



1 Terminal Drive • Plainview, New York 11803 U.S.A. • Phone (516) 677-0200 • Fax (516) 677-0380 • www.veeco.com

March 17, 2021

2021 Annual Meeting of Stockholders

Dear Fellow Stockholder:

On behalf of the Board of Directors, it is our pleasure to invite you to the 2021 Annual Meeting of Stockholders of Veeco Instruments Inc., to be held at 8:30 a.m. Eastern Time on Thursday, May 6, 2021. In light of the COVID-19 pandemic and after careful consideration, we have decided to hold a “hybrid” stockholder meeting, meaning that stockholders will be able to attend the meeting (i) virtually via the internet by following the instructions set forth in the accompanying materials, or (ii) in person at Veeco’s headquarter offices located at Terminal Drive, Plainview, New York 11803. ***In the interest of health and safety, we strongly encourage stockholders desiring to attend the meeting to do so via the internet.*** We feel this option is in the best interests of all participants given the latest information and advice regarding the spread of COVID-19.

At the Annual Meeting we will consider and vote on the following matters, and to transact such other business as may be properly brought before the meeting:

- (1) The election of three directors named in the attached proxy statement to hold office until the 2024 Annual Meeting of Stockholders and until their successors are duly elected and qualified;
- (2) An amendment to Veeco’s 2016 Employee Stock Purchase Plan to increase the authorized shares of Veeco’s common stock thereunder by 750,000 shares; and
- (3) The ratification of KPMG LLP as Veeco’s independent registered public accounting firm.

We will also conduct a non-binding advisory vote to approve the compensation of the Company’s named executive officers.

We use the U.S. Securities and Exchange Commission rule that allows companies to furnish proxy materials to their stockholders over the internet. We believe this expedites stockholder’s receipt of proxy materials, lowers annual meeting costs and conserves natural resources. Thus, we are mailing to many stockholders a Notice of Internet Availability of Proxy Materials rather than copies of the Proxy Statement and our 2020 Annual Report to Stockholders on Form 10-K. The Notice contains instructions on how to access the proxy materials online, vote online and obtain your copy of our proxy materials.

Your vote is very important. We encourage you to sign and return your proxy card, or use the available telephone, internet or virtual Annual Meeting voting options, so that your shares will be represented and voted at the meeting.

Sincerely,

William J. Miller, Ph.D.
Chief Executive Officer

VEECO INSTRUMENTS INC.

NOTICE OF 2021 ANNUAL MEETING OF STOCKHOLDERS

- DATE AND TIME:** Thursday, May 6, 2021, 8:30 a.m., Eastern Time
- PLACE:** Virtually at www.virtualshareholdermeeting.com/VECO2021 and in person at Veeco's headquarter offices located at Terminal Drive, Plainview, New York 11803
- ITEMS OF BUSINESS:**
1. To elect three directors named in the proxy statement to hold office until the 2024 Annual Meeting of Stockholders and until their successors are duly elected and qualified;
 2. To approve an amendment to Veeco's 2016 Employee Stock Purchase Plan to increase the authorized shares of Veeco's common stock thereunder by 750,000 shares;
 3. To approve, on a non-binding advisory basis, the compensation of our named executive officers;
 4. To ratify the appointment of KPMG LLP as our independent registered public accounting firm for 2021; and
 5. To consider such other business as may properly come before the meeting.

WHO CAN VOTE: You must be a stockholder of record at the close of business on March 9, 2021 to vote at the Annual Meeting.

INTERNET AVAILABILITY: We are using the internet as our primary means of furnishing proxy materials to most of our stockholders. Rather than sending our stockholders a paper copy of our proxy materials, we are sending them a Notice of Internet Availability of Proxy Materials ("Notice") with instructions for accessing the materials and voting their shares. **The Proxy Statement and our 2020 Annual Report on Form 10-K are available free of charge at www.veeco.com.**

PROXY VOTING: We cordially invite you to participate in the Annual Meeting. While in person attendance is permitted, **in the interest of health and safety we strongly encourage stockholders desiring to attend the Annual Meeting to do so virtually at www.virtualshareholdermeeting.com/VECO2021.** You may vote in person at the Annual Meeting or by telephone, through the internet or by mailing your completed proxy card, following the instructions in the Notice and in the Proxy Statement.

By order of the Veeco Instruments Inc. Board of Directors,

Kirk W. Mackey
Corporate Secretary

March 17, 2021
Plainview, New York





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PROXY STATEMENT SUMMARY

This summary highlights information relating to the items to be acted on at the Veeco Instruments Inc. (“Veeco” or the “Company”) 2021 Annual Meeting of Stockholders (“Annual Meeting”). For additional information, please refer to the information and discussions contained in this Proxy Statement and in our Annual Report on Form 10-K for the fiscal year ended December 31, 2020 filed with the U.S. Securities and Exchange Commission (“SEC”) on February 22, 2021 (the “Annual Report”).

Voting Matters and Board Recommendations		
Proposal	Required Vote	Board Vote Recommendation
<u>Proposal 1</u> Election of three nominees named herein as directors.	Each nominee must receive a majority of the votes cast.	FOR each nominee
<u>Proposal 2</u> Approval of an Amendment to the 2016 Employee Stock Purchase Plan.	This proposal will be considered approved if more votes are cast in favor than against.	FOR
<u>Proposal 3</u> Advisory vote to approve the compensation of our named executive officers, or “Say on Pay.”	This non-binding proposal will be considered approved if more votes are cast in favor than against.	FOR
<u>Proposal 4</u> Ratification of the appointment of our independent registered public accounting firm for 2021.	This proposal will be considered approved if more votes are cast in favor than against.	FOR

How to Vote			
Via the Internet	By Telephone	By Mail	At our Meeting
			
www.proxyvote.com	Call 1-800-776-9437 (U.S. domestic) 1-718-921-8500 (international)	Follow the instructions on your proxy/voting instruction card	Attend our Annual Meeting virtually at www.virtualshareholdermeeting.com/VECO2021 or in person and vote by the means provided

Abstentions as to any matter are counted in determining the presence of a quorum at the Annual Meeting. They are not included in the vote count for election of directors. Abstentions will not have an effect on the outcome of the votes on Proposals 1, 2, 3 or 4.

Summary of Information Regarding the Board of Directors

Members of Veeco’s Board of Directors (“Board of Directors” or the “Board”) are listed below. Ms. Raymond and Messrs. D’Amore and Jackson have been nominated for re-election to the Board.

Name	Age	Director since	Independent ⁽¹⁾	Committee Membership		
				AC	CC	GC
Kathleen A. Bayless	64	2016	Yes	C/FE		
Richard A. D'Amore	67	1990	Yes (Chair)		M	
Gordon Hunter	69	2010	Yes		C	M
Keith D. Jackson	65	2012	Yes	M/FE		C
William J. Miller, Ph.D.	52	2018	No			
Mary Jane Raymond	60	2019	Yes	M/FE		
Peter J. Simone	73	2004	Yes	M/FE		M
Thomas St. Dennis	67	2016	Yes		M	

(1) Independence determined based on NASDAQ rules.

AC — Audit Committee

CC — Compensation Committee

GC — Governance Committee

C — Chairperson

M — Member

FE — Audit Committee financial expert (as determined based on SEC rules)

Corporate Governance Specifics

Board and Other Governance Information	As of March 17, 2021
Size of Board as Nominated	8
Average Age of Director Nominees and Continuing Directors	65 years
Average Tenure of Director Nominees and Continuing Directors	9.4 years
Standard Deviation of Director Tenure	9.0 years
Percentage of Continuing Directors and Nominees who are Independent	87.5%
Percentage of Directors who attended all Board Meetings	100%
Number of Director Nominees and Continuing Directors Who Serve on More Than Three Public Company Boards (total, including the Company)	0
Number of Other Public Company Boards Served by Board Chairman	1
Directors Subject to Stock Ownership Guidelines (3x annual cash retainers)	Yes
Annual Election of Directors	No
Voting Standard	Majority
Plurality Voting Carve-out for Contested Elections	Yes
Independent Chairman	Yes
Independent Directors Meet Without Management Present	Yes
Annual Board, Committee and Individual Director Self-Evaluations	Yes
Annual Independent Director Evaluation of CEO	Yes
Risk Oversight by Full Board and Committees	Yes
Board Orientation/Education Program	Yes
Code of Conduct Applicable to Directors	Yes
Stockholder Ability to Call Special Meetings	50% of Outstanding Shares
Stockholder Ability to Act by Written Consent	No
Poison Pill	No
Percentage of Multiple Voting Rights or Voting Certificates Relative to Total Voting Rights	0%
Percentage of Issued Share Capital Composed of Non-Voting Shares	0%

Executive Compensation Highlights

Here's What We Do...

Pay for Performance. We ensure that the compensation of our executives tracks the Company's performance and reflects our belief that the ratio of performance-based compensation to fixed compensation should increase with the level of the executive.

Annual Say-on-Pay Vote. We conduct an annual Say-on-Pay advisory vote.

Peer Group Selection. We review our compensation peer group annually, making adjustments as appropriate to ensure that our peers (1) operate in the semiconductor equipment and adjacent industry segments, (2) are neither excessively large or small, compared to Veeco, and (3) reflect a range of companies where Veeco is at or around the median from both a revenue and market cap perspective.

Performance-based Long-Term Incentives. The majority of the long-term incentives provided to our 2020 named executive officers ("NEOs", who are identified in the Summary Compensation Table in this Proxy Statement) is granted in the form of performance-based restricted stock units that feature a three-year performance period, are subject to 100% forfeiture and are earned based on the comparison of Veeco's total shareholder return to that of the Russell 2000 Index.

Capped Award Payouts. Cash payments earned under the annual Management Bonus Plan and earnings from performance-based restricted stock unit grants are capped at 2 and 6 times target, respectively.

Stock Ownership Guidelines. Our stock ownership guidelines require our NEOs and our Board of Directors to hold Veeco stock in a specified multiple of their base salaries or annual cash retainers. Our Chief Executive Officer (“CEO”) is required to hold Veeco stock with a value equal to at least 6 times his base salary.

Responsibly Administered Incentive Compensation Programs. The Board, with support from Veeco management, has consistently exercised negative discretion where appropriate in the case of unintended consequences.

Minimum Vesting. Time-based equity awards feature vesting periods that range from 3 to 4 years, and our 2019 Stock Incentive Plan was amended to specify a 1-year minimum vesting period for equity awards.

Stock Option Provisions. Our 2019 Stock Incentive Plan prohibits the cash buyout of underwater stock options and the repricing of stock options without stockholder approval. The Company has not engaged in either of these practices.

Double-Trigger Change in Control Arrangements. Our policy requires both a change in control *and* termination of employment before change in control benefits are triggered.

Clawback Policy. All forms of incentive compensation and equity-based compensation awards are subject to recoupment and forfeiture in the event of a financial restatement due to fraud or intentional illegal conduct by an executive.

Annual Bonus. Amounts that can be earned under our annual incentive programs are based solely on performance against corporate financial and individual goals.

Stockholder Engagement. We routinely engage with stockholders and, as appropriate, with proxy advisory firms, to better understand their perspectives regarding executive compensation best practices, and we have incorporated many of these practices in our executive compensation programs.

Here's What We Don't Do...

No Multi-Year Guarantees. We do not offer multi-year guarantees for salary increases, bonuses or equity awards.

No Overly Generous Change in Control Benefits. We have used change in control protections sparingly and have limited cash payments to 1.5 to 2.0 times base salary and bonus.

No Change in Control Severance Tax Gross-Ups. We do not provide tax gross ups for benefits that may become payable in connection with a change in control.

Hedging and Pledging Restrictions. Our insider trading policy prohibits all employees and directors from hedging or pledging their Veeco shares.

Limited Pension Benefits. We do not maintain a defined benefit pension plan or a supplemental executive retirement plan. The Company's 401(k) savings plan is our only pension benefit.

No Retirement Benefits. We do not offer retirement health and welfare benefits to our employees.

No Excessive Perquisites. We do not provide executives with perquisites such as financial planning, use of corporate aircraft, or the like.

STOCK OWNERSHIP

Security Ownership of Certain Beneficial Owners and Management

The following table sets forth certain information regarding the beneficial ownership of Veeco common stock as of March 9, 2021 (unless otherwise specified below) by (i) each person known by Veeco to own beneficially more than five percent of the outstanding shares of Veeco common stock, (ii) each director of Veeco, (iii) each NEO listed in the Summary Compensation Table in this Proxy Statement, and (iv) all executive officers and directors of Veeco as a group. Unless otherwise indicated, Veeco believes that each of the persons or entities named in the table exercises sole voting and investment power over the shares of Veeco common stock that each of them beneficially owns, subject to community property laws where applicable.

	Shares of Common Stock Beneficially Owned ⁽¹⁾			Percentage of Total Shares Outstanding ⁽¹⁾
	Shares	Options	Total	
5% or Greater Stockholders:				
BlackRock, Inc. ⁽²⁾	7,589,479	—	7,589,479	15.3%
The Vanguard Group ⁽³⁾	5,044,663	—	5,044,663	10.2%
Invesco Ltd. ⁽⁴⁾	4,448,513	—	4,448,513	9.0%
Paradigm Capital Management ⁽⁵⁾	2,733,800	—	2,733,800	5.5%
Directors:				
Kathleen A. Bayless	37,948	—	37,948	*
Richard A. D'Amore	122,653	—	122,653	*
Gordon Hunter	56,312	—	56,312	*
Keith D. Jackson	52,512	—	52,512	*
William J. Miller, Ph.D.	225,590	76,310	301,900	*
Mary Jane Raymond	13,291	—	13,291	*
Peter J. Simone	47,146	—	47,146	*
Thomas St. Dennis	37,960	—	37,960	*
Named Executive Officers:				
William J. Miller, Ph.D.	225,590	76,310	301,900	*
John Kiernan	53,853	21,470	75,323	*
Adrian Devasahayam, Ph.D.	43,510	14,307	57,817	*
Peter Porshnev, Ph.D.	72,467	30,530	102,997	*
Susan Wilkerson	66,667	—	66,667	*
All Directors and Executive Officers as a Group (12 persons)	829,909	142,617	972,526	2.0%

* Less than 1%.

- (1) A person is deemed to be the beneficial owner of securities owned or which can be acquired by such person within 60 days of the measurement date upon the exercise of stock options. Shares owned include unvested time-based restricted stock awards (but do not include unvested performance-based restricted stock awards). Each person's percentage ownership is determined by assuming that stock options beneficially owned by such person (but not those owned by any other person) have been exercised.
- (2) Share ownership information is based on information contained in a Schedule 13G/A filed with the SEC on January 26, 2021. The address of this holder is 55 East 52nd Street, New York, New York 10055.
- (3) Share ownership information is based on information contained in a Schedule 13G/A filed with the SEC on February 10, 2021. The address of this holder is 100 Vanguard Boulevard, Malvern, Pennsylvania 19355.

- (4) Share ownership information is based on information contained in a Schedule 13G/A filed with the SEC on February 12, 2021. The address of this holder is 1555 Peachtree Street NE, Suite 1800, Atlanta, Georgia 30309.
- (5) Share ownership information is based on information contained in a Schedule 13G filed with the SEC on February 10, 2021. The address of this holder is Nine Elk Street, Albany, New York 12207.

Delinquent Section 16(a) Reports

Section 16(a) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”) requires Veeco’s officers and directors, and persons who own more than 10% of Veeco’s common stock, to file reports of ownership and changes in ownership with the Securities and Exchange Commission (“SEC”). These persons are required by SEC regulations to furnish Veeco with copies of all Section 16(a) forms they file. SEC regulations require us to identify in this Proxy Statement anyone who filed a required report late or failed to file a required report. Based on our review of forms we received, or written representations from reporting persons, we believe that during 2020 all Section 16(a) filing requirements were satisfied on a timely basis.

GOVERNANCE

Governance Highlights

Veeco's Board of Directors and management are committed to responsible corporate governance to ensure that Veeco is managed for the long-term benefit of its stockholders. To that end, the Board of Directors and management review published guidelines and recommendations of institutional stockholder organizations and current best practices of similarly situated public companies. The Board and management periodically evaluate and, when appropriate, revise Veeco's corporate governance policies and practices in light of these guidelines and other findings, and to comply with the requirements of the Sarbanes-Oxley Act of 2002 and the rules and listing standards issued by the SEC and by The NASDAQ Stock Market LLC ("NASDAQ").

Veeco's Corporate Governance Guidelines provide that at least two-thirds of the Board of Directors must be independent in accordance with the NASDAQ listing standards. In fact, seven of Veeco's eight continuing directors and nominees are independent (87.5%), and none serve on more than two other public company boards. All of Veeco's directors attended each Board meeting held in 2020, together with all applicable committee meetings. Veeco completes a Board, committee and individual director self-evaluation process annually, and the independent directors, guided by the independent Chairman, meet regularly without management and perform an annual performance assessment of our CEO.

Governance Policies and Practices

Veeco has instituted a variety of policies and practices to foster and maintain corporate governance, including the following:

Corporate Governance Guidelines — Veeco adheres to written Corporate Governance Guidelines, adopted by the Board and reviewed by the Governance Committee on a periodic basis. The Corporate Governance Guidelines govern director qualifications, conflicts of interest, succession planning, periodic board self-assessment and other governance matters.

Code of Business Conduct — Veeco maintains written standards of business conduct applicable to all of its employees worldwide.

Code of Ethics for Senior Officers — Veeco maintains a Code of Ethics that applies to our CEO, President, Chief Financial Officer ("CFO") and Chief Accounting Officer ("CAO").

Human Rights Policy — As reflected in Veeco's Human Rights Policy, Veeco is committed to upholding the human rights of workers and to treating them with dignity and respect as understood by international standards.

Environmental and Social Responsibility Statement — Veeco has published, and adheres to, an Environmental and Social Responsibility Statement, which applies to Veeco's employees and our suppliers. In addition, in June of 2020, Veeco published its first Sustainability Report, evidencing Veeco's commitment to building an enduring sustainability strategy.

Supplier Code of Conduct — Our Supplier Code of Conduct documents our expectations, and requirements, of Veeco's suppliers and other service providers, in an effort to ensure safe working conditions, the proper treatment of employees, and the sourcing, manufacturing and distribution of products in a responsible and environmentally friendly manner.

Conflict Minerals Policy — Veeco maintains a written policy that applies to the Conflict Minerals rule of the 2010 Dodd-Frank Wall Street and Consumer Protection Act.

Director Education Policy — Veeco has adopted a written policy under which it encourages directors to attend, and provides reimbursement for the cost of attending, director education programs. Seventy five percent (75%) of Veeco's Board members have attended one or more director education programs within the past five years.

Disclosure Policy — Veeco maintains a written policy that applies to all of its employees with regard to the dissemination of information.

Board Committee Charters — Each of Veeco’s Audit, Compensation and Governance Committees has a written charter adopted by Veeco’s Board that establishes practices and procedures for each committee in accordance with applicable corporate governance rules and regulations.

Copies of each of these documents can be found on the Company’s website (www.veeco.com) via the “Investors” page.

Independence of the Board

Veeco’s Corporate Governance Guidelines provide that at least two-thirds of the Board of Directors must be independent in accordance with the NASDAQ listing standards. In addition, service on other boards must be consistent with Veeco’s conflict of interest policy and the nature and time involved in such service is reviewed when evaluating the suitability of individual directors for election.

Independence of Current Directors. With the exception of Dr. Miller, the Company’s CEO, Veeco’s Board of Directors has determined that all of the directors are “independent” within the meaning of the applicable NASDAQ listing standards.

Independence of Committee Members. All members of Veeco’s Audit, Compensation and Governance Committees are required to be and are independent in accordance with NASDAQ listing standards.

Compensation Committee Interlocks and Insider Participation. During 2020, none of Veeco’s executive officers served on the board of directors of any entity whose executive officers served on Veeco’s Compensation Committee. No current or past executive officer of Veeco serves on our Compensation Committee. The members of our Compensation Committee are Messrs. D’Amore, Hunter and St. Dennis.

Board Access to Employees and Independent Advisors. The Board members have full and free access to the officers and employees of Veeco and are permitted to retain independent legal, financial or other advisors as the Board or a Committee deems necessary.

Director Resignation Upon Change in Employment. The Corporate Governance Guidelines provide that a director shall submit his resignation if he changes his principal employment from what it was when he was elected as a director, or undergoes a change affecting his qualification as a director or fails to receive the required number of votes for re-election. Upon such submission, the Board shall determine whether to accept or reject the resignation. If the resignation is tendered for failure to receive the required number of votes for re-election, the Governance Committee will also inform the Board of any other action it recommends be taken.

Board Leadership Structure

It is the Company’s and Board’s belief that optimal governance practice calls for the consolidation of the Lead Director and Chairman roles, ideally into that of an independent Chairman. To this end, effective upon the conclusion of the Company’s annual meeting of stockholders held on May 7, 2020, the Board appointed Mr. D’Amore, formerly Lead Director, to serve as Chairman, and the roles of Lead Director and Chairman were consolidated. Mr. D’Amore, who the Board has determined to be independent, has an in-depth knowledge of Veeco and its operations and has served as a board member on other public and private company boards. Veeco believes that Mr. D’Amore’s strong business background and experience overseeing company management, now as the independent Chairman of Veeco’s Board, will serve Veeco well.

As Chairman, Mr. D’Amore duties will include, among others:

- collaborating with the CEO in setting the agenda for Board meetings, with input from other Board members;
- moderating executive sessions of the full Board;
- coordinating the activities and chairing meetings of the Board’s independent directors;

- upon invitation, attending meetings of any of the Board Committees of which he is not a member;
- overseeing the annual performance evaluation of the CEO and conveying to the CEO, together with the Chair of the Compensation Committee, the results of the CEO's performance evaluation;
- reviewing proposals submitted by stockholders for action at meetings of stockholders and, depending on the subject matter, determining the appropriate body, among the Board and any of the Board Committees, to evaluate and assess each such proposal;
- as requested by the Board, providing reports to the Board on the Chairman's activities; and
- performing such other duties as the Board may reasonably request from time to time.

Oversight of Risk Management

The Board has an active role, as a whole and also at the committee level, in overseeing management of the Company's risks. The Board regularly reviews information regarding the Company's strategy, finances and operations, as well as the risks associated with each. The Audit Committee is responsible for oversight of the Company's risks relating to accounting matters, financial reporting, internal controls and legal and regulatory compliance. The Audit Committee undertakes, at least annually, a review to evaluate these risks. Individual members of the Audit Committee are each assigned an area of risk to oversee. The members then meet separately with management responsible for such area, including the Company's CFO, internal auditor and lead counsel, and report to the Audit Committee on any matters identified during such discussions with management. In addition, the Governance Committee manages risks associated with the independence of the Board and potential conflicts of interest. The Company's Compensation Committee is responsible for overseeing the management of risks relating to the Company's executive compensation plans and arrangements. While each committee is responsible for evaluating certain risks and overseeing the management of such risks, the entire Board is regularly informed about such risks through committee reports.

Compensation Risk

Our Compensation Committee conducted a risk-assessment of our compensation programs and practices and concluded that our compensation programs and practices, as a whole, are appropriately structured and do not pose a material risk to the Company. Our compensation programs are intended to reward the management team and other employees for strong performance over the long-term, with consideration of near-term actions and results that strengthen and grow our Company. We believe our compensation programs provide the appropriate balance between short-term and long-term incentives, focusing on sustainable operating success for the Company. We consider the potential risks in our business when designing and administering our compensation programs, and we believe our balanced approach to performance measurement and compensation decisions mitigates the likelihood that individuals will be encouraged to undertake excessive or inappropriate risk. Further, our compensation program administration is subject to considerable internal controls and when determining the principal outcomes — performance assessments and compensation decisions — we rely on principles of sound governance and good business judgment.

