

**EXPLANATORY NOTES TO THE AGENDA
for the Annual General Meeting of Shareholders (“AGM”) of
ASML Holding N.V. (the “Company” or “ASML”)
to be held on Wednesday April 23, 2014**

The agenda items 4, 5, 6, 8, 9, 10, 11, 13 a. and b., 15, 16, 17 a., b., c. and d., 18 a. and b., and 19, will be put to the vote of the AGM.

The explanatory notes to the agenda contain a further description of the agenda¹.

Agenda Items:

3. Discussion of the execution of the Remuneration Policy (version 2010) for the Board of Management over the financial year 2013. (Discussion item)

In accordance with newly adopted legislation in the Netherlands aimed at improving the transparency regarding the execution of the policy on remuneration of Dutch listed companies, shareholders are invited to discuss the execution of the Company's Remuneration Policy (version 2010) as further set out on pages 118 to 123 of the Statutory Annual Report 2013 and in the 2013 Remuneration Report. The 2013 Statutory Annual Accounts and 2013 Remuneration Report are published on ASML's website.

4. Discussion of the 2013 Annual Report, including ASML's corporate governance chapter, and proposal to adopt the financial statements for the financial year 2013, as prepared in accordance with Dutch law. (Voting item)

The Company prepared two sets of financial statements, one based on accounting principles generally accepted in the United States of America (“U.S. GAAP”) and one based on Dutch law and International Financial Reporting Standards (“Statutory Annual Accounts”). For internal and external reporting purposes, ASML follows U.S. GAAP. U.S. GAAP is ASML's primary accounting standard.

However, the 2013 Statutory Annual Accounts are the annual accounts that are being submitted to the AGM for adoption. These accounts were prepared by the Board of Management and audited and provided with an unqualified auditor's report by Deloitte, ASML's external auditor. The Board of Management and the Supervisory Board have signed the 2013 Statutory Annual Accounts.

Part of the 2013 Annual Report is a chapter on ASML's corporate governance structure, including an account of ASML's compliance with the Dutch Corporate Governance Code (the “Code”).

The 2013 Annual Report, including the 2013 Statutory Annual Accounts, as prepared in accordance with Dutch law, is published on ASML's website (www.asml.com) and is also available via the Company.

¹ The documents referred to herein are available at the Company (email: legal@asml.com or telephone: (+31)(0)40-268-3977), ABN AMRO Bank N.V. (email: corporate.broking@nl.abnamro.com or telephone: (+31)(0) 20-344-2000) and at JPMorgan Chase & Co., email: jpmorgan.adr@wellsfargo.com or tel. (800) 990-1135 (US) or (651) 453-2128 (from outside the US) and will be sent to you free of charge upon request. These documents are also available on ASML's website (address: www.asml.com/agm2014).

5. 6. Proposal to discharge the members of the Board of Management (item 5) and the members of the Supervisory Board (item 6). (Voting items)

In these agenda items it is proposed to discharge the members of the Board of Management from liability in respect of their management during the 2013 financial year, and to discharge the members of the Supervisory Board from liability in respect of their supervision during the 2013 financial year.

7. Clarification of the Company's reserves and dividend policy. (Discussion item)

ASML's liquidity needs are affected by many factors, some of which are based on the normal ongoing operations of the business, while others relate to the uncertainties of the global economy and the semiconductor industry. Since the Company's cash requirements fluctuate based on the timing and extent of these factors, ASML seeks to ensure that its sources of liquidity will be sufficient to satisfy its liquidity requirements throughout every phase of the industry cycle, by means of maintaining sufficient cash and cash equivalents as well as the availability of funding through an adequate amount of committed credit facilities.

As communicated previously, ASML intends to continue to return excess cash to shareholders through regular share buy backs, repayment of capital and stable or growing dividends to reward our shareholders for their continued investment. Returning excess cash is subject to our actual and anticipated level of cash generated from operations, the cash requirements for investment in our business, our current share price and other market conditions and relevant factors.

On April 17, 2013, ASML announced its intention to repurchase up to EUR 1.0 billion of its own shares within the 2013-2014 timeframe. Up to and including December 31, 2013, ASML has purchased 4,614,179 of its shares for a total amount of EUR 300 million.

More detailed information on ASML's current share buy back program will be provided in agenda items 18 and 19.

