

Remuneration Policy Neways Electronics International N.V.

The new remuneration policy of Neways Electronics International N.V. (the "**Company**") as proposed by the Supervisory Board follows a review of the existing policy that has been effective as from 18 April 2017 after the approval by the Annual General Meeting of Shareholders (the "**AGM**"). This proposal continues the existing remuneration policy principles and is updated for the outcomes of the review of the requirements as contained in the Dutch Corporate Governance Code and the new Dutch legal requirements. In addition, the policy is extended with the remuneration principles applicable to the individual compensation of the Supervisory Board members.

This new policy is presented to be adopted by the AGM on 16 April 2020 and if approved, this Remuneration Policy will replace the existing remuneration Policy. It is intended that this new Remuneration Policy will be applicable for four years. Changes to this policy during this four-year period will be presented to the AGM for approval. Prior to the expiry of the four-year period, the Remuneration Policy will again be presented to the AGM for approval whereby this Remuneration Policy remains to be operated and applied by the Company until a new policy is approved by the AGM.

For the remuneration of the Board of Directors, the Supervisory Board may, in exceptional circumstances only and in accordance with Dutch law, decide to temporarily deviate from the Remuneration Policy. Exceptional circumstances shall cover only situations in which the deviation from the Remuneration Policy is necessary to ensure the long-term interests and sustainability of the Company as a whole or to assure its viability, such as a change of control at the level of the Company. In such circumstances a deviation from the Remuneration Policy is permitted. The Supervisory Board will account for this during the General Meeting immediately following the occurrence of such exceptional circumstance resulting in a deviation from the Remuneration Policy

The proposed new remuneration policy has been shared and discussed with the Works Council of the Company. In accordance with Dutch law, the Works Council has been requested to provide the Supervisory Board with their advice with respect to the proposed new remuneration policy. The Supervisory Board obtained a positive advice of the Works Council on the proposed implementation of this new remuneration policy and this advice will be acknowledged and separately be provided to the AGM on 16 April 2020.

A Board of Directors

Introduction

The Supervisory Board has the responsibility of determining the remuneration policy and principles of the Board of Directors of the Company and for recommending and monitoring the level and structure of remuneration. Within this framework, the Supervisory Board determines the individual remuneration of the members of the Board of Directors.

The Company's remuneration policy aims to attract, retain and reward highly qualified members of the Board of Directors with the required background, skills and experience. It is transparent and aligns the interests of the Company, shareholders and other stakeholders in the medium and long-term to deliver sustainable performance in line with the strategy, purpose and values of the Company. Providing customised solutions in close collaboration with our customers is the key driver of the mission statement of the Company by offering products for the full lifecycle of PCBA's, cables, microelectronics and box build applications, always aiming for optimum cost of ownership. This mission is embedded in our strategy that is based on three pillars: customer intimacy, technology leadership and operational excellence. This mission also clearly links to and supports the high quality standards operated by the Company that include manufacturing standards, footprint and safety. The Remuneration Policy seeks to promote these strategic objectives within the Company's risk appetite, promote sustainable achievements and promote an ethical culture and responsible corporate citizenship.

The Company aspires to ensure that the Remuneration Policy aligns with all policies and procedures and complies with relevant laws and the Dutch Corporate Governance Code by applying high standards of corporate governance, environmental and ethical practices. Sound corporate governance is a key element of the culture, behaviour and management of the Company and is consistent with the core values and purpose. For this purpose we have defined our Code of Conduct to ensure these high standards in both the workplace and in all of our business dealings. These policies as contained in our Code of Conduct that encompass human rights, health and safety, conflict minerals, anti-corruption and anti-bribery, conflict of interest, financial reporting environmental responsibility, insider trading, community initiatives and includes a whistleblower procedure. The underlying documentation of our full Code of Conduct is available on our corporate website .

The level of remuneration of the Board of Directors will be determined on the basis of a variety of factors, including periodic benchmark assessments provided by independent external advisors. The Supervisory Board has analysed the possible outcomes of the variable remuneration referred to in this policy and how these may affect the remuneration of the Board of Directors, In this respect regular scenario analysis are undertaken whereby the development of the underlying share price of the Company's shares is considered. This with due regard for the risks to which variable remuneration may expose the Company. The variable remuneration will be linked to predetermined, assessable and influenceable targets, which are predominantly of a long-term nature and linked to the strategy. In determining the actual remuneration of the Board of Directors, the Supervisory Board assesses the actual performance delivered based on the strategy and takes into account the impact of the overall remuneration of the Board of Directors on the pay differentials within the Company. When determining the remuneration, the Supervisory Board obtains the views of the individual members of the Board of Directors relating to the level and structure of the remuneration.

When determining the remuneration levels of the Board of Directors, the Supervisory Board considers the remuneration arrangements for other employees in the Company, the internal pay ratio's and the views within society to ensure that the remuneration of the Board of Directors remains fair, reasonable and aligned with our values and purpose. Furthermore, the views of shareholders as expressed during the AGM or in dialogue with investors and/or shareholder representative bodies are considered when operating the remuneration policy.