Board Meetings and Committees

During 2020, Veeco's Board held five meetings. It is the policy of the Board to hold executive sessions without management at every regularly scheduled board meeting and as requested by a director. The Chairman of the Board or Committee Chair, as appropriate, presides over these executive sessions. All members of the Board are welcome to attend the Annual Meeting of Stockholders. In 2020, Dr. Miller was the only director who attended the Annual Meeting. The Board has established the following committees: an Audit Committee, a Compensation Committee and a Governance Committee.

Audit Committee. As defined in Section 3(a)(58)(A) of the Exchange Act, the Company established an Audit Committee which reviews the scope and results of the audit and other services provided by Veeco's independent registered public accounting firm. The Audit Committee consists of Messrs. Jackson and Simone, Ms. Raymond and Ms. Bayless (Chair). The Board has determined that all members of the Audit

Committee are financially literate as that term is defined by NASDAQ and by applicable SEC rules. The Board has further determined that all members of the Audit Committee are “audit committee financial experts” as defined by applicable SEC rules. During 2020, the Audit Committee met five times.

Compensation Committee. The Compensation Committee sets the compensation levels of senior management and administers Veeco’s equity compensation plans. All members of the Compensation Committee are “non-employee directors” (within the meaning of Rule 16b-3 of the Exchange Act), and “outside directors” (within the meaning of Section 162(m) of the Internal Revenue Code of 1986, as amended). None of the members of the Compensation Committee have interlocking relationships as defined by the SEC. The Compensation Committee consists of Messrs. D’Amore, St. Dennis and Hunter (Chair). During 2020, the Compensation Committee met five times.

Governance Committee. The Company’s Governance Committee addresses Board organizational issues and develops and reviews corporate governance principles applicable to Veeco. In addition, the Governance Committee searches for persons qualified to serve on the Board of Directors and makes recommendations to the Board with respect thereto, as more fully described below. The Governance Committee is comprised entirely of independent directors, as defined by the NASDAQ listing standards, and currently consists of Messrs. Hunter, Simone and Jackson (Chair). During 2020, the Governance Committee met five times.

Board Composition and Nomination Process

Pursuant to our Corporate Governance Guidelines, the Governance Committee will evaluate the suitability of potential nominees for membership on the Board, taking into consideration the Board’s current composition, including expertise, diversity and balance of inside, outside and independent directors, and considering the general qualifications of the potential nominees, including those characteristics described in the Corporate Governance Guidelines as in effect from time to time. In selecting the director nominees, the Board endeavors to establish a balance of experience and background in a number of areas of core competency, including business judgment, management, accounting and finance, knowledge of the industries in which the Company operates, understanding of manufacturing and services, strategic vision, knowledge of international markets, marketing, research and development and other areas relevant to the Company’s business. The Governance Committee will consider diversity among the Board members, in terms of business experience, professional expertise, gender and ethnic backgrounds, when recommending nominees to serve as members of the Board. In any particular situation, the Governance Committee may focus on persons possessing a particular background, experience or qualifications which the committee believes would be important to enhance the effectiveness of the Board. Under our Corporate Governance Guidelines, the Board periodically conducts a critical self-evaluation, including an assessment of the make-up of the Board as a whole. The full Board reviews and has final approval authority on all potential director candidates being recommended to the stockholders for election.

Compensation of Directors

Veeco’s Director Compensation Policy provides that members of the Board of Directors who are not employees of Veeco shall be paid a quarterly retainer in the amount of \$17,500. Additional quarterly retainers are paid for committee membership, as follows:

Board Committee	Quarterly Retainer for Non-Chair Membership (\$)	Quarterly Retainer for Chair Membership (\$)
Audit	2,500	5,250
Compensation	1,875	3,750
Governance	1,250	2,500

An additional quarterly retainer in the amount of \$10,000 is paid for service as the Board Chairman. Board members do not receive fees for attending meetings either in person or telephonically.

Each non-employee Director shall also receive an annual grant of shares of restricted stock having a fair market value in the amount determined by the Compensation Committee from time to time. For 2020, the Compensation Committee determined that the value of this annual award should be \$120,000 per director. The restrictions on these shares lapse on the earlier of the first anniversary of the date of grant and the date immediately preceding the date of the next annual meeting of stockholders. In addition, the Company's Director Compensation Policy gives the Board the authority to compensate directors who perform significant additional services on behalf of the Board or a Committee. Such compensation is to be determined by the Board in its discretion, taking into consideration the scope and extent of such additional services. The Company's 2019 Stock Incentive Plan places an annual limit on total Director compensation in the amount of \$400,000. Directors who are employees, such as Dr. Miller, do not receive additional compensation for serving as directors.

The following table provides information on compensation awarded or paid to the non-employee directors of Veeco for the fiscal year ended December 31, 2020.

Name	Fees Earned or Paid in Cash (\$) ⁽¹⁾	Stock Awards (\$) ⁽²⁾⁽³⁾	All Other Compensation (\$)	Total (\$)
Kathleen A. Bayless	90,500	119,993	—	210,493
Richard A. D'Amore	107,750	119,993	—	227,743
Gordon Hunter	90,000	119,993	—	209,993
Keith D. Jackson	90,000	119,993	—	209,993
Mary Jane Raymond	77,360	59,991	—	137,351
Peter J. Simone	85,000	119,993	—	204,993
Thomas St. Dennis	77,500	119,993	—	197,493

- (1) Represents the sum of quarterly retainers paid for Board service during 2020.
- (2) Reflects awards of 10,389 shares of restricted stock to each director on May 8, 2020, with the exception of Ms. Raymond, who received a pro-rata award of 5,194 shares of restricted stock on May 8, 2020 in accordance with the Company's Board Compensation Policy. These restricted stock awards vest on the earlier of (i) the first anniversary of the date of grant, and (ii) the date immediately preceding the date of the next annual meeting of stockholders. In accordance with SEC rules, the amounts shown reflect the grant date fair value of the award, which was \$11.55 per share.
- (3) As of December 31, 2020, there were outstanding the following aggregate number of stock awards and option awards held by each non-employee director of the Company:

Outstanding Equity Awards at Fiscal Year End		
Name	Stock Awards (#)	Option Awards (#)
Kathleen A. Bayless	10,389	—
Richard A. D'Amore	10,389	—
Gordon Hunter	10,389	—
Keith D. Jackson	10,389	—
Mary Jane Raymond	5,194	—
Peter J. Simone	10,389	—
Thomas St. Dennis	10,389	—

Stock Ownership Guidelines: Directors

Under the Company's Stock Ownership Guidelines, Directors are required to hold Veeco stock with a value equal to at least three times the Directors' annual cash retainers (excluding retainers for committee or Board Chair service), measured as of February 1st of the most recently completed year and subject to a 5-year phase-in period. All Directors are currently in compliance with our Stock Ownership Guidelines or have a period of time remaining to meet the required ownership level.

Certain Contractual Arrangements with Directors and Executive Officers

Veeco has entered into indemnification agreements with each of its directors, executive officers and certain senior officers. Generally, the indemnification agreements are designed to provide the maximum protection permitted under Delaware law for the indemnification of a covered individual. The indemnification agreements provide that Veeco will indemnify such persons against certain liabilities that may arise by reason of their status or service to the Company and that the Company will advance expenses incurred as a result of proceedings against them as to which they may be indemnified. Under the indemnification agreements, a covered individual will receive indemnification if he or she is found to have acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of Veeco and with respect to any criminal action, if he or she had no reasonable cause to believe his or her conduct was unlawful.

Corporate Social Responsibility

Veeco has implemented environmental and social responsibility programs that apply across our organization and to our suppliers. These programs are based on our six core values and are integral to our corporate culture. Our core values are as follows:

- We will always put our CUSTOMERS first
- We will never compromise on SAFETY
- We will always demonstrate RESPECT
- We will never stop IMPROVING
- We will always be ACCOUNTABLE
- We will never forget that DIVERSITY & INCLUSION make us stronger

We are committed to upholding the highest levels of integrity and are working to improve social, ethical, safety and environmental conditions across our organization.

In June 2020, we issued our first Sustainability Report in which we formally disclose various social and environmental initiatives that also demonstrate our commitment to creating a more sustainable world. Our goal is to use this report as a stepping stone on our journey to becoming a more transparent and sustainable company. Oversight of the Company's sustainability efforts and its Environmental, Social & Governance ("ESG") practices has been assigned to the Governance Committee, which serves as the Company's sustainability committee and is comprised entirely of independent directors.

Workplace: We believe that a diverse and motivated workforce is vital to our success. We are committed to fair treatment, equal opportunity and an environment free from unlawful discrimination. We foster personal and professional development with on-site and virtual resources that enhance both mental and physical health of our employees. Our Human Rights Policy formalizes our commitment to preserving and promoting the fundamental rights of others. Furthermore, as a condition of doing business with Veeco, our suppliers, vendors, consultants and service providers are required to follow our Veeco Supplier Code of Conduct, which requires safe working conditions, treating workers with dignity and respect, accepting diversity in race, gender and religion, acting fairly and ethically, and using environmentally responsible practices whenever conducting business with Veeco.

Community: We recognize and welcome our obligation to be a responsible member of our community. With offices worldwide and a diverse workforce, we strive to align with employees on initiatives that matter most. Whether it is promoting STEM education, building a home with Habitat for Humanity or collecting toys for local children's charities, we make it our mission to give back.

Sustainability: Environmental, health and safety responsibilities are integral to producing world-class products. We strive to minimize adverse effects on the community and to protect natural resources. Ensuring a safe work environment, reducing waste, and obtaining parts and components from responsible sources is at the core of everything we do.

Quality: At Veeco, we endeavor to earn the trust of our customers through systematic continual improvement. Every employee is responsible for taking appropriate action to ensure the high-quality levels of our products and services, and to meet or exceed our customers' requirements and expectations. Achieving exceptional quality and customer satisfaction is driven by three key commitments:

1. Consistently provide the highest quality products and services through strong partnerships with our suppliers; a passion for improving our performance; and close collaboration with our customers.
2. Develop products that solve our customer's most difficult problems using practices and processes designed to ensure we meet our customer's expectations for product safety, quality and reliability.
3. Leverage the creativity, enthusiasm, and dedication of the Veeco team to be the supplier of choice for all our customers.

For more information about our corporate social responsibility efforts, please refer to our Corporate Responsibilities webpage at <https://www.veeco.com/company/corporate-responsibilities>. To view Veeco's Corporate Governance Policies and our Environmental & Social Responsibility Statement, please visit <https://ir.veeco.com>. To access Veeco's ISO 9001:2015 Certificates, please visit <https://www.veeco.com/company/quality/>. The references to our website addresses do not constitute inclusion or incorporation by reference of the information contained on our website in this Proxy Statement or other filings with the SEC, and the information contained on our website is not part of this document.

COMPENSATION

Executive Officers

The executive officers of Veeco, their ages and positions as of March 9, 2021, are as follows:

Name	Age	Position
William J. Miller, Ph.D.	52	Chief Executive Officer
John P. Kiernan	58	Senior Vice President, Chief Financial Officer
Adrian Devasahayam, Ph.D.	50	Senior Vice President, Product Line Management
Peter Porshnev, Ph.D.	57	Senior Vice President, Unified Engineering
Susan Wilkerson	60	Senior Vice President, Global Sales & Services

William J. Miller, Ph.D. has been CEO and a Director since October 2018. Prior thereto, he served as President beginning in January 2016, overseeing all of Veeco's global business units. Dr. Miller was named Executive Vice President, Process Equipment in December 2011, and was Executive Vice President, Compound Semiconductor from July 2010 until December 2011. Dr. Miller was Senior Vice President and General Manager of Veeco's MOCVD business unit from January 2009 to July 2010, and Vice President, General Manager of Veeco's Data Storage business unit from January 2006 to January 2009. He has held leadership positions of increasing responsibility in both the engineering and operations organizations since he joined Veeco in November 2002. Prior to joining Veeco, Dr. Miller held engineering and operations leadership positions at Advanced Energy Industries, Inc.

John P. Kiernan has been Senior Vice President, Chief Financial Officer since January 2020. Prior thereto, he served as Senior Vice President, Finance, Chief Accounting Officer and Treasurer beginning in December 2011, and also served as Corporate Controller from December 2011 through December 2017. He has held leadership positions of increasing responsibility in finance since he joined Veeco in February 1995. Prior to joining Veeco, Mr. Kiernan was an Audit Senior Manager at Ernst & Young LLP.

Adrian Devasahayam, Ph.D. has been Senior Vice President, Product Line Management since September 2019. Prior thereto, he served as Senior Vice President and General Manager for Veeco's Advanced Deposition & Etch and Precision Surface Processing business units. Previous roles at Veeco included Vice President, Ion Beam Marketing and Applications (from June 2016 to August 2017) and Vice President, Optical Products (from June 2014 to June 2016). He has held leadership positions of increasing responsibility in both the technology and marketing organizations since he joined Veeco in 1998.

Peter Porshnev, Ph.D. has been Senior Vice President, Unified Engineering since September 2019. Prior thereto, he served as General Manager, Ultratech division of Veeco, beginning in August 2017, and was General Manager of Veeco's Advanced Deposition & Etch business unit from 2015 to July 2017. Prior to joining Veeco in 2013 as Vice President of Engineering, Dr. Porshnev held engineering leadership positions at Cymer LLC (EUV division), before and after its acquisition by ASML Holding N.V. From 2001 to 2011, Dr. Porshnev held engineering and leadership positions at Applied Materials, Inc. Prior thereto, Dr. Porshnev held various academic positions, including a professorship at his alma mater, Belarusian State University in Minsk, Belarus.

Susan Wilkerson joined Veeco in April 2020 as Senior Vice President, Global Sales & Services. Prior to her employment with Veeco, Ms. Wilkerson served as Vice President & General Manager of Strategic Global Accounts for Lam Research Corporation, from 2011 to 2020. From 2010 to 2011, Ms. Wilkerson was Vice President & General Manager of Americas Sales, Service & Support for Verigy Ltd. From 2003 to 2010, Ms. Wilkerson was engaged in two consulting ventures and provided consulting services to Applied Materials, Inc., and co-founded BlueRock Consulting LLC in 2008. From 1988 to 2003, Ms. Wilkerson worked for Applied Materials, where she held positions of increasing responsibility, including Senior Director, Global Account Management; Vice President & General Manager, Global Account Management; and Vice President of Operations, North America Region.

Compensation Discussion and Analysis

This Compensation Discussion and Analysis describes Veeco's current compensation programs and policies, which are subject to change.

Business Summary and Recent Developments

Veeco is an innovative manufacturer of semiconductor process equipment that solves a wide range of challenging materials engineering problems for our customers. Our comprehensive portfolio of ion beam, laser annealing, metal organic chemical vapor deposition, advanced packaging lithography, single wafer wet processing, molecular beam epitaxy, and atomic layer deposition technologies plays an integral role in the fabrication of key devices that are enabling the 4th industrial revolution of all things connected. Such devices include leading node application processors for mobile devices, thin film magnetic heads for hard disk drives in data storage, photonics devices for 3D sensing, advanced displays and high-speed communications, radio frequency filters and power amplifiers for 5G networks and mobile electronics. In close partnership with our customers, we combine decades of applications and materials know-how with leading-edge systems engineering to deliver high-volume manufacturing solutions with competitive cost of ownership. Serving a global and highly interconnected customer base, we have comprehensive sales and service operations across the Asia-Pacific, Europe and North America regions to ensure real-time close collaboration and responsiveness.

2020 Business Highlights and Challenges

2020 will be remembered as an incredibly challenging and pivotal year for Veeco. Challenging, because we spent much of the year addressing the complex requirements of keeping our employees healthy in the face of COVID-19 while also keeping our business strong as demand for Veeco products increased throughout the year. Pivotal, because Veeco achieved several important operational and financial milestones in our transformation to return the Company to profitability and our strategy to grow in Semiconductor and Compound Semiconductor markets. These include:

- **Managing COVID-19** — First, we took early and proactive steps to keep our employees safe during COVID-19. We implemented numerous initiatives such as work-from-home where possible, enhanced facility cleaning, mandatory use of company-provided PPE, social distancing protocols, health screening and more. We created innovative approaches, such as “virtual” tours, product demonstrations and system acceptances to keep our customers safe while continuing to meet their needs.
- **Continued our focus on employees and internal culture** — A team of Veeco employees created an ambitious set of core values to guide our culture journey. These include statements about customers, safety, respect, improvement, accountability and diversity and inclusion. Communication and transparency have been greatly improved throughout the Company.
- **Completed our organizational restructuring** — We organized the Company along simplified functional lines and eliminated the business unit structure that previously existed. This reduced layers of management, improved communication, accountability, and decision-making effectiveness while eliminating redundant expenses. As part of this restructuring, we appointed a new CFO, consolidated Sales and Service into one customer-facing organization and hired an industry veteran to lead this team.
- **Reshaping our product portfolio** — Our functional structure enables optimized research and development (“R&D”) investment at the company level. We cancelled lower-return R&D projects and divested a non-core product line in favor of higher-value projects that were better aligned with the Company's strategy.
- **Improved financial performance** — The Company significantly improved gross margins, operating expenses, operating income, and diluted EPS on both a GAAP and non-GAAP basis in 2020 compared to 2019, as a result of our continued focus on returning to profitability, including reorganization and expense management. These results drove \$43 million in positive cash flow from operations.
- **Improved our liquidity and capital structure** — We entered into two refinancing transactions during the year, extending the maturity of a portion of our long-term debt. We moved from a single

\$345 million-dollar tranche of debt, due in January 2023, to a more manageable debt structure with three maturities staggered over the next 6 years.

- **Enhanced our governance** — We appointed an independent chair to the Board of Directors and assigned our second, recently appointed female board member, to the Audit Committee.
- **Improved our focus on ESG** — We published our first sustainability report and engaged with ESG rating agencies to identify areas of improvement. We improved disclosure around certain practices which resulted in better scores in both social and environmental areas.
- **Positioned the Company for growth in 2021** — Our order intake throughout 2020 has positioned the Company well for growth in 2021. Growth is expected in our Semiconductor market from sales of our Laser Annealing products; Compound Semiconductor market from sales of our Wet Processing equipment; and Data Storage market from sales of our Ion Beam products.
- **Solidified our multi-year strategy and prepared for growth in 2022 and beyond** — We have been investing in R&D evaluation systems which are being deployed at key semiconductor customer sites and improving our service capability to facilitate growth in the Semiconductor and Compound Semiconductor markets.
- **Increasing manufacturing capacity for our Laser Annealing and Lithography systems** — With increased demand for our Laser Annealing systems we are investing in additional manufacturing capacity in San Jose, California.

Executive Compensation Highlights

The semiconductor and thin film process equipment industries representing Veeco's served markets are highly cyclical and characterized by periods of volatility which may be difficult to predict. Our products require significant R&D investment sustained over very long periods of time and our customers' buying decisions are highly dependent on technology trends and industry supply and demand patterns. Our executive compensation programs are designed to align with such market conditions, to balance both the short- and long-term interests of stockholders and executives and, at the same time, attract and retain executives through extended business downturns, motivating them for our longer-term success.

The Company seeks to foster a performance-oriented culture by linking a significant portion of each executive's compensation to the achievement of performance targets important to the success of the Company and its stockholders. Our executive compensation program is structured so that a meaningful percentage of compensation is tied to the achievement of objectives that, at the time they are established, are considered challenging in light of anticipated market conditions.

Over the past four years, we implemented several changes in response to discussions with our stockholders. In particular, Veeco:

- Established minimum 3-year vesting for performance-based restricted stock unit awards ("PRSUs").
- Increased the portion of annual long-term incentive delivered to NEOs in the form of performance-based RSUs from a simple majority in 2018 to 60% in 2019 to 65% in 2020.
- Adopted a relative performance metric for PRSU awards based on total shareholder return ("TSR") over a 3-year period, comparing the Company's performance to the Russell 2000 Index.
- Added two caps to PRSU awards: (i) a negative TSR cap that limits awards to 100% if the Company's TSR is negative, regardless of the Company's relative performance, and (ii) a maximum award cap that limits the overall value of the earned award to 6 times the grant value.
- Reduced our annual equity burn rate and intend, in 2021, to limit awards to no more than the shares granted in either of the past two years.
- Increased the stock ownership requirement for the CEO from 4 times base salary to 6 times base salary.
- Expanded the Company's Clawback Policy to include equity in the compensation subject to recuperation.

- Amended the Company’s stock incentive plan to (i) specify that any dividends earned shall be subject to the same vesting provisions as for the underlying award, (ii) define the treatment of performance-based equity awards in the event of a change in control, and (iii) specify a minimum vesting period of one year for equity awards with limited exceptions.

Executive Compensation Strategy and Objectives

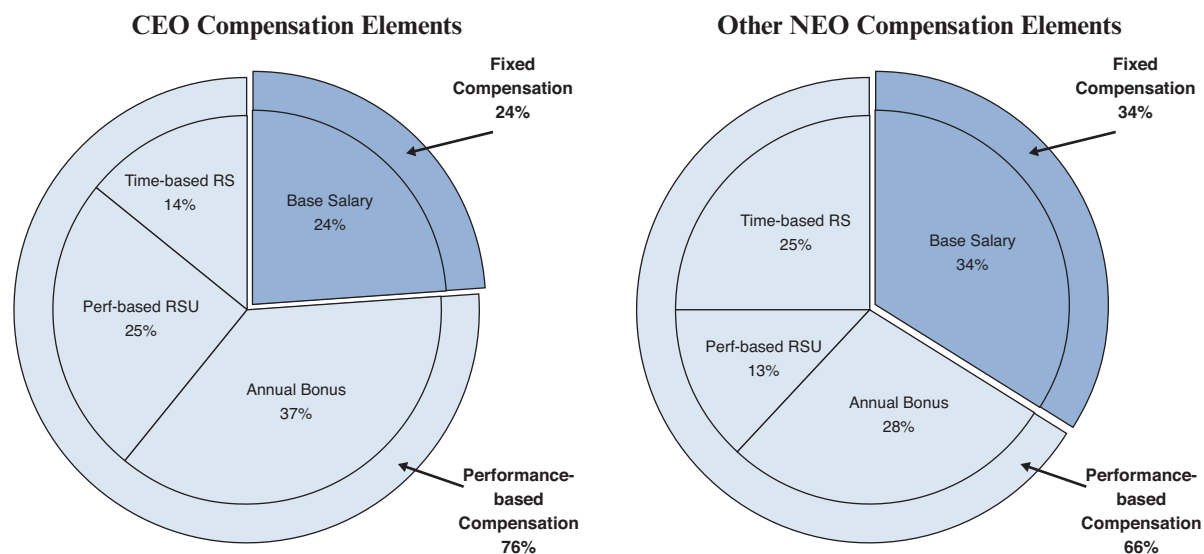
The Company’s executive compensation strategy is designed to create opportunities for competitive total compensation that reflects our culture, the markets we serve and our performance. The primary objective of our executive compensation strategy is to motivate executives in the achievement of long-term growth and success for the Company, including increasing stockholder value, without subjecting the Company or stockholders to unnecessary or unreasonable risks. The Company’s executive compensation programs are also essential to our ability to attract and retain executives. Accordingly, the Company has adopted the following guiding principles:

Performance-based: Compensation levels should be determined based on Company financial performance and individual results, each as compared to quantitative and qualitative performance priorities set at the beginning of the performance period. The ratio of performance-based compensation to fixed compensation shall increase with the level of the executive, with the greatest amount of performance-based compensation at the CEO level. Performance-based compensation should be subject to a complete risk of forfeiture.

Stockholder-aligned: A significant portion of potential compensation should be performance- and time-based equity to more closely align the interests of executives with those of our stockholders.