With respect to paying dividends, the next agenda item contains the dividend proposal in respect of the financial year 2013.

The current reserves and dividend policy will also enable ASML to execute future share buy backs in a tax-efficient way. Although it is ASML's intention to declare an annual dividend that will be stable or growing over time, the actual payment may vary from year to year and, in certain years, we may not declare a dividend at all. Further, ASML may revise its reserves and dividend policy in the future which may have an impact on dividends.

8. Proposal to adopt a dividend of EUR 0.61 per ordinary share of EUR 0.09. (Voting item)

ASML proposes to again increase the dividend by 15% compared with last year, declaring a dividend of EUR 0.61 per ordinary share of EUR 0.09 over the financial year 2013 (for a total amount of approximately EUR 265 million), compared with a dividend of EUR 0.53 per ordinary share paid in 2013 (over the financial year 2012). The proposed dividend represents 26% of earnings per share in 2013. The ex-dividend date is April 25, 2014 and the dividend will be made payable on May 13, 2014.

9. Proposal to adopt some adjustments to the Remuneration Policy (version 2014) for the Board of Management (“Remuneration Policy”). (Voting item)

The Remuneration Policy was adopted in the 2013 AGM and became effective on January 1, 2014. The Supervisory Board, upon recommendation of the Remuneration Committee, proposes the following adjustments to the Remuneration Policy. If adopted, these adjustments will be effective as per January 1, 2014.

Rephrased wording

The paragraphs related to employment contracts, severance agreements and change in control have been adjusted to bring them in line with the Code and the Management and Supervision Act.

Share ownership guidelines

The share ownership guidelines in the Remuneration Policy state that members of the Board of Management are required to hold at least two times base salary in the form of shares. Because of transparency/clarification purposes, and per the request of our shareholders, the Supervisory Board proposes to give further guidance on the share ownership guidelines in the Remuneration Policy.

Grant date

The grant date of the performance shares in the Policy was defined at January 1 of the first performance year. The Supervisory Board proposes to adjust the grant date to two days after publication of ASML’s annual results, to bring it in line with the other requirements of the Remuneration Policy and related arrangements.

For the full text of the proposed adjustments reference is made to the relevant paragraphs in the marked up version of the Remuneration Policy as published on ASML’s website (www.asml.com).

The Works Council of ASML Netherlands B.V. (the “Works Council”) has been timely provided with the opportunity to determine its opinion on these adjustments of the Remuneration Policy and has notified the Supervisory Board that it is in favor hereof.

10. Proposal to authorize the Board of Management to issue a number of performance shares for the Board of Management for the financial year 2015, which number will be determined by the calculation method as described in the Remuneration Policy, subject to approval of the Supervisory Board. (Voting item)

The performance share arrangement for the Board of Management is included in the Remuneration Policy. The maximum aggregate number of performance shares that can be granted to the Board of Management for a financial year shall be calculated at the end of the fourth quarter of the preceding year. The Supervisory Board wishes to ask approval to conditionally grant the maximum number of shares that can be granted over the financial year 2015 found by dividing 140% of the base salary of the Board of Management by the volume-weighted average share price during the last quarter of the year preceding the conditional award.

The Company furthermore proposes to the AGM to designate the Board of Management as the body authorized to issue the shares as mentioned above, subject to the approval of the Supervisory Board. This authorization is a separate authorization from the

authorization as referred to in agenda item 17, and will be requested for the period starting from the AGM held on April 23, 2014 and continuing up until the AGM to be held in 2015.

For further information on the performance share arrangement for the Board of Management reference is made to the Remuneration Policy.

11. Proposal to approve the number of stock options, respectively shares, for employees. (Voting item)

This agenda item concerns the proposal to approve the number of stock options, respectively shares, available for ASML employees, other than members of the Board of Management. In this agenda item, the Company also proposes to the AGM to designate the Board of Management as the body authorized to issue the stock options and/or shares as mentioned below, subject to the approval of the Supervisory Board. This authorization is a separate authorization from the authorization as referred to in agenda item 17, and will be requested for the period starting from the AGM held on April 23, 2014 and continuing up until the AGM to be held in 2015.

The employee equity based arrangements include plans for ASML employees worldwide and/or senior and executive management, other than members of the Board of Management, to: i) purchase stock options and/or shares; ii) grant incentive stock options or shares for retention purposes; iii) grant performance stock options or performance shares for retention purposes; and iv) grant incentive or performance shares and / or incentive or performance options to newly hired employees for incentive purposes.

