, payable over six months. The Benefit Amount will be paid for the specified number of months on regularly scheduled pay dates beginning within 60 days following the officer's termination date. If the officer is subject to U.S. income tax, the Benefit Amount will be paid as follows: (i) on the first business day following the six-month anniversary of the officer's last day of employment, the officer will receive a lump sum payment equal to six months of the Benefit Amount and (ii) thereafter, the officer will receive any remaining Benefit Amount in accordance with such officer's regularly scheduled pay dates for the officer's specified number of months.

If the officer is terminated upon a Change of Control, the officer is only entitled to the Benefit Amount under the Change of Control Agreement and not under any other severance plan or similar program. In addition, under the Change of Control Agreement, the officers are subject to certain confidentiality provisions. Upon a change in control, outstanding awards under the 2017 Equity Plan are treated as follows:

Options and stock appreciation rights (unless otherwise provided in the award agreement) become exercisable (and restricted stock units and restricted stock become vested) if the successor or surviving entity does not assume the award or if the successor or surviving entity assumes the award and the participant is terminated by the successor or surviving entity without cause before the 24-month anniversary of the change in control.

With respect to performance share units, if the successor or surviving entity does not assume the award, the performance requirements of the award are waived and the participant becomes vested (and the award is paid at the target performance level based on the value of the shares of the Company on the change in control date) if the participant continues to be employed on the last day of the performance period. If the successor or surviving entity assumes the award and the participant is terminated by the successor or surviving entity without cause before the 24-month anniversary of the change in control, the award is prorated based on the number of full months in performance period before termination of employment and the participant receives the prorated portion of the award based on the performance goals achieved at the end of the performance period.

The term change in control is defined in the applicable plans and generally includes (i) a sale of 50% or more of the voting securities of the Company, (ii) a sale of all or substantially all of the assets of the Company, (iii) a change in the Company's slate of board of directors during any 24-month period such that Board members at the beginning of the period cease for any reason to constitute a majority of the Board (unless the election, or nomination for election by the shareholders, of at least 75% of the new directors is approved by a majority vote of the Board at the beginning of the 24-month period); (iv) a merger or consolidation (or acceptance by the shareholders of shares in a share exchange) in which the shareholders immediately before the merger or consolidation (or share exchange) do not own at least a majority of the combined voting power of the outstanding voting securities of the surviving or resulting corporation after the merger or consolidation (or of the acquiring entity in the share exchange).

SEVERANCE AND EQUITY COMPENSATION AFTER CHANGE IN CONTROL

The following table presents maximum payment amounts under the Change in Control Agreements or 2017 Equity Plan, as applicable to each named executive officer had they been terminated on October 3, 2020 after a change in control, and the values of equity awards under the Company's equity plans for named executive officers if a change in control occurred on October 3, 2020.

Name	Change of Control Agreement ⁽¹⁾	Time-based Restricted Share Awards ⁽²⁾	Performance-based Restricted Share Awards ⁽²⁾	Total
Fusen Chen	\$ 3,087,000	\$ 1,394,481	\$ 7,150,412	\$ 11,631,893
Lester Wong	\$ 928,747	\$ 347,022	\$ 1,096,010	\$ 2,371,779
Chan Pin Chong	\$ 558,239	\$ 552,088	\$ 798,482	\$ 1,908,809
Nelson Wong	\$ 530,774	\$ 349,299	\$ 595,714	\$ 1,475,787
Shai Soloveizik	\$ 431,936	\$ 234,442	\$ 234,245	\$ 900,623

- (1) All of the named executive officers are covered under the form of Change of Control Agreement described above and are (or were) eligible for the following months of payment of the Benefit Amount described above. Dr. Chen: 24 months; Mr. Lester Wong: 18 months; and Mr. Chong, Mr. Nelson Wong, and Mr. Soloveizik: 12 months. In each case, amounts assume the executive is terminated within 18 months of a “change in control” as defined under the applicable agreement.
- (2) For equity granted under 2017 Equity Plan, if the surviving entity does not assume all of the outstanding awards, time-based share awards vest immediately upon a change in control and the performance requirements are waived for outstanding performance-based share awards and awards are payable in cash at target performance if the executive is still employed on the last day of the performance period. If the awards are assumed and the executive is terminated involuntarily without “cause” within 24-months of the event, restricted time-based share awards become fully vested upon termination and performance-based share awards will vest on a prorated basis based on the number of full months worked and in the performance period prior to termination and adjusted based on actual performance at the end of the vesting period. The values above assume 100% target performance. The value of shares for purposes of vesting is based on the closing price of \$21.89 on October 2, 2020.

CEO Pay Ratio

As required by Section 953(b) of the Dodd-Frank Wall Street Reform and Consumer Protection Act and Item 402(u) of Regulation S-K, we are reporting the ratio of our median employee’s annual total compensation to the annual total compensation of our principal executive officer.

To redetermine our median employee for fiscal 2020, we identified our total employee population as of October 3, 2020, the last day of our fiscal 2020 year, which included all global full-time, part-time, and temporary employees that were employed on that date. As of October 3, 2020, we had approximately 2,800 global employees. We annualized the compensation for regular employees hired during the year. The Company used “target total cash” as the consistently applied compensation measure across our global employee population. In accordance with SEC rules, we excluded employees from certain countries representing in aggregate less than 5% of our employee base. The countries and number of employees excluded were: Vietnam (11 employees), Thailand (11 employees) and Malaysia (64 employees). Foreign exchange rates on October 2, 2020 were used to translate compensation to U.S. dollar equivalent.

Once we identified the median employee, the Company then determined the employee’s annual total compensation using the Summary Compensation Table methodology and compared it to the total compensation of our CEO, as detailed in the Summary Compensation Table for fiscal 2020.

The Company’s median employee earned \$31,519. Based on the total fiscal 2020 compensation reported for Dr. Chen of \$5,464,416, our ratio of CEO to median employee pay was 173 to 1.

DIRECTOR COMPENSATION FOR FISCAL 2020

The following table presents all compensation paid to the Company's directors in fiscal 2020. Dr. Chen was not paid any additional compensation for serving as a director:

Name	Fees Earned or Paid in Cash ⁽¹⁾	Stock Awards ⁽²⁾⁽³⁾⁽⁴⁾	Total
Brian R. Bachman ⁽⁵⁾	\$ 38,125	\$ 73,969	\$ 112,094
Peter T. Kong	\$ 109,375	\$ 147,947	\$ 257,322
Chin Hu Lim	\$ 80,134	\$ 147,947	\$ 228,081
Gregory F. Milzcik	\$ 112,500	\$ 147,947	\$ 260,447
Garrett E. Pierce ⁽⁶⁾	\$ 121,250	\$ 147,947	\$ 269,197
David Jeffrey Richardson	\$ 34,063	\$ 156,986	\$ 191,049
Mui Sung Yeo	\$ 106,945	\$ 147,947	\$ 254,892

- (1) The amounts reported include five quarterly cash payments. Cash payments are made the first business day of the calendar quarter and the payment for October 2020 was made in fiscal 2020.
- (2) As of the end of fiscal 2020, Mr. Richardson has 5,366 shares outstanding from the new director grant that will vest ratably over three years. Mr. Kong, Mr. Lim, Mr. Milzcik, and Ms. Yeo, had no outstanding equity awards as of the end of the fiscal year.
- (3) The amounts included in the "Stock Awards" column represent the full grant date fair value of compensation cost recognized by the Company related to stock awards for fiscal 2020.
- (4) The stock award amount reported for Mr. Richardson includes a \$120,000 new director award as provided per the terms of our 2017 Equity Plan. Mr. Richardson joined the board of directors in May 2020.
- (5) Mr. Bachman retired in February 2020 and amounts reported cover services through his retirement date.
- (6) Mr. Pierce retired in September 2020 and amounts reported cover services through his retirement date.

We align director compensation to our compensation peer group median. In fiscal 2020, the annual board retainer for directors was \$60,000. The chairman of the board of directors also received an additional cash annual retainer of \$50,000. The Chairpersons of the Audit Committee, Management Development and Compensation Committee, and Nominating and Governance Committee each received additional annual cash retainers of \$25,000, \$20,000 and \$10,000, respectively. Other members of the Audit Committee, Management Development and Compensation Committee, and Nominating and Governance Committee received additional annual cash retainers of \$11,250, \$7,500, and \$5,000 respectively. Board and committee members did not receive any fees for board or committee meetings held during fiscal 2020. Annual cash retainers were paid in four equal installments on the first calendar day of each quarter.

The 2017 Equity Plan provides for the grant of common shares to each non-employee director upon initial election to the board of directors of \$120,000. In addition, each non-employee director is granted a number of common shares on the first business day of each fiscal quarter while serving on the board of directors of \$37,000.

To build alignment with executives, we use the same compensation peer group as used for executive compensation benchmarking for director compensation, focusing on total compensation alignment with peer median levels. We have typically reviewed director compensation on a biennial basis, but anticipate moving to an annual review to ensure continued proper alignment on a more timely basis.

Except for the newly appointed director, each current non-employee director has met the fiscal 2020 stock ownership guideline. For fiscal 2020, the Company applied the following stock ownership guidelines to non-employee directors:

- Each non-employee director should beneficially own common shares of the Company with an aggregate market value of at least \$180,000, to be attained within five years of election (the aggregate market value requirement will be equivalent to three times the annual cash board retainer);
- Prior to reaching the stock ownership requirement, each non-employee director will be required to retain at least 50% of his or her stock awards;
- Shares that count toward satisfaction of the stock ownership guideline include shares owned directly by the director, shares owned jointly by the director and his or her spouse, shares held by the director's immediate family, and shares

held in trust for the benefit of the director or a member of the director's immediate family. Options or other rights to acquire stock do not count toward satisfaction of the guideline; and

- Exceptions may be made by the Nominating and Governance Committee of the board of directors in the cases of financial hardship. No exceptions were sought in fiscal 2020.

EQUITY COMPENSATION PLAN INFORMATION

The following table provides information concerning the Company's equity compensation plans as of October 3, 2020:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans
Equity compensation plans approved by security holders ⁽¹⁾	—	\$ —	3,408,899

- (1) The 2017 Equity Plan has been approved by the Company's shareholders. There are no outstanding awards under any of the Company's prior equity plans. If the Kulicke and Soffa Industries, Inc. 2021 Omnibus Incentive Plan is approved by our shareholders (see Proposal 3), the 2021 Omnibus Incentive Plan will become effective on March 4, 2021 and no further awards will be made under the 2017 Equity Plan thereafter. If our shareholders do not approve the 2021 Omnibus Incentive Plan, the 2017 Equity Plan will remain in effect in its current form, subject to its expiration date.

CORPORATE GOVERNANCE

Board Matters

The board of directors has determined that directors Brian R. Bachman, Peter T. Kong, Chin Hu Lim, Gregory F. Milzcik, Garrett E. Pierce, David Jeffrey Richardson, and Mui Sung Yeo are each “independent” as defined by applicable listing standards of the Marketplace Rules of the NASDAQ Global Market and the SEC rules. In fiscal 2020, the board of directors met eleven (11) times and met eight times in executive session.

Each director who served during fiscal 2020 attended all of the board and applicable committee meetings. From time to time, the board of directors acts by unanimous written consent as well. All directors are expected to attend the annual meeting of shareholders. All of the then-current directors attended the 2020 annual meeting of shareholders.

Board Leadership

The Company’s By-laws currently provide that the chairman of the board of directors may not be a current or former executive officer of the Company. Mr. Kong currently serves as chairman of the board of directors. Mr. Pierce, our former chairman of the board of directors, retired effective September 30, 2020. The board of directors believes that this leadership structure enhances the independence of the board of directors, increases the effectiveness of the board of directors’ oversight of management, deters conflicts of interest and conflicts of function that may arise when the CEO is also the chairman, and permits our CEO to devote a greater amount of time and concentration to the management and development of the Company and our business.

Board’s Role in Risk Oversight

While management is responsible for risk management in daily operations, the board of directors is responsible for overall risk oversight of the Company. The board of directors oversees risk management and endeavors to understand what risks the Company faces and what steps management takes regarding those risks, including cybersecurity risks. The Company’s management periodically reports to the board of directors on the major risks facing the Company, including updates on the progress of the Company’s data loss protection and data encryption efforts and other security initiatives related to cybersecurity. Management maintains a strategic risk council, which is comprised of the CEO and his staff, and meets at least biannually to discuss significant enterprise risks and the mitigating action plans. Enterprise risk assessments are conducted at least once every three years and at times more often. The next scheduled assessment will be conducted in fiscal 2021. Management reported on the results of its latest enterprise risk discussion and assessment to the board of directors in fiscal 2019 and updated the board of directors on efforts to address identified risks. The board of directors discusses these risks with management and has the opportunity to ask questions, offer insights and challenge management to continually improve its risk assessment and management. Various committees of the board of directors also participate in the risk oversight process. In particular, the Audit Committee focuses on financial risk; the Nominating and Governance Committee focuses on board structure, and corporate governance risk; and the Management Development and Compensation Committee focuses on creating incentives that encourage a level of risk-taking consistent with the Company’s business strategy and overall tolerance for risk.

Committees of the Board of Directors

The board of directors has a standing Audit Committee, Management Development and Compensation Committee, and Nominating and Governance Committee.

Committee Members

Audit Committee	Management Development and Compensation Committee	Nominating and Governance Committee
Gregory F. Milzcik (Chair)	Mui Sung Yeo (Chair)	Peter T. Kong (Chair)
Brian R. Bachman *	Peter T. Kong	Brian R. Bachman *
Garrett E. Pierce *	Chin Hu Lim	Chin Hu Lim
David Jeffrey Richardson *		Gregory F. Milzcik
Mui Sung Yeo		David Jeffrey Richardson *

* Mr. Bachman and Mr. Pierce served on the committees until their retirements, and Mr. Richardson served on the committees from October 1, 2020.