Fair and Competitive: Compensation levels should be fair, internally and externally, and competitive with overall compensation levels at other companies with which we compete for talent. Our compensation programs should promote our ability to both attract and retain our employees, including our executives.

Our target pay mix places significant emphasis on variable compensation comprised of PRSU awards, time-based equity awards and an annual bonus opportunity. As illustrated in the following charts, 76% and 66% of the 2020 compensation for our CEO and other NEOs, respectively, are comprised of performance-based compensation.



Executive Compensation Governance and Procedures

The Compensation Committee (hereinafter in this Compensation Discussion and Analysis, the “Committee”) administers the Company’s compensation programs operating under a charter adopted by

the Board. This charter authorizes the Committee to administer and interpret the Company's compensation and equity plans and establish rules for their implementation and administration. The Committee consists of three independent directors who are appointed annually. The Committee works closely with the CEO and the Head of Human Resources and has access to, and relies on information provided by, independent compensation consultants.

When making compensation decisions, the Committee considers the compensation practices and the competitive market for executives at companies with which Veeco competes for talent. To this end, the Company utilizes several resources which, during 2020, included: meetings with Compensation Strategies, Inc., an independent compensation consultant; compensation surveys prepared by Radford; and executive compensation information compiled from the proxy statements of other companies, including a peer group.

Veeco's peer group (the "Peer Group") reflects the companies that closely resemble Veeco based on industry, competition for talent and size.

In July 2019, the Compensation Committee determined that the Peer Group consisted of the following 25 companies:

3D Systems Corporation	OSI Systems, Inc.
Advanced Energy Industries, Inc.	Photronics, Inc.
Axcelis Technologies, Inc.	Power Integrations, Inc.
Badger Meter, Inc.	Pure Storage, Inc.
Brooks Automation, Inc.	Rambus Inc.
Cabot Microelectronics Corporation	Rudolph Technologies, Inc. ⁽¹⁾
Cohu, Inc.	Semtech Corporation
Cray Inc.	SolarEdge Technologies, Inc.
Entegris, Inc.	Ultra Clean Holdings, Inc.
FormFactor, Inc.	Versum Materials, Inc.
Kulicke and Soffa Industries, Inc.	Xcerra Corporation ⁽²⁾
Monolithic Power Systems, Inc.	Xperi Corporation
Nanometrics Incorporated ⁽¹⁾	

(1) Nanometrics and Rudolph merged to form Onto Innovation Inc. on October 25, 2019.

(2) Xcerra Corporation was acquired by Cohu, Inc. on October 1, 2018.

The Company considers the executive compensation practices of the companies in its Peer Group and the Radford survey (hereinafter collectively, the "market data") as one of several factors used in setting compensation. We construct market pay levels representative of the 50th percentile. Although the Committee considers the executive compensation practices of the Peer Group companies and broader market data in setting compensation, it does not benchmark compensation to any specific percentile or ranking within our Peer Group. Individual compensation levels may vary within a range around market as a result of Veeco's financial and operating performance, personal performance, experience, and criticality, as well as competitive factors.

For 2020, total target compensation of Veeco's NEOs and other executives was generally well below the 50th percentile of market, primarily as a result of using stretch goals in the annual bonus plan and moving away from value-based awards in the long-term compensation program. Given the performance emphasis present in Veeco's executive compensation program, actual compensation earned or received can vary significantly with results; actual compensation for 2020 was above targeted opportunity levels reflecting improved performance results.

In addition to reviewing the market data, the Committee meets with the Company's CEO and Head of Human Resources to consider recommendations with respect to compensation for the NEOs and other executives. These recommendations include base salary levels, cash bonus targets and awards, and equity compensation awards. The Committee considers these recommendations along with other factors in determining specific compensation levels for the NEOs. The Committee discusses the elements of the CEO's compensation with him but makes the final decisions regarding his compensation without him present.

Decisions regarding the Company’s compensation program elements are made by the Committee in regularly scheduled and ad hoc meetings. Issues of significant importance are frequently discussed over several meetings. This practice provides the Committee with the opportunity to raise and address concerns before arriving at a decision. Prior to each meeting, Committee members are provided with the written materials, information and analyses as may be required to assist the Committee in its decision-making process. To the extent possible, meetings of the Committee are conducted in person. When this is not possible, meetings are conducted by video conference or telephonically. The CEO and the Head of Human Resources are regularly invited to attend Committee meetings but the Committee meets privately in executive sessions to consider certain matters including, but not limited to, the compensation of the CEO.

Elements of Our Executive Compensation Program

Our compensation programs are comprised of four elements: base salary, annual cash bonus, equity-based compensation and benefits and perquisites. Each of these elements is used to attract executives and reward them for performance results, as described below:

Element	Description / Characteristics	Primary Objectives
<p>Base Salary</p>	<ul style="list-style-type: none"> • Annual cash compensation 	<ul style="list-style-type: none"> • Attract and retain highly qualified talent • Provides a regular source of income at market-competitive levels
<p>Annual Cash Incentive</p>	<ul style="list-style-type: none"> • 100% performance-based cash compensation opportunity • Mix of annual financial and individual goals • Awards range from 0% to 200% of targets established for each executive 	<ul style="list-style-type: none"> • Align executive compensation with annual goals important to the success of the Company • Promote a pay-for-performance culture with an “at risk” opportunity for compensation tied directly to performance
<p>Equity-based Compensation</p>	<ul style="list-style-type: none"> • Combination of Time-and Performance-based awards • Majority of awards to NEOs granted as PRSUs • 3-year performance period • Subject to full forfeiture • Relative performance measure: 3-year TSR vs. R2000 • Time-based awards vest over a 3-year period 	<ul style="list-style-type: none"> • Incentivize long-term performance • Serve as a retention incentive • Align the interests of executives with stockholders in the creation of long-term value • Foster a culture of stock ownership
<p>Benefits & Perquisites</p>	<ul style="list-style-type: none"> • Senior Executive Change in Control Policy • Company-subsidized health and welfare benefits • 401(k) savings plan • Employee Stock Purchase Plan 	<ul style="list-style-type: none"> • Encourage executives to act in the best interests of stockholders • Promote productivity, remain competitive and increase employee loyalty to the Company

The Company evaluates each element of each executive’s compensation individually and in the aggregate against market data for the position, experience, individual performance and the ability to affect future Company performance. The following sections describe the process for determining each of the four elements of the executive compensation program.

Base Salary

The Company pays base salaries to attract and retain executives. Base salaries are determined in accordance with the responsibilities of each executive, market data for the position and the executive's experience and individual performance. The Company considers each of these factors but does not assign a specific value to any one factor.

Base salaries for executives are typically set during the first half of the year in conjunction with the Company's annual performance management process. In January 2020, Mr. Kiernan's salary was increased in connection with his promotion to Chief Financial Officer. In April 2020, base salaries for the other NEOs were set following a review of the market data and management's recommendations:

Name	2019 Base Salary	2020 Base Salary	Percent Change
W. Miller	\$575,000	\$575,000	0.0%
J. Kiernan	\$317,750	\$360,000	13.3% ⁽¹⁾
A. Devasahayam	\$310,000	\$345,000	11.3% ⁽¹⁾
P. Porshnev	\$371,315	\$385,000	3.7%
S. Wilkerson	n/a ⁽²⁾	\$375,000	n/a ⁽²⁾

- (1) Base salary increases for Mr. Kiernan and Dr. Devasahayam reflect adjustments made to recognize increases in their respective responsibilities in 2020.
- (2) Ms. Wilkerson commenced her employment with Veeco in April 2020.

Cash Bonus Plan

The Company provides the opportunity for, but no guarantee of, cash bonuses under its annual bonus plan to attract executives and reward them for performance consistent with the belief that a significant portion of the compensation of its executives should be performance-based. As a result, individuals are compensated based on the achievement of specific financial and individual performance goals intended to correlate closely with stockholder value. The Company believes that the opportunity to earn cash bonuses motivates executives to meet Company performance objectives that, in turn, are linked to the creation of stockholder value. The Company utilizes profitability as the financial element of its bonus plan. Executives must generally be employed at the time awards are paid to be eligible to receive a bonus for that period.

2020 Management Bonus Plan

On February 4, 2020, the Committee approved the 2020 Management Bonus Plan (the "2020 Plan") and the specific metrics thereof. The 2020 Plan was based on the financial performance of the Company as measured by adjusted operating income ("Adjusted Operating Income"¹). The Committee elected to use Adjusted Operating Income as the financial metric for the 2020 Plan because it closely aligns operating performance with earnings per share, a key driver of shareholder value. If 2020 Adjusted Operating Income exceeded \$15 million (the threshold performance level), a bonus pool would be funded with a fixed percentage of Adjusted Operating Income; the bonus pool would not be funded and bonus awards would not be earned if Adjusted Operating Income results were below the threshold. If the pool is funded, bonus awards to participants would be made from this fixed pool in accordance with their target bonus amounts.

The total bonus award for an individual is capped at 200% of target bonus.

¹ We define Adjusted Operating Income as earnings before the cost of bonuses, interest, taxes and amortization, adjusted to exclude share-based compensation expenses, one-time charges relating to restructuring initiatives, non-cash asset impairments, certain other non-operating gains and losses, and acquisition-related items such as one-time transaction costs and the stepped-up cost of goods sold associated with the purchase accounting of acquired inventory.

For 2020, Adjusted Operating Income of \$66.9 million exceeded the threshold and the bonus pool was funded at 138.3% of target, as follows:

Performance Level	Adjusted Operating Income (\$ million)	Award Percentage
Maximum	\$89.9	200%
Actual	\$66.9	138%
Target	\$52.8	100%
Threshold	\$15.0	25%

Under the 2020 Plan, 25% of the adjusted target may be adjusted based on individual performance measured against pre-established individual performance goals (the “Individual Element”), provided the minimum level of Adjusted Operating Income required to fund the bonus is achieved. Actual awards for individual performance will be paid from a fixed pool and may range from 0% to 150% of the target for individual performance.

Dr. Miller’s individual performance goals for 2020 were set by the Board at the beginning of the year and included: (1) financial goals including revenue, gross margin, book/bill, expense and inventory; (2) growth in the front-end semiconductor market; and (3) achieving company culture goals. The Committee discussed Dr. Miller’s overall performance in executive session and awarded 100% (\$218,212) (out of a maximum of 150%) of the value for the Individual Element of his bonus in recognition of his strong leadership during this challenging year.

For the NEOs other than Dr. Miller, actual awards for individual performance were based on results compared to goals set by Dr. Miller at the beginning of the year in connection with the Company’s performance management process (and, for Ms. Wilkerson, upon the commencement of her employment with Veeco in April 2020). The individual performance goals for these NEOs included: (1) financial goals incorporating revenue, gross margin, bookings, expense and inventory objectives; (2) growth in the front-end semiconductor market incorporating product development, key account management and service support objectives; and (3) achieving company culture goals. Dr. Miller determined that each NEO’s individual performance met or exceeded their goals. The Committee agreed with this assessment and, accordingly, each NEO was awarded 100% (out of a maximum of 150%) of the value for the Individual Element of his or her bonus.

Dr. Miller, Mr. Kiernan, Dr. Devasahayam and Dr. Porshnev and Ms. Wilkerson earned 2020 Plan awards as follows:

Name	Target Bonus (Total Amount / % of Base Salary)	Financial Performance Adjusted Target (138.0% of Target)	Financial Performance Award (75% of Adjusted Target)	Individual Performance Target (25% of Adjusted Target)	Individual Performance Award % / \$	Final Bonus Award (Total Amount / % of Target)
W. Miller	\$632,500/110%	\$872,850	\$654,638	\$218,212	100%/\$218,212	\$872,850 / 138.0%
J. Kiernan	\$ 234,000/65%	\$323,920	\$242,190	\$ 80,730	100%/\$80,730	\$322,920 / 138.0%
A Devasahayam	\$ 207,000/60%	\$285,660	\$214,245	\$ 71,415	100%/\$71,415	\$285,660 / 138.0%
P. Porshnev	\$ 231,000/60%	\$318,780	\$239,085	\$ 79,695	100%/\$79,695	\$318,780 / 138.0%
S. Wilkerson	\$ 202,500/75%*	\$279,450	\$209,588	\$ 69,862	100%/\$69,862	\$279,450 / 138.0%

* Ms. Wilkerson’s 2020 target bonus was pro-rated to reflect her April 2020 hire date.

2021 Management Bonus Plan

On February 3, 2021, the Committee approved the 2021 Management Bonus Plan (the “2021 Plan”) which is similar in most respects to the 2020 Plan. The Committee elected to retain Adjusted Operating Income as the financial metric for the 2021 Plan and, as in past years, the 2021 Plan features a \$15 million threshold which must be achieved to fund the bonus pool. The bonus pool will not be funded and bonus

awards will not be earned if Adjusted Operating Income is less than \$15 million. If the pool is funded, awards to participants will be made from this fixed pool in accordance with their target bonus amounts. 25% of a participant's target bonus, adjusted for Adjusted Operating Income results, will be modified based on individual performance against goals established for each individual at the beginning of the year. Awards for individual performance will be paid from this fixed pool and may range from zero to 150%. The total bonus award for an individual will be capped at 200% of target bonus.

Target bonuses for each of the NEOs, expressed as a percent of base salary, are as follows:

Name	Target Bonus for 2021
W. Miller	110%
J. Kiernan	70%
A Devasahayam	60%
P. Porshnev	60%
S. Wilkerson	75%

Equity-Based Compensation

The Company believes that a substantial portion of an executive's compensation should be awarded in equity since equity-based compensation is directly linked to stockholder interests. Equity awards vest over time, subject first to being earned in the case of performance-based awards and then to the recipient's continued employment in the case of all awards; as such, equity awards act as both a significant performance and retention incentive. Equity awards also help create stock ownership among the Company's executives. The Committee also believes that the majority of long-term incentive value for higher-level executives, including the NEOs, should take the form of performance-based equity compensation, currently granted in the form of performance-based restricted stock unit awards.

2020 Long-term Incentive Awards

The Company granted equity-based awards to the NEOs and other key employees in 2020.

In January 2020, in connection with his promotion to Chief Financial Officer, Mr. Kiernan received a time-based restricted stock award of 12,000 shares that is subject to vesting over a four-year period. Mr. Kiernan was eligible for an additional equity award in connection with the Company's 2020 annual award program. In May 2020, in connection with her hiring as Senior Vice President, Global Sales and Service, Ms. Wilkerson received a time-based restricted stock award of 66,667 shares that is subject to vesting over a three-year period. Other than these awards to Mr. Kiernan and Ms. Wilkerson, no special or other awards were made to the NEOs in 2020 except in connection with the Company's 2020 annual award program.

Name	Date of Grant	Performance-based Restricted Stock Units			Time-based Restricted Stock		
		Amount	Fair Market Value Per Share	Total Value (\$) ⁽¹⁾	Amount	Fair Market Value Per Share	Total Value (\$)
W. Miller	03/17/2020	75,730	\$7.84	\$593,723	40,770	\$ 7.84	\$319,637
J. Kiernan ⁽²⁾	01/02/2020				12,000	\$14.69	\$176,280
	03/17/2020	30,550	\$7.84	\$239,512	4,450	\$ 7.84	\$ 34,888
A. Devasahayam	03/17/2020	19,500	\$7.84	\$152,880	10,500	\$ 7.84	\$ 82,320
P. Porshnev	03/17/2020	19,500	\$7.84	\$152,880	10,500	\$ 7.84	\$ 82,320
S. Wilkerson ⁽³⁾	05/01/2020				66,667	\$10.93	\$728,670

(1) Reflects the grant date fair market value of the target number of shares subject to the award and not the grant date fair value as determined under generally accepted accounting principles, which is reflected in the Summary Compensation Table.

(2) January 2, 2020 award to Mr. Kiernan was made in connection with his promotion to CFO.

(3) May 1, 2020 award to Ms. Wilkerson was made in connection with her hiring.

The Company determined, in preparation for annual equity awards to employees for 2020, that in light of the low stock price and large number of shares required to deliver a targeted value, its previous value-based approach to determining awards (that is, fixing a dollar value to the long term incentive award and determining the number of shares required to equal that amount) was no longer appropriate. The Company therefore used a share-based approach to determine 2020 equity awards, the result being awards with a grant value well below the market data. Upside for participants could be realized based on an increase in stock price and, for PRSU recipients, an increase in the number of shares actually earned for achieving greater than target performance. Members of the executive leadership team, including NEOs, received 65% of their 2020 long term incentive in performance-based awards.

The stock awards granted to recipients were based on factors including, but not limited to: (i) Company guidelines based on position and level of responsibility, (ii) past performance and ability to affect future Company performance, and (iii) noteworthy achievements. Grants were awarded from a pre-determined fixed budget. The CEO used these factors to arrive at a recommendation for each of the recipients and discussed the rationale for his recommendations with the Committee.

The 2020 PRSUs are based on the Company's 3-year TSR as compared to the 3-year TSR of the Russell 2000 Index and may be earned as illustrated below. Any units that are not earned will be forfeited.

Performance Range	Percentile Rank of Russell 2000 Index	Percentage of Units Earned ⁽¹⁾
Maximum	75 th Percentile	200%
Target	50 th Percentile	100%
Threshold	25 th Percentile	50%
Below Threshold	Less than 25 th Percentile	0%

(1) With linear interpolation between Percentile Ranks to apply.

The terms of the 2020 PRSU awards also included: (1) a negative TSR cap that limits awards to 100% if the Company's TSR is negative, notwithstanding that the Company may be above the 50th percentile of the comparison group, and (2) a maximum award cap that limits the overall dollar value of the earned award to 6 times the grant value, based on the compound effects of the award payout and the then current stock price.

The 2020 time-based restricted stock awards granted in connection with the Company's annual award program are subject to ratable vesting over a three-year period.

2021 Annual Awards

The 2021 annual awards to our continuing NEOs will be comprised of PRSUs (representing 65% of the total value of the award) and time-based restricted stock (representing 35% of the total value of the award). The PRSU portion of the 2021 Awards will be earned in accordance with the table below based on the Company's 3-year TSR as compared to the 3-year TSR of the Russell 2000 Index. Any units that are not earned will be forfeited.

Performance Range	Percentile Rank of Russell 2000 Index	Percentage of Units Earned ⁽¹⁾
Maximum	75 th Percentile	200%
Target	50 th Percentile	100%
Threshold	25 th Percentile	50%
Below Threshold	Less than 25 th Percentile	0%

(1) With linear interpolation between Percentile Ranks to apply.

The terms of the 2021 PRSU awards will also feature: (1) a negative TSR cap that limits awards to 100% if the Company's TSR is negative, notwithstanding that the Company may be above the 50th percentile

of the comparison group, and (2) a maximum award cap that limits the overall dollar value of the earned award to six times the grant value, based on the compound effects of the award payout and the then current stock price.

The 2021 time-based restricted stock awards are subject to ratable vesting over a three-year period.

Earned PRSU Awards

In March 2020, the Committee determined that the cumulative adjusted EBITDA (“Adjusted EBITDA”²) target associated with PRSU awards granted on June 12, 2015 had not been achieved by the fourth quarter of 2019 and, in accordance with the terms of the award, no portion of the award was earned. Accordingly, the June 12, 2015 EBITDA awards were forfeited.

In May 2020, the Committee determined that the cumulative Adjusted EBITDA target of \$123,061,000 associated with PRSU awards granted on June 14, 2016, and the cumulative revenue target of \$1,488,607,000 associated with PRSU awards granted on December 14, 2016, were achieved during the first quarter of 2020. The number of units earned under both awards were therefore not changed and earned at 100% each in accordance with the terms of the grants. 100% of the earned units became vested upon such determination.

In July 2020, the Committee determined that 78.4% of the EBITDA target (cumulative Adjusted EBITDA equal to 10% of cumulative revenue during the performance period) associated with PRSU awards granted on June 16, 2017 was achieved. The number of units earned was therefore decreased by 21.6% in accordance with the terms of the grant. 100% of the earned units became vested upon the filing of the Company’s 2020 2nd quarter 10-Q.

In October 2020, the Committee determined that a portion of the cumulative EBITDA target of \$148,861,000 associated with the PRSU awards granted on December 14, 2016 was achieved during the third quarter of 2020. The number of units earned under the award was therefore not changed and earned at 100% in accordance with the terms of the grants. 100% of the earned units became vested upon such determination.

Benefits and Perquisites

The Company provides benefits and perquisites to its executive officers that it believes are required to remain competitive with the goal of promoting employee productivity and loyalty to the Company. The Company’s NEOs participate in the benefit plans on the same basis as other similarly-situated employees. The Committee periodically reviews the benefits and perquisites provided to its executive officers which, for 2020, included the following:

- a 401(k) savings plan under which it provides matching contributions of fifty cents for every dollar a participant contributes, up to 6% of such employee’s eligible compensation, up to a maximum of \$8,550. The plan calls for vesting of Company contributions over the initial five years of a participant’s employment with the Company;
- group health and term life insurance;
- car allowance; and
- an Employee Stock Purchase Plan

Amounts for 401(k) matching contributions, group term life insurance premiums and car allowance are included under the caption “All Other Compensation” in the Summary Compensation Table below.

The Company does not maintain other perquisite programs, such as post-retirement health and welfare benefits or defined or supplemental pension benefits, for its employees.

² We define Adjusted EBITDA as earnings before the cost of interest, taxes, depreciation, and amortization, adjusted to exclude share-based compensation expenses, one-time charges relating to restructuring initiatives, non-cash asset impairments, certain other non-operating gains and losses, and acquisition-related items such as one-time transaction costs and the stepped-up cost of goods sold associated with the purchase accounting of acquired inventory.

In 2009, the Company adopted the Senior Executive Change in Control Policy which is described in the Potential Payments Upon Termination or Change in Control section below.

Summary of Executive Compensation

The Committee believes that our compensation practices are balanced and competitive and have enabled Veeco to attract and retain the executive talent needed for the successful operation and transformation of the Company. Increases in financial performance and stock price have resulted in corresponding increases in executive compensation that reflect effective alignment of interests between the company's executives and its stockholders. Accordingly, the Committee further believes that the total compensation for our NEOs is fair and reasonable and is consistent with the Company's executive compensation philosophies.

Say-on-Pay

Our Board, the Committee and our management value the opinions of our stockholders, including their opinions on our executive compensation. Accordingly, each year we ask our stockholders to vote on a say-on-pay proposal on executive officer compensation. At the 2020, 2019 and 2018 annual meetings of stockholders, approximately 91%, 70% and 84%, respectively, of votes were cast in favor of our say-on-pay proposal.

Compensation Recoupment Policy

In January 2014, the Company adopted a Compensation Recoupment Policy (the "Clawback Policy") for certain employees, including the NEOs. Under the Clawback Policy, in the event of a financial restatement due to fraud or intentional illegal conduct as determined by the independent members of the Board, a culpable executive officer may be required to reimburse the Company for performance-based cash compensation if the amount of such compensation would have been lower had it been calculated based on such restated financial statements. In February 2019, the Company amended the Clawback Policy to, among other things, also apply to stock-based awards.

Stock Ownership Guidelines: NEOs and Other Key Employees

In January 2014, the Company established stock ownership guidelines for certain employees, including the NEOs. Under these guidelines, as amended, each covered individual has five years to reach the minimum levels of stock ownership interest identified by the Stock Ownership Guidelines.

- Veeco's CEO is required to maintain a Veeco stock interest with a value equal to at least six times his base salary (this amount was increased by the Company in March 2019 from four times his base salary);
- Veeco's CFO is required to maintain a Veeco stock interest with a value equal to at least two times his base salary; and
- Other covered executive officers are required to maintain Veeco stock interest with a value equal to at least their base salaries.