The Supervisory Board regularly (i) reviews business objectives, (ii) undertakes risk assessments, (iii) assesses overall performance with respect to its business objectives and (iv) considers the performance of individual members of the Board of Directors compared to their own specific business objectives. Based on these objectives, the Supervisory Board determines a balanced mix between fixed and variable remuneration components and a set of key performance indicators linked to the variable remuneration components that are aligned with the Company's business objectives

Remuneration Structure

The total remuneration package of the Board of Directors is established on an annual basis by the Supervisory Board. The remuneration structure of the Board of Directors consists of the following elements:

- Fixed compensation - Annual base salary
- Short-Term Incentive - Annual cash bonus plan
- Long-Term Incentive - Performance Share Plan
- Pension allowance
- Other Benefits

The above components are regularly compared with a balanced remuneration reference group of companies selected based on industry, labour market, size and geographical spread to determine the total remuneration package for the Board of Directors. When selecting reference companies the size and complexity of the Company is taken into account, including market capitalisation, net revenues and total assets.

The following companies are included in this remuneration reference group:

Remuneration Reference Group	
AMG Group	Kendrion
Amsterdam Commodities	Lacroix
Ordina	Lucas Bols
BE Semiconductor Industries	Nedap
Cicor Technologies	Oxford Instruments
Euromicron. Comm.& Cntl. Tech.	Phoenix Mecano
Holland Colours	Prima Industrie

The composition of this remuneration reference group will be reviewed by the Supervisory Board on a regular basis and updated if necessary to ensure an appropriate composition. Any major changes to the composition of the remuneration reference group will be subject to the approval of the Annual General Meeting of Shareholders.

In establishing the remuneration for members of the Board of Directors, the Supervisory Board may consult a professional external remuneration consultant in carrying out its duties. The Supervisory Board will verify that the consultant concerned does not similarly provide advice to the Board of Directors so that no conflicts of interest exist.

Fixed compensation - Annual base salary

Each year, the Supervisory Board reviews the annual base salaries for members of the Board of Directors and considers whether to adjust base salary levels. If adjusted, the new base salary will be valid as of 1 January of the next financial year.

Base salaries of the members of the Board of Directors will be determined by comparing the base salary levels of the above mentioned remuneration reference group whereby the base salary of the members of the Board of Directors, at maximum, can be set at the median level of the remuneration reference group. The Supervisory Board also considers the historic salary levels of the individual and the nature of the individual's roles and responsibilities.

Short-term incentive - Annual cash bonus plan

The Board of Directors is entitled to receive an annual, performance related bonus payable in cash. The objective is to incentivize strong financial and personal performance in line with the Company's strategy and annually defined targets. The at-target short-term incentive opportunity for the Board of Directors is set at 35% of annual base salary.

Each year, the Supervisory Board sets the performance targets after approval of the budget for the next financial year. Approximately 70% of the performance targets are linked to financial objectives. The Supervisory Board may choose a maximum of three of the following or comparable objectives at the start of each financial year:

- Sales growth (e.g. identical);
- Result before Interest and Tax;
- Net Cash Flow;
- Working Capital (including quality/solvency) and;
- Operational Margin.

The remaining 30% is based on non-financial and/or personal objectives. The Supervisory Board may choose a maximum of two of the following or comparable objectives at the start of each financial year:

- Cooperation with clients – ;
- Cooperation with suppliers – ;
- Improvement of internal cooperation and systems;
- ESG objectives and;
- Unlock potential Asia & Eastern Europe – .

Threshold, target and maximum performance levels will be set for each performance objective. The achievement of threshold performance will result in 50% pay-out of the award, at-target will result in 100% pay-out of the award and maximum performance will result in 160% pay-out of the award. Linear vesting will occur between performance levels. Performance below threshold level will result in 0% pay-out.

After the end of each financial year the achievement of the short-term objectives are formally evaluated and determined by the Supervisory Board. Pay-out of the annual bonus, if any, will follow the formal approval of the annual accounts.

Long-Term Incentive - Performance Share Plan

The purpose of the Long-Term Incentive plan is to align the interests of the Company, shareholders and the Board of Directors in the medium and long term, to foster and reward sustainable performance and to provide an incentive for longer term commitment and retention of the Board of Directors.

Under the Company's long-term incentive plan, members of the Board of Directors shall be invited to receive a conditional award of performance shares in the Company. In this respect the at-target value of the annual award to the Board of Directors may amount to 22.5% of annual base salary in the year of the award.

Each financial year, after approval of the annual accounts, the Supervisory Board determines the award of performance shares to the Board of Directors.

Awards of performance shares will vest at the end of a three year performance period subject to (i) the achievement of predetermined group financial targets that appropriately reflect the longer term strategy of the Company (e.g. profit margin); and (ii) the continued service as a member of the Board of Directors with the Company.