Audit Committee

The Audit Committee met ten (10) times during fiscal 2020. The board of directors has determined that all Audit Committee members are independent (as defined by the Marketplace Rules of the NASDAQ Global Market and Rule 10A-3(b)(1) under the Securities Exchange Act of 1934, or the “Exchange Act”). In addition, the board of directors has determined that Gregory F. Milzcik, Brian R. Bachman, Garrett E. Pierce, David Jeffrey Richardson, and Mui Sung Yeo each qualifies as an “audit committee financial expert” as defined by the SEC. The Audit Committee, among other things, appoints the Company’s independent registered public accountants to serve for the following fiscal year, oversees their independence and meets with them to review the scope and results of their audit, considers comments made by the independent registered public accountants with respect to accounting procedures and internal controls and the consideration given thereto by the Company’s management, and reviews internal accounting procedures and controls with the Company’s financial management. The full responsibilities of the Audit Committee are set forth in its charter, a copy of which is posted on the Company’s website at www.kns.com. While the officers of the Company are responsible for risk management in daily operations, the Audit Committee oversees audit and financial risk management. The Audit Committee discharges this responsibility on an ongoing basis by questioning management and the Company’s internal audit director on the Company’s major risk exposures and the steps management has taken to identify, monitor, control and mitigate risks. The Audit Committee reviews on a bi-annual basis the Company’s progress towards mitigating the major risks identified in the most recent and updated enterprise risk assessment.

Management Development and Compensation Committee

The board of directors has determined that all members of the Management Development and Compensation Committee (the “Committee”) are independent directors (as defined in the Marketplace Rules of the NASDAQ Global Market). The Committee met five times during fiscal 2020. The principal duties of the Committee are to establish the Company’s compensation policies, evaluate and approve compensation arrangements for the executive officers and senior managers of the Company (including establishing base salary, performance targets, eligibility, participation and award levels for incentive compensation plans), to administer the Company’s equity compensation plans and to oversee senior management succession and overall management development. The Committee may form, and may delegate its authority to, subcommittees as it deems appropriate. The full responsibilities of the Committee are set forth in its charter, a copy of which is posted on the Company’s website at www.kns.com.

The Committee consults with the CEO in determining compensation levels for each named executive officer (other than the CEO) and takes into consideration the CEO’s assessment of the performance of each named executive officer against the factors established by the Committee.

The Committee has engaged FW Cook for compensation consulting services in fiscal 2020. The services provided by the firm are described in the “Compensation Discussion & Analysis.”

The Committee performed a compensation risk analysis, informed in part by the most recent and updated enterprise risk assessment performed by management and the external review performed by FW Cook. In setting executive compensation, the Committee analyzes, among other things, whether compensation is mitigating or exacerbating risks that could be reasonably likely to have a material adverse effect on the Company.

Nominating and Governance Committee

The board of directors has determined that each member of the Nominating and Governance Committee is independent (as defined by the Marketplace Rules of the NASDAQ Global Market). The Nominating and Governance Committee met seven times during fiscal 2020. The Nominating and Governance Committee is responsible for establishing criteria for selecting new directors, identifying, screening and recruiting new directors, recommending nominees for director to the board of directors, and recommending to the board of directors the corporate governance policies for the Company. Nominations for election as directors are determined by the board of directors after recommendation by the Nominating and Governance Committee. The Nominating and Governance Committee considers candidates for board membership suggested by its members, other board members, management and shareholders. Candidates who have been suggested by shareholders are evaluated in the same manner as other candidates. In addition to suggesting a candidate to the Nominating and Governance Committee, a shareholder may formally nominate a candidate for director by following the procedures for submission of proposals set forth in the section of this proxy statement entitled “Shareholder Proposals.” Board candidates are considered based upon their business and professional skills and experiences, a global business and social perspective, concern for the long-term interests of the shareholders as well as their personal character, integrity, foresight and judgment. The Nominating and Governance Committee further considers the diversity of a prospective director’s skills, specialized expertise, quality of education, global business experience and acumen. The Nominating and Governance Committee has periodically retained an executive search firm to identify and evaluate potential candidates for the board of directors. The full responsibilities of the Nominating and Governance

Committee are set forth in its charter, a copy of which is posted on the Company's website at www.kns.com. The Corporate Governance Guidelines of the Company are also posted on the Company's website at www.kns.com.

Our Corporate Governance Guidelines regarding Terms and Retirement provides that "All directors must retire by the end of the quarter in which their 75th birthday occurs, unless a waiver of the retirement age for the director is recommended by the Nominating and Governance Committee and approved by the Board." Mr. Pierce reached his 75th birthday during the fourth quarter of fiscal 2019 and the Board approved the waiver of his retirement age to September 2020 when Mr. Pierce retired. 2020. Mr. Bachman reached his 75th birthday during the second quarter of fiscal 2020 and retired from the Board at that time.

The Committee is also responsible for conducting a self-assessment of the Board, overseeing committee self-assessments, reviewing committee memberships and the role of the committee Chairpersons, and making recommendations to the full board on changes to process, practice and the roles for each director.

Code of Conduct

The board of directors has adopted a Code of Business Conduct providing a general ethical and legal framework for business practices and conduct which all employees, officers, and directors must adhere to. All Company employees are expected to use their common sense, act prudently and with clarity of intention, seek to avoid even the appearance of improper behavior in their daily interactions with colleagues and customers, suppliers and other business associates. The discussion of the Code of Conduct is available on the Company's website at www.kns.com. In addition, all employees are required to review and certify compliance with the Code of Conduct on an annual basis.

Code of Ethics

The board of directors has adopted a Code of Ethics applicable to the Company's senior financial officers, including the Company's CEO, CFO, Principal Accounting Officer or Controller, and persons performing similar functions. The Company's Code of Ethics for Senior Officers is available on the Company's website at www.kns.com. The Company intends to satisfy the disclosure requirement under Item 5.05 of Form 8-K regarding any amendment to, or a waiver of, a provision of its code of ethics by posting such information on its website at www.kns.com.

Shareholder Communications with Directors

The board of directors has implemented a process whereby shareholders may send communications directly to the board of directors' attention. Any shareholder desiring to communicate with the board of directors, or one or more specific members thereof, should communicate in writing addressed in care of the Secretary of the Company at 1005 Virginia Drive, Fort Washington, Pennsylvania 19034. The Secretary of the Company has been instructed by the board of directors to promptly forward all such communications to each director.

Management Development and Compensation Committee Interlocks and Insider Participation

No member of the Management Development and Compensation Committee (Ms. Yeo, Mr. Lim, and Mr. Kong) (i) was, during fiscal 2020, or had previously been, an officer or employee of the Company or its subsidiaries nor (ii) had any material interest in a transaction of the Company or a business relationship with, or any indebtedness to, the Company, in each case that would require disclosure under applicable rules of the SEC. No interlocking relationship existed between any member of the Management Development and Compensation Committee or an executive officer of the Company, on the one hand, and any member of the compensation committee (or committee performing equivalent functions, or the full board of directors) or an executive officer of any other entity, on the other hand.

Certain Relationships and Related Transactions

Under its charter, the Audit Committee of the board of directors is responsible for reviewing any proposed related party transaction. The Audit Committee has adopted a policy generally prohibiting related party transactions. The types of transactions covered by the policy include payments for products or services to, or indebtedness to or from, related parties, as defined in Rule 404(a) of Regulation S-K under the Exchange Act. The Audit Committee has in the past approved transactions on a case-by-case basis, considering the specific facts and circumstances. No related party transactions described in Rule 404(a) were in place in fiscal 2020.

Security Ownership of Directors, Nominees and Executive Officers

The following table shows how many common shares of the Company were beneficially owned by the directors, nominees, named executive officers and all directors, nominees and executive officers as a group as of October 16, 2020. The named executive officers are the individuals listed in the Summary Compensation Table. To the knowledge of the Company, each of the persons listed below has sole voting and investment power with respect to their beneficial ownership (as defined in Rule

13d-3 under the Securities Exchange Act of 1934, or the “Exchange Act”) of the shares identified in the table below, unless otherwise indicated. Each person below has an address of c/o 23A Serangoon North Avenue 5, #01-01 K&S Corporate Headquarters, Singapore 554369.

Directors and Nominees	Amount (Number of Shares) of Beneficial Ownership⁽¹⁾	Percent of Class
Fusen E. Chen	623,243	*
Chin Hu Lim	79,074	*
Peter T. Kong	79,403	*
Gregory F. Milzcek	68,448	*
David Jeffrey Richardson	8,791	*
Mui Sung Yeo	78,522	*
Named Executive Officers Other Than Directors		
Chan Pin Chong	92,831	*
Lester Wong	153,460	*
Nelson Wong	149,574	*
Shai Soloveizik	29,161	*
All directors, nominees and current executive officers as a group (11 persons)	1,376,636	2.2%

* Less than 1.0%.

(1) None of the listed shares are subject to outstanding options that are currently exercisable or exercisable within 60 days after October 16, 2020.

Director Resignation Policy

The board of directors has adopted a Director Resignation Policy which requires, in an uncontested election, that a director who receives more votes withheld or against his or her election than votes for shall promptly tender his or her written resignation offer to the Nominating & Governance Committee of the Board (the “Nominating & Governance Committee”) following certification of the shareholder vote from the meeting at which the election occurred. The Nominating & Governance Committee will promptly consider the director’s offer of resignation and recommend to the Board whether to accept or reject the resignation. The Board will act on the Nominating & Governance Committee’s recommendation within 90 days following receipt of the recommendation. The Board’s decision shall be publicly disclosed in a Form 8-K within four business days of the decision, along with the rationale supporting the decision, if resignation is not accepted. No director shall participate in the vote on his or her own resignation.

Security Ownership of Certain Beneficial Owners

To the knowledge of the Company, the only person or group of persons (within the meaning of Section 13(d) of the Exchange Act) that owned beneficially more than 5% of the outstanding common shares of the Company as of October 16, 2020 was as follows:

Name and Address of Beneficial Owner	Amount (Number of Shares) and Nature of Beneficial Ownership	Percent of Class
Royce & Associates, LP (1) 745 Fifth Avenue New York, NY 10151	3,206,249	5.1 %
Whale Rock Capital Management, LLC (2) 2 International Place, 24th Floor Boston, MA 02110	3,432,399	5.4 %
Principal Global Investors, LLC (3) 801 Grand Avenue Des Moines, IA 50392	3,889,190	6.1 %
Alliance Bernstein, LP (4) 1345 Avenue of the Americas New York, NY 10105	5,018,054	8.0 %
Dimensional Fund Advisors LP (5) Building One, 6300 Bee Cave Road Austin, TX 78746	5,430,965	8.6 %
BlackRock, Inc. (6) 55 East 52nd Street New York, NY 10055	6,534,553	10.2 %
(1) Based solely on the information provided pursuant to a statement on Schedule 13G/A filed with the SEC on February 12, 2020 (amounts may have changed since that date). The shareholder reported that it has sole voting power over 632,600 shares and sole dispositive power over 1,454,800 shares. Based solely on the information provided pursuant to a statement on Schedule 13G filed with the SEC on January 23, 2020 (amounts may have changed since that date). The shareholder reported that it has sole voting and sole dispositive power over 3,206,249 shares.		
(2) Based solely on the information provided pursuant to a statement on Schedule 13G/A filed with the SEC on February 14, 2020 (amounts may have changed since that date). The shareholder reported that it has shared voting and shared dispositive power over 3,432,399 shares.		
(3) Based solely on the information provided pursuant to a statement on Schedule 13G/A filed with the SEC on February 18, 2020 (amounts may have changed since that date). The shareholder reported that it has shared voting and shared dispositive power over 3,889,190 shares.		
(4) Based solely on the information provided pursuant to a statement on Schedule 13G filed with the SEC on February 18, 2020 (amounts may have changed since that date). The shareholder reported that it has sole voting power over 4,165,421 shares, sole dispositive power over 5,015,224 shares, and shared dispositive power over 2,830 shares.		
(5) Based solely on the information provided pursuant to a statement on Schedule 13G/A filed with the SEC on February 12, 2020 (amounts may have changed since that date). The shareholder reported that it has sole voting power over 5,245,064 shares and sole dispositive power over 5,430,965 shares.		
(6) Based solely on the information provided pursuant to a statement on Schedule 13G filed with the SEC on February 4, 2020 (amounts may have changed since that date). The shareholder reported that it has sole voting power over 6,479,119 shares and sole dispositive power over 6,534,553 shares.		

MANAGEMENT DEVELOPMENT AND COMPENSATION COMMITTEE REPORT

The Management Development and Compensation Committee of Company's board of directors has submitted the following report for inclusion in this Proxy Statement:

Our Committee has reviewed and discussed with management the Compensation Discussion & Analysis contained in this Proxy Statement. Based on our Committee's review of and the discussions with management with respect to the Compensation Discussion & Analysis, our Committee has recommended to the board of directors that the Compensation Discussion & Analysis be included in this Proxy Statement and in the Company's Annual Report on Form 10-K for the fiscal year ended October 3, 2020 for filing with the SEC.

MANAGEMENT DEVELOPMENT AND COMPENSATION COMMITTEE

MUI SUNG YEO, CHAIRPERSON
PETER T. KONG
CHIN HU LIM

REPORT OF THE AUDIT COMMITTEE

The purpose of the Audit Committee is to monitor the integrity of the financial statements of the Company, review the Company's internal accounting procedures and controls, oversee the independence, qualification and performance of the Company's independent registered public accountants, and appoint the independent registered public accountants. The Audit Committee's specific responsibilities are more fully described in its charter, which is accessible on the Company's website. The board of directors has determined that each member of the Audit Committee is independent (as defined in the applicable rules of the NASDAQ Global Market and Rule 10A-3(b)(1) under the Exchange Act), has not participated in the preparation of the financial statements of the Company or any current subsidiary of the Company at any time during the past three years, and meets the requirements for financial literacy under the applicable rules of the NASDAQ Global Market. During fiscal 2020, the Audit Committee consisted of Gregory F. Milzick, Mui Sung Yeo, David Jeffrey Richardson, Garrett E. Pierce and, until February 2020, Brian R. Bachman. The board of directors has determined that each member of the Audit Committee qualifies as an "audit committee financial expert" as defined under SEC rules.