Under the guidelines, covered employees are required to hold 50% of the net after tax shares realized upon vesting or exercise until the stock ownership guidelines are met. Participants must maintain compliance once the guidelines have been met, except for the effect of a decrease in stock price, in which case they will be required to retain at least 50% of shares acquired upon vesting or exercise until the stock ownership guidelines are again achieved. All of the covered individuals are either in compliance with our Stock Ownership Guidelines or have a period of time remaining to meet the required ownership level.

Anti-Hedging/Anti-Pledging Policy

The Company has adopted an insider trading policy which incorporates anti-hedging and anti-pledging provisions. Consequently, no employee, executive officer or director may enter into a hedge or pledge of the Company's common stock, including short sales, derivatives, put options, swaps and collars.

Financial and Tax Considerations

In designing our compensation programs, the Committee considers the financial impact and tax effects that each element of compensation will or may have on the Company and the executives.

Prior to December 22, 2017, when the Tax Cuts and Jobs Act of 2017 (“TCJA”) was signed into law, Section 162(m) of the Internal Revenue Code (“Section 162(m)”) generally limited Veeco’s tax deduction to \$1 million per year for compensation paid to certain executive officers, unless the compensation qualified as “performance-based” under Section 162(m).

Under the TCJA, the “performance-based” exception under Section 162(m) was repealed and the \$1 million deduction limit generally applies to anyone serving as our CEO or our CFO at any time during a taxable year and our top three other highest compensated executive officers serving at fiscal year-end, as well as to anyone who becomes subject to Section 162(m) in any tax year after 2016, whether or not still serving as an executive officer. These changes generally apply to taxable years beginning after December 31, 2017, but generally do not apply to remuneration provided pursuant to a written binding contract in effect on November 2, 2017, that is not modified in any material respect after that date.

The Committee will continue to monitor developments under Section 162(m), including the impact from the TJCA, but presently intends to retain flexibility to take actions which it deems to be in the best interest of Veeco and its stockholders, even if these actions may result in Veeco paying certain items of compensation that may not be fully deductible.

Conclusion

Attracting and retaining talented and motivated management and key employees is essential to creating long-term stockholder value. Offering a competitive, performance-based compensation program with a substantial equity component helps to achieve this objective by aligning the interests of the executive officers and other key employees with those of our stockholders. We believe that Veeco’s 2020 compensation program met these objectives and that the Company’s 2021 compensation program is appropriate in light of the challenges facing the Company and its employees.

Compensation Committee Report

The Committee has reviewed and discussed with management the Compensation Discussion and Analysis for 2020. Based on the review and the discussions, the Committee recommended to the Board of Directors (and the Board approved), that the Compensation Discussion and Analysis be included in Veeco’s Proxy Statement for its 2021 Annual Meeting of Stockholders.

This report is submitted by the Committee.

Richard A. D’Amore
Gordon Hunter (Chair)
Thomas St. Dennis

Summary Compensation Table

The following table sets forth a summary of annual and long-term compensation awarded to, earned by, or paid for the fiscal year ended December 31, 2020 to (a) the principal executive officer of Veeco, (b) the principal financial officer of Veeco, and (c) each of the three next most highly compensated executive officers (as defined in Rule 3b-7 under the Exchange Act) of Veeco serving at the end of the year (the “NEOs”).

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Stock Awards (\$) ⁽¹⁾	Option Awards (\$)	Non-Equity Incentive Plan Compensation (\$) ⁽²⁾	All Other Compensation (\$) ⁽³⁾	Total (\$)
William J. Miller, CEO	2020	597,116 ^(a)	—	1,121,618	—	872,850	18,925	2,610,509 ^(b)
	2019	575,000	—	3,176,804	—	—	18,042	3,769,846 ^(b)
	2018	508,865	—	3,041,801	—	—	17,892	3,568,558 ^(b)
John P. Kiernan SVP, CFO	2020	371,896 ^(a)	—	534,693	—	322,920	20,280	1,249,789
	2019	315,664	—	169,312	—	—	19,222	504,198
	2018	307,308	—	199,989	—	—	19,072	526,369
Adrian Devasahayam SVP, Product Line Management	2020	348,846 ^(a)	—	288,825	—	285,660	18,923	942,254
Peter Porshnev, SVP, Unified Engineering	2020	396,124 ^(a)	—	288,825	—	318,780	20,105	1,023,834
Susan Wilkerson SVP, Global Sales & Services	2020	266,827 ^(a)	—	728,670	—	279,450	15,128	1,290,075

(a) Calendar year 2020 was a leap year, and resulted in an additional pay period for all Veeco employees in 2020.

(b) For Dr. Miller, total compensation numbers for 2018 and 2019 include stock awards made in connection with Dr. Miller’s promotion to CEO in 2018; no such award amounts appear in Dr. Miller’s total compensation for 2020.

(1) Reflects awards of restricted stock with time-based vesting and performance-based restricted stock units (“PRSUs”). The vesting of the PRSUs awarded in 2020 to the NEOs is based on three-year total shareholder return. In accordance with SEC rules, the amounts shown above reflect the grant date fair value of the stock awards computed in accordance with ASC Topic 718 which, in the case of the 2020 PRSUs with vesting based on three-year total shareholder return, was determined using the Monte Carlo simulation method. Assumptions used in the calculation of these amounts are included in Note 14 to our audited financial statements for the fiscal year ended December 31, 2020. For 2020, the amounts shown in the table above relate to the following stock awards:

Restricted Stock Awards			
Grant Date	Grant Date Fair Value	Name	Number of Shares
01/02/2020 ^(a)	\$14.69	J. Kiernan	12,000
03/17/2020 ^(b)	\$10.59	W. Miller	75,730
03/17/2020		J. Kiernan	30,550
03/17/2020		A. Devasahayam	19,500
03/17/2020		P. Porshnev	19,500
03/17/2020 ^(c)	\$ 7.84	W. Miller	40,770
03/17/2020		J. Kiernan	4,450
03/17/2020		A. Devasahayam	10,500
03/17/2020		P. Porshnev	10,500
05/01/2020 ^(d)	\$10.93	S. Wilkerson	66,667

- (a) Reflects a time-based restricted stock award made in connection with Mr. Kiernan's promotion to CFO, with vesting to occur at specified times over a four-year period following the grant date.
- (b) Reflects PRSU awards that are subject to the achievement of designated performance criteria, based on three-year total shareholder return. These PRSU awards are valued based upon the Monte Carlo simulation method.
- (c) Reflects time-based restricted stock awards, with vesting to occur one-third per year on each of the first, second and third anniversaries of the grant date.
- (d) Reflects a time-based restricted stock award made in connection with the commencement of Ms. Wilkerson's employment with Veeco, with vesting to occur one-third per year on each of the first, second and third anniversaries of the grant date.
- (2) Reflects cash bonuses earned under the Company's Management Bonus Plan. Bonuses listed for a particular year represent amounts earned with respect to such year even though all or part of such amounts may have been paid during the following year.
- (3) As detailed in the table below, all Other Compensation for 2020 consists of, as applicable, car allowances, 401(k) matching contributions, premiums for group term life insurance, and relocation/housing allowances (for which tax gross ups are not provided).

Name	Car Allowance (\$)	401(k) Premium Matching Contribution (\$)	Total for Group Term Life Insurance (\$)	Relocation/Housing Allowance (\$)	Other Compensation (\$) ^(a)
W. Miller	8,723	8,550	1,242	—	18,925
J. Kiernan	8,723	8,550	2,322	—	20,280
A. Devasahayam	8,723	8,550	1,290	—	18,923
P. Porshnev	8,723	8,550	2,322	—	20,105
S. Wilkerson	5,977	7,133	1,608	—	15,128

- (a) These totals include payments made to the NEOs for (i) Wellness Incentives under the Company's health benefit plans, and (ii) home office supply allowances associated with the Company's COVID-19 work-from-home directive. Specific amounts are as follows:

Name	Wellness Incentive (\$)	Home Office Allowance (\$)
W. Miller	50	360
J. Kiernan	325	360
A. Devasahayam	—	360
P. Porshnev	150	360
S. Wilkerson	50	360

Grants of Plan-Based Awards

The following table sets forth certain information concerning grants to each NEO during 2020 of shares of restricted stock and restricted stock units made under the Company's 2019 Stock Incentive Plan (the "2019 Plan"). In 2020, no stock options were awarded to the NEOs. The restricted stock and restricted stock unit awards made to the NEOs in 2020 are included in the Stock Awards column of the Summary Compensation Table. The following table also reflects annual cash incentive opportunities for the NEOs that were set by the Compensation Committee in the first quarter of 2020.

Name	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards ⁽¹⁾			Estimated Future Payouts Under Equity Incentive Plan Awards ⁽²⁾			All Other Stock Awards: Number of Shares of Stock or Units (#) ⁽³⁾	All Other Option Awards: Number of Securities Underlying Options (#)	Exercise or Base Price of Option Awards (\$/Sh)	Market Price on Date of Grant (\$/Sh)	Grant Date Fair Value of Stock and Option Awards (\$)
		Threshold (\$)	Target (\$)	Maximum (\$)	Threshold (#)	Target (#)	Maximum (#)					
W. Miller	02/04/2020	158,125	632,500	1,265,000								
	03/17/2020				37,865	75,730	151,460	40,770				1,121,618
J. Kiernan	01/02/2020							12,000				176,280
	02/04/2020	58,500	234,000	468,000								
	03/17/2020				15,275	30,550	61,100	4,450				358,413
A. Devasahayam	02/04/2020	51,750	207,000	414,000								
	03/17/2020				9,750	19,500	39,000	10,500				288,825
P. Porshnev	02/04/2020	57,750	231,000	462,000								
	03/17/2020				9,750	19,500	39,000	10,500				288,825
S. Wilkerson	04/13/2020	50,625	202,500	405,000								
	05/01/2020							66,667				728,670

- (1) Reflects the annual cash incentive opportunities approved by the Compensation Committee in the first quarter of 2020. Actual cash bonuses paid for performance in 2020 are reflected in the Summary Compensation Table under the column entitled Non-Equity Incentive Plan Compensation. Aside from these awards, the Company did not grant long-term cash or other non-equity incentive plan awards in 2020.
- (2) The equity incentive plan awards include PRSUs granted on March 17, 2020 to Drs. Miller, Devasahayam and Porshnev and to Mr. Kiernan, with vesting based on three-year total shareholder return (the "TSR Awards"). If threshold performance is achieved, the TSR Awards are earned at 50% of target. If maximum performance is achieved, the TSR Awards are earned at 200% of target. Performance outcomes will be determined following the conclusion of the respective performance period. Each of the awards is subject to 100% forfeiture if threshold performance is not achieved. In addition, the TSR Awards include the following additional terms: (i) a negative TSR cap that limits awards to the target amount if the Company's TSR is negative, notwithstanding that the Company may be above the 50th percentile of the comparison group, and (2) a maximum award cap that limits the

overall dollar value of the earned award to six times the grant value, based on the compound effects of the award payout and the then current stock price.

- (3) Reflects time-based restricted stock awards that vest over three years, with the exception of the restricted stock award made to Mr. Kiernan on January 2, 2020, which shall vest over a four-year period following the grant date.

Outstanding Equity Awards at Fiscal Year End

The following table provides certain information as of December 31, 2020 concerning unexercised options and stock awards that had been granted but had not yet vested as of such date for each of the NEOs. The value of stock awards shown below is based upon the fair market value of the Company's common stock on December 31, 2020, which was \$17.36 per share.

Name	Option Awards				Stock Awards			
	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price (\$)	Option Expiration 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 (\$)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#) ⁽¹⁾	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (\$)
W. Miller	12,900		51.70	06/08/2021	107,478	1,865,818	361,040	6,267,655
	35,000		33.00	05/24/2022				
	16,000		30.47	12/12/2023				
	12,410		32.67	06/11/2021				
J. Kiernan	7,000		51.70	06/08/2021	22,400	388,864	45,274	785,957
	18,500		33.00	05/24/2022				
	8,000		30.47	12/12/2023				
	4,620		32.67	06/11/2021				
A. Devasahayam	1,750		51.70	06/08/2021	27,094	470,352	28,537	495,402
	2,667		33.00	05/24/2022				
	3,680		30.47	12/12/2023				
	4,210		32.67	06/11/2021				
	2,000		34.71	07/31/2021				
P. Porshnev	10,000		29.21	10/31/2023	27,209	472,349	32,631	566,474
	10,530		32.67	06/11/2021				
	10,000		37.26	06/30/2024				
S. Wilkerson					66,667	1,157,339		

- (1) Reflects awards of restricted stock with time-based vesting and PRSUs which were not vested as of December 31, 2020. These awards are scheduled to vest as follows (PRSU amounts assume target achievement):
- (a) Awards made on June 16, 2017 included time-based restricted stock awards that are scheduled to vest one quarter per year on each of the first, second, third and fourth anniversaries of the grant date. The total restricted stock award amounts were as follows: for Dr. Miller, 14,340 shares; for Mr. Kiernan, 3,380 shares; for Dr. Devasahayam, 4,140 shares; and for Dr. Porshnev, 4,220 shares. Additional shares were granted in the form of PRSU awards. As of December 31, 2020, the

- unvested PRSU award amounts were as follows: for Dr. Miller, 7,465 shares; for Mr. Kiernan, 1,760 shares; and for Dr. Porshnev, 2,195 shares.
- (b) Time-based restricted stock awards were made on September 1, 2017 to Drs. Devasahayam and Porshnev, in the amount of 5,291 shares and 10,582 shares, respectively, which are scheduled to vest one-quarter per year on each of the first, second, third and fourth anniversaries of the grant date.
 - (c) Awards made on March 14, 2018 included time-based restricted stock awards that are scheduled to vest in twenty percent (20%) increments at specified times over a four-year period following the grant date. The total restricted stock award amounts were as follows: for Dr. Miller, 21,832 shares; for Mr. Kiernan, 4,962 shares; for Dr. Devasahayam, 7,088 shares; and for Dr. Porshnev, 11,518 shares. Additional shares were granted in the form of PRSU awards. As of December 31, 2020, the unvested PRSU award amounts were as follows: for Dr. Miller, 22,724 shares; for Mr. Kiernan, 5,164 shares; for Dr. Devasahayam, 3,037 shares; and for Dr. Porshnev, 4,936 shares.
 - (d) An award made on October 1, 2018 to Dr. Miller included a time-based restricted stock award, in the amount of 48,780 shares, which is scheduled to vest one quarter per year on each of the first, second, third and fourth anniversaries of the grant date. Additional shares were granted in the form of a PRSU award (which included a target award of 88,457 PRSUs which was made subject to stockholder approval of an increase in the Company's 2010 Stock Incentive Plan's individual annual grant limit, which approval was given by the Company's stockholders on May 3, 2019). As of December 31, 2020, the unvested PRSU award amount totaled 195,121 shares.
 - (e) Awards made on March 14, 2019 included time-based restricted stock awards that are scheduled to vest as follows: (i) for Dr. Miller, one quarter per year on each of the first, second, third and fourth anniversaries of the grant date, and (ii) for Mr. Kiernan and for Drs. Devasahayam and Porshnev, in twenty percent (20%) increments at specified times over a four-year period following the grant date. The total restricted stock award amounts were as follows: for Dr. Miller, 40,000 shares; for Mr. Kiernan, 5,200 shares; for Dr. Devasahayam, 19,000 shares; and for Dr. Porshnev, 14,000 shares. Additional shares were granted in the form of PRSU awards. As of December 31, 2020, the unvested PRSU award amounts were as follows: for Dr. Miller, 60,000 shares; for Mr. Kiernan, 7,800 shares; for Dr. Devasahayam, 6,000 shares; and for Dr. Porshnev, 6,000 shares.
 - (f) A time-based restricted stock award was made on January 2, 2020 to Mr. Kiernan in the amount of 12,000 shares, which is scheduled to vest in twenty percent (20%) increments at specified times over a four-year period following the grant date.
 - (g) Awards made on March 17, 2020 included time-based restricted stock awards that are scheduled to vest one-third per year on each of the first, second and third anniversaries of the grant date. The total restricted stock award amounts were as follows: for Dr. Miller, 40,770 shares; for Mr. Kiernan, 4,450 shares; for Dr. Devasahayam, 10,500 shares; and for Dr. Porshnev, 10,500 shares. Additional shares were granted in the form of PRSU awards. As of December 31, 2020, the unvested PRSU award amounts were as follows: for Dr. Miller, 75,730 shares; for Mr. Kiernan, 30,550 shares; for Dr. Devasahayam, 19,500 shares; and for Dr. Porshnev, 19,500 shares.
 - (h) A time-based restricted stock award was made on May 1, 2020 to Ms. Wilkerson in the amount of 66,667 shares, which is scheduled to vest one-third per year on each of the first, second and third anniversaries of the grant date.

In all cases, the vesting of stock options and restricted stock is subject to the recipient's continued employment. The grant dates for the awards shown above which were not vested as of December 31, 2020 are as follows:

Name	Option Awards			Stock Awards	
	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price (\$)	Option Grant Date	Number of Shares That Have Not Vested (#) ⁽¹⁾	Restricted Stock Grant Date
W. Miller				11,050	06/16/2017
				31,457	03/14/2018
				219,511	10/01/2018
				90,000	03/14/2019
				116,500	03/17/2020
J. Kiernan				2,605	06/16/2017
				7,149	03/14/2018
				10,920	03/14/2019
				12,000	01/02/2020
				35,000	03/17/2020
A. Devasahayam				1,035	06/16/2017
				1,323	09/01/2017
				5,873	03/14/2018
				17,400	03/14/2019
				30,000	03/17/2020
P. Porshnev				3,250	06/16/2017
				2,646	09/01/2017
				9,544	03/14/2018
				14,400	03/14/2019
				30,000	03/17/2020
S. Wilkerson				66,667	05/01/2020

(1) Includes awards of both restricted stock with time-based vesting and PRSUs.

Options Exercises and Stock Vested During 2020

The following table sets forth certain information concerning the exercise of stock options and the vesting of shares of restricted stock during 2020 for each of the NEOs.

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#) ⁽¹⁾	Value Realized on Exercise (\$)	Number of Shares Acquired on Vesting (#) ⁽¹⁾	Value Realized on Vesting (\$)
W. Miller	—	—	58,060	678,518
J. Kiernan	—	—	10,546	123,272
A. Devasahayam	—	—	14,055	157,113
P. Porshnev	—	—	17,204	200,089
S. Wilkerson	—	—	—	—

- (1) Includes the following shares of stock surrendered to the Company and/or sold to satisfy tax withholding obligations due upon the exercise of options and/or the vesting of restricted stock:

Name	Number of Shares Withheld and/or Sold for Tax Withholding (#)
W. Miller	28,457
J. Kiernan	5,007
A. Devasahayam	4,974
P. Porshnev	6,101
S. Wilkerson	—

Equity Compensation Plan Information

The following table sets forth information regarding our common stock that may be issued under our equity compensation plans as of December 31, 2020.

	Number of securities to be issued upon exercise of outstanding options, warrants, and rights (A)	Weighted average exercise price of outstanding options, warrants, and rights ⁽¹⁾ (B)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (A)) (C)
Equity compensation plans approved by security holders	1,489,343	\$ 35.25	3,844,879
Equity compensation plans not approved by security holders	6,030	\$ 37.70	—
Total	1,495,373	3,844,879	

- (1) The calculation of the weighted average exercise price includes only stock options and does not include the outstanding restricted stock units which do not have an exercise price.

The Company maintains the 2019 Stock Incentive Plan (the “2019 Plan”) to provide for equity awards to employees, directors and consultants. In the past, the Company had maintained certain other stock option plans, including plans not approved by the Company’s security holders. No awards are available for future grant under such plans, although past awards under these plans may still be outstanding. A brief description of the plans follows.

Plans Approved by Security Holders

The 2019 Plan originated as the “2010 Stock Incentive Plan” and was approved by the Board of Directors and by the Company’s stockholders in May 2010. This Plan, which was subsequently amended with Board and stockholder approval in 2013, 2016 and in 2019 (at which time the Plan was renamed the 2019 Stock Incentive Plan), provides for the issuance of up to 13,300,000 shares of common stock pursuant to stock options, restricted stock, restricted stock units, stock appreciation rights, and dividend equivalent rights (collectively, the “awards”). As of December 31, 2020, 727,420 option shares, 1,276,951 restricted stock awards, 148,088 restricted stock units, and 613,835 performance share units were outstanding under the 2019 Plan. The term of any award granted under the 2019 Plan shall be the term stated in the award agreement, provided, however, that the term of awards may not be longer than ten years (or five years in the case of an incentive stock option granted to any participant who owns stock representing more than 10% of the combined voting power of the Company or any parent or subsidiary of the Company), excluding any period for which the participant has elected to defer the receipt of the shares or cash issuable pursuant to the award and any deferral program the administrator of the 2019 Plan may establish in its discretion.

During 2016, the Company’s Board of Directors and stockholders approved the 2016 Employee Stock Purchase Plan, which was subsequently amended with Board and stockholder approval in 2019 (the “ESPP

Plan”). The Company is authorized to issue up to 1,500,000 shares under the 2016 ESPP Plan. The Company is currently seeking stockholder approval to increase the number of authorized shares under the ESPP Plan by an additional 750,000 shares (see Proposal 2 below). Under the ESPP Plan, substantially all employees in the U.S. may purchase the Company’s common stock through payroll deductions at a price equal to 85 percent of the lower of the fair market value of the Company’s common stock at the beginning or end of each six-month Offer Period, as defined in the ESPP Plan, and subject to certain limits. The Company issued 254,703 shares in 2020 under the ESPP Plan.

Plans Not Approved by Security Holders

In connection with the Company’s acquisition of Synos Technology, Inc. on October 1, 2013, the Board of Directors granted equity awards to 52 former Synos employees. The equity awards were granted under the Company’s 2013 Inducement Stock Incentive Plan (the “Inducement Plan”), which the Board of Directors adopted to facilitate the granting of equity awards as an inducement to these employees to commence employment with Veeco. The Company issued 124,500 stock option shares and 87,000 restricted stock units under the Inducement Plan. Stock options under the Inducement Plan vest over a three-year period and have a 10-year term, and restricted stock units under this plan vest over a two or four-year period. On December 31, 2013, the Inducement Plan was merged into the 2019 Plan and is considered an inactive plan with no further shares available for grant. As of December 31, 2020, there were 2,000 option shares and no restricted stock units outstanding under the Inducement Plan.

In connection with the Company’s acquisition of Ultratech, Inc. in 2017, the Company assumed certain restricted stock units (the “Assumed RSUs”) available and outstanding under the Ultratech, Inc. 1993 Stock Option/Stock Issuance Plan, as amended (the “Ultratech Plan”). The Assumed RSUs remain subject to the terms set forth in the award agreement governing the award and the Ultratech Plan, except that (i) the Assumed RSUs relate to shares of Veeco common stock and (ii) the number of restricted stock units was adjusted pursuant to the Agreement and Plan of Merger dated February 2, 2017 to reflect the difference in the value of a share of Veeco common stock and a share of Ultratech common stock prior to the closing. The Assumed RSUs were converted into 338,144 restricted stock units of Veeco, and generally vest over 50 months. After the closing of the acquisition of Ultratech and notwithstanding any other provisions of the Ultratech Plan, no further grants will be made under the Ultratech Plan, and the Company is solely maintaining the Ultratech Plan with respect to the Assumed RSUs. As of December 31, 2020, there were 4,030 Assumed RSUs outstanding under the Ultratech Plan.

Potential Payments Upon Termination or Change in Control

The Company has entered into letter agreements with each of the NEOs addressing the terms of their employment with Veeco. These letter agreements were executed on the following dates: (i) for Dr. Miller, on August 29, 2018; (ii) for Mr. Kiernan, on January 21, 2004, with amendments thereto dated June 9, 2006, December 29, 2008 and January 1, 2020; (iii) for Dr. Devasahayam, on March 20, 2019; (iv) for Dr. Porshnev, on August 4, 2017; and (v) for Ms. Wilkerson, on March 9, 2020.