The maximum available number of stock options, respectively shares, for ASML employees other than Board of Management members, that the Company hereby submits for approval to the AGM, amounts to 1,725,000 stock options and/or shares for abovementioned period. This amount includes the stock options and/or shares for employees and management of Cymer Inc. based upon Cymer Inc.'s equity based arrangements, of which the obligations were vested in ASML as a result of the acquisition of Cymer Inc. in 2013.

12. Composition of the Board of Management. (Discussion Item)

The Supervisory Board proposes the (re)appointments of certain members of the Board of Management, upon recommendation of the Selection and Nomination Committee and in agreement with the (candidate) members of the Board of Management.

Notification of the intended reappointments of Mr. P.T.F.M. Wennink and Mr. M.A. van den Brink.

On July 1, 1999, Messrs. Wennink and Van den Brink were appointed as members of ASML's Board of Management for an indefinite term. In view of corporate governance developments, the Supervisory Board has decided to convert the current (indefinite) appointment terms into definite appointment terms of four years, subject to notification of the AGM on April 23, 2014. Pursuant to ASML's Articles of Association, Messrs. Wennink's and Van den Brink's term will commence per the AGM to be held on April 23, 2014 and will expire effective per the AGM to be held in 2018. If parties so decide, the appointment terms can be further extended with consecutive periods of a maximum of four years.

Mr. Wennink

Mr. Wennink joined ASML in 1999 as Executive Vice President and Chief Financial Officer, and was appointed as member of the Board of Management of ASML per July 1, 1999. Mr. Wennink was appointed as President and CEO of ASML on July 1, 2013. His accomplishments at ASML include the company's strong track record of financial flexibility and resilience in a volatile semiconductor market, thus enabling ASML's investments for technology leadership.

Mr. Wennink was born in 1957 and has the Dutch nationality.

Below is an overview of the most important elements of Mr. Wennink's employment contract, including the remuneration package of Mr. Wennink. The employment contract is in accordance with the Code insofar as this is required. The remuneration package is also in accordance with the Remuneration Policy, including the performance criteria, and the performance stock arrangement.

- Base salary : EUR 935,000 gross.
- Short term incentive : Maximum 60% of base salary paid annually in cash
- Long term incentive : In accordance with the performance share arrangement as in shares included in the Remuneration Policy.
- Pension : Individual policy according to defined contribution plan (total annual premium FY 2014 equals approximately Euro 228,545 of which the employee's contribution to the premium is approximately Euro 36,862).
- Severance payment : One year base salary (gross).
- Appointment term : Four year term, with possibility of reappointment for consecutive periods of a maximum of four years.

Mr. Van den Brink

Mr. Van den Brink joined ASML when the company was founded in early 1984. Mr. Van den Brink was appointed President and CTO on July 1, 2013. As Vice President Technology since 1995 and Executive Vice President and member of the Board of Management since 1999 - currently as Chief Technology Officer - he has led ASML's product and technology development to breakthrough innovations such as the Twinscan platform, immersion lithography, and more recently the new family of EUV technologies, taking ASML to its current position.

Mr. Van den Brink was born in 1957 and has the Dutch nationality.

Below is an overview of the most important elements of Mr. Van den Brink's employment contract, including the remuneration package of Mr. Van den Brink. The employment contract is in accordance with the Code insofar as this is required. The remuneration package is also in accordance with the Remuneration Policy, including the performance criteria, and the performance stock arrangement.

Base salary : EUR 935,000 gross.
Short term incentive : Maximum 60% of base salary paid annually.
in cash
Long term incentive : In accordance with the performance share arrangement as
in shares included in the Remuneration Policy.
Pension : Individual policy according to defined contribution plan (total
annual premium FY 2014 equals approximately Euro 228,545 of
which the employee's contribution to the premium is approximately
Euro 36,862).
Severance payment : One year base salary (gross).
Appointment term : Four year term, with possibility of reappointment for consecutive
periods of a maximum of four years.

Notification of the intended reappointment of Mr. F.J.M. Schneider-Maunoury.

The Supervisory Board appointed Mr. Schneider-Maunoury as a member of ASML's Board of Management for a period of four years upon notification to the AGM on March 24, 2010.