The Company retained PricewaterhouseCoopers LLP ("PwC") as the Company's independent registered public accounting firm for fiscal 2020. During fiscal 2020, the Audit Committee met with the senior members of the Company's management team and PwC. The Audit Committee also met separately with PwC and with the Company's CFO, General Counsel, and Internal Audit Director. At these meetings, the Audit Committee discussed financial management, accounting, internal controls and legal and compliance matters.

The Audit Committee reviewed and discussed the audited financial statements included in the Company's 2020 Annual Report on Form 10-K for the fiscal year ended October 3, 2020 with the Company's management including, without limitation, a discussion of the quality and not just the acceptability of the accounting principles, the reasonableness of significant judgments, and the clarity of disclosures in the financial statements. In addressing the reasonableness of management's accounting judgments, members of the Audit Committee asked for and received management's representations that the audited consolidated financial statements of the Company have been prepared in conformity with generally accepted accounting principles, and have expressed to both management and PwC their general preference for conservative policies when a range of accounting options is available.

In its meeting with representatives of PwC, the Audit Committee asked for and received responses to questions that the Audit Committee believes are particularly relevant to its oversight. These questions included (i) whether there were any significant accounting judgments made by management in preparing the financial statements; (ii) whether, based on the auditors' experience and their knowledge of the Company, the Company's financial statements fairly present to investors, with clarity and completeness, the Company's financial position and performance for the reporting period in accordance with generally accepted accounting principles and SEC disclosure requirements; and (iii) whether, based on their experience and their knowledge of the Company, they believe the Company has implemented internal controls and internal audit procedures that are appropriate for the Company.

The Audit Committee discussed with PwC the matters required to be discussed by the applicable requirements of the Public Company Accounting Oversight Board and the SEC. The Audit Committee also received and reviewed the written disclosures and the letter from PwC required by applicable rules of the Public Company Accounting Oversight Board regarding PwC's communications with the audit committee concerning independence, and has discussed with PwC their independence, and concluded that the non-audit services performed by PwC are compatible with maintaining their independence.

In performing all of these functions, the Audit Committee acts in an oversight capacity. The Audit Committee relies on the work and assurances of (i) the Company's management, which has the primary responsibility for financial statements and reports and establishing and maintaining internal controls, and (ii) the independent registered public accounting firm, who, in their report, express an opinion on the conformity of the Company's financial statements to generally accepted accounting principles and perform an audit and express an opinion on the effectiveness of internal control over financial reporting.

Based on the review and discussions referred to above, the Audit Committee recommended to the Company's board of directors that the Company's audited financial statements be included in the Company's Annual Report on Form 10-K for the fiscal year ended October 3, 2020, filed with the SEC on November 20, 2020.

AUDIT COMMITTEE

GREGORY F. MILZICK, CHAIRMAN

MUI SUNG YEO

DAVID JEFFREY RICHARDSON

The foregoing report of the Audit Committee does not constitute soliciting material and shall not be deemed filed, incorporated by reference into or a part of any other filing by the Company (including any future filing) under the Securities Act or the Exchange Act, except to the extent the Company specifically incorporates such report by reference therein.

AUDIT AND RELATED FEES

For the fiscal years ended October 3, 2020 and September 28, 2019, PwC billed the fees set forth below:

	2020	2019
Audit Fees	\$ 1,747,721	\$ 1,322,187
Tax Fees	\$ 63,027	\$ 15,366
All Other Fees	\$ 4,000	\$ 3,000

Audit Fees

The aggregate fees billed to the Company by PwC during fiscal 2020 for the performance of the integrated audit of the Company's consolidated financial statements and internal control over financial reporting, and assistance and review of documents filed with the SEC, including the issuance of consents, was \$1,747,721. The aggregate fees billed to the Company by PwC for the performance of such matters for fiscal 2019 was \$1,322,187.

Tax Fees

The aggregate tax fees billed to the Company by PwC during fiscal 2020 consist of fees for tax compliance and other tax services. The following details these fees for fiscal 2020 and fiscal 2019:

	2020	2019
Tax Compliance Services	\$ 800	\$ 806
Other Tax Services	\$ 62,227	\$ 14,560
Total Tax Fees	<u>\$ 63,027</u>	<u>\$ 15,366</u>

In engaging PwC on these matters, management and the Audit Committee considered PwC's expertise in domestic and international corporate taxation as well as their institutional knowledge of our operations. As such, we determined that the engagement of PwC would ensure efficient and quality advice, pertinent to our business and consistent with our overall business strategy. The Audit Committee also discussed and determined that PwC's performance of the tax services would not impair its independence.

All Other Fees

The aggregate fees of \$4,000 and \$3,000 billed to the Company by PwC during fiscal 2020 and 2019, respectively, were related to accounting research software.

The Audit Committee has determined that the services provided by PwC as set forth herein are compatible with maintaining their independence.

Policy on Audit Committee Pre-Approval of Audit and Permissible Non-Audit Services of Independent Registered Public Accounting Firm

The Audit Committee has adopted policies and procedures relating to the approval of all audit and non-audit services that are to be performed by the Company's independent registered public accounting firm. The Company will not engage its independent registered public accounting firm to render audit or non-audit services unless, (i) the service and the related fee are specifically approved in advance by the Audit Committee or (ii) the Audit Committee pre-approves specifically described types of services that are expected to be provided to the Company by its independent registered public accounting firm during the fiscal year. Any pre-approval of specified types of services is subject to a maximum dollar amount. No fees were paid to the Company's independent registered public accounting firm in fiscal 2020 that were not pre-approved in accordance with the Audit Committee's policies and procedures.

SHAREHOLDER PROPOSALS

Proposals, including any nominations for director, which shareholders desire to have included in the Company's proxy statement for the annual meeting of shareholders in 2022, pursuant to Exchange Act Regulation 14a-8, must be addressed to the Secretary of the Company and received by the Company on or before September 15, 2021.

Our By-laws establish a deadline for submission of shareholder proposals for the annual meeting, including any nominations for director, that are not intended to be included in the Company's proxy statement. For the annual meeting in 2022, these proposals and nominations must be received in writing on or after November 4, 2021, but no later than December 4, 2021, and must satisfy certain other requirements set forth in our By-laws. Any director candidate nominated by a shareholder for election at the 2022 annual meeting in 2022 will not be eligible for election unless the shareholder proposing the nominee has provided timely notice of the nomination and complied with the other applicable requirements set forth in our By-laws.

OTHER MATTERS

The cost of soliciting proxies will be borne by the Company. Proxies may be solicited by certain officers and employees of the Company personally or by written communication, telephone, facsimile or other means, for which they will receive no compensation in addition to their normal compensation. Arrangements may also be made with brokerage houses and other custodians, nominees and fiduciaries for the forwarding of solicitation material to the beneficial owners of stock held of record by such persons, and the Company may reimburse them for their reasonable out-of-pocket and clerical expenses.

Although the Company knows of no items of business which will be presented at the annual meeting other than those described herein, the proxies solicited by the board will confer discretionary authority to the proxy agents with respect to any other matters which may come before the meeting to the extent permitted by the applicable rules of the SEC. In this regard, the Company intends to avail itself, until further notice, of the provisions of Rule 14a-4(c)(1) which grants the proxy agents discretionary authority to vote on any shareholder proposals presented at the meeting of which the Company has not received notice at least 45 days before the anniversary of the date on which the Company first mailed its proxy materials for last year's annual meeting. The Company received no notice of any shareholder proposal by such date (which was November 19, 2019).

As permitted by the Exchange Act, the Company may choose to deliver only one copy of the Notice to shareholders residing at the same address, unless such shareholders have notified the Company of their desire to receive multiple copies of such documents. Shareholders residing at the same address who currently receive multiple copies of the Notice, may request delivery of only one copy of the Notice by directing a notice to the Director of the Investor Relations Department of the Company at 1005 Virginia Drive, Fort Washington, Pennsylvania 19034 or by calling the Investor Relations Department at (215) 784-6000. The Company will promptly deliver, upon oral or written request, a separate copy of the Notice to any shareholder residing at an address to which only one copy was mailed. Requests for additional copies should also be directed to the Director of the Investor Relations Department of the Company at 1005 Virginia Drive, Fort Washington, Pennsylvania 19034 or by calling (215) 784-6000.

The Company, upon request, will furnish to record and beneficial holders of its common shares, free of charge, a copy of its Annual Report on Form 10-K (including financial statements and schedules but without exhibits) for fiscal 2020. Copies of exhibits to the Annual Report on Form 10-K also will be furnished upon request for a payment of a fee of \$.50 per page. All requests should be directed to the Director of the Investor Relations Department of the Company at 1005 Virginia Drive, Fort Washington, Pennsylvania 19034 or by calling (215) 784-6000.

Electronic copies of the Company's fiscal 2020 Annual Report to Shareholders, Form 10-K and proxy statement will be available on the Company's website at: <https://investor.kns.com/sec-filings>

The Company is not including the information contained on its website as a part of, or incorporating it by reference into, this proxy statement.

By Order of the Board of Directors

SUSAN WATERS

Secretary

January 13, 2021

KULICKE AND SOFFA INDUSTRIES, INC.
2021 Omnibus Incentive Plan

KULICKE AND SOFFA INDUSTRIES, INC.

2021 OMNIBUS INCENTIVE PLAN

I. INTRODUCTION

1.1. Purposes. The purposes of the Kulicke and Soffa Industries, Inc. 2021 Omnibus Incentive Plan (as amended from time to time, the “**Plan**”) are (i) to align the interests of the Company’s stockholders and the recipients of Awards under the Plan by increasing the proprietary interest of such recipients in the Company’s growth and success, (ii) to advance the interests of the Company by attracting and retaining officers, other employees, Non-Employee Directors and consultants and (iii) to motivate such persons to act in the long-term best interests of the Company and its stockholders.

1.2. Certain Definitions.

(a) “**Award**” shall mean any options to purchase Shares in the form of Incentive Stock Options or Nonqualified Stock Options, SARs in the form of Tandem SARs or Free-Standing SARs, Stock Awards in the form of Restricted Stock, Restricted Stock Units or Unrestricted Stock, Performance Awards and Other Cash-Based Awards granted under the Plan.

(b) “**Award Agreement**” shall mean any written or electronic agreement, contract or other instrument or document evidencing any Award granted under the Plan, which may, but need not, be executed or acknowledged by the eligible person to whom it has been so granted. Each Award Agreement shall be subject to the terms and conditions of the Plan.

(c) “**Blackout Period**” shall have the meaning set forth in Section 3.1(b).

(d) “**Board**” shall mean the Board of Directors of the Company.

(e) “**Change in Control**” shall have the meaning set forth in Section 7.7(b).

(f) “**Code**” shall mean the Internal Revenue Code of 1986, as amended, and any successor Code, and related rules, regulations and interpretations.

(g) “**Committee**” shall mean the Management Development and Compensation Committee of the Board, or a subcommittee thereof, consisting of two or more members of the Board, each of whom is intended to be (i) a “Non-Employee Director” within the meaning of Rule 16b-3 under the Exchange Act and (ii) “independent” within the meaning of Rule 4200(a)(15) of the Marketplace Rules of the Nasdaq Stock Market, Inc. (Nasdaq) regarding independent directors or, if Shares are not listed on the Nasdaq, within the meaning of the rules of the principal stock exchange on which Shares are then traded. Additionally, the “Committee” in regard to exercising any authority and responsibility to grant awards under the Plan to participants who are Non-Employee Directors and to make or take, as the case may be, all required or appropriate determinations and actions in respect of such grants shall mean the Management Development and Compensation Committee of the Board or another Board committee and/or the Board itself, if so determined by the Board.

(h) “**Common Stock**” shall mean the common stock, no par value per share, of the Company, and all rights appurtenant thereto.

(i) “**Company**” shall mean Kulicke and Soffa Industries, Inc., a Pennsylvania corporation, and its successors by operation of law.

(j) “**Corporate Event**” shall have the meaning set forth in Section 7.7(b)(iv).

(k) “**Exchange Act**” shall mean the Securities Exchange Act of 1934, as amended.

(l) “**Fair Market Value**” shall mean, unless otherwise determined by the Committee from time to time, the closing transaction price of a Share as reported on the Nasdaq on the date as of which such value is being determined or, if Shares are not listed on the Nasdaq, the closing transaction price of a Share on the principal national stock exchange on which Shares are traded on the date as of which such value is being determined or, if there shall be no reported transactions for such date, on the next preceding date for which transactions were reported; provided, however, that if Shares are not listed on a national stock exchange or if Fair Market Value for any date cannot be so determined, Fair Market Value shall be determined by the Committee by whatever means or

method as the Committee, in the good faith exercise of its discretion, shall at such time deem appropriate and in compliance with Section 409A of the Code.

(m) **“Free-Standing SAR”** shall mean an SAR which is not granted in tandem with, or by reference to, an option, which entitles the holder thereof to receive, upon exercise, Shares (which may be Restricted Stock) or, to the extent provided in the applicable Award Agreement, cash or a combination thereof, with an aggregate value equal to the excess of the Fair Market Value of one Share on the date of exercise over the base price of such SAR, multiplied by the number of such SARs which are exercised.

(n) **“Incentive Stock Option”** shall mean an option to purchase Shares that meets the requirements of Section 422 of the Code, or any successor provision, which is intended by the Committee to constitute an Incentive Stock Option.