Miller and Kiernan Agreements.

The agreements for Dr. Miller and Mr. Kiernan provide for the payment of severance and certain other benefits in the event: (i) the executive’s employment is terminated by Veeco without “cause”; or (ii) the executive resigns for “good reason”. “Cause” is defined in the agreements for Dr. Miller and Mr. Kiernan as specified instances of serious misconduct. “Good reason” is defined for Dr. Miller as (a) a significant reduction in base salary (except for a reduction program affecting similarly situated employees); (b) a significant reduction in the total benefits available under incentives or other benefit plans (except for a reduction program affecting similarly situated employees); (c) a relocation of principal place of work by more than 50 miles; or (d) a diminution in position, title, responsibilities, authority or reporting responsibilities, or involuntarily ceasing to be a member of the Board. For Mr. Kiernan, “good reason” is defined as a significant reduction in base salary (except for a reduction program affecting similarly situated employees).

Under Dr. Miller’s agreement, in the event of a specified termination described above, Dr. Miller will be entitled to severance pay in an amount equal to 24 months of base salary and he will be entitled to a payment equal to his target bonus for the year of termination, pro-rated for the period of his service during

such year. In addition, upon any such termination: (i) any outstanding equity shall vest immediately except for PRSU awards, which shall vest after first being earned; and (ii) Dr. Miller will have 24 months to exercise options to purchase Veeco common stock which are or become vested and are held by Dr. Miller at the time of such termination (or until the end of the original term of the options, if earlier). In addition, if Dr. Miller elects to continue healthcare coverage under COBRA, his contributions for a period of up to 18 months will be at the same Company-subsidized rates which Dr. Miller would have paid had his employment not been terminated.

Under Mr. Kiernan's agreement, in the event of a specified termination described above, Mr. Kiernan will be entitled to severance pay in an amount equal to 18 months of base salary. In addition, upon any such termination, (i) any outstanding equity shall vest immediately except for PRSU awards, which shall vest after first being earned; and (ii) Mr. Kiernan will have 12 months to exercise options to purchase Veeco common stock which are or become vested and are held by Mr. Kiernan at the time of such termination (or until the end of the original term of the options, if earlier). If such termination occurs within 12 months of a change of control, the vesting of any options which are held by Mr. Kiernan at the time of such termination will be accelerated.

Devasahayam, Porshnev and Wilkerson Agreements.

Severance pay and related benefits for Drs. Devasahayam and Porshnev and for Ms. Wilkerson are governed by the terms of the Company's Severance Benefits Policy effective May 1, 2009. Under the terms of the Severance Benefits Policy, an executive is eligible for benefits if, among other requirements, his or her employment is involuntarily terminated by the Company for one of the following reasons:

- (i) due to a change in operations, a facility relocation or closing, or a reduction in staff for other economic reasons, and the executive does not refuse or otherwise fail to accept another position which may be available with the Company; or
- (ii) as a result of a sale or merger of all or part of the Company's business or assets, or other form of corporate reorganization, including an outsourcing of the executive's position, and the executive is not offered a position by the acquiring or resulting company.

Benefits payable under the Severance Benefits Policy are calculated based on the executive's years of service with Veeco and pay at the time of termination (as such terms are defined and described in the Severance Benefits Policy). In the event of a qualifying termination under the Severance Benefits Policy, Drs. Devasahayam and Porshnev and Ms. Wilkerson will be entitled to receive:

- (a) "primary" severance pay calculated at a rate of one (1) week of severance pay plus an additional one (1) week of severance pay for each completed full year of service, with a minimum of two (2) weeks and a maximum of twenty-six (26) weeks of primary severance pay;
- (b) an additional twenty-eight (28) weeks of severance pay, supplementing the primary severance pay, up to a maximum of thirty-nine (39) weeks of total severance pay; and
- (c) for the number of weeks of severance payments above, if the executive is enrolled in the Company's healthcare plans at the time of termination and elects to continue coverage in accordance with the continuation of benefits requirements of COBRA, the executive's contribution amount will be the normal employee contribution rate. Thereafter, the executive's contribution amount will be the full COBRA rate.

For all of the NEOs, the receipt of severance payments and other benefits is conditioned on the Company's receipt of a general release of claims satisfactory to the Company. In addition, the NEO letter agreements and policy documents, as applicable, contain provisions intended to ensure that payments comply with Section 409A of the Internal Revenue Code of 1986, as amended. Such provisions may have the effect of delaying or accelerating certain payments under the letter agreements and policy documents. The description herein of the NEO letter agreements and of the Severance Benefits Policy is a summary only. Reference is made to the full text of these documents which have been filed previously with the SEC.

Change in Control Policy. Veeco adopted a Senior Executive Change in Control Policy (the "CIC Policy") in 2008, which was amended and restated as of January 1, 2014. The CIC Policy provides certain

severance and other benefits to designated senior executives in the event of a change in control of Veeco. The CIC Policy was implemented to ensure that the executives to whom the CIC Policy applies remain available to discharge their duties in light of a proposed or actual transaction involving a change in control that, if consummated, might result in a loss of such executive's position with the Company or the surviving entity. The CIC Policy was not adopted or amended with any particular change in control in mind. The CIC Policy applies to designated senior executives of Veeco ("Eligible Employees"), including the NEOs. Benefits under the CIC Policy are intended to supplement, but not duplicate, benefits to which the covered executive may be entitled under the letter agreements and policies described above. The description of the CIC Policy herein is a summary only. Reference is made to the full text of the CIC Policy which has been filed previously with the SEC. The principal terms of the CIC Policy are:

- (a) Upon the consummation of a change in control (as defined in the CIC Policy), any outstanding stock options then held by the Eligible Employee shall remain exercisable until the earlier of (x) 12 months following the date of termination of the employee's employment and (y) the expiration of the original term of such options.
- (b) If an Eligible Employee's employment shall be terminated by the Company without Cause (as defined in the CIC Policy), or by the Eligible Employee for Good Reason (as defined in the CIC Policy), during the period commencing three months prior to, and ending 18 months following, a Change in Control:
 - (i) The Company shall pay to the Eligible Employee in a lump sum an amount equal to the sum of (A) his or her then current annual base salary and (B) the target bonus payable to the Eligible Employee pursuant to the Company's performance-based compensation bonus plan with respect to the fiscal year ending immediately prior to the date of termination, multiplied by 2, in the case of Dr. Miller, and 1.5, in the case of Mr. Kiernan, Drs. Devasahayam and Porshnev, and Ms. Wilkerson.
 - (ii) The vesting of equity awards granted after January 1, 2014 will be accelerated and any outstanding stock options then held by the employee shall remain exercisable until the earlier of (x) 12 months following the date of termination of the employee's employment and (y) the expiration of the original term of such options;
 - (iii) The Company shall continue to provide the Eligible Employee with all health and welfare benefits which he or she was participating in or receiving as of the date of termination until the 18-month anniversary of the date of termination; and
 - (iv) The Company shall pay to the Eligible Employee a pro-rated amount of the Eligible Employee's bonus for the fiscal year in which the date of termination occurs.

Payment of the benefits described above is conditioned on the executive's release of claims against the Company and on non-competition and non-solicitation provisions applicable during the 18-month period following termination of executive's employment.

The following table shows the estimated, incremental amounts that would have been payable to the NEOs upon the occurrence of the indicated event, had the applicable event occurred on December 31, 2020. These amounts would be incremental to the compensation and benefit entitlements described above that are not contingent upon a termination or change in control. The amounts attributable to the accelerated vesting of stock options, restricted shares and restricted stock units are based upon the fair market value of the Company's common stock on December 31, 2020, which was \$17.36 per share. The actual compensation and benefits the executive would receive at any subsequent date would likely vary from the amounts set forth below as a result of certain factors, such as a change in the price of the Company's common stock and any additional benefits the officer may have accrued as of that time under applicable benefit or compensation plans.

Name	Event	Salary & Other Continuing Payments (\$) ⁽¹⁾	Stock Options		Accelerated Vesting of Stock Awards (\$) ⁽³⁾	Total (\$)
			Accelerated Vesting of Stock Options (\$)	Extension of Post-Termination Exercise Period (\$) ⁽²⁾		
W. Miller	Termination without Cause or resignation for Good Reason	1,814,122	0	0	1,865,818	3,679,940
	Termination without Cause or resignation for Good Reason following a Change of Control ⁽⁴⁾	3,079,122	0	0	8,133,472	11,212,594
J. Kiernan	Termination without Cause or resignation for Good Reason	540,000	0	0	388,864	928,864
	Termination without Cause or resignation for Good Reason following a Change of Control ⁽⁴⁾	1,148,952	0	0	1,174,821	2,323,773
A. Devasahayam	Qualifying Termination under the Severance Benefits Policy	258,750	0	0	0	258,750
	Termination without Cause or resignation for Good Reason following a Change of Control ⁽⁴⁾	1,035,000	0	0	965,754	2,000,754
P. Porshnev	Qualifying Termination under the Severance Benefits Policy	283,087	0	0	0	259,135
	Termination without Cause or resignation for Good Reason following a Change of Control ⁽⁴⁾	1,178,952	0	0	1,038,822	2,217,774
S. Wilkerson	Qualifying Termination under the Severance Benefits Policy	251,424	0	0	0	216,345
	Termination without Cause or resignation for Good Reason following a Change of Control ⁽⁴⁾	1,300,704	0	0	1,157,339	2,458,043

- (1) Reflects salary continuation benefits and, where provided under the applicable letter agreement or policy, pro-rated bonus and COBRA subsidy. Pro-rated bonus amounts assume 12 months of bonus at 100% of target performance, given the assumed event date of December 31, 2020.
- (2) Reflects the increase in value of the spread, or in-the-money value, as of the end of the extended exercise period provided under the applicable agreement, as compared to the value of the spread at

December 31, 2020, of options to purchase Veeco common stock which were vested as of, or which would vest upon the occurrence of, the specified event, where provided under the applicable letter agreement or policy, and assuming that the price of Veeco common stock appreciates at a rate of 5% per annum (without compounding) from the closing price on December 31, 2020, which was \$17.36 per share. Does not include the value of out-of-the-money options. Please refer to the Outstanding Equity Awards at Fiscal Year End table above for a listing of vested and unvested stock options held by the NEO as of December 31, 2020.

- (3) Reflects the value, as of December 31, 2020, of unvested stock awards (restricted stock and restricted stock units) which would vest upon the specified event where provided under the applicable letter agreement or policy. Assumes performance at 100% of target for any performance-based awards. Please refer to the Outstanding Equity Awards at Fiscal Year End table above for a listing of unvested stock awards held by the NEOs as of December 31, 2020.
- (4) As used in the CIC Policy, “Change in Control” is defined to mean the case where:
 - (i) any person or group acquires more than 50% of the total fair market value or total voting power of the stock of the Company;
 - (ii) any person or group acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such person or group) ownership of stock of the Company possessing 30% or more of the total voting power of the stock of the Company;
 - (iii) a majority of the members of Veeco’s Board is replaced during any 12-month period by Directors whose appointment or election is not endorsed by a majority of the members of Veeco’s Board prior to the date of the appointment or election; or
 - (iv) any person or group acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such person or group) substantially all of the assets of the Company immediately prior to such acquisition or acquisitions. However, no Change in Control shall be deemed to occur under this subsection (iv) as a result of a transfer to:
 - (A) A stockholder of the Company (immediately before the asset transfer) in exchange for or with respect to its stock;
 - (B) An entity, 50% or more of the total value or voting power of which is owned, directly or indirectly, by the Company;
 - (C) A person or group that owns, directly or indirectly, 50% or more of the total value or voting power of all the outstanding stock of the Company; or
 - (D) An entity, at least 50% of the total value or voting power of which is owned, directly or indirectly, by a person described in clause (C) above.

For equity awards granted after January 1, 2014, assumes termination occurs during the period commencing three months prior to, and ending 18 months following, the Change in Control.

Pay Ratio

We are providing the following information about the relationship of the total annual compensation of our employees and the total annual compensation of Dr. Miller, our CEO, as required. The pay ratio included in this information is a reasonable estimate calculated in a manner consistent with Item 402(u) of Regulation S-K.

For 2020, our last completed fiscal year:

- The median of the total annual compensation of all employees (other than the CEO) was \$108,575.
- The total annual compensation of the median employee was \$113,972.
- The total annual compensation of our CEO, as reported in the Summary Compensation Table above, was \$2,610,509.

Based on this information, for 2020 the ratio of the total annual compensation of our CEO to the total annual compensation of the median employee was 22.9 to 1.

The methodology and the material assumptions, adjustments, and estimates that we used to identify the median of the total annual compensation of all our employees, as well as to determine the total annual compensation of the “median employee,” were as follows:

1. We determined that as of October 1, 2020, our employee population consisted of approximately 973 individuals working at Veeco and its subsidiaries. 721 of these individuals (approximately 74%) are located in the United States, and 970 are full-time (or full-time equivalent) employees, with the remainder employed on a part-time (less than 30 hours per week) basis.
2. To identify the “median employee” from our employee population, we considered the annual base salary paid to our employees as of October 1, 2020, as reflected in our payroll records, together with the target amounts of any bonuses for 2020 and the grant date fair market value of equity awards granted in 2020 to arrive at a consistently applied compensation measure. In making this determination, we annualized the compensation of all permanent employees included in the sample who were hired in 2020 but did not work for us or our subsidiaries for the entire fiscal year.
3. Using this methodology, we determined that the “median employee” was a full-time, salaried employee located in our Somerset, New Jersey office, with aggregate salary for the year ending December 31, 2020 and target bonus for 2020 in the aggregate amount of \$108,575.
4. With respect to the total annual compensation of the “median employee,” we identified and calculated the elements of such employee’s compensation for 2020 in accordance with the requirements of Item 402(c)(2)(x) of Regulation S-K, resulting in total annual compensation of \$113,972.
5. With respect to the total annual compensation of our CEO, we used the amount reported in the “Total” column of the Summary Compensation Table included in this Proxy Statement and incorporated by reference under Item 11 of Part III of our Annual Report on Form 10-K for the year ended December 31, 2020.

AUDIT MATTERS

Audit Committee Report

The Audit Committee is responsible for providing independent, objective oversight of the Company's auditing, accounting, financial reporting process, system of internal controls, and legal and ethical compliance on behalf of the Board of Directors. The Audit Committee operates under a charter adopted by the Board, a copy of which is available on Veeco's website (www.veeco.com). Management has primary responsibility for the financial statements and the reporting process including the system of internal control over financial reporting. In fulfilling its oversight responsibilities, the Audit Committee reviewed and discussed the audited financial statements included in the Annual Report on Form 10-K for the fiscal year ended December 31, 2020 and the quarterly financial statements for 2020 with management, including the specific disclosures in the section entitled "Management Discussion and Analysis of Financial Condition and Results of Operations." The review with management included a discussion of the quality, not just the acceptability, of the accounting principles, the reasonableness of significant judgments and the clarity of disclosures in the financial statements.

The Audit Committee reviewed with the independent registered public accounting firm, who is responsible for expressing an opinion on the conformity of those audited financial statements with U.S. generally accepted accounting principles, their judgment as to the quality, and not just the acceptability, of the Company's accounting principles and any such other matters as are required to be discussed with the Audit Committee by Public Company Accounting Oversight Board ("PCAOB") Auditing Standard 1301 ("AS 1301"), *Communications with Audit Committees*, and PCAOB Auditing Standard No. 2201, *An Audit of Internal Control Over Financial Reporting That is Integrated With an Audit of Financial Statements*. In addition, the Audit Committee has discussed with the independent registered public accounting firm (i) the auditors' independence from management and the Company, including the matters in the written disclosures and the letter from the independent auditors required by applicable PCAOB requirements regarding the independent accountant's communications with the Audit Committee, and (ii) the matters required to be discussed by the applicable requirements of the PCAOB. The Audit Committee, having considered the compatibility of non-audit services with the auditors' independence, satisfied itself as to the independence of the independent registered public accounting firm.

During 2020, management evaluated the Company's system of internal control over financial reporting in accordance with the requirements set forth in Section 404 of the Sarbanes-Oxley Act of 2002 and related regulations. The Audit Committee was kept apprised of the progress of the evaluation and provided oversight and advice to management during the process. In connection with this oversight, the Audit Committee received periodic updates provided by management and the independent registered public accounting firm at each regularly scheduled Audit Committee meeting. At the conclusion of the process, management provided the Audit Committee with a report on the effectiveness of the Company's internal control over financial reporting. The Audit Committee also reviewed the report of management contained in the Company's 2020 Annual Report on Form 10-K, as well as the Reports of Independent Registered Public Accounting Firm (included in the 2020 Annual Report on Form 10-K). These reports relate to the independent registered public accounting firm's audit of (i) the consolidated financial statements and (ii) the effectiveness of internal controls over financial reporting. The Audit Committee continues to oversee the Company's efforts related to its internal control over financial reporting and managements' preparations for the evaluations in 2021.

The Audit Committee discussed the overall scope and plans for their respective audits with the Company's internal auditors and independent registered public accounting firm. The Audit Committee meets with the internal auditors and independent registered public accounting firm with and without management present, to discuss the results of their examinations, their evaluations of the Company's internal control over financial reporting, and the overall quality of the Company's financial reporting. The Audit Committee held five meetings during 2020.

In reliance on the reviews and discussions referred to above, the Audit Committee recommended to the Board of Directors (and the Board approved) that the audited financial statements be included in the 2020

Annual Report on Form 10-K for filing with the SEC. The Audit Committee and the Board have also recommended, subject to stockholder approval, the selection of the Company’s independent registered public accounting firm.

Kathleen A. Bayless (Chair)
 Keith D. Jackson
 Mary Jane Raymond
 Peter J. Simone

Independent Auditor Fees and Other Matters

Based on the recommendation of the Audit Committee, the Board of Directors has appointed KPMG LLP (“KPMG”), an independent registered public accounting firm, to examine the financial statements of Veeco for the year ending December 31, 2021.

The table below sets forth the aggregate amount of fees (including out of pocket expenses) billed for professional services rendered by KPMG to the Company and its subsidiaries for the calendar years 2020 and 2019.

	For the Year Ended December 31, 2020 (in thousands)	For the Year Ended December 31, 2019 (in thousands)
Audit Fees ⁽¹⁾	\$2,093	\$2,029
Audit-related Fees	—	20
Tax Fees ⁽²⁾	74	180
Total	\$2,167	\$2,229

- (1) Reflects charges for the audits of annual financial statements and internal control over financial reporting, review of quarterly financial statements and services that are normally provided in connection with statutory and regulatory filings or engagements.
- (2) Reflects the aggregate fees billed for professional services rendered for worldwide tax compliance, tax advice and tax planning.

The Audit Committee considered and determined that the provision of the services provided by KPMG as set forth herein did not compromise, and is compatible with maintaining, KPMG’s independence.

The Audit Committee annually evaluates the performance of the Company’s independent registered public accounting firm, including the senior audit engagement team, and determines whether to reengage the current accounting firm or consider other audit firms. Factors considered by the Audit Committee in deciding whether to retain KPMG include: (i) KPMG’s global capabilities to handle the breadth and complexity of the Company’s global operations; (ii) KPMG’s technical expertise and knowledge of the Company’s industry and global operations; (iii) the quality and candor of KPMG’s communications with the Audit Committee and management; (iv) KPMG’s independence; (v) the quality and efficiency of the services provided by KPMG, including input from management on KPMG’s performance and how effectively KPMG demonstrated its independent judgment, objectivity and professional skepticism; and (vi) the appropriateness of KPMG’s fees.

Pre-approval Policies and Procedures

The Audit Committee pre-approves all audit and permissible non-audit services provided by the independent registered public accounting firm. The services include audit services, audit-related services, and tax services and may include, to a very limited extent, specifically designated non-audit services which, in the opinion of the Audit Committee, will not impair the independence of the independent registered public accounting firm. Unless the specific service has been previously pre-approved with respect to that year, the Audit Committee must approve the permitted service before the independent registered public accounting firm is engaged to perform it. The Audit Committee has delegated to the Chairman of the Audit Committee authority to approve permitted services provided that the Chairman will report any decisions to the Audit

Committee at its next scheduled meeting. The independent registered public accounting firm and management are required to periodically report to the Audit Committee regarding the extent of services provided by the independent registered public accounting firm in accordance with this pre-approval, and the fees for the services performed to date. In addition, the Audit Committee may, as required, pre-approve particular services on a case-by-case basis.

All of the KPMG fees for 2020 were pre-approved by the Audit Committee.

Certain Relationships and Related Transactions

The Company's Audit Committee charter provides that the Audit Committee, or one or more of its members, has the authority and responsibility to review and, if appropriate, approve all proposed related party transactions. For purposes of the Audit Committee's review, a "related party transaction" is a transaction, arrangement or relationship between the Company and any Related Party (defined below) where the aggregate amount will or may be expected to exceed \$120,000 and any Related Party had, has or will have a direct or indirect material interest (as such terms are used in Item 404 of Regulation S-K under the Exchange Act). A "Related Party" is: (i) any director, nominee for director or executive officer (as such term is used in Section 16 of the Exchange Act) of the Company; (ii) any immediate family member of a director, nominee for director or executive officer of the Company; (iii) any person (including any "group" as such term is used in Section 13(d) of the Exchange Act) who is known to the Company as a beneficial owner of more than five percent of the Company's voting common stock (a "significant stockholder"); and (iv) any immediate family member of a significant stockholder.

When reviewing a related party transaction, the Audit Committee will take into consideration all of the relevant facts and circumstances available to it, including (if applicable) but not limited to:

- the material terms and conditions of the transaction or transactions;
- the Related Party's relationship to the Company;
- the Related Party's interest in the transaction, including their position or relationship with, or ownership of, any entity that is a party to or has an interest in the transaction;
- the approximate dollar value of the transaction;
- the availability from other sources of comparable products or services; and
- an assessment of whether the transaction is on terms that are comparable to the terms available to the Company from an unrelated third party.

During 2020, the Company did not engage in any related party transactions.

VOTING PROPOSALS

PROPOSAL 1: ELECTION OF DIRECTORS

Veeco's Certificate of Incorporation provides for a Board of Directors elected by the stockholders which is divided into three classes of Directors serving staggered terms. The Board of Directors is currently comprised of eight members. The Class III Directors are up for election in 2021.

Based on the recommendation of the Governance Committee, the Board of Directors has nominated the following Directors for election to the classes noted below:

Name	Nominated for Election to:	For a Term Expiring at the Annual Meeting of Stockholders in:
Richard A. D'Amore	Class III	2024
Keith D. Jackson	Class III	2024
Mary Jane Raymond	Class III	2024

The following Directors will continue in their current positions for the term specified:

Name	Continuing in:	Term Expires at the Annual Meeting of Stockholders in:
William J. Miller, Ph.D.	Class I	2022
Thomas St. Dennis	Class I	2022
Kathleen A. Bayless	Class II	2023
Gordon Hunter	Class II	2023
Peter J. Simone	Class II	2023

The Company does not anticipate that the nominees for Director will be unable to serve, but if such a situation should arise, it is the intention of the persons named in the accompanying proxy to vote for the election of such other person or persons to fill the vacancy created thereby as the remaining members of the Board of Directors may recommend.

The Board of Directors recommends a vote "FOR" the approval of the Director nominees named above.