In view of his performance as ASML's Executive Vice President and Chief Operations Officer and member of the Board of Management in the foregoing four years, the Supervisory Board intends to reappoint Mr. Schneider-Maunoury for a consecutive period of four years, subject to notification to the AGM on April 23, 2014. Pursuant to ASML's Articles of Association, Mr. Schneider-Maunoury's second term will commence per the AGM to be held on April 23, 2014 and will expire effective per the AGM to be held in 2018. If both parties so decide, the appointment term can be further extended for consecutive periods of maximum four years.

Mr. Schneider-Maunoury was born in 1961 and has the French nationality. In view of his background and his worldwide business and operational experience in high-value equipment, and in view of Mr. Schneider-Maunoury's valuable contribution to ASML and its Board of Management in the past four years, the Supervisory Board is of the opinion that ASML will continue to benefit from Mr. Schneider-Maunoury's membership of ASML's Board of Management. As Chief Operations Officer, Mr. Schneider-Maunoury is amongst others responsible for the successful execution of ASML's fundamental operating strategy.

Below is an overview of the most important elements of Mr. Schneider-Maunoury's management services agreement, including the remuneration package of Mr. Schneider-Maunoury. The management services agreement is set up in accordance with the Management and Supervision Act that took effect on January 1, 2013, and with the Code insofar as this is applicable. Subject to notification to the AGM and the reappointment by the Supervisory Board as member of ASML's Board of Management, this management services agreement shall enter into force on April 1, 2014, and will supersede the previous employment contract. The remuneration package is in accordance with the Remuneration Policy, including the performance criteria, and the performance stock arrangement.

Base salary : EUR 611,000 gross.

Short term incentive : Maximum 60% of base salary paid annually.
in cash

Long term incentive : In accordance with the performance share arrangement as
in shares included in the Remuneration Policy.

Pension : Individual policy according to defined contribution plan (total
annual premium FY 2014 equals approximately Euro 119,510 of
which the employee's contribution to the premium is approximately
Euro 23,902).

Severance payment : One year base salary (gross).

Appointment term : Four year term, with possibility of reappointment for consecutive
periods of a maximum of four years.

Notification of the intended appointment of Mr. W.U. Nickl.

The Supervisory Board intends to appoint Mr. Nickl as member of the Board of Management for a period of four years, subject to notification to the AGM on April 23, 2014. Pursuant to ASML's Articles of Association, Mr. Nickl's first term will commence per the AGM to be held on April 23, 2014 and will expire effective per the AGM to be held in 2018. If both parties so decide, the appointment term can be extended for consecutive periods of maximum four years.

Mr. Nickl was born in 1969 and has the German nationality. Prior to joining ASML, Mr. Nickl was Executive Vice President and Chief Financial Officer at Western Digital. Prior to joining Western Digital, Mr. Nickl worked at IBM Global Services as a consultant for SAP costing and finance applications. In view of his background and his worldwide business and financial experience, the Supervisory Board is of the opinion that ASML will benefit from Mr. Nickl's membership of ASML's Board of Management.

Below is an overview of the most important elements of Mr. Nickl's management services agreement, including the remuneration package of Mr. Nickl. The management services agreement is set up in accordance with the Management and Supervision Act that took effect on January 1, 2013, and with the Code insofar as this is applicable. The remuneration package is in accordance with the Remuneration Policy, including the performance criteria, and the performance stock arrangement.

Base salary : EUR 600,000 gross.

Short term incentive : Maximum 60% of base salary paid annually.
in cash

Long term incentive : In accordance with the performance share arrangement as
in shares included in the Remuneration Policy.

Pension : Individual policy according to defined contribution plan (total
annual premium FY 2014 equals approximately Euro 78,011 of
which the employee's contribution to the premium is
approximately Euro 23,462).

Severance payment : One year base salary (gross).

Appointment term : Four year term, with possibility of reappointment for consecutive
periods of a maximum of four years.

The shares and stock options that were forfeited when Mr. Nickl left his previous employer in the United States were partly compensated by ASML by means of a conditional award of a maximum of 56,000 performance related shares in 2014, subject to the performance conditions and a three year vesting period as applicable under the Remuneration Policy. For further details reference is made to the 2013 Remuneration Report.

13. Composition of the Supervisory Board. (Two voting items)

This agenda item consists of two voting items.