(o) **“Incumbent Directors”** shall have the meaning set forth in Section 7.7(b)(iii).

(p) **“Non-Employee Director”** shall mean any director of the Company who is not an officer or employee of the Company or any Subsidiary.

(q) **“Nonqualified Stock Option”** shall mean an option to purchase Shares which is not an Incentive Stock Option.

(r) **“Other Cash-based Award”** shall mean a cash-denominated award granted under Section 6.1 of the Plan.

(s) **“Performance Award”** shall mean a right to receive an amount of cash, Common Stock, or a combination of both, contingent upon the attainment of specified Performance Measures within a specified Performance Period.

(t) **“Performance Measures”** shall mean the criteria and objectives, established by the Committee, which shall be satisfied or met (i) as a condition to the grant or exercisability of all or a portion of an option or SAR or (ii) during the applicable Restriction Period or Performance Period as a condition to the vesting of the holder's interest, in the case of a Restricted Stock Award, of the Shares subject to such Award, or, in the case of a Restricted Stock Unit Award or Performance Award, to the holder's receipt of the Shares subject to such Award or of payment with respect to such Award. Such criteria and objectives may be one or more of the following corporate-wide or subsidiary, division, operating unit or individual measures, including without limitation: return on invested capital, return on assets, return on net assets, asset turnover, return on equity, return on capital, market price appreciation of Shares, economic value added, total stockholder return, net income, pre-tax income, earnings per share, operating profit margin, net income margin, sales margin, cash flow, market share, inventory turnover, sales growth, net revenue per shipment, net revenue growth, capacity utilization, increase in customer base, environmental health and safety, diversity; strategic business criteria; and/or any other objective or subjective measures determined by the Committee. Each such goal may be expressed on an absolute or relative basis and may include comparisons based on current internal targets, the past performance of the Company (including the performance of one or more subsidiaries, divisions, or operating units) or the past or current performance of other companies (or a combination of such past and current performance). The applicable performance measures may be applied on a pre- or post-tax basis and may be adjusted to include or exclude one or more components of any performance measure, including, without limitation, restructuring or impairment charges, acquisitions or dispositions, foreign exchange, debt refinancing costs, extraordinary or noncash items, unusual, nonrecurring or one-time events affecting the Company or its financial statements or changes in law or accounting principles.

(u) **“Performance Period”** shall mean any period designated by the Committee during which (i) the Performance Measures applicable to an Award shall be measured and (ii) the conditions to vesting applicable to an Award shall remain in effect.

(v) **“Restricted Stock”** shall mean Shares which are subject to a Restriction Period and which may, in addition thereto, be subject to the attainment of specified Performance Measures within a specified Performance Period.

(w) **“Restricted Stock Award”** shall mean an award of Restricted Stock under the Plan.

(x) **“Restricted Stock Unit”** shall mean a right to receive one Share or, in lieu thereof, the Fair Market Value of such Share in cash, which shall be contingent upon the expiration of a specified Restriction Period and

which may, in addition thereto, be contingent upon the attainment of specified Performance Measures within a specified Performance Period.

- (y) **“Restricted Stock Unit Award”** shall mean an award of Restricted Stock Units under the Plan.
- (z) **“Restriction Period”** shall mean any period designated by the Committee during which (i) the Common Stock subject to a Restricted Stock Award may not be sold, transferred, assigned, pledged, hypothecated or otherwise encumbered or disposed of, except as provided in the Plan or the Award Agreement relating to such Award, or (ii) the conditions to vesting applicable to a Restricted Stock Unit Award shall remain in effect.
- (aa) **“SAR”** shall mean a stock appreciation right which may be a Free-Standing SAR or a Tandem SAR.
- (bb) **“Shares”** shall mean the shares of the Company’s Common Stock. If there has been an adjustment or substitution pursuant to Section 7.6, the term “Shares” shall also include any shares of stock or other securities that are substituted for the Common Stock or into which the Common Stock is adjusted pursuant to Section 7.6.
- (cc) **“Stock Award”** shall mean a Restricted Stock Award, Restricted Stock Unit Award or Unrestricted Stock Award.
- (dd) **“Subsidiary”** shall mean any corporation, limited liability company, partnership, joint venture or similar entity in which the Company owns, directly or indirectly, an equity interest possessing more than 50% of the combined voting power of the total outstanding equity interests of such entity.
- (ee) **“Substitute Award”** shall mean an Award granted under the Plan upon the assumption of, or in substitution for, outstanding equity awards previously granted by a company or other entity in connection with a corporate transaction, including a merger, combination, consolidation or acquisition of property or stock.
- (ff) **“Tandem SAR”** shall mean a SAR which is granted in tandem with, or by reference to, an option (including a Nonqualified Stock Option granted prior to the date of grant of the SAR), which entitles the holder thereof to receive, upon exercise of such SAR and surrender for cancellation of all or a portion of such option, Shares (which may be Restricted Stock) or, to the extent provided in the applicable Award Agreement, cash or a combination thereof, with an aggregate value equal to the excess of the Fair Market Value of one Share on the date of exercise over the base price of such SAR, multiplied by the number of Shares subject to such option, or portion thereof, which is surrendered.
- (gg) **“Tax Date”** shall have the meaning set forth in Section 7.4.
- (hh) **“Ten Percent Holder”** shall have the meaning set forth in Section 3.1(a).
- (ii) **“Unrestricted Stock”** shall mean Shares which are not subject to a Restriction Period or Performance Measures.
- (jj) **“Unrestricted Stock Award”** shall mean an Award of Unrestricted Stock under the Plan.

1.3. Administration. This Plan shall be administered by the Committee. The Committee shall have full power and authority, subject to the provisions of the Plan and subject to such orders or resolutions not inconsistent with the provisions of the Plan as may from time to time be adopted by the Board, to: (i) select eligible persons to whom Awards may from time to time be granted; (ii) determine the type or types of Awards, not inconsistent with the provisions of the Plan, to be granted to each participant; (iii) determine the number of Shares or dollar value to be covered by each Award; (iv) determine the terms and conditions, not inconsistent with the provisions of the Plan, of any Award; (v) determine whether, to what extent, and under what circumstances Awards may be settled in cash, Shares, or other property; (vi) determine whether, to what extent, and under what circumstances cash, Shares, other property, and other amounts payable with respect to an Award made under the Plan shall be accelerated or deferred; (vii) determine whether, to what extent, and under what circumstances any Award shall be canceled or suspended; (viii) interpret and administer the Plan and any instrument or agreement entered into under or in connection with the Plan, including any Award Agreement; (ix) correct any defect, supply any omission, or reconcile any inconsistency in the Plan or any Award in the manner, and to the extent, that the Committee shall deem desirable to carry it into effect; (x) establish such rules and regulations and appoint such agents as it shall deem appropriate for the proper administration of the Plan; (xi) determine whether any Award (other than a Stock Option or SAR) will have dividend equivalents; and (xii) make any other determination and take any other action that the Committee deems necessary or desirable for administration of the Plan.

The Committee shall, subject to the terms of the Plan, interpret the Plan and the application thereof, establish rules and regulations it deems necessary or desirable for the administration of the Plan and may impose, incidental to the grant of an Award, conditions with respect to the Award, such as limiting competitive employment or other activities. All such interpretations, rules, regulations and conditions shall be conclusive and binding on all parties.

The Committee may delegate some or all of its power and authority hereunder to the Board or, subject to applicable law, to the Chief Executive Officer or such other executive officer of the Company as the Committee deems appropriate; provided, however, that the Committee may not delegate its power and authority to the Chief Executive Officer or other executive officer of the Company with regard to the selection for participation in the Plan of an officer, director or other person subject to Section 16 of the Exchange Act or decisions concerning the timing, pricing or amount of an Award to such an officer, director or other person.

No member of the Board or Committee, and neither the Chief Executive Officer nor any other officer to whom the Committee delegates any of its power and authority hereunder, shall be liable for any act, omission, interpretation, construction or determination made by such person(s) in connection with the Plan in good faith, and the members of the Board and the Committee and the Chief Executive Officer or other officer shall be entitled to indemnification and reimbursement by the Company in respect of any claim, loss, damage or expense (including attorneys' fees) arising therefrom to the full extent permitted by law and under any directors' and officers' liability insurance that may be in effect from time to time.

1.4. Eligibility. Participants in the Plan shall consist of such officers, other employees, Non-Employee Directors and consultants and persons expected to become officers, other employees, Non-Employee Directors and consultants of the Company and its Subsidiaries as the Committee in its sole discretion may select from time to time. The Committee's selection of a person to participate in the Plan at any time shall not require the Committee to select such person to participate in the Plan at any other time. Except as provided otherwise in an Award Agreement, for purposes of the Plan, references to employment by the Company shall also mean employment by a Subsidiary, and references to employment shall include service as a Non-Employee Director or consultant. The Committee shall determine, in its sole discretion, the extent to which a participant shall be considered employed during any periods during which such participant is on a leave of absence.

1.5. Treatment of Dividends and Dividend Equivalents on Unvested Awards. Notwithstanding any other provision of the Plan to the contrary, with respect to any Award that provides for or includes a right to dividends or dividend equivalents, if dividends are declared during the period that an equity Award is outstanding, such dividends (or dividend equivalents) shall either (i) not be paid or credited with respect to such Award or (ii) be accumulated but remain subject to vesting requirement(s) to the same extent as the applicable Award and shall only be paid at the time or times such vesting requirement(s) are satisfied. For the avoidance of doubt, in no event shall dividends or dividend equivalents be paid with respect to Options or Stock Appreciation Rights.

II. SHARES AVAILABLE

2.1 Initial Share Reserve. Subject to adjustment as provided in Section 7.6 and Section 2.2 below, 4,450,000 Shares shall initially be available for all Awards under the Plan, less one (1) Share for every one (1) Share granted under the 2017 Equity Plan after October 3, 2020. Subject to adjustment as provided in Section 7.6, no more than 4,450,000 Shares in the aggregate may be issued under the Plan in connection with Incentive Stock Options. After the effective date of the Plan (as provided in Section 7.1), no awards may be granted under the 2017 Equity Plan; however, any awards under the 2017 Equity Plan that are outstanding as of the effective date shall remain subject to the terms and conditions of, and continue to be governed by, such Prior Plan.

2.2 Permitted Addbacks to Share Reserve. If (i) any Shares subject to an Award are forfeited, an Award expires or an Award is settled for cash (in whole or in part), or (ii) after October 3, 2020 any Shares subject to an Award under the 2017 Equity Plan are forfeited, an award under the 2017 Equity Plan expires or is settled for cash (in whole or in part), then in each such case the Shares subject to such Award or award under the 2017 Equity Plan shall, to the extent of such forfeiture, expiration or cash settlement, be added to the shares available for Awards under the Plan. In the event that withholding tax liabilities arising from an Award *other than* an Option or SAR or, after October 3, 2020, an award *other than* an option or stock appreciation right under the 2017 Equity Plan are satisfied by the tendering of Shares (either actually or by attestation) or by the withholding of Shares by the Company, the Shares so tendered or withheld shall be added to the Shares available for Awards under the Plan;

provided, however, that Shares that again become available for issuance under the Plan pursuant to the preceding clause (ii) shall not increase the numbers of shares that may be granted under the Plan in connection with Incentive Stock Options.

2.3 No Recycling of Options or SARs. Notwithstanding anything to the contrary contained herein, the following Shares shall not be added to the Shares available for Awards under Section 2.1: (i) Shares tendered by the Participant or withheld by the Company in payment of the purchase price of an Option or, after October 3, 2020, an option under the 2017 Equity Plan, (ii) Shares tendered by the Participant or withheld by the Company to satisfy any tax withholding obligation with respect to Options or SARs or, after October 3, 2020, options or stock appreciation rights under the 2017 Equity Plan, (iii) Shares subject to a SAR or, after October 3, 2020, a stock appreciation right under the 2017 Equity Plan that are not issued in connection with its stock settlement on exercise thereof, and (iv) Shares reacquired by the Company on the open market or otherwise using cash proceeds from the exercise of Options or, after October 3, 2020, options under the 2017 Equity Plan.

2.4 Substitute Awards. Substitute Awards shall not reduce the Shares authorized for grant under the Plan, nor shall Shares subject to a Substitute Award be added to the Shares available for Awards under the Plan. Additionally, in the event that a company acquired by the Company or any Subsidiary or with which the Company or any Subsidiary combines has shares available under a pre-existing plan approved by stockholders and not adopted in contemplation of such acquisition or combination, the shares available for grant pursuant to the terms of such pre-existing plan (as adjusted, to the extent appropriate, using the exchange ratio or other adjustment or valuation ratio or formula used in such acquisition or combination to determine the consideration payable to the holders of common stock of the entities party to such acquisition or combination) may be used for Awards under the Plan and shall not reduce the Shares authorized for grant under the Plan (and Shares subject to such Awards shall not be added to the Shares available for Awards under the Plan as provided in Section 2.1 above); provided that Awards using such available shares shall not be made after the date awards or grants could have been made under the terms of the pre-existing plan, absent the acquisition or combination, and shall only be made to individuals who were not Employees or Non-Employee Directors prior to such acquisition or combination.

2.5 Source of Shares. Shares of Common Stock to be delivered under the Plan shall be made available from authorized and unissued Shares, or authorized and issued Shares reacquired and held as treasury shares or otherwise or a combination thereof.

2.6 Non-Employee Director Compensation Limit. The maximum number of Shares subject to Awards granted during a single fiscal year to any Non-Employee Director, taken together with any cash fees paid during the fiscal year to the Non-Employee Director in respect of such Director's service as a member of the Board during such year (including service as a member or chair of any committees of the Board), shall not exceed \$500,000 in total value (calculating the value of any such Awards based on the grant date fair value of such Awards for financial reporting purposes). The independent members of the Board may make exceptions to this limit for a non-executive chair of the Board, provided that the Non-Employee Director receiving such additional compensation may not participate in the decision to award such compensation.