Members of the Board

The Directors of Veeco, including their ages, the year they joined the Board, and their committee memberships as of March 9, 2021, are as follows:

Name	Age	Director since	Independent ⁽¹⁾	Committee Membership		
				AC	CC	GC
Kathleen A. Bayless	64	2016	Yes	C/FE		
Richard A. D'Amore	67	1990	Yes (Chair)		M	
Gordon Hunter	69	2010	Yes		C	M
Keith D. Jackson	65	2012	Yes	M/FE		C
William J. Miller, Ph.D.	52	2018	No			
Mary Jane Raymond	60	2019	Yes	M/FE		
Peter J. Simone	73	2004	Yes	M/FE		M
Thomas St. Dennis	67	2016	Yes		M	

(1) Independence determined based on NASDAQ rules.

AC — Audit Committee

CC — Compensation Committee

GC — Governance Committee

C — Chairperson

M — Member

FE — Audit Committee financial expert (as determined based on SEC rules)

Kathleen A. Bayless, currently retired, was Senior Vice President, CFO and Treasurer of Synaptics Incorporated, a leader in human interface technology, including touch, display and biometric semiconductor products used in the mobile, PC and automotive industries, from 2009 to 2015. Before Synaptics, Ms. Bayless spent 13 years at Komag Incorporated, a leading supplier of thin-film disks to the hard disk drive industry, where she served as Executive Vice President, Secretary and CFO. Prior to joining Komag, Ms. Bayless served 15 years with the public accounting firm of Ernst & Young.

Ms. Bayless has significant experience in the semiconductor industry and related fields, which has resulted in a broad understanding of the operational, financial and strategic issues facing companies operating in our space. Ms. Bayless has extensive management experience and is well versed on the various challenges and opportunities in our marketplace, offering a unique and valued perspective to the Board.

Richard A. D'Amore has been a General Partner of North Bridge Venture Partners, an early-stage venture capital and growth equity firm, since its inception in 1994. From 1982 until starting North Bridge, Mr. D'Amore served in various roles at Hambro International Equity Partners. Previously, Mr. D'Amore worked as a consultant at Bain and Company and as a certified public accountant with Arthur Young and Company. Mr. D'Amore also serves on the board of Everbridge, Inc. and Pomona Investment Fund, and is currently the Chairman of the Board of Trustees of Northeastern University.

Mr. D'Amore brings a strong business background to Veeco, having worked in the venture capital field for over 30 years. Mr. D'Amore has substantial experience in overseeing the management of diverse organizations, having served as a board member on other public and private company boards. Mr. D'Amore has a broad understanding of the operational, financial and strategic issues facing public companies, and has developed an extensive knowledge of our business.

Gordon Hunter has been Chairman of Littelfuse Inc., a global electronics company and provider of circuit protection products and solutions, since 2005. Mr. Hunter was Executive Chairman of Littelfuse from January 2017 to December 2017, President and CEO of Littelfuse from 2005 to December 2016, and

COO of Littelfuse from 2003 to 2005. Mr. Hunter has been a director of Littelfuse since June 2002. Prior to joining Littelfuse, Mr. Hunter was Vice President of Intel Corporation and served as General Manager of Intel's Optical Products Group. At Intel, Mr. Hunter was responsible for Intel's access and optical communications business segments within the Intel Communications Group. Prior to joining Intel, Mr. Hunter served as President of Elo TouchSystems, a worldwide leader in the manufacturing and sale of computer touch screens. Prior to Elo TouchSystems, Mr. Hunter served in a variety of positions during a 20 year career at Raychem Corporation, including Vice President of Commercial Electronics and a variety of sales, marketing, engineering and management positions. In addition to Littelfuse, Mr. Hunter also serves on the boards of CTS Corporation and Shure Incorporated.

Mr. Hunter has substantial leadership and management experience, having served as the Chairman, President and CEO of Littelfuse and in various leadership roles at a number of other companies. He has a strong background and valuable experience in the technology industry, gained from his tenure at Littelfuse, Intel, Elo TouchSystems and Raychem. Mr. Hunter brings to the Board a broad understanding of the operational, financial and strategic issues facing both public and private companies.

Keith D. Jackson served as President and Chief Executive Officer of ON Semiconductor Corporation, a leading supplier of semiconductor-based solutions, from November 2002 to December 2020, and currently serves as an advisor to ON Semiconductor. Mr. Jackson has over 30 years of semiconductor industry experience. Before joining ON Semiconductor, he was with Fairchild Semiconductor Corporation, serving as Executive Vice President and General Manager, Analog, Mixed Signal, and Configurable Products Groups beginning in 1998, and subsequently as head of its Integrated Circuits Group. From 1996 to 1998, he served as President and a member of the board of directors of Tritech Microelectronics in Singapore, a manufacturer of analog and mixed signal products. From 1986 to 1996, Mr. Jackson worked for National Semiconductor Corporation, most recently as Vice President and General Manager of the Analog and Mixed Signal division. He also held various positions at Texas Instruments Incorporated, including engineering and management positions, from 1973 to 1986. Mr. Jackson served on the board of directors of the Semiconductor Industry Association ("SIA") from 2008 to 2020, and was appointed as the 2020 SIA Chairman and 2019 SIA Vice Chairman.

Mr. Jackson has extensive international experience in product development, manufacturing, marketing and sales. Mr. Jackson is uniquely qualified to bring strategic insight and industry knowledge to the Board, having served in numerous management positions and as a director of other corporate boards in our industry.

William J. Miller, Ph.D. has been CEO of Veeco and a Director since October 2018. Prior thereto, he served as President of Veeco beginning in January 2016, overseeing all of Veeco's global business units. Dr. Miller was named Executive Vice President, Process Equipment in December 2011, and was Executive Vice President, Compound Semiconductor from July 2010 until December 2011. Dr. Miller was Senior Vice President and General Manager of Veeco's MOCVD business from January 2009 to July 2010, and Vice President, General Manager of Veeco's Data Storage equipment business from January 2006 to January 2009. He has held leadership positions of increasing responsibility in both the engineering and operations organizations since he joined Veeco in November 2002. Prior to joining Veeco, Dr. Miller held engineering and operations leadership positions at Advanced Energy Industries, Inc.

As our CEO and a senior executive officer with over 18 years of service with Veeco, Dr. Miller brings to the Board significant senior leadership, manufacturing and operations, industry, technical, and global experience, as well as a unique perspective of our company. As CEO, Dr. Miller is directly responsible for Veeco's strategy and operations, including the development of Veeco's business model and identifying emerging technologies, and plays a critical role in developing top talent at Veeco.

Mary Jane Raymond has served as CFO of II-VI Incorporated, a leader in engineered materials and optoelectronic components, since joining in March 2014. Before II-VI, Ms. Raymond served as CFO for Hudson Global, a professional recruitment and talent management firm, from December 2005 to September 2013. Ms. Raymond worked for Dun and Bradstreet from April 2002 to December 2005, first as Corporate Controller and then as Chief Risk Officer. Prior thereto, Ms. Raymond worked for Lucent Technologies, a multinational telecommunications equipment company, from June 1997 to April 2002, and for Cummins Engine Company, a manufacturer of engines, filtration, and power generation products, from July 1988 to June 1997, in each case in positions of increasing responsibility.

Ms. Raymond possesses significant financial, risk management and leadership skills, and brings to the Board considerable strategic, business development, mergers and acquisitions and financial experience relating to the ever-changing issues facing global technology corporations. As a result of her service as a senior executive of leading international corporations and her comprehensive understanding of complex business matters, Ms. Raymond is uniquely qualified to make significant contributions as a member of our Board.

Peter J. Simone is a retired executive who currently serves as an independent consultant to several private companies and the investment community. From June 2001 to December 2002, Mr. Simone was Executive Chairman of SpeedFam-IPEC, Inc., a semiconductor equipment company which was acquired by Novellus Systems, Inc. From August 2000 to February 2001, Mr. Simone was President and a director of, and from January 2000 to August 2000 was a consultant to, Active Control eXperts, Inc., a supplier of precision motion control and smart structures technology. From April 1997 to January 2000, Mr. Simone served as President, CEO and a director of Xionics Document Technologies, Inc. Prior thereto, Mr. Simone spent 17 years with GCA Corporation, a manufacturer of semiconductor photolithography capital equipment, where he held various management positions, including President and director. During the past five years, Mr. Simone served as a director of Newport Corporation and Monotype Imaging, Inc.

Mr. Simone has held numerous executive positions in the technology and semiconductor industries. Mr. Simone has also worked in the consulting field, advising private companies and the investment community. Mr. Simone has served on a number of public and private boards and his experiences have resulted in a broad understanding of the operational, financial and strategic issues facing public and private companies. He brings significant financial and operational management, as well as financial reporting, experience to the Board.

Thomas St. Dennis is the non-executive Chairman of FormFactor, Inc., a leading provider of semiconductor wafer test technologies and expertise. Mr. St. Dennis served as FormFactor's CEO from September 2010 to December 2014, as FormFactor's Executive Chairman from January 2015 to February 2016, and as FormFactor's non-executive Chairman since February 2016. Mr. St. Dennis held various positions at Applied Materials, Inc., a semiconductor equipment manufacturer, from 1992 to 1999 and again from 2005 to 2009. His most recent role at Applied Materials was Senior Vice President and General Manager of the Silicon Systems Group. From 1999 to 2003, Mr. St. Dennis was President and CEO of Wind River Systems, Inc., a provider of embedded system software, and from 2003 to 2005, Mr. St. Dennis was Executive Vice President of Sales and Marketing at Novellus Systems, Inc., a supplier of deposition, thermal processing and surface preparation equipment. In addition to serving on the Board of FormFactor, Mr. St. Dennis serves on the Board of Axcelis Technologies, Inc., a provider of equipment and services to the semiconductor manufacturing industry.

Mr. St. Dennis brings to the Board extensive experience in the semiconductor industry and international business, skills which make him an effective advisor to the Board, especially in matters involving strategic and marketing issues. Mr. St. Dennis has served on public and private boards, both domestic and international, which has resulted in a broad understanding of the operational, financial and strategic issues facing public and private companies. Mr. St. Dennis' knowledge of our industry and his extensive management experience are important aspects of his service on the Board.

PROPOSAL 2: AMENDMENT TO THE 2016 EMPLOYEE STOCK PURCHASE PLAN

General

On May 5, 2016, the Company's stockholders approved the 2016 Employee Stock Purchase Plan (the "ESPP") and the reservation of 750,000 shares for issuance under the ESPP. The purpose of the ESPP is to allow the Company to provide eligible employees of the Company and its participating subsidiaries with the opportunity to purchase common stock of the Company at a discount from the then current market price through payroll deductions. The ESPP, and the right of participants to make purchases thereunder, is intended to qualify under the provisions of Sections 421 and 423 of the Internal Revenue Code of 1986, as amended (the "Code"). On May 3, 2019, the Company's stockholders approved the First Amendment to the ESPP (the "First Amendment to ESPP") (the ESPP as amended by the First Amendment to ESPP, the "Amended ESPP"), which increased the number of shares reserved for issuance under the ESPP by 750,000 shares, to a total of 1,500,000 shares. We are asking our stockholders to approve an amendment of the ESPP that will increase the number of shares authorized for issuance under the Amended ESPP by 750,000 shares, to a total of 2,250,000 shares. The amendment would make no other changes to the Amended ESPP.

Under the Amended ESPP, eligible employees may authorize payroll deductions of up to 15% of eligible compensation for the purchase of common stock during each purchase period.

A general description of the Amended ESPP is set forth below. This description is qualified in its entirety by the terms of the Amended ESPP and the proposed amendment, copies of which are attached to this proxy statement as Appendix A-1 and are incorporated herein by reference.

Administration

The Amended ESPP may be administered by the Board or a committee of the Board. It is anticipated the Compensation Committee will serve as Plan Administrator. The Compensation Committee, as Plan Administrator, has full authority to adopt such rules and procedures as it may deem necessary for the proper plan administration and to interpret the provisions of the Amended ESPP.

Shares Available Under the Amended ESPP

A total of 750,000 shares of common stock were initially authorized for purchase over the term of the ESPP, subject to adjustment in the event of a stock split, stock dividend, combination or reclassification or similar event. Pursuant to the First Amendment to ESPP, a total of 1,500,000 shares of common stock were authorized for purchase over the term of the Amended ESPP, subject to adjustment in the event of a stock split, stock dividend, combination or reclassification or similar event. If the amendment is approved, the share reserve will be increased by 750,000 shares, to an aggregate total since the Amended ESPP's inception of 2,250,000 shares. As of March 1, 2021, there were 270,351 shares available for purchase under the Amended ESPP. Based on our past experience, we anticipate that these shares would allow the Amended ESPP to continue until 2021. If the proposed increase is approved, we anticipate that it will allow the Amended ESPP to continue until 2024.

Offering Periods

The Amended ESPP permits the Plan Administrator to establish offering periods of up to 27 months in length. The Amended ESPP is anticipated to be implemented by one offering period during each six-month period beginning each January 1 and July 1. The Plan Administrator may alter the duration of future offering periods in advance without stockholder approval. Each participant is granted a separate purchase right to purchase shares of common stock for each offering period in which he or she participates. Purchase rights under the Amended ESPP are granted on the start date of each offering period in which the participant participates and are automatically exercised on the last day of the offering period. Each purchase right entitles the participant to purchase the number of shares of common stock obtained by dividing the participant's payroll deductions for the offering period by the purchase price in effect for such period, subject to Amended ESPP and legal limits.

Eligibility

Except as described in this paragraph with respect to certain foreign employees, all employees of the Company and any designated subsidiary are eligible to participate in the Amended ESPP. The Plan Administrator may exclude employees who are regularly expected to work for 20 hours per week or less or for five months per calendar year or less and those who have not been employed for a continuous period of up to two years. An eligible employee may only join an offering period on the start date of that period. Designated subsidiaries include any subsidiary corporations of the Company, whether now existing or hereafter organized, which extend, with the approval of the Plan Administrator, the benefits of the Amended ESPP to their eligible employees.

Employees who are citizens or residents of a non-U.S. jurisdiction (without regard to whether he or she is also a citizen of the United States or a resident alien (within the meaning of Section 7701(b)(1)(A) of the Code)) are ineligible to participate in the Amended ESPP if his or her participation is prohibited under the laws on the applicable non-U.S. jurisdiction or if complying with the laws of the applicable non-U.S. jurisdiction would cause the Amended ESPP or an offering to violate Section 423 of the Code.

As of March 1, 2021, approximately 742 employees were eligible to participate in the Amended ESPP.

Purchase Provisions

Each participant in the Amended ESPP may authorize periodic payroll deductions that may not exceed 15% of his or her compensation, which is generally defined in the Amended ESPP to include regular U.S. payroll base salary, exclusive of any payments for overtime, bonuses, annual awards, other incentive payments, commissions, reimbursements or other expense allowances, fringe benefits (cash or non-cash), moving expenses, deferred compensation, or contributions (other than contributions under a 401(k) or cafeteria plan). A participant may reduce his or her rate of payroll deductions during an offering period, subject to the rules set by the Plan Administrator.

Accumulated payroll deductions are general assets of the Company, and while they are held by the Company they remain available for corporate use and subject to the Company's general creditors.

On the last day of each offering period, the accumulated payroll deductions of each participant are automatically applied to the purchase shares of common stock at the purchase price in effect for that period.

Purchase Price

The purchase price per share at which common stock is purchased on the participant's behalf for each offering period is equal to the lower of: (i) 85% of the fair market value per share of the common stock on the date of commencement of such offering period; and (ii) 85% of the fair market value per share of common stock on the last day of such offering period.

Valuation

The fair market value of the common stock on a given date is the closing sales price of the common stock on The NASDAQ Global Select Market as of such date. On March 1, 2021, the fair market value of a share of the Company's common stock as reported on The NASDAQ Global Select Market was \$22.56.

Special Limitations

The Amended ESPP imposes certain limitations upon a participant's right to acquire common stock, including the following:

- No purchase right may be granted to any individual who owns stock (including stock purchasable under any outstanding options or purchase rights) possessing 5% or more of the total combined voting power or value of all classes of stock of the Company or any of its affiliates.
- No purchase right granted to a participant may permit such individual to purchase common stock at a rate greater than \$25,000 worth of such common stock (valued at the time such purchase right is granted) for each calendar year.

- No more than 2,500 shares of common stock may be purchased in a single offering period, subject to the Plan Administrator's authority to change this limitation.

Termination of Purchase Rights

A participant's purchase right immediately terminates upon such participant's loss of eligible employee status, and his or her accumulated payroll deductions for the offering period in which the purchase right terminates shall be refunded. A participant may withdraw from an offering period by giving advance notice prior to the end of that period and his or her accumulated payroll for the offering period in which withdrawal occurs shall be refunded.

Assignability

No purchase right will be assignable or transferable (other than by will or the laws of descent and distribution) and a purchase right will be exercisable only by the participant.

Corporate Transaction

In the event of the proposed dissolution or liquidation of the Company, the current offering period will terminate immediately prior to the consummation of such dissolution or liquidation, unless otherwise provided by the Plan Administrator. In the event of a proposed sale of all or substantially all of the assets of the Company or certain mergers (each, a "Corporate Transaction") during an offering period, all outstanding purchase rights shall be assumed by the successor corporation (or a parent or subsidiary thereof), unless the Plan Administrator determines, in its sole discretion, to shorten the offering period then in effect to a new purchase date. If the Plan Administrator shortens the offering period then in progress to a new purchase date, the Plan Administrator will provide notice to each participant that (i) his or her purchase right will be automatically exercised on the new purchase date or (ii) the Company will pay to him or her, on the new purchase date, cash, cash equivalents, or property as determined by the Plan Administrator that is equal to the difference in the fair market value of the shares of common stock covered by his or her purchase right and the purchase price due had the purchase right been automatically exercised on the new purchase date.

Changes in Capitalization

In the event any change is made to the outstanding shares of common stock by reason of any stock split, stock dividend, recapitalization, combination of shares, exchange of shares or other change in corporate structure effected without the Company's receipt of consideration, appropriate adjustments will be made to (i) the maximum number of securities issuable under the Amended ESPP, including the maximum number of securities issuable per participant on any one purchase date and (ii) the number of securities subject to each outstanding purchase right and the purchase price payable per share thereunder.

Amendment and Termination

The Amended ESPP will terminate upon the earlier to occur of (i) ten (10) years following the date of the original adoption of the ESPP or (ii) the date on which all purchase rights are exercised in connection with a Corporate Transaction.

The Plan Administrator may at any time terminate or amend the Amended ESPP. To the extent necessary to comply with Section 423 of the Code (or any successor rule or provision or any other applicable law), the Company shall obtain stockholder approval in such a manner and to such a degree as required.

Plan Benefits

Because the number of shares of common stock issued under the Amended ESPP depends on the level of participation by its participants, we cannot determine the number of shares of common stock that may be purchased by eligible employees in the future.

Participation in the Amended ESPP is voluntary, and each eligible employee will make his or her own decision whether and to what extent to participate in the Amended ESPP. It is therefore not possible to

determine the benefits or amounts that will be received in the future by individual employees or groups of employees under the Amended ESPP. However, the table below sets forth certain information regarding the number of shares of the Company’s common stock purchased during the fiscal year 2020 offering periods pursuant to our Amended ESPP by each of (i) the NEOs identified in the Summary Compensation Table of this proxy statement, (ii) all current executive officers as a group, and (iii) all employees, other than executive officers, as a group. Non-executive members of our Board are not eligible to participate in the Amended ESPP.

Name and Principal 2020 Position(s) of Individual, or Group	Shares Purchased (#)
William J. Miller, Ph.D., CEO	0
John P. Kiernan, SVP, CFO	0
Adrian Devasahayam Ph.D., SVP, Product Line Management	1,711
Peter Porshnev, Ph.D., SVP, Unified Engineering	1,674
Susan Wilkerson, SVP, Global Sales & Services	0
All current executive officers, as a group	3,385
All non-executive directors, as a group	0
All employees, other than executive officers, as a group	251,318

Vote Required

The vote required to approve the amendment of the Amended ESPP as set forth in this Proposal 2 is the affirmative vote of the holders of more than 50% of the combined voting power of all shares of the Company entitled to vote generally in the election of directors, voting together as a single class, present in person or represented by proxy.

Federal Income Tax Consequences

The Amended ESPP is intended to be an “employee stock purchase plan” within the meaning of Section 423 of the Code. Under a plan which so qualifies, no taxable income will be recognized by a participant, and no deductions will be allowable to the Company in connection with the grant or exercise of an outstanding purchase right.

Taxable income will not be recognized until there is a sale or other disposition of the shares acquired under the Amended ESPP or in the event the participant should die while still owning the purchased shares.

If the participant sells or otherwise disposes of the purchased shares within two (2) years after the start date of the offering period in which such shares were acquired or within one (1) year after the actual purchase date of those shares, then the participant will recognize ordinary income in the year of such sale or disposition equal to the amount by which the fair market value of the shares on the purchase date exceeded the purchase price paid for those shares, and the Company will be entitled to an income tax deduction, for the taxable year in which such sale or disposition occurs, equal in amount to such excess.

If the participant sells or disposes of the purchased shares more than two (2) years after the start date of the offering period in which such shares were acquired and more than one (1) year after the actual purchase date of those shares, then the participant will recognize ordinary income in the year of such sale or disposition equal to the lesser of (i) the amount by which the fair market value of the shares on the sale or disposition date exceeds the purchase price paid for those shares or (ii) 15% of the fair market value of the shares on the start date of the offering period, and any additional gain upon the disposition will be taxed as long-term capital gain. The Company will not be entitled to any income tax deduction with respect to such sale or disposition.

If the participant still owns the purchased shares at the time of his or her death, the lesser of (i) the amount by which the fair market value of the shares on the date of death exceeds the purchase price or (ii) 15% of the fair market value of the shares on his or her entry date into the offering period in which those shares were acquired will constitute ordinary income in the year of death.

The Board of Directors recommends a vote “FOR” the approval of the proposed amendment of the Amended ESPP.

PROPOSAL 3: ADVISORY VOTE ON EXECUTIVE COMPENSATION

The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the “Dodd-Frank Act”) enables our stockholders to vote to approve, on an advisory (non-binding) basis, the compensation of our named executive officers as disclosed in this Proxy Statement in accordance with the SEC’s rules.

As described in detail in the “Compensation Discussion and Analysis” section above, our executive compensation programs are designed to attract, motivate and retain our named executive officers, who are critical to our success. Under these programs, our named executive officers are rewarded for the achievement of specific annual, long-term and strategic goals, corporate objectives and the realization of increased stockholder value. Please read the Compensation Discussion and Analysis section for additional details about our executive compensation programs, including information about the fiscal year 2020 compensation of our named executive officers.

We are asking our stockholders to indicate their support for our named executive officer compensation as described in this proxy statement. This proposal, commonly known as a “say-on-pay” proposal, gives our stockholders the opportunity to express their views on the compensation of our named executive officers. This vote is not intended to address any specific item of compensation, but rather the overall compensation of our named executive officers and the philosophy, policies and practices described in this proxy statement. Accordingly, we will ask our stockholders to vote “FOR” the following resolution at the Annual Meeting:

“RESOLVED, that the Company’s stockholders approve, on an advisory basis, the compensation of the named executive officers, as disclosed in the Company’s Proxy Statement for the 2021 Annual Meeting of Stockholders pursuant to the compensation disclosure rules of the Securities and Exchange Commission, including the Compensation Discussion and Analysis, the 2020 Summary Compensation Table and the other related tables and disclosures.”

The say-on-pay vote is advisory, and therefore not binding on the Company, the Compensation Committee or our Board of Directors. Our Board of Directors and our Compensation Committee value the opinions of our stockholders and, to the extent there is any significant vote against the named executive officer compensation as disclosed in the proxy statement, we will consider our stockholders’ concerns and the Compensation Committee will evaluate whether any actions are necessary to address those concerns.