As announced at the AGM held on April 24, 2013, Messrs. OB Bilous and F.W. Fröhlich will retire by rotation per the AGM to be held on April 23, 2014.

Mr. Bilous has indicated that he is not available for reappointment. Mr. Fröhlich has indicated that he is available for reappointment and the Supervisory Board has therefore decided to nominate Mr. F.W. Fröhlich for reappointment.

In addition, to fill the vacancy caused by the resignation of Mr. Bilous, the Supervisory Board has decided to nominate for appointment Mr. J.M.C. Stork per the upcoming AGM.

a. Mr. F.W. Fröhlich

Mr. Fröhlich was first appointed in 2004. Mr. Fröhlich is the Vice-Chairman of the Supervisory Board, Chairman of the Audit Committee and member of the Supervisory Board's Selection and Nomination Committee. He qualifies as the Supervisory Board's financial expert.

Mr. Fröhlich was born in 1942 and has the German nationality. Mr. Fröhlich is the former Deputy Chairman and Chief Financial Officer of Akzo Nobel N.V. Mr. Fröhlich currently serves as Chairman of the Supervisory Board of Randstad Holding N.V. and as member of the Supervisory Boards of Allianz Nederland N.V. and Rexel S.A., and as member of the Board of Directors of Prysmian Group.

In view of Mr. Fröhlich's financial background and international experience, and especially the way he has fulfilled his role as Vice-Chairman of the Supervisory Board and Chairman of the Audit Committee in the past 10 years, the Supervisory Board has decided to nominate Mr. Fröhlich for reappointment. The reappointment will be for a period of one year.

The shareholders have not made recommendations for filling this vacancy and the Works Council has not recommended any candidate to fill this position either. The Works Council has been timely provided with the opportunity to determine its opinion on Mr. Fröhlich's nomination for reappointment and is in favor hereof.

Mr. Fröhlich does not hold any shares in the capital of the Company.

b. Mr. J.M.C. Stork

Mr. Stork was born in 1954 in the Netherlands and has the nationality of the United States of America. Mr. Stork held various management positions at IBM Corporation, Hewlett Packard Company, Texas Instruments, Inc. and Applied Materials, Inc. from 1982 until 2011. He served as Senior Vice President and CTO of Texas Instruments, Inc. from 2004 until 2007 and was Group Vice President and CTO of Applied Materials, Inc. from 2007 until 2011. Mr. Stork currently serves as Senior Vice President and CTO of ON Semiconductor Corporation.

In view of Mr. Stork's extensive experience in the semiconductor industry, in development and early production roles and also in various leadership roles, the Supervisory Board is of the opinion that Mr. Stork fits very well in the profile drafted for the vacancy created by the resignation of Mr. Bilous. The Supervisory Board expects that Mr. Stork will make a valuable contribution to ASML's Supervisory Board, and therefore, the Supervisory Board has decided to nominate Mr. Stork for appointment for a maximum term of four years, with possibility to extend for consecutive terms of a maximum of four years, up to a total maximum term of twelve years.

Mr. Stork is a member of the Scientific Advisory Board of IMEC since 2006, and was on the Board of Sematech from 2001 until 2007.

Mr. Stork's nomination for appointment was based on the enhanced recommendation right of the Works Council.

Mr. Stork's appointment, if approved, will be effective per the AGM on April 23, 2014.

The general meeting has not made recommendations for filling this vacancy.

Mr. Stork does not hold any shares in the capital of the Company.

14. Composition of the Supervisory Board in 2015. (Discussion item)

- Notification that Ms. H.C.J. van den Burg will retire by rotation in 2015;
- Notification that Mr. F.W. Fröhlich will retire by rotation in 2015.

15. Proposal to adjust the remuneration of the Supervisory Board. (Voting item)

Dutch law and the Company's Articles of Association stipulate that the General Meeting of Shareholders, upon the proposal of the Supervisory Board, determines the remuneration of the members of the Supervisory Board.

The last increase of the Supervisory Board's remuneration took place in 2011. In view of the developments since 2011: the Customer Co-Investment Program and the acquisition of Cymer and inherent thereto the growth of the Company, the increase of responsibilities, workload and liabilities for the Supervisory Board members, the Supervisory Board, upon recommendation of its Remuneration Committee, proposes the following adjustments in the remuneration of the Supervisory Board (leaving the other remuneration elements unchanged), for the next two years effective per April 1, 2014¹:

¹ Provided that the AGM approves this proposal.