III. STOCK OPTIONS AND STOCK APPRECIATION RIGHTS

3.1. Stock Options. The Committee may, in its discretion, grant options to purchase Shares to such eligible persons as may be selected by the Committee. Each option, or portion thereof, that is not an Incentive Stock Option shall be a Nonqualified Stock Option. To the extent that the aggregate Fair Market Value (determined as of the date of grant) of Shares with respect to which options designated as Incentive Stock Options are exercisable for the first time by a participant during any calendar year (under the Plan or any other plan of the Company, or any parent or Subsidiary) exceeds the amount (currently \$100,000) established by the Code, such options shall constitute Nonqualified Stock Options.

Options shall be subject to the following terms and conditions and shall contain such additional terms and conditions, not inconsistent with the terms of the Plan, as the Committee shall deem advisable:

(a) **Number of Shares and Purchase Price.** The number of Shares subject to an option and the purchase price per share purchasable upon exercise of the option shall be determined by the Committee; provided, however, that the purchase price per share purchasable upon exercise of an option shall not be less than 100% of the Fair Market Value of a Share on the date of grant of such option; provided further, that if an Incentive Stock Option

shall be granted to any person who, at the time such option is granted, owns capital stock possessing more than 10 percent of the total combined voting power of all classes of capital stock of the Company (or of any parent or Subsidiary) (a "Ten Percent Holder"), the purchase price per share shall not be less than the price (currently 110% of Fair Market Value) required by the Code in order to constitute an Incentive Stock Option. Notwithstanding the foregoing, in the case of an option that is a Substitute Award, the purchase price per share of the shares subject to such option may be less than 100% of the Fair Market Value per share on the date of grant.

(b) **Option Period and Exercisability.** The period during which an option may be exercised shall be determined by the Committee; provided, however, that no option shall be exercised later than ten (10) years after its date of grant; provided further, that if an Incentive Stock Option shall be granted to a Ten Percent Holder, such option shall not be exercised later than five years after its date of grant; provided, further, that with respect to a Nonqualified Stock Option, if the expiration date of such option occurs during any period when the participant is prohibited from trading in securities of the Company pursuant to the Company's insider trading policy or other policy of the Company or during a period when the exercise of such option would violate applicable securities laws (each, a "Blackout Period"), then the period during which such option shall be exercisable shall be extended to the date that is 30 days after the expiration of such Blackout Period (to the extent permitted by Section 409A of the Code); provided, further that no extension will be made if the grant price of such Option at the date the initial term would otherwise expire is above the Fair Market Value. The Committee may, in its discretion, establish Performance Measures which shall be satisfied or met as a condition to the grant of an option or to the exercisability of all or a portion of an option. The Committee shall determine whether an option shall become exercisable in cumulative or non-cumulative installments and in part or in full at any time. An exercisable option, or portion thereof, may be exercised only with respect to whole Shares.

(c) **Method of Exercise.** An option may be exercised (i) by giving written notice to the Company specifying the number of whole Shares to be purchased and accompanying such notice with payment therefor in full (or arrangement made for such payment to the Company's satisfaction) either (A) in cash, (B) by delivery (either actual delivery or by attestation procedures established by the Company) of Shares having a Fair Market Value, determined as of the date of exercise, equal to the aggregate purchase price payable by reason of such exercise, (C) authorizing the Company to withhold whole Shares which would otherwise be delivered having an aggregate Fair Market Value, determined as of the date of exercise, equal to the amount necessary to satisfy such obligation, (D) in cash by a broker-dealer acceptable to the Company to whom the optionee has submitted an irrevocable notice of exercise or (E) a combination of (A), (B) and (C), in each case to the extent set forth in the Award Agreement relating to the option, (ii) if applicable, by surrendering to the Company any Tandem SARs which are cancelled by reason of the exercise of the option and (iii) by executing such documents as the Company may reasonably request. No Shares shall be issued and no certificate representing Shares shall be delivered until the full purchase price therefor and any withholding taxes thereon, as described in Section 7.4, have been paid (or arrangement made for such payment to the Company's satisfaction).

3.2. Stock Appreciation Rights. The Committee may, in its discretion, grant SARs to such eligible persons as may be selected by the Committee. The Award Agreement relating to an SAR shall specify whether the SAR is a Tandem SAR or a Free-Standing SAR.

SARs shall be subject to the following terms and conditions and shall contain such additional terms and conditions, not inconsistent with the terms of the Plan, as the Committee shall deem advisable:

(a) **Number of SARs and Base Price.** The number of SARs subject to an Award shall be determined by the Committee. Any Tandem SAR related to an Incentive Stock Option shall be granted at the same time that such Incentive Stock Option is granted. The base price of a Tandem SAR shall be the purchase price per share of the related option. The base price of a Free-Standing SAR shall be determined by the Committee; provided, however, that such base price shall not be less than 100% of the Fair Market Value of a Share on the date of grant of such SAR (or, if earlier, the date of grant of the option for which the SAR is exchanged or substituted).

Notwithstanding the foregoing, in the case of an SAR that is a Substitute Award, the base price per share of the shares subject to such SAR may be less than 100% of the Fair Market Value per share on the date of grant, provided, that the excess of: (a) the aggregate Fair Market Value (as of the date such Substitute Award is granted) of the shares subject to the Substitute Award, over (b) the aggregate base price thereof does not exceed the excess of: (x) the aggregate fair market value (as of the time immediately preceding the transaction giving rise to the Substitute Award, such fair market value to be determined by the Committee) of the shares of the predecessor company or

other entity that were subject to the grant assumed or substituted for by the Company, over (y) the aggregate base price of such shares.

(b) **Exercise Period and Exercisability.** The period for the exercise of an SAR shall be determined by the Committee; provided, however, that no SAR shall be exercised later than ten (10) years after its date of grant; provided further, that no Tandem SAR shall be exercised later than the expiration, cancellation, forfeiture or other termination of the related option; provided, further, if the expiration date of an SAR occurs during any Blackout Period, then the period during which such SAR shall be exercisable shall be extended to the date that is 30 days after the expiration of such Blackout Period (to the extent permitted by Section 409A of the Code); provided, further that no extension will be made if the grant price of such SAR at the date the initial term would otherwise expire is above the Fair Market Value. The Committee may, in its discretion, establish Performance Measures which shall be satisfied or met as a condition to the grant of an SAR or to the exercisability of all or a portion of an SAR. The Committee shall determine whether an SAR may be exercised in cumulative or non-cumulative installments and in part or in full at any time. An exercisable SAR, or portion thereof, may be exercised, in the case of a Tandem SAR, only with respect to whole Shares and, in the case of a Free-Standing SAR, only with respect to a whole number of SARs. If an SAR is exercised for shares of Restricted Stock, a certificate or certificates representing such Restricted Stock shall be issued in accordance with Section 4.3(c), or such shares shall be transferred to the holder in book entry form with restrictions on the shares duly noted, and the holder of such Restricted Stock shall have such rights of a stockholder of the Company as determined pursuant to Section 4.3(d). Prior to the exercise of a stock-settled SAR, the holder of such SAR shall have no rights as a stockholder of the Company with respect to the Shares subject to such SAR.

(c) **Method of Exercise.** A Tandem SAR may be exercised (i) by giving written notice to the Company specifying the number of whole SARs which are being exercised, (ii) by surrendering to the Company any options which are cancelled by reason of the exercise of the Tandem SAR and (iii) by executing such documents as the Company may reasonably request. A Free-Standing SAR may be exercised (A) by giving written notice to the Company specifying the whole number of SARs which are being exercised and (B) by executing such documents as the Company may reasonably request. No Shares shall be issued and no certificate representing Shares shall be delivered until any withholding taxes thereon, as described in Section 7.4, have been paid (or arrangement made for such payment to the Company's satisfaction).

3.3. Termination of Employment or Service. All of the terms relating to the exercise, cancellation or other disposition of an option or SAR (i) upon a termination of employment with or service to the Company of the holder of such option or SAR, as the case may be, whether by reason of disability, retirement, death or any other reason, or (ii) during a paid or unpaid leave of absence, shall be determined by the Committee and set forth in the applicable Award Agreement.

3.4. No Repricing. The Committee may not without the approval of the stockholders of the Company, (i) reduce the purchase price or base price of any previously granted option or SAR, (ii) cancel any previously granted option or SAR in exchange for another option or SAR with a lower purchase price or base price or (iii) cancel any previously granted option or SAR in exchange for cash or another Award if the purchase price of such option or the base price of such SAR exceeds the Fair Market Value of a Share on the date of such cancellation, in each case, other than in connection with a Change in Control or the adjustment provisions set forth in Section 7.6.

3.5. Dividend Equivalents. Notwithstanding anything in an Award Agreement to the contrary, the holder of an option or SAR shall not be entitled to receive dividend equivalents with respect to the number of Shares subject to such option or SAR.

IV. STOCK AWARDS

4.1. Stock Awards. The Committee may, in its discretion, grant Stock Awards to such eligible persons as may be selected by the Committee. The Award Agreement relating to a Stock Award shall specify whether the Stock Award is a Restricted Stock Award, Restricted Stock Unit Award or Unrestricted Stock Award.

4.2. Terms of Unrestricted Stock Awards. The number of Shares subject to an Unrestricted Stock Award shall be determined by the Committee. Unrestricted Stock Awards shall not be subject to any Restriction Periods or Performance Measures. Upon the grant of an Unrestricted Stock Award, subject to the Company's right to require payment of any taxes in accordance with Section 7.4, a certificate or certificates evidencing ownership of the

requisite number of Shares shall be delivered to the holder of such Award or such shares shall be transferred to the holder in book entry form.

4.3. Terms of Restricted Stock Awards. Restricted Stock Awards shall be subject to the following terms and conditions and shall contain such additional terms and conditions, not inconsistent with the terms of the Plan, as the Committee shall deem advisable.

(a) **Number of Shares and Other Terms.** The number of Shares subject to a Restricted Stock Award and the Restriction Period, Performance Period (if any) and Performance Measures (if any) applicable to a Restricted Stock Award shall be determined by the Committee.

(b) **Vesting and Forfeiture.** The Award Agreement relating to a Restricted Stock Award shall provide, in the manner determined by the Committee, in its discretion, and subject to the provisions of the Plan, for the vesting of the Shares subject to such Award (i) if the holder of such Award remains continuously in the employment of the Company during the specified Restriction Period and (ii) if specified Performance Measures (if any) are satisfied or met during a specified Performance Period, and for the forfeiture of the Shares subject to such Award (x) if the holder of such Award does not remain continuously in the employment of the Company during the specified Restriction Period or (y) if specified Performance Measures (if any) are not satisfied or met during a specified Performance Period.

(c) **Stock Issuance.** During the Restriction Period, the shares of Restricted Stock shall be held by a custodian in book entry form with restrictions on such shares duly noted or, alternatively, a certificate or certificates representing a Restricted Stock Award shall be registered in the holder's name and may bear a legend, in addition to any legend which may be required pursuant to Section 7.5, indicating that the ownership of the Shares represented by such certificate is subject to the restrictions, terms and conditions of the Plan and the Award Agreement relating to the Restricted Stock Award. All such certificates shall be deposited with the Company, together with stock powers or other instruments of assignment (including a power of attorney), each endorsed in blank with a guarantee of signature if deemed necessary or appropriate, which would permit transfer to the Company of all or a portion of the Shares subject to the Restricted Stock Award in the event such Award is forfeited in whole or in part. Upon termination of any applicable Restriction Period (and the satisfaction or attainment of applicable Performance Measures), subject to the Company's right to require payment of any taxes in accordance with Section 7.4, the restrictions shall be removed from the requisite number of any Shares that are held in book entry form, and all certificates evidencing ownership of the requisite number of Shares shall be delivered to the holder of such Award.

(d) **Rights with Respect to Restricted Stock Awards.** Unless otherwise set forth in the Award Agreement relating to a Restricted Stock Award, and subject to the terms and conditions of a Restricted Stock Award, the holder of such Award shall have all rights as a stockholder of the Company, including, but not limited to, voting rights, the right to receive dividends subject to Section 1.5, and the right to participate in any capital adjustment applicable to all holders of Common Stock.

4.4. Terms of Restricted Stock Unit Awards. Restricted Stock Unit Awards shall be subject to the following terms and conditions and shall contain such additional terms and conditions, not inconsistent with the terms of the Plan, as the Committee shall deem advisable.

(a) **Number of Shares and Other Terms.** The number of Shares subject to a Restricted Stock Unit Award and the Restriction Period, Performance Period (if any) and Performance Measures (if any) applicable to a Restricted Stock Unit Award shall be determined by the Committee.

(b) **Vesting and Forfeiture.** The Award Agreement relating to a Restricted Stock Unit Award shall provide, in the manner determined by the Committee, in its discretion, and subject to the provisions of the Plan, for the vesting of such Restricted Stock Unit Award (i) if the holder of such Award remains continuously in the employment of the Company during the specified Restriction Period and (ii) if specified Performance Measures (if any) are satisfied or met during a specified Performance Period, and for the forfeiture of the Shares subject to such Award (x) if the holder of such Award does not remain continuously in the employment of the Company during the specified Restriction Period or (y) if specified Performance Measures (if any) are not satisfied or met during a specified Performance Period.

(c) **Settlement of Vested Restricted Stock Unit Awards.** The Award Agreement relating to a Restricted Stock Unit Award shall specify (i) whether such Award may be settled in Shares or cash or a combination thereof and (ii) subject to Section 1.5, whether the holder thereof shall be entitled to receive dividend equivalents,

and, if determined by the Committee, interest on, or the deemed reinvestment of, any deferred dividend equivalents, with respect to the number of Shares subject to such Award. Prior to the settlement of a Restricted Stock Unit Award, the holder of such Award shall have no rights as a stockholder of the Company with respect to the Shares subject to such Award.