The Board of Directors recommends a vote “FOR” the approval of the compensation of our named executive officers, as disclosed in this Proxy Statement pursuant to the compensation disclosure rules of the Securities and Exchange Commission.

PROPOSAL 4: RATIFICATION OF THE APPOINTMENT OF KPMG

Stockholders are being asked to ratify the appointment of KPMG LLP (“KPMG”) as the Company’s independent registered public accounting firm for 2021. Although the Board has the sole authority to appoint the Company’s independent registered public accounting firm, as a matter of good corporate governance, the Board submits its selection to our stockholders for ratification. If the stockholders do not ratify the appointment of KPMG, the Audit Committee will contemplate whether to reconsider the appointment. Even if the appointment is ratified, the Audit Committee, in its discretion, may direct the appointment of a different registered public accounting firm at any time during the year if the Audit Committee determines that such change would be in the Company’s and the stockholders’ best interests. KPMG has been the Company’s independent registered public accounting firm since March 2015.

Our Audit Committee meets periodically with KPMG to review both audit and non-audit services performed by KPMG, as well as the fees charged for those services. Among other things, the Audit Committee examines the effect that the performance of non-audit services, if any, may have upon the independence of the independent registered public accounting firm. All professional services provided by KPMG, including non-audit services, if any, are subject to pre-approval by the Audit Committee in accordance with applicable securities laws, rules and regulations. For more information, see “Audit Matters” above.

Representatives of KPMG will be present at the Annual Meeting and may make a statement if they so desire. They will also be available to respond to appropriate questions.

Approval of Proposal No. 4 will require the affirmative vote of a majority of the shares present or represented and voting on the proposal at the Annual Meeting. Each proxy received by the stockholders will be voted “FOR” the ratification of the appointment of KPMG, unless the stockholder provides other instructions.

The Board of Directors recommends a vote “FOR” the ratification of the appointment of KPMG as the Company’s independent registered public accounting firm for the year ending December 31, 2021.

VOTING AND MEETING INFORMATION

Why did I receive a notice in the mail regarding the internet availability of proxy materials instead of a full set of proxy materials?

In accordance with the “notice and access” rules adopted by the SEC, we may furnish proxy materials, including this Proxy Statement and our 2020 Annual Report to Stockholders, to our stockholders by providing access to such documents on the internet instead of mailing printed copies. Most stockholders will not receive printed copies of the proxy materials unless they request them. Instead, the Notice of Internet Availability of Proxy Materials (“Notice”), which was mailed to most of our stockholders, will instruct you as to how you may access and review all of the proxy materials on the internet. The proxy materials will be available on the internet starting on March 17, 2021, as described in the Notice. The Notice also instructs you as to how you may access and submit your proxy card. If you would like to receive a paper or email copy of our proxy materials, you should follow the instructions for requesting such materials in the Notice.

Who is entitled to vote?

You may vote if our records show that you owned shares of Veeco common stock on March 9, 2021, the record date for the meeting. At such time, 49,730,854 shares of Veeco common stock were both issued and outstanding. You are entitled to one vote for each share that you own.

How can I vote if I own shares directly?

If your shares are registered directly in your name with our transfer agent, then you are considered the stockholder of record with respect to those shares and these proxy materials are being made available directly to you. Stockholders of record may vote (1) by marking, signing, dating and mailing each proxy card in the envelope provided, (2) by telephone or via the internet in advance of the meeting using the described means, (3) by attending the meeting and voting in person, or (4) by participating virtually through our designated website — www.virtualshareholdermeeting.com/VECO2021 — and casting your vote through the described virtual means. If you desire to vote in person, you must come to the meeting or execute a proxy designating a representative to vote for you at the meeting, which will be held at Veeco’s headquarter offices located at Terminal Drive, Plainview, New York 11803 at 8:30 a.m. (Eastern Time) on Thursday, May 6, 2021. For security reasons, please be prepared to show photo identification. **While in person attendance at our meeting is permitted, it is discouraged due to health and safety concerns associated with COVID-19, and you are encouraged to participate and vote through the other means provided.** Please note that if your Veeco shares are held for you in a brokerage, bank or other institutional account, you must obtain a proxy from that entity in order to vote your shares at the meeting. If you have any questions, please call our Investor Relations department at 1-516-677-0200.

How can I vote if my shares are held through a brokerage, bank or similar organization?

If your shares are held in “street name” (that is, they are held in the name of a broker, bank or similar organization), you are considered the beneficial holder of such shares and these proxy materials are being made available to you by such organization. The organization holding your account is considered the stockholder of record for purposes of voting at the Annual Meeting. As a beneficial owner, you have the right to direct the stockholder of record on how to vote the shares in your account. If you hold your shares through a broker and you do not give instructions to the record holder on how to vote, the record holder will be entitled to vote your shares in its discretion on certain matters considered “routine.” The New York Stock Exchange (“NYSE”) will determine whether the proposals presented at the Annual Meeting are routine or not routine. If a proposal is routine, a broker holding shares for an owner in street name may vote in its discretion on the proposal without receiving voting instructions from the owner. If a proposal is not routine, the broker or other entity may vote on the proposal only if the owner has provided voting instructions. A “broker non-vote” occurs when the broker is unable to vote on a proposal because the proposal is not routine and the street name owner does not provide any voting instructions. Please follow the voting instructions provided by the organization holding your shares to ensure your vote is counted. Under the rules of the NYSE, your broker does not have the discretion to vote your shares on non-routine matters such as Proposals 1, 2 and 3. However, your broker does have discretion to vote your shares on routine matters such

as Proposal 4. If you are not the stockholder of record, you may not vote your shares in person at the Annual Meeting unless you request and obtain a valid proxy from the stockholder of record.

What if I return a proxy card but do not make specific choices?

If you return a signed and dated proxy card without marking any voting selections, your Veeco shares will be voted “FOR” the election of the nominees for director, “FOR” the approval of an amendment to the Veeco Employee Stock Purchase Plan, “FOR” the approval, on an advisory basis, of the compensation of our named executive officers, and “FOR” the ratification of the selection of KPMG LLP as Veeco’s independent registered public accounting firm for the fiscal year ending December 31, 2021. If any other matter is properly presented at the meeting or any adjournment or postponement thereof, your proxy (one of the individuals named on your proxy card) will vote your shares using his or her best judgment.

How do I revoke or change my vote?

If you are a stockholder of record, you may revoke or change your vote by:

- (1) notifying Veeco’s transfer agent, American Stock Transfer and Trust Company, Operations Center, 6201 15th Avenue, Brooklyn, New York 11219, in writing at any time before the meeting;
- (2) submitting a later-dated proxy at any time before the meeting;
- (3) voting again by telephone or internet at a later time before the meeting; or
- (4) voting either in person or virtually at the meeting.

The latest-dated, timely and properly completed proxy that you submit before the meeting will count as your vote. If a vote has been recorded for your shares and you submit a proxy card that is not properly signed and dated, the previously recorded vote will stand.

If your shares are held in street name, consult the voting instructions provided by the organization holding your shares or contact such organization for instructions on how to revoke or change your vote.

What is a “quorum”?

There must be a quorum for the meeting to be held. A “quorum” will be present if stockholders holding at least a majority of the outstanding shares are present at the meeting or represented by proxy. If you submit a timely, properly executed proxy or vote instruction card, then you will be considered part of the quorum, even if you abstain from voting. In addition, shares represented by proxies designated as broker non-votes will be counted for purposes of determining a quorum.

Abstentions: Abstentions are not counted in the tally of votes FOR or AGAINST a proposal. A WITHHELD vote is the same as an abstention. Abstentions and withheld votes are counted as shares present and entitled to be voted.

Broker Non-Votes: Broker non-votes will be counted for purposes of calculating whether a quorum is present at the Annual Meeting, but will not be counted for purposes of determining the number of votes present in person or represented by proxy and entitled to vote with respect to a particular proposal.

How many votes are needed to approve each proposal?

Proposal:	Vote Required:	Broker Discretionary Voting Allowed?
Proposal 1 – Election of Three Directors	Majority of the Shares Cast for Each Director Nominee	No
Proposal 2 – Amendment to the 2016 Employee Stock Purchase Plan	Majority of the Votes Cast	No
Proposal 3 – Advisory Vote on Executive Compensation	Majority of the Votes Cast	No
Proposal 4 – Ratification of Auditors for Fiscal Year 2021	Majority of the Votes Cast	Yes

With respect to Proposals 2, 3 and 4, you may vote FOR, AGAINST or ABSTAIN.

With respect to Proposal 1, you may vote FOR all nominees, WITHHOLD your vote as to all nominees, or FOR all nominees except the specific nominees from whom you WITHHOLD your vote. A properly executed proxy marked WITHHOLD with respect to the election of one or more directors shall be included in calculating the total votes cast with respect to the director or directors indicated. Proxies may not be voted for more than three directors and stockholders may not cumulate votes in the election of directors.

If you abstain from voting on Proposals 1, 2, 3 or 4, the abstention will not have an effect on the outcome of the vote.

How will voting on any other business be conducted?

Although we do not know of any business to be considered at the Annual Meeting other than the proposals described in this Proxy Statement, if any other business is presented at the Annual Meeting or any adjournment or postponement thereof, your signed proxy or vote instruction card gives authority to William J. Miller, Ph.D., Veeco's CEO, and John P. Kiernan, Veeco's CFO, to vote on such matters at their discretion.

Who will count the vote?

Votes will be tabulated by an independent inspector of elections appointed for the Annual Meeting, who will separately tabulate affirmative and negative votes, abstentions and broker non-votes.

How can I find out the results of the voting at the Annual Meeting?

Voting results will be announced at the Annual Meeting and are expected to be posted shortly after the Annual Meeting on our website at www.veeco.com. Voting results will also be reported in a Current Report on Form 8-K, which is expected to be filed with the SEC within four business days after the Annual Meeting.

What does it mean if I get more than one Notice?

If your shares are registered in more than one name or in more than one account, you may receive more than one Notice. Please complete and return a proxy or vote instruction card for each Notice you receive to ensure that all of your shares are voted.

I have Veeco shares that are held in street name, as do others in my household. We received only one copy of the proxy materials. How can I obtain additional copies of these materials?

In a further effort to reduce printing costs and postage fees, we have adopted a practice approved by the SEC called "householding." Under this practice, stockholders who have the same address and last name and who request printed copies of proxy materials will receive only one copy of our proxy materials, unless one or more of these stockholders notifies us that he or she wishes to continue receiving individual copies. Stockholders who participate in householding will continue to receive separate proxy cards.

If you share an address with another stockholder and received only one set of proxy materials, and would like to request a separate paper copy of these materials, please: (1) go to www.proxyvote.com and follow the instructions provided; (2) send an e-mail message to investorrelations@veeco.com with "Request for Proxy Materials" in the subject line and provide your name, address and the control number that appears in the box on the Stockholders Meeting Notice; or (3) call our Investor Relations department at 1-516-677-0200.

When are stockholder proposals for the 2022 Annual Meeting due?

In accordance with Rule 14a-8 of the Exchange Act, stockholders who wish to present proposals for inclusion in the proxy materials prepared by the Company in connection with the 2022 Annual Meeting must submit their proposals so that they are received by the Corporate Secretary, Veeco Instruments Inc., Terminal Drive, Plainview, NY 11803 by November 18, 2021. Any such proposal must comply with the

requirements of our Sixth Amended and Restated Bylaws, as amended (“Bylaws”), and Rule 14a-8 under the Exchange Act, which lists the requirements for the inclusion of stockholder proposals in company-sponsored proxy materials.

Generally, timely notice of any director nomination or other proposal that any stockholder intends to present at the 2022 Annual Meeting, but does not intend to have included in the proxy materials prepared by the Company in connection with the 2022 Annual Meeting, must be delivered in writing to the Corporate Secretary at the address above not less than 90 days nor more than 120 days before the first anniversary of the prior year’s meeting. However, if we hold the 2022 Annual Meeting on a date that is not within 30 days before or 60 days after such anniversary date, we must receive the notice no later than 10 days after the earlier of the date we first provide notice of the meeting to stockholders or announce it publicly. In addition, the stockholder’s notice must set forth the information required by our Bylaws with respect to each stockholder making the proposal and each proposal that such stockholder intends to present at the 2022 Annual Meeting.

For more information, including the information required to be included in a stockholder proposal, please refer to our Bylaws, filed as Exhibit 3.1 to our Current Report on Form 8-K, filed with the SEC on January 22, 2021.

Can a stockholder nominate someone to be a director of Veeco?

As a stockholder, you may recommend any person as a nominee for director of Veeco for consideration by the Governance Committee by submitting the name and supporting information in writing to the Governance Committee of the Board of Directors, c/o Corporate Secretary, Veeco Instruments Inc., Terminal Drive, Plainview, New York 11803. The deadlines for submitting stockholder nominations of directors are the same as those set forth above with respect to the submission of stockholder proposals. The recommending stockholder must submit a written recommendation that sets forth the information required by our Bylaws with respect to the recommending stockholder and such stockholder’s nominee. This submission shall include a written agreement from the recommending stockholder to the Company representing that such nominee:

- is not and will not become a party to any agreement with any person: (i) with respect to how the nominee will act or vote on any issue that has not been disclosed to the Company, or (ii) that could interfere with the nominee’s ability to comply with his or her fiduciary duties;
- is not and will not become a party to any agreement with any person other than the Company with respect to any compensation, reimbursement or indemnification in connection with service as a director that has not been disclosed to the Company; and
- will comply with all corporate governance, conflict of interest and other policies and guidelines of the Company that are applicable to the Company’s directors.

In addition, the Company may require any nominee to furnish such other information as the Company may reasonably request, including: (i) as may be required by the Company’s directors’ and officers’ questionnaire, (ii) as may reasonably be required by the Company to determine the qualifications of such nominee to serve as a director of the Company, (iii) as may reasonably be required by the Company to determine the eligibility of such nominee to serve as an independent director of the Company, and (iv) that could be material to a reasonable stockholder’s understanding of the qualifications of such nominee to serve as a director of the Company or the independence or lack of independence of such proposed nominee.

For more information please refer to our Bylaws, filed as Exhibit 3.1 to our Current Report on Form 8-K, filed with the SEC on January 22, 2021.

How can stockholders communicate with Veeco’s Directors?

Stockholders may address communications (other than sales or employment-related communications) to one or more members of the Board by letter addressed to Corporate Secretary, Veeco Instruments Inc., Terminal Drive, Plainview, New York 11803. The Corporate Secretary will forward copies of all letters (other than sales or employment-related communications) to each Board member to whom they are addressed.

How much will this proxy solicitation cost?

D.F. King & Co., Inc. was hired by Veeco to assist in the distribution of proxy materials and the solicitation of votes for a fee of \$13,000, plus reimbursement of out-of-pocket expenses. The expense of soliciting proxies will be borne by Veeco. In addition, Veeco may reimburse brokerage houses and other custodians, nominees and fiduciaries for their reasonable out-of-pocket expenses for forwarding proxy and solicitation materials to stockholders. D.F. King may contact stockholders by mail, telephone, fax and personal interviews. Veeco has agreed to indemnify D.F. King against certain liabilities and expenses in connection with such solicitations, including liabilities under the federal securities laws. Some personal solicitations also may be made by directors, officers and employees of Veeco without special compensation, other than reimbursement for expenses.

Who is soliciting my vote?

Your vote is being solicited by the Board of Directors of Veeco, on behalf of the Company.

Appendix A

**SECOND AMENDMENT
TO THE
VEECO INSTRUMENTS INC.
2016 EMPLOYEE STOCK PURCHASE PLAN**

This Second Amendment to the Veeco Instruments Inc. 2016 Employee Stock Purchase Plan (the “Plan”) is made and adopted by Veeco Instruments Inc., a Delaware corporation (the “Company”), subject to approval by the stockholders of the Company.

WITNESSETH:

WHEREAS, the Plan was adopted by the Board of Directors on February 5, 2016, and approved by the Company’s stockholders on May 5, 2016;

WHEREAS, the First Amendment to the Plan (the “First Amendment”) was adopted by the Board on February 6, 2019, and approved by the Company’s stockholders on May 3, 2019 (the Plan as amended by the First Amendment, the “Amended Plan”);

WHEREAS, Section 12(a) of the Amended Plan provides that, subject to adjustment upon changes in capitalization of the Company as provided in Section 18 of the Amended Plan, the maximum number of shares of Company common stock available for sale under the Amended Plan is 1,500,000 shares;

WHEREAS, the Board believes it to be in the best interests of the Company and its stockholders to amend the Amended Plan to increase the aggregate number of shares available for sale under the Amended Plan; and

WHEREAS, the Board may amend the Amended Plan at any time, provided stockholder approval is obtained with respect to any amendment to the extent such approval is required by Section 423 of the Internal Revenue Code of 1986, as amended.

NOW, THEREFORE, the Amended Plan is hereby amended, subject to approval of the Company’s stockholders, as follows:

1. The first sentence of Section 12(a) of the Amended Plan is hereby amended by deleting the present sentence in its entirety and substituting the following in lieu thereof:

“(a) Subject to adjustment upon changes in capitalization of the Company as provided in Section 18, the maximum number of shares of Common Stock which will be made available for sale under the Plan is 2,250,000 shares.”

2. Except as hereby modified, the Amended Plan shall remain in full force and effect.

**FIRST AMENDMENT
TO THE
VEECO INSTRUMENTS INC.
2016 EMPLOYEE STOCK PURCHASE PLAN**

This First Amendment to the Veeco Instruments Inc. 2016 Employee Stock Purchase Plan (the “Plan”) is made and adopted by Veeco Instruments Inc., a Delaware corporation (the “Company”), subject to approval by the stockholders of the Company.

WITNESSETH:

WHEREAS, the Plan was adopted by the Board of Directors on February 5, 2016, and approved by the Company’s stockholders on May 5, 2016;

WHEREAS, Section 12(a) of the Plan provides that, subject to adjustment upon changes in capitalization of the Company as provided in Section 18 of the Plan, the maximum number of shares of Company common stock available for sale under the Plan is 750,000 shares;

WHEREAS, the Board believes it to be in the best interests of the Company and its stockholders to amend the Plan to increase the aggregate number of shares available for sale under the Plan; and

WHEREAS, the Board may amend the Plan at any time, provided stockholder approval is obtained with respect to any amendment to the extent such approval is required by Section 423 of the Internal Revenue Code of 1986, as amended.

NOW, THEREFORE, the Plan is hereby amended, subject to approval of the Company’s stockholders, as follows:

1. The first sentence of Section 12(a) of the Plan is hereby amended by deleting the present sentence in its entirety and substituting the following in lieu thereof:

“(a) Subject to adjustment upon changes in capitalization of the Company as provided in Section 18, the maximum number of shares of Common Stock which will be made available for sale under the Plan is 1,500,000 shares.”
2. Except as hereby modified, the Plan shall remain in full force and effect.

**VEECO INSTRUMENTS INC.
2016 EMPLOYEE STOCK PURCHASE PLAN**

1. Purpose. The purpose of the Plan is to provide Employees of the Company and its Designated Parents or Subsidiaries with an opportunity to purchase Common Stock of the Company through accumulated payroll deductions. It is the intention of the Company to have the Plan qualify as an “employee stock purchase plan” under Section 423 of the Code and the applicable regulations thereunder. The provisions of the Plan, will be construed so as to extend and limit participation in a manner consistent with the requirements of that section of the Code.

2. Definitions. As used herein, the following definitions apply:

(a) “Administrator” means either the Board or a committee of the Board that is responsible for the administration of the Plan as is designated from time to time by resolution of the Board.

(b) “Applicable Laws” means the legal requirements relating to the administration of employee stock purchase plans, if any, under applicable provisions of federal securities laws, state corporate and securities laws, the Code and the applicable regulations thereunder, the rules of any applicable stock exchange or national market system, and the rules of any foreign jurisdiction applicable to participation in the Plan by residents therein.

(c) “Board” means the Board of Directors of the Company.

(d) “Code” means the Internal Revenue Code of 1986, as amended.

(e) “Common Stock” means the common stock of the Company.

(f) “Company” means Veeco Instruments Inc., a Delaware corporation.

(g) “Compensation” means, unless otherwise determined by the Administrator, an Employee’s United States payroll base salary from the Company or one or more Designated Parents or Subsidiaries, including such amounts of base salary as are deferred by the Employee: (i) under a qualified cash or deferred arrangement described in Section 401(k) of the Code; or (ii) to a plan qualified under Section 125 of the Code. Unless otherwise determined by the Administrator, “Compensation” does not include overtime, bonuses, commissions, annual awards, other incentive payments, reimbursements or other expense allowances, fringe benefits (cash or non-cash), moving expenses, deferred compensation, contributions (other than contributions described in the first sentence) made on the Employee’s behalf by the Company or one or more Designated Parents or Subsidiaries under any employee benefit or welfare plan now or hereafter established, and any other payments not specifically referenced in the first sentence.

(h) “Corporate Transaction” means any of the following transactions, provided, however, that the Administrator will determine under parts (iv) and (v) whether multiple transactions are related, and its determination is final, binding and conclusive:

(i) a merger or consolidation of the Company in which the Company is not the surviving entity, except for a transaction the principal purpose of which is to change the jurisdiction in which the Company is incorporated;

(ii) the sale, transfer or other disposition of all or substantially all of the assets of the Company;

(iii) the complete liquidation or dissolution of the Company;

(iv) any reverse merger or series of related transactions culminating in a reverse merger (including, but not limited to, a tender offer followed by a reverse merger) in which the Company is the surviving entity but (A) the shares of Common Stock outstanding immediately prior to such merger are converted or exchanged by virtue of the merger into other property, whether in the form of securities, cash or otherwise, or (B) in which securities possessing more than fifty percent (50%) of the total combined voting power of the Company’s outstanding securities are transferred to a person or persons different from those who held such securities immediately prior to such

merger or the initial transaction culminating in such merger, but excluding any such transaction or series of related transactions that the Administrator determines is not a Corporate Transaction;
or

(v) acquisition in a single transaction or series of related transactions by any person or related group of persons (other than the Company or by a Company-sponsored employee benefit plan) of beneficial ownership (within the meaning of Rule 13d-3 of the Exchange Act) of securities possessing more than fifty percent (50%) of the total combined voting power of the Company's outstanding securities but excluding any such transaction or series of related transactions that the Administrator determines is not a Corporate Transaction.

(i) "Designated Parents or Subsidiaries" means the Parents or Subsidiaries, which have been designated by the Administrator from time to time as eligible to participate in the Plan.

(j) "Effective Date" means the date of the Plan's adoption by the Board.

(k) "Employee" means any individual, including an officer or director, who is an employee of the Company or a Designated Parent or Subsidiary for purposes of Section 423 of the Code. For purposes of the Plan, the employment relationship will be treated as continuing intact while the individual is on sick leave or other leave of absence approved by the individual's employer. Where the period of leave exceeds three (3) months and the individual's right to reemployment is not guaranteed either by statute or by contract, the employment relationship will be deemed to have terminated on the day that is three (3) months and one (1) day following the start of such leave, for purposes of determining eligibility to participate in the Plan.

(l) "Exchange Act" means the Securities Exchange Act of 1934, as amended.

(m) "Exercise Date" means the last day of each Purchase Period.

(n) "Fair Market Value" means, as of any date, the value of Common Stock determined as follows:

(i) If the Common Stock is listed on one or more established stock exchanges, including without limitation, the Nasdaq Stock Market, its Fair Market Value will be the closing sales price for such stock (or the closing bid, if no sales were reported) as quoted on the principal exchange or system on which the Common Stock is listed (as determined by the Administrator) on the date of determination (or, if no closing sales price or closing bid was reported on that date, as applicable, on the last trading date such closing sales price or closing bid was reported), as reported in such source as the Administrator deems reliable;

(ii) If the Common Stock is regularly quoted on an automated quotation system (including the OTC Bulletin Board) or by a recognized securities dealer, but selling prices are not reported, its Fair Market Value will be the mean between the high bid and low asked prices for the Common Stock on the date of determination (or, if no such prices were reported on that date, on the last date such prices were reported), as reported in such source as the Administrator deems reliable; or

(iii) In the absence of an established market for the Common Stock of the type described in (i) and (ii), above, its Fair Market Value thereof will be determined by the Administrator in good faith.

