

**CHARTER FOR THE  
COMPENSATION COMMITTEE  
OF  
ONTO INNOVATION INC.**

**PURPOSE:**

The Board of Directors of Onto Innovation Inc. (the “**Board**” and the “**Company**”, respectively) has established a Compensation Committee in order to:

- (a) discharge the Board’s responsibilities for approving and evaluating the officer compensation plans, policies and programs of the Company;
- (b) review and make recommendations to the Board regarding compensation to be provided to the Company’s employees and directors; and
- (c) make grants and otherwise review, oversee and administer as deemed appropriate by the Board, the compensation plans of the Company, including its equity compensation plans.

The Compensation Committee has the authority to undertake the specific duties and responsibilities listed below and will have the authority to undertake such other specific duties as the Board from time to time prescribes. Except to the extent expressly provided in the Company’s certificate of incorporation or bylaws or any charter of a committee of the Board, each as amended and/or restated from time to time, all authority of the Board shall be held by the full Board.

**COMMITTEE MEMBERSHIP AND ORGANIZATION:**

Upon the recommendation of the Nominating & Governance Committee, the Compensation Committee members will be appointed by, and will serve at the discretion of, the Board.

The Compensation Committee shall consist of at least three (3) members of the Board. Each member of the Compensation Committee shall be independent pursuant to the applicable standards of the New York Stock Exchange (“**NYSE**”), as in effect from time to time.

The members of the Compensation Committee shall also meet the non-employee director definition of Rule 16b-3 promulgated under Section 16 of the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”).

Unless a Committee Chairman is appointed by the Board, the members of the Compensation Committee shall appoint a Committee Chairman by majority vote of the Committee.

The adoption of this Charter by the Board is a delegation by the Board of the powers and authority of the Compensation Committee described herein.

**COMMITTEE RESPONSIBILITIES AND AUTHORITY:**

The Compensation Committee shall have the following responsibilities and authority, provided that the Compensation Committee may supplement and, except as otherwise required by applicable law or the requirements of the NYSE, deviate from these activities as requested by the Board:

- (i) Review and approve corporate goals and objectives relevant to the compensation of the Company's Chief Executive Officer ("CEO"), evaluate the CEO's performance in light of those goals and objectives, and, either as a committee or together with the other independent directors (as directed by the Board), determine and approve the CEO's compensation level based on this evaluation;
- (ii) Review and approve decisions regarding the compensation of the officers of the Company other than the CEO, and such other employees of the Company as directed by the Board, including for each such individual: (a) the annual base salary, (b) the annual incentive bonus, including the specific goals and amount, (c) equity compensation, (d) employment agreements, severance arrangements, and change in control agreements/provisions, and (e) any other benefits, compensation or arrangements, unless otherwise determined by a majority of the independent directors of the Board following receipt of the recommendation of the Compensation Committee;
- (iii) Review and evaluate the performance of the CEO and officers of the Company;
- (iv) Review and make recommendations to the Board regarding general compensation goals and guidelines for the Company's employees and the criteria by which bonuses and stock compensation awards to the Company's employees are determined;
- (v) Review and recommend to the Board for approval the compensation policy for the directors of the Company;
- (vi) Review and recommend to the Board for approval and, where appropriate or required, recommend for approval by the stockholders of the Company, incentive compensation plans and equity compensation plans (the "**Plans**"), which includes the ability to adopt, amend and terminate such Plans;
- (vii) Oversee and administer the Plans, including (to the extent permitted under the Plans): (1) grant equity-based awards, including performance-based and service-based restricted stock units ("**RSUs**"), stock options or stock purchase rights to individuals eligible for such grants (including grants to individuals subject to Section 16 of the Exchange Act in compliance with Rule 16b-3 thereunder); (2) amend such equity based awards, including performance-based and service-based RSUs, stock options or stock purchase rights; and (3) take all other actions permitted under the Plans;
- (viii) To the extent permitted by and consistent with applicable law and the provisions of a Plan, the Compensation Committee may delegate to one or more executive officers (the term "*executive officer*" has the same meaning specified for the term "officer" in Rule 16a-1(f) under the Securities Exchange Act of 1934) of the Company the authority to make grants and awards to any employee of the Company who is not a director or executive officer of the Company under such Plan as the Compensation Committee deems appropriate;
- (ix) Review and make recommendations to the Board with respect to amendments to the Plans and changes in the number of shares reserved for issuance thereunder;
- (x) Review and approve, or make recommendations to the Board regarding, other plans that are proposed for adoption or adopted by the Company for the provision of compensation to employees of, directors of and consultants to the Company;