4.5. Termination of Employment or Service. All of the terms relating to the satisfaction of Performance Measures and the termination of the Restriction Period or Performance Period relating to a Stock Award, or any forfeiture and cancellation of such Award (i) upon a termination of employment with or service to the Company of the holder of such Award, whether by reason of disability, retirement, death or any other reason, or (ii) during a paid or unpaid leave of absence, shall be determined by the Committee and set forth in the applicable Award Agreement.

V. PERFORMANCE AWARDS

5.1. Performance Awards. The Committee may, in its discretion, grant Performance Awards to such eligible persons as may be selected by the Committee.

5.2. Terms of Performance Awards. Performance Awards shall be subject to the following terms and conditions and shall contain such additional terms and conditions, not inconsistent with the terms of the Plan, as the Committee shall deem advisable.

(a) **Value of Performance Awards and Performance Measures.** The method of determining the value of the Performance Award and the Performance Measures and Performance Period applicable to a Performance Award shall be determined by the Committee.

(b) **Vesting and Forfeiture.** The Award Agreement relating to a Performance Award shall provide, in the manner determined by the Committee, in its discretion, and subject to the provisions of the Plan, for the vesting of such Performance Award if the specified Performance Measures are satisfied or met during the specified Performance Period and for the forfeiture of such Award if the specified Performance Measures are not satisfied or met during the specified Performance Period.

(c) **Settlement of Vested Performance Awards.** The Award Agreement relating to a Performance Award shall specify whether such Award may be settled in Shares (including shares of Restricted Stock) or cash or a combination thereof. If a Performance Award is settled in shares of Restricted Stock, such shares of Restricted Stock shall be issued to the holder in book entry form or a certificate or certificates representing such Restricted Stock shall be issued in accordance with Section 4.3(c) and the holder of such Restricted Stock shall have such rights as a stockholder of the Company as determined pursuant to Section 4.3(d). Prior to the settlement of a Performance Award in Shares, including Restricted Stock, the holder of such Award shall have no rights as a stockholder of the Company.

5.3. Termination of Employment or Service. All of the terms relating to the satisfaction of Performance Measures and the termination of the Performance Period relating to a Performance Award, or any forfeiture and cancellation of such Award (i) upon a termination of employment with or service to the Company of the holder of such Award, whether by reason of disability, retirement, death or any other reason, or (ii) during a paid or unpaid leave of absence, shall be determined by the Committee and set forth in the applicable Award Agreement.

VI. OTHER CASH-BASED AWARDS

6.1. Other Cash-Based Awards. The Committee may grant cash-based Awards to such eligible persons as may be selected by the Committee that provide the opportunity to earn or receive cash payments. Other Cash-Based Awards may be granted as an element of or a supplement to any other Award under the Plan or as a stand-alone Award. The terms and conditions relating to Other Cash-Based Awards shall be set forth in the applicable Award Agreement.

VII. GENERAL

7.1. Effective Date and Term of Plan. This Plan shall be submitted to the stockholders of the Company for approval and, if approved, shall become effective as of the date of such stockholder approval. This Plan shall terminate on the tenth anniversary of the date on which the Company's stockholders approve the Plan, unless earlier

terminated by the Board or Committee; provided, however, that no Incentive Stock Options shall be granted after the tenth anniversary of the date on which the Plan, as amended and restated, was approved by the Board. Termination of the Plan shall not affect the terms or conditions of any Award granted prior to termination. Awards hereunder may be made at any time prior to the termination of the Plan.

7.2. Amendments. The Board may amend or discontinue the Plan as it shall deem advisable; provided, however, that no amendment to the Plan shall be effective without the approval of the Company's stockholders if (i) stockholder approval is required by applicable law, rule or regulation, including any applicable rule of the Nasdaq, or (ii) such amendment seeks to modify Section 3.4 hereof; provided further, that no amendment may materially impair the rights of a holder of an outstanding Award without the consent of such holder. The Committee may, at any time, amend or cancel any outstanding Award for the purpose of satisfying changes in law or for any other lawful purpose, but no such action shall materially and adversely affect rights under such outstanding Award without the holder's consent.

7.3. Non-Transferability. No Award shall be transferable other than by will, the laws of descent and distribution or pursuant to beneficiary designation procedures approved by the Company or, to the extent expressly permitted in the Award Agreement relating to such Award, to the holder's family members, a trust or entity established by the holder for estate planning purposes or a charitable organization designated by the holder, in each case, without consideration. Except to the extent permitted by the foregoing sentence or the Award Agreement relating to an Award, each Award may be exercised or settled during the holder's lifetime only by the holder or the holder's legal representative or similar person. Except as permitted by the second preceding sentence, no Award may be sold, transferred, assigned, pledged, hypothecated, encumbered or otherwise disposed of (whether by operation of law or otherwise) or be subject to execution, attachment or similar process. Upon any attempt to so sell, transfer, assign, pledge, hypothecate, encumber or otherwise dispose of any Award, such Award and all rights thereunder shall immediately become null and void.

7.4. Tax Withholding. The Company shall have the right to require, prior to the issuance or delivery of any Shares or the payment of any cash pursuant to an Award made hereunder, payment by the holder of such Award of any federal, state, local or other taxes which may be required to be withheld or paid in connection with such Award. An Award Agreement may provide that (i) the Company shall withhold whole Shares which would otherwise be delivered to a holder, having an aggregate Fair Market Value determined as of the date the obligation to withhold or pay taxes arises in connection with an Award (the "Tax Date"), or withhold an amount of cash which would otherwise be payable to a holder, in the amount necessary to satisfy any such obligation or (ii) the holder may satisfy any such obligation by any of the following means: (A) a cash payment to the Company; (B) delivery (either actual delivery or by attestation procedures established by the Company) to the Company of previously owned whole Shares having an aggregate Fair Market Value, determined as of the Tax Date, equal to the amount necessary to satisfy any such obligation; (C) authorizing the Company to withhold whole Shares which would otherwise be delivered having an aggregate Fair Market Value, determined as of the Tax Date, or withhold an amount of cash which would otherwise be payable to a holder, equal to the amount necessary to satisfy any such obligation; (D) a cash payment through a broker-assisted exercise in a manner acceptable to the Company; or (E) a combination of (A), (B), (C) and (D) or such other means as permitted by the Company from time to time, in each case to the extent set forth in the applicable Award Agreement.

7.5. Restrictions on Shares. Each Award made hereunder shall be subject to the requirement that if at any time the Company determines that the listing, registration or qualification of the Shares subject to such Award upon any securities exchange or under any law, or the consent or approval of any governmental body, or the taking of any other action is necessary or desirable as a condition of, or in connection with, the delivery of shares thereunder, such shares shall not be delivered unless such listing, registration, qualification, consent, approval or other action shall have been effected or obtained, free of any conditions not acceptable to the Company. The Company may require that certificates or book entries evidencing Shares delivered pursuant to any Award made hereunder bear a legend or notation indicating that the sale, transfer or other disposition thereof by the holder is prohibited except in compliance with the Securities Act of 1933, as amended, and the rules and regulations thereunder.

7.6. Adjustment. In the event of any equity restructuring (within the meaning of Financial Accounting Standards Board Accounting Standards Codification Topic 718, Compensation—Stock Compensation) that causes the per share value of Shares to change, such as a stock dividend, stock split, spinoff, rights offering or recapitalization through an extraordinary cash dividend, the number and class or type of securities available under the Plan, the terms of each outstanding option and SAR (including the number and class and type of securities

subject to each outstanding option or SAR and the purchase price or base price per share), the terms of each outstanding Restricted Stock Award and Restricted Stock Unit Award (including the number and class and type of securities subject thereto) and the terms of each outstanding Performance Award (including the number and class and type of securities subject thereto), shall be appropriately adjusted by the Committee, such adjustments to be made in the case of outstanding options and SARs without an increase in the aggregate purchase price or base price and in accordance with Section 409A of the Code. In the event of any other change in corporate capitalization, including a merger, consolidation, reorganization, or partial or complete liquidation of the Company, such equitable adjustments described in the foregoing sentence may be made as determined to be appropriate and equitable by the Committee to prevent dilution or enlargement of rights of participants. In either case, the decision of the Committee regarding any such adjustment shall be final, binding and conclusive.

7.7. Change in Control

(a) Subject to the terms of the applicable Award Agreement, in the event of a Change in Control, the Board (as constituted prior to such Change in Control) may, but is not limited to, in its discretion, take one of the following actions:

(i) provide that (A) some or all outstanding options and SARs shall become exercisable in full or in part, either immediately or upon a subsequent termination of employment, (B) the Restriction Period applicable to some or all outstanding Restricted Stock Awards and Restricted Stock Unit Awards shall lapse in full or in part, either immediately or upon a subsequent termination of employment, (C) the Performance Period applicable to some or all outstanding Awards shall lapse in full or in part, and (D) the Performance Measures applicable to some or all outstanding Awards shall be deemed to be satisfied at the target or any other level;

(ii) require that shares of stock of the corporation resulting from such Change in Control, or a parent corporation thereof, be substituted for some or all of the Shares subject to an outstanding Award, with an appropriate and equitable adjustment to such Award as shall be determined by the Board in accordance with Section 7.6; and/or

(iii) require outstanding Awards, in whole or in part, to be surrendered to the Company by the holder, and to be immediately cancelled by the Company, and to provide for the holder to receive (A) a cash payment in an amount equal to (1) in the case of an option or an SAR, the aggregate number of Shares then subject to the portion of such option or SAR surrendered multiplied by the excess, if any, of the Fair Market Value of a Share as of the date of the Change in Control, over the purchase price or base price per Share subject to such option or SAR, (2) in the case of a Stock Award or a Performance Award denominated in Shares, the aggregate number of Shares then subject to the portion of such Award surrendered to the extent the Performance Measures applicable to such Award have been satisfied or are deemed satisfied pursuant to Section 7.7(a)(i), multiplied by the Fair Market Value of a Share as of the date of the Change in Control, and (3) in the case of a Performance Award denominated in cash, the value of the Performance Award then subject to the portion of such Award surrendered to the extent the Performance Measures applicable to such Award have been satisfied or are deemed satisfied pursuant to Section 7.7(a)(i); (B) shares of capital stock of the corporation resulting from or succeeding to the business of the Company pursuant to such Change in Control, or a parent corporation thereof, having a fair market value not less than the amount determined under clause (A) above; or (C) a combination of the payment of cash pursuant to clause (A) above and the issuance of shares pursuant to clause (B) above.

(b) For purposes of the Plan, a “Change in Control” means, unless otherwise provided in an Award Agreement, the occurrence of any one of the following events:

(i) any Person (except for the Company, any employee benefit plan of the Company or of any Affiliate, or any Person or entity organized, appointed or established by the Company for or pursuant to the terms of any such employee benefit plan), together with all Affiliates and Associates of such Person, shall become the Beneficial Owner in the aggregate of fifty percent (50%) or more of the shares of the Company then outstanding and entitled to vote generally in the election of directors;

(ii) any Person, together with all Affiliates and Associates of such Person, purchases all or substantially all of the assets of the Company;

(iii) during any twenty-four (24) month period, individuals who, as of the beginning of such period, constitute the Board (the “Incumbent Directors”) cease for any reason to constitute at least a majority of the Board, provided that any person becoming a director subsequent to the beginning of such period whose election or

nomination for election was approved by a vote of at least a majority of the Incumbent Directors then on the Board (either by a specific vote or by approval of the proxy statement of the Company in which such person is named as a nominee for director, without written objection to such nomination) shall be an Incumbent Director; provided, however, that no individual initially elected or nominated as a director of the Company as a result of an actual or threatened election contest with respect to directors or as a result of any other actual or threatened solicitation of proxies by or on behalf of any person other than the Board shall be deemed to be an Incumbent Director;

(iv) the Company consummates a merger, consolidation or share exchange (a “Corporate Event”), as a result of which the shareholders of the Company immediately before such Corporate Event shall not hold, directly or indirectly, immediately after such Corporate Event at least a majority of the combined voting power of the voting securities entitled to vote generally in the election of directors of the surviving or resulting corporation, in case of a merger or consolidation, or of the acquiring corporation, in case of the share exchange; or

(v) The stockholders of the Company approve a plan of complete liquidation or dissolution of the Company or the consummation of a sale of all or substantially all of the Company’s assets.

Solely with respect to any Award that constitutes “deferred compensation” subject to Section 409A of the Code and that is payable on account of a Change in Control (including any installments or stream of payments that are accelerated on account of a Change in Control), a Change in Control shall occur only if such event also constitutes a “change in the ownership”, “change in effective control”, and/or a “change in the ownership of a substantial portion of assets” of the Company as those terms are defined under Treasury Regulation §1.409A-3(i)(5), but only to the extent necessary to establish a time or form of payment that complies with Section 409A of the Code, without altering the definition of Change in Control for purposes of determining whether a Participant’s rights to such Award become vested or otherwise unconditional upon the Change in Control.

(c) The capitalized terms used in (b) above shall have the following meanings:

(i) “Affiliate” and “Associate” shall have the respective meanings ascribed to such terms in Rule 12b-2 of the General Rules and Regulations under the Exchange Act.