Chairman	EUR 95,000
Vice-Chairman	EUR 65,000
Other members	EUR 60,000

With respect to this proposal, the Supervisory Board wishes to note that it has been advised by an independent external expert in this area, and that the advice was based on a compensation benchmark in the relevant market.

16. Proposal to reappoint Deloitte as External Auditor for the reporting year 2015. (Voting item)

In 2013, the Audit Committee conducted an extensive assessment with respect to the performance of ASML's external auditor, Deloitte Accountants B.V., over the past year. The evaluation was conducted by means of a survey, which was completed by the various bodies within the Company who work with the external auditor during the audit, and by the Audit Committee. The survey addressed among others the quality, scope and planning of the audit; the independence of the external auditor; the composition of the audit team; the fees and the reporting of the external auditor. The result of the survey was positive, with some minor attention points.

As Deloitte is performing its tasks to full satisfaction, the Supervisory Board per the recommendation of its Audit Committee, proposes to reappoint Deloitte as the Company's external auditor for the reporting year 2015.

In accordance with the Dutch legislative bill regarding the accountancy profession, ASML is obliged to appoint another audit firm per January 1, 2016. ASML will select a new auditor in the course of the financial year 2014, and submit the appointment of the new auditor for approval to the 2015 AGM, effective per the reporting year 2016.

17. Proposals to authorize the Board of Management to issue shares or rights to subscribe for shares in the share capital of the Company as well as to restrict or exclude the pre-emption rights accruing to shareholders. (Four voting items)

This agenda item consists of the following four voting items:

- a. At the AGM held on April 24, 2013, the Board of Management was granted the authorization, subject to Supervisory Board approval, to issue shares or rights to subscribe for shares in the share capital of the Company, limited to 5% of the issued share capital at April 24, 2013. As the authorization will expire on October 24, 2014, it is proposed to renew this authorization of the Board of Management for a period of 18 months from April 23, 2014 through October 23, 2015. Provided that the AGM grants this new authorization, the existing authorization will cease to apply.
- b. At the AGM held on April 24, 2013, the Board of Management was granted the authorization, subject to Supervisory Board approval, to restrict or exclude the pre-emption rights accruing to shareholders in connection with the issue of shares or rights to subscribe for shares as described under a. As the authorization will expire on October 24, 2014, it is proposed to renew this authorization of the Board of Management for a period of 18 months from April 23, 2014 through October 23, 2015. Provided that the AGM grants this new authorization, the existing authorization will cease to apply.

- c. At the AGM held on April 24, 2013, the Board of Management was granted the authorization, subject to Supervisory Board approval, to issue shares or rights to subscribe for shares in the share capital of the Company for an additional 5% of the issued share capital at April 24, 2013, which 5% can only be used in connection with or on the occasion of mergers, acquisitions and/or (strategic) alliances. As the authorization will expire on October 24, 2014, it is proposed to renew this authorization of the Board of Management for a period of 18 months from April 23, 2014 through October 23, 2015. Provided that the AGM grants this new authorization, the existing authorization will cease to apply.
- d. At the AGM held on April 24, 2013, the Board of Management was granted the authorization, subject to Supervisory Board approval, to restrict or exclude the pre-emption rights accruing to shareholders in connection with the issue of shares or rights to subscribe for shares as described under c. As the authorization will expire on October 24, 2014, it is proposed to renew this authorization of the Board of Management for a period of 18 months from April 23, 2014 through October 23, 2015. Provided that the AGM grants this new authorization, the existing authorization will cease to apply.

This is an annually recurring agenda item, because the Board of Management considers it in the interest of the Company and its shareholders to be able to react timely when certain opportunities that need the issuance of shares, arise.

Therefore, the Board of Management would like to have the authority to issue shares when such occasions occur, and to pass the pre-emptive rights in situations where it is imperative to be able to act quickly, without having to ask prior approval from the Company's shareholders for which an extraordinary shareholders meeting would have to be convened and which would cost valuable time or create disrupting market speculations.

In the past, this agenda item has been used in relation to the issue of convertible bonds, because of the short window of opportunity, and in 2012 for example, this item was used in relation to the acquisition of Cymer, Inc. The opportunity to enter into this type of transactions may be limited if ASML needs to ask prior approval to issue shares and/or exclude the shareholders' pre-emptive rights.