- (xi) Review the Compensation Discussion and Analysis (the “**CD&A**”), discuss the CD&A with management and recommend to the Board that the CD&A be included in the Company’s reports filed with the Securities and Exchange Commission (the “**SEC**”) and issue the Compensation Committee Report in accordance with the rules of the SEC;
- (xii) Review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval;
- (xiii) As appropriate, in its sole discretion, retain, or obtain advice and assistance from, outside independent or other legal counsel, accounting or other advisors, including, without limitation, any compensation consultant engaged by the Company or the Compensation Committee to evaluate or provide other advice in connection with CEO, executive officer, employee or director compensation or other matters within the scope of the Compensation Committee’s responsibilities (all of such advisors taken together, the “**Compensation Advisors**”);
- (xiv) Authorize the repurchase of shares from terminated employees pursuant to applicable law;
- (xv) Review its own performance annually;
- (xvi) Review at least annually the Company’s overall compensation structure, policies, programs and related practices with the goal of evaluating whether the risks arising from the Company’s compensation policies and practices for its employees would be reasonably likely to have a material adverse effect on the Company;
- (xvii) Make recommendations to the Board with respect to stock ownership guidelines for directors and executive officers;
- (xviii) Assist in the oversight of the administration of other material employee benefit plans of the Company, including the Company’s Employee Stock Purchase Plan and 401(k) plan; and
- (xix) Perform such other duties as may be requested by the Board.

The Compensation Committee shall be directly responsible for the appointment, compensation and oversight of the work of any Compensation Advisor retained by the Compensation Committee. The Board and management shall ensure that the Compensation Committee has appropriate funding, as determined by the Compensation Committee, for payment of reasonable compensation to Compensation Advisors retained by the Compensation Committee. The Compensation Committee shall assess the independence of any Compensation Advisor prior to retaining or receiving advice from such Compensation Advisor, including a consideration of the following factors and any other factors set forth by the SEC and the NYSE or deemed appropriate by the Compensation Committee:

- The provision of other services to the Company by the person that employs the Compensation Advisor;
- The amount of fees received from the Company by the person that employs the Compensation Advisor, as a percentage of the total revenue of the person that employs the Compensation Advisor;
- The policies and procedures of the person that employs the Compensation Advisor that are designed to prevent conflicts of interest;

- Any business or personal relationship of the Compensation Advisor with a member of the Compensation Committee;
- Any stock of the Company owned by the Compensation Advisor; and
- Any business or personal relationship of the Compensation Advisor or the person employing the Compensation Advisor with an executive officer of the Company.

The Compensation Committee shall also determine whether any conflicts of interest are raised by the work of any compensation consultant, which shall include a consideration of any factors set forth by the SEC pertaining to the independence of compensation consultants, and, if any conflicts of interest are identified, assess the nature of such conflicts and how the conflicts are being addressed, and assist the Company in the preparation of any required disclosures in the Company's reports filed with the SEC.

#### **MEETINGS:**

It is anticipated that the Compensation Committee will meet at least twice each year. However, the Compensation Committee may establish its own schedule, which it will provide to the Board in advance.

The presence of a majority of the members of the Compensation Committee shall constitute a quorum. The Compensation Committee shall act only by (a) the affirmative vote of the majority of the members present at a meeting at which a quorum is present or (b) unanimous written consent.

#### **MINUTES:**

The Compensation Committee will maintain written minutes of its meetings, which minutes will be filed with the minutes of the meetings of the Board.

#### **REPORTS:**

The Compensation Committee will summarize its recommendations to the Board as may be appropriate, consistent with this Charter, and otherwise make regular reports to the Board.

#### **COMPENSATION:**

Members of the Compensation Committee shall receive such fees, if any, for their service as Compensation Committee members, as may be determined by the Board. Such fees may include retainers or per meeting fees and shall be paid in such form of consideration as is determined by the Board.

#### **DELEGATION OF AUTHORITY:**

The Compensation Committee may form and delegate authority to subcommittees as it deems appropriate.