(ii) “Beneficial Owner” of any securities shall mean:

(A) a Person or any of such Person’s Affiliates or Associates that, directly or indirectly, has the right to acquire such securities (whether such right is exercisable immediately or only after the passage of time) pursuant to any agreement, arrangement or understanding (whether or not in writing) or upon the exercise of conversion rights, exchange rights, warrants or options, or otherwise; provided, however, that a Person shall not be deemed the “Beneficial Owner” of securities tendered pursuant to a tender or exchange offer made by such Person or any of such Person’s Affiliates or Associates until such tendered securities are accepted for payment, purchase or exchange;

(B) a Person or any of such Person’s Affiliates or Associates that, directly or indirectly, has the right to vote or dispose of or has “beneficial ownership” of such securities (as determined pursuant to Rule 13d-3 of the General Rules and Regulations under the Exchange Act), including, without limitation, pursuant to any agreement, arrangement or understanding (whether or not in writing); provided, however, that a Person shall not be deemed the “Beneficial Owner” of any security under this subsection (ii) as a result of an oral or written agreement, arrangement or understanding to vote such security if such agreement, arrangement or understanding (A) arises solely from a revocable proxy given in response to a public proxy or consent solicitation made pursuant to, and in accordance with, the applicable provisions of the General Rules and Regulations under the Exchange Act, and (B) is not then reportable by such Person on Schedule 13D or 13G under the Exchange Act (or any comparable successor report); or

(C) a Person or any of such Person’s Affiliates or Associates that has any agreement, arrangement or understanding (whether or not in writing) with any other Person for the purpose of acquiring, holding, voting (except pursuant to a revocable proxy described in the proviso to subsection (ii) above) or disposing of any voting securities of the Company, in which case such Person shall be the Beneficial Owner of all securities that are Beneficially Owned, directly or indirectly, by such other Person (or any Affiliate or Associate thereof) within the meaning of subsection (i) or (ii) above;

provided, however, that nothing in this subsection (b) shall cause a Person engaged in business as an underwriter of securities to be the “Beneficial Owner” of any securities acquired through such Person’s

participation in good faith in a firm commitment underwriting until expiration of forty (40) days after the date of such acquisition.

(iii) “Person” shall mean any individual, firm, corporation, partnership or other entity.

7.8. Deferrals. The Committee may determine that the delivery of Shares or the payment of cash, or a combination thereof, upon the exercise or settlement of all or a portion of any Award (other than Awards of Incentive Stock Options, Nonqualified Stock Options and SARs) made hereunder shall be deferred, or the Committee may, in its sole discretion, approve deferral elections made by holders of Awards. Deferrals shall be for such periods and upon such terms as the Committee may determine in its sole discretion, subject to the requirements of Section 409A of the Code.

7.9. No Right of Participation, Employment or Service. Unless otherwise set forth in an employment agreement, no person shall have any right to participate in the Plan. Neither the Plan nor any Award made hereunder shall confer upon any person any right to continued employment by or service with the Company, any Subsidiary or any affiliate of the Company or affect in any manner the right of the Company, any Subsidiary or any affiliate of the Company to terminate the employment or service of any person at any time without liability hereunder.

7.10. Rights as Stockholder. No person shall have any right as a stockholder of the Company with respect to any Shares or other equity security of the Company which is subject to an Award hereunder unless and until such person becomes a stockholder of record with respect to such Shares or equity security.

7.11. No Fractional Shares. No fractional Shares shall be issued or delivered pursuant to the Plan or any Award. The Committee shall determine whether cash, other Awards or other property shall be issued or paid in lieu of fractional Shares or whether such fractional Shares or any rights thereto shall be forfeited or otherwise eliminated.

7.12. Designation of Beneficiary. To the extent permitted by the Company and applicable law, a holder of an Award may file with the Company a written designation of one or more persons as such holder’s beneficiary or beneficiaries (both primary and contingent) in the event of the holder’s death or incapacity. To the extent an outstanding option or SAR granted hereunder is exercisable, such beneficiary or beneficiaries shall be entitled to exercise such option or SAR pursuant to procedures prescribed by the Company. Each beneficiary designation shall become effective only when filed in writing with the Company during the holder’s lifetime on a form prescribed by the Company. The spouse of a married holder domiciled in a community property jurisdiction shall join in any designation of a beneficiary other than such spouse. The filing with the Company of a new beneficiary designation shall cancel all previously filed beneficiary designations. If a holder fails to designate a beneficiary, or if all designated beneficiaries of a holder predecease the holder, then each outstanding Award held by such holder, to the extent vested or exercisable, shall be payable to or may be exercised by such holder’s executor, administrator, legal representative or similar person.

7.13. Governing Law. This Plan, each Award hereunder and the related Award Agreement, and all determinations made and actions taken pursuant thereto, to the extent not otherwise governed by the Code or the laws of the United States, shall be governed by the laws of the Commonwealth of Pennsylvania and construed in accordance therewith without giving effect to principles of conflicts of laws.

7.14. Foreign Employees. Without amending the Plan, the Committee may grant Awards to eligible persons who are foreign nationals and/or reside outside the U.S. on such terms and conditions different from those specified in the Plan as may in the judgment of the Committee be necessary or desirable to foster and promote achievement of the purposes of the Plan and, in furtherance of such purposes the Committee may make such modifications, amendments, procedures, subplans and the like as may be necessary or advisable to comply with provisions of laws in other countries or jurisdictions in which the Company or its Subsidiaries operates or has employees.

7.15. Other Benefit and Compensation Programs. Awards granted under the Plan and amounts received upon vesting or exercise of an Award shall not be deemed a part of a participant’s regular, recurring compensation for purposes of calculating payments or benefits under any Company benefit plan or severance program unless specifically provided for under the plan or program. Unless specifically set forth in an Award Agreement, Awards under the Plan are not intended as payment for compensation that otherwise would have been delivered in cash, and even if so intended, such Awards shall be subject to such vesting requirements and other terms, conditions, restrictions, and limitations as may be provided in the Award Agreement.

7.16. Unfunded Plan. Unless otherwise determined by the Committee, the Plan shall be unfunded and shall not create (or be construed to create) a trust or a separate fund or funds. The Plan shall not establish any fiduciary

relationship between the Company and any participant or other person. To the extent that any participant holds any rights by virtue of an Award granted under the Plan, such rights shall constitute general unsecured liabilities of the Company and shall not confer upon any participant or any other person or entity any right, title, or interest in any assets of the Company.

7.17. Awards Subject to Clawback. The Awards granted under the Plan and any cash payment or Shares delivered pursuant to an Award are subject to forfeiture, recovery by the Company or other action pursuant to the applicable Award Agreement or any clawback or recoupment policy which the Company may adopt from time to time, including without limitation any such policy which the Company may be required to adopt under the Dodd-Frank Wall Street Reform and Consumer Protection Act and implementing rules and regulations thereunder, or as otherwise required by law.

7.18. Awards Subject to Trading Restrictions. Awards under the Plan shall be subject to the Company's insider trading policies and procedures, as in effect from time to time.

7.19. Data Privacy. As a condition of receipt of any Award, each participant explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of personal data as described in this Section 7.19 by and among, as applicable, the Company and its Subsidiaries for the exclusive purpose of implementing, administering and managing the participant's participation in the Plan. The Company and its Subsidiaries may hold certain personal information about a participant, including but not limited to, the participant's name, home address and telephone number, date of birth, social security or insurance number or other identification number, salary, nationality, job title(s), any shares of stock held in the Company or any of its subsidiaries, details of all Awards, in each case, for the purpose of implementing, managing and administering the Plan and Awards (the "Data"). The Company and its Subsidiaries may transfer the Data amongst themselves as necessary for the purpose of implementation, administration and management of a participant's participation in the Plan, and the Company and its Subsidiaries may each further transfer the Data to any third parties assisting the Company and its Subsidiaries in the implementation, administration and management of the Plan. These recipients may be located in the participant's country, or elsewhere, and the participant's country may have different data privacy laws and protections than the recipients' country. Through acceptance of an Award, each participant authorizes such recipients to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes of implementing, administering and managing the participant's participation in the Plan, including any requisite transfer of such Data as may be required to a broker or other third party with whom the Company or any of its Subsidiaries or the participant may elect to deposit any shares of Common Stock. The Data related to a participant will be held only as long as is necessary to implement, administer, and manage the participant's participation in the Plan. A participant may, at any time, view the Data held by the Company with respect to such participant, request additional information about the storage and processing of the Data with respect to such participant, recommend any necessary corrections to the Data with respect to the participant or refuse or withdraw the consents herein in writing, in any case without cost, by contacting his or her local human resources representative. The Company may cancel the participant's ability to participate in the Plan and, in the Board's discretion, the participant may forfeit any outstanding Awards if the participant refuses or withdraws his or her consents as described herein. For more information on the consequences of refusal to consent or withdrawal of consent, participants may contact their local human resources representative.

KULICKE AND SOFFA INDUSTRIES, INC.
2021 OMNIBUS INCENTIVE PLAN
2021 ISRAEL ADDENDUM

1. Purpose of the Addendum: This 2021 Israeli Addendum shall form an integral part of the 2021 Omnibus Incentive Plan and any amendments thereto (the “**Plan**”) of Kulicke and Soffa Industries, Inc. (the “**Company**”), and it shall apply only to participants in the Plan who are (i) deemed residents of the State of Israel for the purpose of Israeli tax laws; and (ii) employed by the Company or any of its Israeli Employing Company.

This Addendum modifies the Plan so that it shall comply with the requirements of the Israel Tax Ordinance.

The Plan and this Addendum are complimentary to each other and shall be read and deemed as one. Any requirements provided in this Addendum shall be in addition to the requirements provided in the Plan and the Award Agreement. In the event of a conflict, whether explicit or implied, between the provisions of the Plan and this Addendum, the latter shall govern and prevail.

2. Definitions:

- 2.1. Unless otherwise defined herein, the terms defined in the Plan shall have the same defined meaning in this Addendum.
- 2.2. For the purposes of this Addendum, the following terms shall have the meaning ascribed thereto as set forth below:
- (a) “**Addendum**” means this 2021 Israel Addendum, as amended from time to time.
 - (b) “**Additional Rights**” means any distribution of rights, including an issuance of bonus shares, in connection with Section 102 Trustee Options (as defined below) and/or with the shares issued upon exercise of such Options.
 - (c) “**Controlling Shareholder**” shall have the same meaning ascribed to it in Section 32(9) of the Tax Ordinance (as defined below).
 - (d) “**Employee**” shall have the shall have the same meaning ascribed to it in Section 102(a) of the Tax Ordinance (as defined below).
 - (e) “**Employing Company**” shall have the shall have the same meaning ascribed to it in Section 102(a) of the Tax Ordinance (as defined below).
 - (f) “**Lock-up Period**” means the period during which the Section 102 Trustee Options granted to an Employee as well as any Additional Rights distributed in connection therewith are to be held by the Trustee on behalf of the Employee, in accordance with Section 102, and pursuant to the tax route which the Company elects.

- (g) **“Option”** means Incentive Stock Options or Nonqualified Stock Option (as defined in the Plan) entitling the persons participating in the Plan on exercise thereof to purchase Shares at a specified exercise price for a specified period of time.
- (h) **“Section 3(i)”** means Section 3(i) of the Tax Ordinance and the applicable rules or regulations thereto, all as amended from time to time.
- (i) **“Section 3(i) Option”** means an Option granted pursuant to Section 3(i).
- (j) **“Section 102”** means Section 102 of the Tax Ordinance, and any regulations, rules, orders or procedures promulgated thereunder, including the Income Tax Rules (Tax Relief for Issuance of Shares to Employees), 2003, all as amended from time to time.
- (k) **“Section 102 Trustee Option”** means an Option or Shares intended to qualify under the provisions of Section 102(b) of the Tax Ordinance (including the Section 102(b) Route Election), as either:
 - i. **“Ordinary Income Option Through a Trustee”** for the special tax treatment under Section 102(b)(1) and the “Ordinary Income Route”, or
 - ii. **“Capital Gain Option Through a Trustee”** for the special tax treatment under Section 102(b)(2) and the “Capital Route”.
- (l) **“Section 102(b) Route Election”** means the right of the Company to choose either the “Capital Route” (as set under Section 102(b)(2)), or the “Ordinary Income Route” (as set under Section 102(b)(1)), but subject to the provisions of Section 102(g) of the Tax Ordinance, as further specified in Section 5 below.

- (m) **“Section 102 Non-Trustee Option”** means an Option or Shares granted not through a trustee under the terms of Section 102(c) of the Tax Ordinance.
 - (n) **“Tax Ordinance”** means the Israeli Income Tax Ordinance (New Version), 1961, as amended.
 - (o) **“Trustee”** means a person or an entity, appointed by the Committee and approved in accordance with the provisions of Section 102, to hold in trust on behalf of the Employees the granted Options as well as all Additional Rights granted in connection therewith, in accordance with the provisions of Section 102.
 - (p) **“Trust Agreement”** means a written agreement between the Company and the Trustee, which sets forth the terms and conditions of the trust and is in accordance with the provisions of Section 102.
3. Administration: Further to the authorities of the Committee, as detailed in Section 1.3 of the Plan, with regard to this Addendum, the Committee shall have full power and authority, at all times, to: (i) designate Options as Section 102 Trustee Option, Section 102 Non-Trustee Option or Section 3(i) Options, all of which shall be included in the definition of Option under the Plan; (ii) make a Section 102(b) Route Election (subject to the limitations set under Section 102(g)); and (iii) determine any other matter and execute any document which are necessary or desirable for, or incidental to, the administration of this Addendum and the grant of Options hereunder and the compliance with the laws and regulations of Israel in respect of the Plan, including without limitation the regulations under Section 102.
4. Eligibility: Subject to the terms and conditions of the Plan, Section 102 Trustee Options and Section 102 Non-Trustee Options may be granted only to Employees of an Employing Company. Section 3(i) Options may be granted only to participants in the Plan who are not Employees or Employees who are Controlling Shareholders prior to and/or after the issuance of the Options.