The authorization of the Board of Management to restrict or exclude the pre-emptive rights will be limited to (i) 5% of the Company's issued share capital at the time of the authorization, and (ii) an additional 5% of the Company's issued share capital at the time of the authorization only to be used in connection with or on the occasion of mergers, acquisitions and/or (strategic) alliances. The authorization covers a period of 18 months.

18. Proposals to authorize the Board of Management to acquire ordinary shares in the Company. (Two voting items)

Introduction to the agenda items 18 and 19:

ASML aims to have suitable flexibility in the execution of a return of capital to its shareholders. To enable such flexibility, ASML requests the AGM to mandate further share repurchases as well as to further authorize cancellation of shares to be able to

execute share buy back programs, should the Company decide to do so. Repurchased shares will either be cancelled or used for hedging purposes.

Implementation of share repurchase programs is dependent on different factors and shareholders are advised that there is no certainty as to a return of capital, nor is there certainty either as to the timing of a potential execution of a return of capital to shareholders, or as to the method of achieving such return.

Regulatory requirements may also be relevant for execution of share buy back programs.

On April 17, 2013, ASML announced its intention to repurchase up to EUR 1.0 billion of of its own shares within the 2013-2014 timeframe. All shares repurchased under this program, are intended to be cancelled.

During the period from April 18, 2013 up to and including December 31, 2013, ASML had purchased 4,614,179 of its shares for a total amount of EUR 300 million at an average price of EUR 65.02 per share. These shares are intended to be cancelled in 2014.

Potential future share buy back programs will be announced when ASML deems execution of such programs appropriate and when all factors allow such execution.

Agenda item 18

At the AGM held on April 24, 2013, the Board of Management was granted the authorization, subject to Supervisory Board approval, to repurchase shares through October 24, 2014 up to a maximum of two times 10% of the issued share capital as of the date of authorization (April 24, 2013).

As the authorization will expire on October 24, 2014, it is proposed to renew the authorization of the Board of Management to repurchase shares for a period of 18 months effective per April 23, 2014 through October 23, 2015. Provided the AGM grants this new authorization, the previous authorization will cease to apply.

This agenda item consists of the following two voting items:

- a. In order to realize share repurchases, the Board of Management will request an authorization to repurchase shares up to 10% of the issued share capital at the date of authorization (April 23, 2014).
- b. In order to have further flexibility in the execution of a return of capital to its shareholders, the Board of Management will request an authorization to repurchase additional shares up to 10% of the issued share capital at the date of authorization (April 23, 2014). Conditions to this additional authorization are that:
 - (i) all shares acquired by the Company following the authorization under a. and not being held as treasury shares for the purpose of covering outstanding employee share and stock option plans, have been cancelled or will be cancelled, pursuant to item 19; and
 - (ii) the number of ordinary shares which the Company may at any time hold in its own capital will not exceed 10% of the issued share capital at the date of authorization (April 23, 2014).

These two authorizations allow ASML, in combination with the proposal under 19, to (i) acquire the maximum 10% of the issued share capital, (ii) cancel these shares, subsequently (iii) acquire once again a maximum of 10% of the issued share capital and subsequently (iv) cancel these shares.

Provided that the AGM grants these authorizations, the Company may repurchase its issued ordinary shares at any time during this 18-month period. Repurchased shares will be cancelled on a regular basis, provided that the AGM resolves thereto (item 19).

Currently, the Company holds up to approximately 1 million treasury shares for the purpose of covering outstanding employee stock and stock option plans.

Any repurchase of shares is subject to the approval of the Supervisory Board. Shares may be repurchased for valuable consideration as described in item 18 of the AGM agenda.

19. Proposal to cancel ordinary shares. (Voting item)

As outlined above, the number of shares ASML may at any time hold in its own capital will not exceed 10% of the issued share capital at the date of the authorization (April 23, 2014). To enable ASML to repurchase more shares, the shares already acquired under the authorization of item 18a. need to be cancelled first.

The cancellation may be executed in one or more tranches. The number of shares that will be cancelled (whether or not in a tranche) will be determined by the Board of Management, but shall not exceed 20% of the issued share capital at April 23, 2014.

Pursuant to the relevant statutory provisions, cancellation may not be effected until two months after the resolution to cancel is adopted and publicly announced.