Where the at-target level of performance is met, all (100%) of the shares underlying the award will vest and an equivalent number of Company shares will be released to the participant. At threshold level of performance 50% of the performance shares underlying the award vests. At maximum level of performance 200% of the performance shares underlying the award will vest. Performance below threshold level will result in 0% vesting of the performance shares awarded.

Performance Adjustment

The Supervisory Board may at its absolute discretion determine after the three performance period to adjust either upward or downward the number of Performance Shares that will vest with a maximum of 10%.

This discretionary performance adjustment may be applied by the Supervisory Board to reflect the overall performance achieved and market developments, and further aligns the interests of the members of the Board of Directors with those of the shareholders.

Holding requirements

Members of the Board of Directors are required to retain the shares released to them under a long-term incentive award for an additional holding period of two years. During this period these shares cannot be transferred, sold or otherwise encumbered by the Board of Directors member, unless with the approval of the Supervisory Board. Notwithstanding the aforementioned, a sell-to-cover taxes is allowed to ensure the Board of Directors members can meet their tax obligations.

Number of shares available

The aggregate annual number of shares available for the equity-based incentive awards under the Company's Performance Share Plan for the Board of Directors will not exceed 2,5% of the total issued share capital of the Company calculated on a fully diluted basis.

Pension allowance

Board of Directors members participate in an average pay scheme operated by the Company. Due to legislative changes in The Netherlands effective as from 2015, part of the pension contribution will be no longer tax exempted. In order to provide for a market competitive pension arrangement for the members of the Board of Directors the pension contribution will be funded directly on the personal pension account as a tax exempted contribution and the remaining premium will be paid as a taxable pension allowance on a voluntary base.

Other benefits

The members of the Board of Directors are entitled to a fixed expense allowance. Other benefits, if any, will be provided in line with the existing Company agreements and practices, or as determined by the Supervisory Board and include the use of a company car and a mobile phone.

Service agreements

Service contracts with any new member of the Board of Directors will in principle be entered into for a period of four years. Existing contracts for an indefinite period of time will not be replaced by contracts with a limited period or by contracts with different conditions.

Compliant with the Dutch Corporate Governance Code, the service agreements with the members of the Board of Directors contain a severance payment in case of involuntary termination within the first year of appointment of three months' base salary and a notice period of six months.

Severance payment

The remuneration paid to members of the Board of Directors in the event of dismissal may not exceed the individual's gross annual base salary (fixed component).

Clawback and ultimate remedium

The Short-Term Incentive and Long-Term Incentive components for the members of the Board of Directors are subject to clawback provisions. In addition, risk assessment tests are in place and measures are included in the variable remuneration documentation for members of the Board of Directors to ensure that shareholders' interests are protected. In this respect, the Supervisory Board holds the discretionary authority to reclaim all or part of the Short-Term Incentive and Long-Term Incentive if such variable remuneration has been made based on incorrect financial data or other data or in the case of fraud, gross negligence, willful misconduct or any activity detrimental to the Company. This clawback is applicable to both the vested and unvested part of the Long-Term Incentive components.

The Short-Term Incentive and Long-Term Incentive components for members of the Board of Management are also subject to ultimate remedium clauses. The Supervisory Board holds the discretionary authority to adjust the value of the conditional variable remuneration components downwards as well as upwards. The adjustment can be made if the Supervisory Board is of the opinion that an unfair result due to extraordinary circumstances would be produced and in this assessment the overall Company performance is taken into consideration.

Miscellaneous

The Company's policy is not to grant its Board of Directors any personal loans, guarantees or advance payments.

B Supervisory Board

Introduction

This policy aims to attract, retain and fairly compensate Supervisory Board members with the required background, skills and experience and to reflect the responsibilities of their role.

In line with the roles and responsibilities of the Supervisory Board, the compensation of the members is based on fixed amounts paid in cash. Supervisory Board members are not entitled to any performance or equity related compensation and are not entitled to any pension allowance or contribution. This compensation structure is designed to ensure the independence of the Supervisory Board members and the effectiveness from a corporate governance perspective.

Fixed compensation

The Supervisory Board members are entitled to a fixed base fee for membership of the Supervisory Board.

As approved by the AGM, the Supervisory Board members are entitled to the following fees:

<i>Annual fee per function in the Supervisory Board</i>	<i>Fixed annual fee</i>
Chair	EUR 60,000
Member	EUR 42,000

The compensation is regularly assessed against Dutch market levels. The benchmark is based on AScX companies listed on Euronext Amsterdam by comparing fixed compensation levels at median level. The Supervisory Board will present any proposed changes to the fees or the compensation elements to the AGM for approval.

Furthermore, each Supervisory Board member is entitled to an annual expense allowance of EUR 2,500.

Service agreements

Supervisory Board members are, in principle, appointed for a period of four years, subject to the approval of the AGM.

Miscellaneous

The Company as a policy does not provide its Supervisory Board members any personal loans, guarantees or advance payments.