5. Section 102(b) Route Election: No Section 102 Trustee Options may be granted under this Addendum to any eligible Employee, unless and until, the Company's election of the type of Section 102 Trustee Options, either as "Ordinary Income Options Through a Trustee" or as "Capital Gain Options Through a Trustee" and the selection is appropriately filed with the Income Tax Authorities before the first date of grant of Section 102 Trustee Options. Such Section 102(b) Route Election shall become effective beginning the first date of grant of a Section 102 Trustee Options under this Addendum and shall remain in effect until the end of the year following the year during which the Company first granted Section 102 Trustee Options. The Section 102(b) Route Election shall obligate the Company to grant *only* the type of Section 102 Trustee Options it has elected, and shall apply to all Employees who were granted Section 102 Trustee Options during the period indicated herein, all in accordance with the provisions of Section 102(g) of the Tax Ordinance. For avoidance of doubt, it is clarified that the Company does not obligate itself to file a Section 102(b) Route Election, and in any case, such Section 102(b) Route Election shall be at the sole discretion of the Company. It is further clarified that such Section 102(b) Route Election shall not prevent the Company from granting Section 102 Non-Trustee Options simultaneously.

6. Trustee:

- 6.1. Section 102 Trustee Options, which shall be granted under the Addendum shall be issued to the Trustee who shall hold the same in trust for the benefit of the Employees at least for the Lock-up Period. Upon the expiration of the Lock-up Period and subject to any further period included in the Plan and/or in the Award Agreement, the Trustee may release Section 102 Trustee Options to Employee only after the Employee's full payment of his or her tax liability in connection therewith due pursuant to the Tax Ordinance. It is hereby clarified that Employees will only be entitled to exercise Options, provided the underlying shares are being sold concurrently upon said execution, all subject to the provisions of Section 6.2 below.
- 6.2. Notwithstanding the above, in the event an Employee shall elect to release the Section 102 Trustee Options prior to the expiration of the Lock-up Period, the sanctions under Section 102 shall apply to and shall be borne solely by the Employee.
- 6.3. Any Additional Rights distributed to the Employees shall be deposited with and/or issued to the Trustee for the benefit of the Employees, and shall be held by the Trustee for the applicable Lock-up Period in accordance with the provisions of Section 102 and the elected tax route.
- 6.4. Upon receipt of Options, the Employee will sign the Award Agreement, which shall be deemed as the Employee's undertaking to exempt the Trustee from any liability in respect of any action or decision duly taken and *bona fide* executed in relation with the Plan, the Addendum and any Option or other rights received by the Employee in connection therewith.
- 6.5. The Trustee and the Employees shall comply with the Tax Ordinance, Section 102 and the provisions of the Trust Agreement.

7. Issuance of Section 102 Trustee Options: The Company may grant Section 102 Trustee Options only after the passage of thirty (30) days' following the delivery, to the appropriate Israeli Income Tax Authorities, of a request for approval of the Plan and the Addendum as well as the Trustee according to Section 102. Notwithstanding the above, if within ninety (90) days following the delivery of such request, the tax officer notifies the Company of its decision not to approve the Plan and/or the Addendum, the Options, which were intended to be granted as Section 102 Trustee Options, shall be deemed to be Section 102 Non-Trustee Options, unless otherwise was approved by the tax officer.
8. Fair Market Value: Without derogating from the definition of Fair Market Value in the Plan and solely for the purpose of determining the tax liability with respect to the grant of Capital Gain Options Through a Trustee pursuant to Section 102, the Fair Market Value of the Shares on the date of grant shall be equal to the average value of the Company's Shares on the thirty (30) trading days preceding the date of grant, all in accordance with the provisions of Section 102(b)(3) of the Tax Ordinance.

9. Tax Consequences:

- 9.1. Any tax consequences arising from the grant or exercise of any Options or Shares or from the payment for Shares covered thereby or from any other event or act (of the Employee, the Company, an Employing Company or the Trustee) hereunder, shall be borne solely by the Employee. The Company and/or any Employing Company and/or the Trustee shall withhold taxes according to the requirements under the applicable laws, rules, and regulations, including withholding taxes at source. The Company and/or the Trustee shall not be required to release any share certificate to the Employee until all required payments have been fully made.

Furthermore, the Employee shall agree to indemnify the Company and/or any Employing Company that employs the Employee and the Trustee and hold them harmless against and from any and all liability for any such tax or interest or penalty thereon, including without limitation, liabilities relating to the necessity to withhold, or to have withheld, any such tax from any payment made to the Employee.

- 9.2. In the event an Employee shall cease to be employed by the Company or an Employing Company for any reason, the Employee shall be obligated upon the Company's, an Employing Company's or the Trustee's first demand to provide the Company, the Employing Company or the Trustee with a security or guarantee, in the degree and manner satisfactory to them, to cover any future tax obligation resulting from the disposition of the Options and/or the shares acquired thereunder.
- 9.3. With regard to Section 102 Trustee Option, to the extent Section 102 and/or the assessing officer's approval require the Addendum to contain specified provisions in order to qualify such Options or Shares for preferential tax treatment, such provisions shall be deemed to be stated in this Addendum and to be an integral part hereof.
- 9.4. This Addendum is intended to comply with the provisions of Section 102. To the extent any provision in the Plan, in this Addendum or in any Award Agreement contradict the provisions of Section 102, the Rules promulgated thereunder and/or any Israel Tax Authority's guidances, the provisions of Section 102, such rules and guidance shall govern.

10. Continuance of Engagement: Nothing in the Plan or this Addendum shall be deemed to (i) create an employee-employer relationship between a recipient of an Option or Shares and the Company, or (ii) add to, supplement or otherwise alter any employment term or condition that may be in effect by contract or by law in respect of the relationship between the recipient of an Option or Shares and the direct employer of such recipient. Any grant under the Plan is voluntary on the part of the Company, and the Company explicitly denies and negates any continuing obligation, custom or practice in connection with the Plan or any grants made thereunder. Any gain or benefit to a recipient of an Option or Shares shall not accrue or be deemed a benefit or entitlement under any employment term of such employee for any purpose, and it will not be regarded as part of the employee's salary or social benefit, including, without limitation, for the purpose of severance payment.
11. Non-Transferability: Notwithstanding anything in Section 7.3 of the Plan to the contrary, with regard to Section 102 Trustee Options, as long as such Options are held by the Trustee on behalf of the Employee, all rights of the Employee with respect thereto are personal and cannot be transferred, assigned, pledged or mortgaged, other than by will or by the laws of descent and distribution. Shares issued as a result of exercise of Options may be released to the participant in accordance with the provisions of the Company's certificate of incorporation, bylaws and any other similar corporate document.
12. Governing Tax Law: This Addendum and all instruments issued thereunder or in connection therewith shall be governed by and construed and enforced in accordance with the tax laws of the state of Israel, without giving effect to the principles of conflict of laws.
13. Effectiveness: This Addendum shall be effective with respect to Options granted on or after its adoption by the Company.

* * *

KULICKE AND SOFFA INDUSTRIES, INC.
23A SERANGOON NORTH AVENUE 5
#01-01
K&S CORPORATE HEADQUARTERS
SINGAPORE 556269

VOTE BY INTERNET - www.proxyvote.com

Use the Internet to transmit your voting instructions and for electronic delivery of information up until 11:59 P.M. Eastern Time the Tuesday before the cut-off date or meeting date. Have your proxy card in hand when you access the website and follow the instructions to obtain your records and to create an electronic voting instruction form. If you wish to exercise cumulative voting rights in the election of directors, you must vote in person or by mail.

VOTE BY PHONE - 1-800-690-6903

Use any touch-tone telephone to transmit your voting instructions up until 11:59 P.M. Eastern Time the Tuesday before the cut-off date or meeting date. Have your proxy card in hand when you call and then follow the instructions.

VOTE BY MAIL

Mark, sign and date your proxy card and return it in the postage-paid envelope we have provided or return it to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717.

TO VOTE, MARK BLOCKS BELOW IN BLUE OR BLACK INK AS FOLLOWS:

028719-P46530

KEEP THIS PORTION FOR YOUR RECORDS
DETACH AND RETURN THIS PORTION ONLY

THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED.

KULICKE AND SOFFA INDUSTRIES, INC.

The Board of Directors recommends a vote **FOR** the following:

1. Election of Director to serve until the 2025 Annual Meeting.

Nominee:

For Against Abstain

1a. Mr. Chin Hu Lim

☐ ☐ ☐

The Board of Directors recommends a vote **FOR** proposals 2, 3 and 4.

For Against Abstain

2. To ratify the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ending October 2, 2021.
3. To approve the Company's 2021 Omnibus Incentive Plan.
4. To approve, on a non-binding basis, the compensation of the Company's named executive officers.

☐ ☐ ☐

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NOTE: To transact such other business as may properly come before the annual meeting.

Please sign exactly as your name(s) appear(s) hereon. When signing as attorney, executor, administrator, or other fiduciary, please give full title as such. Joint owners should each sign personally. All holders must sign. If a corporation or partnership, please sign in full corporate or partnership name by authorized officer.

Signature [PLEASE SIGN WITHIN BOX]

Date

Signature (Joint Owners)

Date

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting:

The Notice of Annual Meeting of Shareholders and Proxy Statement and 2020 Annual Report to Shareholders with Form 10-K are available at www.proxyvote.com.

D28720-P46530

KULICKE AND SOFFA INDUSTRIES, INC.

Annual Meeting of Shareholders

March 4, 2021, 1:00 PM

This proxy is solicited on behalf of the Board of Directors

The shareholders hereby appoint Fusen E. Chen and Lester A. Wong, or either of them, as proxies, each with the power to appoint his substitute, and hereby authorizes them to represent and to vote, as designated on the reverse side of this ballot, all of the shares of Common Stock of Kulicke and Soffa Industries, Inc. that the shareholders are entitled to vote at the Annual Meeting of Shareholders to be held at 1:00 p.m., Singapore Time, on March 4, 2021, at Kulicke and Soffa Industries, Inc., 23A Serangoon North Avenue 5, #01-01, K&S Corporate Headquarters, Singapore 554369 and any adjournment or postponement thereof.

This proxy, when properly executed, will be voted in the manner directed by the Shareholders. If no such directions are made, this proxy will be voted "FOR" the election of the nominee listed on the reverse side in Proposal 1 for the Board of Directors; and "FOR" Proposals 2, 3 and 4.

PLEASE MARK, SIGN, DATE AND RETURN THIS PROXY CARD PROMPTLY USING THE ENCLOSED REPLY ENVELOPE.

Continued and to be signed on reverse side

***** Exercise Your *Right* to Vote *****
**Important Notice Regarding the Availability of Proxy Materials for the
Shareholder Meeting to Be Held on March 4, 2021.**

KULICKE AND SOFFA INDUSTRIES, INC.

KULICKE AND SOFFA INDUSTRIES, INC.
23A SERANGOON NORTH AVENUE 5
#01-01
K&S CORPORATE HEADQUARTERS
SINGAPORE 554369

Meeting Information

Meeting Type: Annual Meeting
For holders as of: December 7, 2020
Date: March 4, 2021 **Time:** 1:00 p.m., SGT
Location: Kulicke and Soffa Industries, Inc.
23A Serangoon North Avenue 5
#01-01
K&S Corporate Headquarters
Singapore 554369

Meeting Directions: For meeting directions, please call:
+65-6417-3427

You are receiving this communication because you hold shares in the company named above.

This is not a ballot. You cannot use this notice to vote these shares. This communication presents only an overview of the more complete proxy materials that are available to you on the Internet. You may view the proxy materials online at www.proxyvote.com or easily request a paper copy (see reverse side).

We encourage you to access and review all of the important information contained in the proxy materials before voting.

**See the reverse side of this notice to obtain
proxy materials and voting instructions.**

— **Before You Vote** —
How to Access the Proxy Materials

Proxy Materials Available to VIEW or RECEIVE:

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS AND PROXY STATEMENT
2020 ANNUAL REPORT TO SHAREHOLDERS WITH FORM 10-K

How to View Online:

Have the information that is printed in the box marked by the arrow → [XXXX XXXX XXXX XXXX] (located on the following page) and visit: www.proxyvote.com.

How to Request and Receive a PAPER or E-MAIL Copy:

If you want to receive a paper or e-mail copy of these documents, you must request one. There is NO charge for requesting a copy. Please choose one of the following methods to make your request:

- 1) BY INTERNET: www.proxyvote.com
- 2) BY TELEPHONE: 1-800-579-1639
- 3) BY E-MAIL*: sendmaterial@proxyvote.com

* If requesting materials by e-mail, please send a blank e-mail with the information that is printed in the box marked by the arrow → [XXXX XXXX XXXX XXXX] (located on the following page) in the subject line.

Requests, instructions and other inquiries sent to this e-mail address will NOT be forwarded to your investment advisor. Please make the request as instructed above on or before February 18, 2021 to facilitate timely delivery.

— **How To Vote** —
Please Choose One of the Following Voting Methods

Vote In Person: Many shareholder meetings have attendance requirements including, but not limited to, the possession of an attendance ticket issued by the entity holding the meeting. Please check the meeting materials for any special requirements for meeting attendance. At the meeting, you will need to request a ballot to vote these shares.

Vote By Internet: To vote now by Internet, go to www.proxyvote.com. Have the information that is printed in the box marked by the arrow → [XXXX XXXX XXXX XXXX] (located on the following page) available and follow the instructions.

Vote By Mail: You can vote by mail by requesting a paper copy of the materials, which will include a proxy card.

Voting Items

The Board of Directors recommends a vote **FOR** the following:

1. Election of Director to serve until the 2025 Annual Meeting.

Nominee:

- 1a. Mr. Chin Hu Lim

The Board of Directors recommends a vote **FOR** proposals **2, 3 and 4**.

2. To ratify the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ending October 2, 2021.
3. To approve the Company's 2021 Omnibus Incentive Plan.
4. To approve, on a non-binding basis, the compensation of the Company's named executive officers.

NOTE: To transact such other business as may properly come before the annual meeting.