(o) "New Exercise Date" has the meaning set forth in Section 18(b).

(p) "Offer Period" means an Offer Period established pursuant to Section 4 hereof.

(q) "Offering" means an offer under this Plan of an Option that may be exercised during an Offer Period. For purposes of the Plan, all Employees eligible to participate pursuant to Section 3 will be deemed to participate in the same Offering unless the Administrator otherwise determines that Employees of the Company or one or more Designated Parents or Subsidiaries will be deemed to participate in separate Offerings, in which case the Offerings will be considered separate even if the dates of each such Offering are identical and the provisions of the Plan will separately apply to each

Offering. To the extent permitted by Section 1.423-2(a)(1) of the Treasury regulations issued under Section 423 of the Code, the terms of each Offering need not be identical provided that the terms of the Plan and the Offering together satisfy Sections 1.423-2(a)(2) and (a)(3) of such Treasury regulations.

(r) “Offering Date” means the first day of each Offer Period.

(s) “Option” means, with respect to each Offer Period, a right to purchase shares of Common Stock on the Exercise Date for such Offer Period in accordance with the terms and conditions of the Plan.

(t) “Parent” means a “parent corporation” of the Company, whether now or hereafter existing, as defined in Section 424(e) of the Code.

(u) “Participant” means an Employee of the Company or Designated Parent or Subsidiary who has enrolled in the Plan as set forth in Section 5(a).

(v) “Plan” means this Veeco Instruments Inc. Employee Stock Purchase Plan.

(w) “Purchase Period” means, unless otherwise determined by the Administrator, a period of approximately six months.

(x) “Purchase Price” means, unless determined otherwise by the Administrator, an amount equal to eighty-five percent (85%) of the Fair Market Value of a share of Common Stock on the Offering Date or on the Exercise Date, whichever is lower.

(y) “Reserves” means, as of any date, the sum of: (1) the number of shares of Common Stock covered by each then outstanding Option under the Plan which has not yet been exercised; and (2) the number of shares of Common Stock which have been authorized for issuance under the Plan but not then subject to an outstanding Option.

(z) “Subsidiary” means a “subsidiary corporation” of the Company, whether now or hereafter existing, as defined in Section 424(f) of the Code.

3. Eligibility.

(a) General. Subject to the further limitations in Sections 3(b) and 3(c), any individual who is an Employee on a given Offering Date will be eligible to participate in the Plan for the Offer Period commencing with such Offering Date.

(b) Limitations on Grant and Accrual. Notwithstanding any provisions of the Plan to the contrary, no Employee will be granted an Option under the Plan: (i) if, immediately after the grant, such Employee (taking into account stock owned by any other person whose stock would be attributed to such Employee pursuant to Section 424(d) of the Code) would own stock and/or hold outstanding options to purchase stock possessing five percent (5%) or more of the total combined voting power or value of all classes of stock of the Company or of any Parent or Subsidiary; or (ii) which permits the Employee’s rights to purchase stock under all employee stock purchase plans of the Company and its Parents or Subsidiaries to accrue at a rate which exceeds Twenty-Five Thousand Dollars (US\$25,000) worth of stock (determined at the Fair Market Value of the shares at the time such Option is granted) for each calendar year in which such Option is outstanding at any time. The determination of the accrual of the right to purchase stock will be made in accordance with Section 423(b)(8) of the Code and the regulations thereunder.

(c) Other Limits on Eligibility. Notwithstanding Subsection (a), above, unless otherwise determined prior to the applicable Offer Date, the following Employees will not be eligible to participate in the Plan for any relevant Offer Period: (i) Employees whose customary employment is 20 hours or less per week; (ii) Employees whose customary employment is for 5 months or less in any calendar year; (iii) Employees who have not been employed for such continuous period preceding the Offering Date as the Administrator may require, but in no event will the required period of continuous employment be equal to or greater than 2 years; and (iv) Employees who are citizens or residents of a non-U.S. jurisdiction (without regard to whether he or she is also a citizen of the United States or a resident alien (within the meaning of Section 7701(b)(1)(A) of the Code)) if his or her participation is prohibited under the laws of the applicable

non-U.S. jurisdiction or if complying with the laws of the applicable non-U.S. jurisdiction would cause the Plan or an Offering to violate Section 423 of the Code.

4. Offer Periods.

The Plan will be implemented through overlapping or consecutive Offer Periods until such time as (i) the maximum number of shares of Common Stock available for issuance under the Plan have been purchased or (ii) the Plan has been sooner terminated in accordance with Section 19 hereof. The maximum duration of an Offer Period is twenty-seven (27) months. Unless otherwise determined by the Administrator, the Plan will be implemented through successive Offer Periods of six (6) months' duration beginning on each January 1 and July 1 following the Effective Date.

A Participant will be granted a separate Option for each Offer Period in which he or she participates. The Option will be granted on the Offering Date and will be automatically exercised in successive installments on the Exercise Dates ending within the Offer Period.

Except as specifically provided herein, the acquisition of Common Stock through participation in the Plan for any Offer Period will neither limit nor require the acquisition of Common Stock by a Participant in any subsequent Offer Period.

5. Participation.

(a) An eligible Employee may become a Participant in the Plan by submitting an authorization of payroll deduction (using such form or method (including electronic forms) as the Administrator may designate from time to time) as of a date in advance of the Offering Date for the Offer Period in which such participation will commence, as required by the Administrator for all eligible Employees with respect to a given Offer Period.

(b) Payroll deductions for a Participant will apply to Compensation paid via payroll during the Offer Period, unless sooner terminated by the Participant as provided in Section 10.

6. Payroll Deductions.

(a) At the time a Participant enrolls in the Plan, the Participant will elect to have payroll deductions made during the Offer Period in amounts between one percent (1%) and not exceeding fifteen percent (15%) of the Compensation which the Participant receives during the Offer Period.

(b) All payroll deductions made for a Participant will be credited to the Participant's account under the Plan and will be withheld in whole percentages only. A Participant may not make any additional payments into such account.

(c) A Participant may discontinue participation in the Plan as provided in Section 10, or may decrease the rate of payroll deductions during the Offer Period by submitting notice of a change of status (using such form or method (including electronic forms) as the Administrator may designate from time to time) authorizing a decrease in the payroll deduction rate. Any decrease in the rate of a Participant's payroll deductions will be effective as soon as administratively practicable following the date of the request. A Participant's payroll deduction authorization (as modified by any change of status notice) will remain in effect for successive Offer Periods unless terminated as provided in Section 10. The Administrator will be authorized to limit the number of payroll deduction rate changes during any Offer Period.

(d) Notwithstanding the foregoing, to the extent necessary to comply with Section 423(b)(8) of the Code and Sections 3(b) and 7 herein, a Participant's payroll deductions may be decreased to zero percent (0%). Payroll deductions will recommence at the rate provided in such Participant's payroll deduction authorization, as amended, when permitted under Section 423(b)(8) of the Code and Section 3(b), unless such participation is sooner terminated by the Participant as provided in Section 10.

7. Grant of Option. On the Offering Date, each Participant will be granted an Option to purchase (at the applicable Purchase Price) shares of Common Stock; provided: (i) that such Option is subject to the limitations set forth in Sections 3(b), 6 and 12; (ii) until otherwise determined by the Administrator, the maximum number of shares of Common Stock a Participant will be permitted to purchase in any Offer

Period is 2,500 shares, subject to adjustment as provided in Section 18; and (iii) that such Option is subject to such other terms and conditions (applied on a uniform and nondiscriminatory basis), as the Administrator determines from time to time. Exercise of the Option will occur as provided in Section 8, unless the Participant has withdrawn pursuant to Section 10, and the Option, to the extent not exercised, will expire on the last day of the Offer Period with respect to which such Option was granted. Notwithstanding the foregoing, shares subject to the Option may only be purchased with accumulated payroll deductions credited to a Participant's account in accordance with Section 6. In addition, to the extent an Option is not exercised on each Exercise Date, the Option will lapse and thereafter cease to be exercisable.

8. Exercise of Option. Unless a Participant withdraws from the Plan as provided in Section 10, the Participant's Option for the purchase of shares of Common Stock will be exercised automatically on each Exercise Date, by applying the accumulated payroll deductions in the Participant's account to purchase the number of shares subject to the Option by dividing such Participant's payroll deductions accumulated prior to such Exercise Date and retained in the Participant's account as of the Exercise Date by the applicable Purchase Price. Any amount remaining in a Participant's account following the purchase of shares on the Exercise Date due to the application of Section 423(b)(8) of the Code, or Sections 3 or 7, will be returned to the Participant and will not be carried over to the next Offer Period or Purchase Period. A Participant's Option to purchase shares hereunder is exercisable only by the Participant.

9. Delivery. As soon as practicable after each Exercise Date, the Company shall arrange the delivery to each Participant of the shares acquired by the Participant on such Exercise Date; provided that the Company may deliver such shares to a broker designated by the Company that will hold such shares for the benefit of the Participant. Shares to be delivered to a Participant under the Plan shall be registered, or held in an account, in the name of the Participant, or, if requested by the Participant, such other name or names as the Company may permit under rules established for the operation and administration of the Plan.

10. Withdrawal; Termination of Employment.

(a) A Participant may, by giving notice to the Company (using such form or method (including electronic forms) as the Administrator may designate from time to time), either: (i) withdraw all but not less than all the payroll deductions credited to the Participant's account and not yet used to exercise the Participant's Option under the Plan; or (ii) terminate future payroll deductions, but allow accumulated payroll deductions to be used to exercise the Participant's Option under the Plan at any time. If the Participant elects withdrawal alternative (i) described above, all of the Participant's payroll deductions credited to the Participant's account will be paid to such Participant as soon as administratively practicable after receipt of notice of withdrawal, such Participant's Option for the Offer Period will be automatically terminated, and no further payroll deductions for the purchase of shares will be made during the Offer Period. If the Participant elects withdrawal alternative (ii) described above, no further payroll deductions for the purchase of shares will be made during the Offer Period, all of the Participant's payroll deductions credited to the Participant's account will be applied to the exercise of the Participant's Option on the next Exercise Date (subject to Sections 3(b), 6, 7 and 12), and after such Exercise Date, such Participant's Option for the Offer Period will be automatically terminated and all remaining accumulated payroll deduction amounts will be returned to the Participant. If a Participant withdraws from an Offer Period, payroll deductions will not resume at the beginning of the succeeding Offer Period unless the Participant enrolls in such succeeding Offer Period. The Administrator may, in its discretion and on a uniform and nondiscriminatory basis, specify further procedures for withdrawal.

(b) Upon termination of a Participant's employment relationship (as described in Section 2(k)) prior to the next scheduled Exercise Date, the payroll deductions credited to such Participant's account during the Offer Period but not yet used to exercise the Option will be returned to such Participant or, in the case of his/her death, to the person or persons entitled thereto under Section 14, and such Participant's Option will be automatically terminated without exercise of any portion of such Option.

11. Interest. No interest will accrue on the payroll deductions credited to a Participant's account under the Plan.

12. Stock.

(a) Subject to adjustment upon changes in capitalization of the Company as provided in Section 18, the maximum number of shares of Common Stock which will be made available for sale under the Plan is

750,000 shares. If the Administrator determines that on a given Exercise Date the number of shares with respect to which Options are to be exercised may exceed: (x) the number of shares then available for sale under the Plan; or (y) the number of shares available for sale under the Plan on the Offering Date(s) of one or more of the Offer Periods in which such Exercise Date is to occur, the Administrator may make a pro rata allocation of the shares remaining available for purchase on such Offering Dates or Exercise Date, as applicable, and will either continue the Offer Period then in effect or terminate any one or more Offer Periods then in effect pursuant to Section 19, below. Such allocation method will be “bottom up,” with the result that all Option exercises for one (1) share will be satisfied first, followed by all exercises for two (2) shares, and so on, until all available shares have been exhausted. Any amount remaining in a Participant’s payroll account following such allocation will be returned to the Participant and will not be carried over to any future Purchase Period or Offer Period, as determined by the Administrator.

(b) A Participant will have no interest or voting right in shares covered by the Participant’s Option until such shares are actually purchased on the Participant’s behalf in accordance with the applicable provisions of the Plan. No adjustment will be made for dividends, distributions or other rights for which the record date is prior to the date of such purchase.

(c) Shares to be delivered to a Participant under the Plan will be registered in the name of the Participant, or as otherwise provided in Section 9.

13. Administration. The Plan will be administered by the Administrator, which will have full and exclusive discretionary authority to construe, interpret and apply the terms of the Plan, to determine eligibility, to determine, with respect to each Offer Period, whether the Purchase Price will be determined as of (i) the Exercise Date or (ii) as of the Offering Date or the Exercise Date (whichever is lower), to adjudicate all disputed claims filed under the Plan, and to designate separate Offerings for the eligible Employees of the Company and one or more Designated Parents or Subsidiaries, in which case the Offerings will be considered separate even if the dates of each such Offering are identical and the provisions of the Plan will separately apply to each Offering. Every finding, decision and determination made by the Administrator will, to the full extent permitted by Applicable Law, be final and binding upon all persons.

14. Designation of Beneficiary.

(a) Each Participant will file a designation (using such form or method (including electronic forms) as the Administrator may designate from time to time) of a beneficiary who is to receive any shares and cash, if any, from the Participant’s account under the Plan in the event of such Participant’s death. If a Participant is married and the designated beneficiary is not the spouse, spousal consent will be required for such designation to be effective.

(b) Such designation of beneficiary may be changed by the Participant (and the Participant’s spouse, if any) at any time by written notice. In the event of the death of a Participant and in the absence of a beneficiary validly designated under the Plan who is living (or in existence) at the time of such Participant’s death, the Company will deliver such shares and/or cash to the executor or administrator of the estate of the Participant, or if no such executor or administrator has been appointed (to the knowledge of the Administrator), the Administrator will deliver such shares and/or cash to the spouse (or domestic partner, as determined by the Administrator) of the Participant, or if no spouse (or domestic partner) is known to the Administrator, then to the issue of the Participant, such distribution to be made per stirpes (by right of representation), or if no issue are known to the Administrator, then to the heirs at law of the Participant determined in accordance with Section 27.

15. Transferability. No payroll deductions credited to a Participant’s account, Options granted hereunder, or any rights with regard to the exercise of an Option or to receive shares under the Plan may be assigned, transferred, pledged or otherwise disposed of in any way (other than by will, the laws of descent and distribution, or as provided in Section 14) by the Participant. Any such attempt at assignment, transfer, pledge or other disposition will be without effect, except that the Administrator may, in its sole discretion, treat such act as an election to withdraw funds from an Offer Period in accordance with Section 10.

16. Use of Funds. All payroll deductions received or held by the Company under the Plan may be used by the Company for any corporate purpose, and the Company will not be obligated to segregate such payroll deductions or hold them exclusively for the benefit of Participants. All payroll deductions received or

held by the Company may be subject to the claims of the Company's general creditors. Participants will have the status of general unsecured creditors of the Company. Any amounts payable to Participants pursuant to the Plan will be unfunded and unsecured obligations for all purposes, including, without limitation, Title I of the Employee Retirement Income Security Act of 1974, as amended. The Company will retain at all times beneficial ownership of any investments which the Company may make to fulfill its payment obligations hereunder. Any investments or the creation or maintenance of any trust or any Participant account will not create or constitute a trust or fiduciary relationship between the Administrator, the Company or any Designated Parent or Subsidiary and a Participant, or otherwise create any vested or beneficial interest in any Participant or the Participant's creditors in any assets of the Company or a Designated Parent or Subsidiary. The Participants will have no claim against the Company or any Designated Parent or Subsidiary for any changes in the value of any assets that may be invested or reinvested by the Company with respect to the Plan.

17. Reports. Individual accounts will be maintained for each Participant in the Plan. Statements of account will be given to Participants at least annually, which statements will set forth the amounts of payroll deductions, the Purchase Price, the number of shares purchased and the remaining cash balance, if any.

18. Adjustments Upon Changes in Capitalization; Corporate Transactions.

(a) Adjustments Upon Changes in Capitalization. Subject to any required action by the stockholders of the Company, the Administrator, in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan, will, in such manner as it may deem equitable, adjust the Reserves, the Purchase Price, the maximum number of shares that may be purchased in any Offer Period or Purchase Period, as well as any other terms that the Administrator determines require adjustment, for: (i) any increase or decrease in the number of issued shares of Common Stock resulting from a stock split, reverse stock split, stock dividend, combination or reclassification of the Common Stock; (ii) any other increase or decrease in the number of issued shares of Common Stock effected without receipt of consideration by the Company; or (iii) as the Administrator may determine in its discretion, any other transaction with respect to Common Stock, including a corporate merger, consolidation, acquisition of property or stock, separation (including a spin-off or other distribution of stock or property), reorganization, liquidation (whether partial or complete) or any similar transaction; provided, however, that conversion of any convertible securities of the Company will not be deemed to have been "effected without receipt of consideration." Such adjustment, if any, will be made by the Administrator and its determination will be final, binding and conclusive. Except as the Administrator determines, no issuance by the Company of shares of stock of any class, or securities convertible into shares of stock of any class, will affect, and no adjustment by reason hereof will be made with respect to, the Reserves and the Purchase Price.

(b) Corporate Transactions. In the event of a proposed Corporate Transaction, each Option under the Plan will be assumed by such successor corporation or a parent or subsidiary of such successor corporation, unless the Administrator, in the exercise of its sole discretion and in lieu of such assumption, determines to shorten the Offer Period then in progress by setting a new Exercise Date (the "New Exercise Date"). If the Administrator shortens the Offer Period then in progress in lieu of assumption in the event of a Corporate Transaction, the Administrator will notify each Participant in writing at least ten (10) business days prior to the New Exercise Date, that the Exercise Date for the Participant's Option has been changed to the New Exercise Date and that either:

(i) the Participant's Option will be exercised automatically on the New Exercise Date, unless prior to such date the Participant has withdrawn from the Offer Period as provided in Section 10; or

(ii) the Company will pay to the Participant on the New Exercise Date an amount in cash, cash equivalents, or property as determined by the Administrator that is equal to the excess, if any, of (x) the Fair Market Value of the shares subject to the Option over (y) the Purchase Price due had the Participant's Option been exercised automatically under Subsection (b)(i) above. In addition, all remaining accumulated payroll deduction amounts will be returned to the Participant.

(c) For purposes of Section 18(b), an Option granted under the Plan will be deemed to be assumed if, in connection with the Corporate Transaction, the Option is replaced with a comparable Option with respect to shares of capital stock of the successor corporation or Parent thereof. The determination of Option

comparability will be made by the Administrator prior to the Corporate Transaction and its determination will be final, binding and conclusive on all persons.

19. Amendment or Termination.

(a) The Administrator may at any time and for any reason terminate or amend the Plan. Except as provided in Section 18, no such termination can adversely affect Options previously granted, provided that the Plan or any one or more Offer Periods then in effect may be terminated by the Administrator on any Exercise Date or by the Administrator establishing a new Exercise Date with respect to any Offer Period and/or Purchase Period then in progress if the Administrator determines that the termination of the Plan or one or more Offer Periods is in the best interests of the Company and its stockholders. Except as provided in Section 18 and this Section 19, no amendment may make any change in any Option theretofore granted which adversely affects the rights of any Participant without the consent of affected Participants. To the extent necessary to comply with Section 423 of the Code and any regulations thereunder (or any successor rule or provision or any other Applicable Law), the Company will obtain stockholder approval of any amendment in such a manner and to such a degree as required.

(b) Without stockholder consent and without regard to whether any Participant rights may be considered to have been “adversely affected,” the Administrator will be entitled to limit the frequency and/or number of changes in the amount withheld during Offer Periods, change the length of Purchase Periods within any Offer Period, determine the length of any future Offer Period, determine whether future Offer Periods will be consecutive or overlapping, establish the exchange ratio applicable to amounts withheld in a currency other than U.S. dollars, establish or change Plan or per Participant limits on share purchases, establish additional terms, conditions, rules or procedures to accommodate the rules or laws of applicable foreign jurisdictions, permit payroll withholding in excess of the amount designated by a Participant in order to adjust for delays or mistakes in the Company’s processing of properly completed withholding elections, establish reasonable waiting and adjustment periods and/or accounting and crediting procedures to ensure that amounts applied toward the purchase of Common Stock for each Participant properly correspond with amounts withheld from the Participant’s Compensation, establish requirements for holding shares purchased pursuant to the Plan and establish such other limitations or procedures as the Administrator determines in its sole discretion advisable and which are consistent with the Plan, in each case to the extent consistent with the requirements of Code Section 423 and other Applicable Laws.

20. Notices. All notices or other communications by a Participant to the Company under or in connection with the Plan will be deemed to have been duly given when received in the form specified by the Administrator at the location, or by the person, designated by the Administrator for the receipt thereof.

21. Conditions Upon Issuance of Shares. Shares will not be issued with respect to an Option unless the exercise of such Option and the issuance and delivery of such shares pursuant thereto will comply with all Applicable Laws and will be further subject to the approval of counsel for the Company with respect to such compliance. As a condition to the exercise of an Option, the Company may require the Participant to represent and warrant at the time of any such exercise that the shares are being purchased only for investment and without any present intention to sell or distribute such shares if, in the opinion of counsel for the Company, such a representation is required by any of the aforementioned Applicable Laws or is otherwise advisable. In addition, no Options will be exercised or shares issued hereunder before the Plan has been approved by stockholders of the Company as provided in Section 23.

22. Term of Plan. The Plan will become effective upon the earlier to occur of its adoption by the Board or its approval by the stockholders of the Company. It will continue in effect for a term of ten (10) years unless sooner terminated under Section 19.

23. Stockholder Approval. Continuance of the Plan will be subject to approval by the stockholders of the Company within twelve (12) months before or after the date the Plan is adopted. Such stockholder approval will be obtained in the degree and manner required under Applicable Laws. No shares of Common Stock offered for sale under the Plan may be sold until such stockholder approval is obtained, and notwithstanding any other Plan provision any Offer Period then open shall automatically terminate on the Exercise Date and all accumulated payroll deduction amounts will be returned to the Participants if such stockholder approval has not been obtained.

24. No Employment Rights. The Plan does not, directly or indirectly, create any right for the benefit of any employee or class of employees to purchase any shares under the Plan, or create in any employee or class of employees any right with respect to continuation of employment by the Company or a Designated Parent or Subsidiary, and it will not be deemed to interfere in any way with such employer's right to terminate, or otherwise modify, an employee's employment at any time.

25. No Effect on Retirement and Other Benefit Plans. Except as specifically provided in a retirement or other benefit plan of the Company or a Designated Parent or Subsidiary, participation in the Plan will not be deemed compensation for purposes of computing benefits or contributions under any retirement plan of the Company or a Designated Parent or Subsidiary, and will not affect any benefits under any other benefit plan of any kind or any benefit plan subsequently instituted under which the availability or amount of benefits is related to level of compensation. The Plan is not a "Retirement Plan" or "Welfare Plan" under the Employee Retirement Income Security Act of 1974, as amended.

26. Effect of Plan. The provisions of the Plan will, in accordance with its terms, be binding upon, and inure to the benefit of, all successors of each Participant, including, without limitation, such Participant's estate and the executors, administrators or trustees thereof, heirs and legatees, and any receiver, trustee in bankruptcy or representative of creditors of such Participant.

27. Governing Law. The Plan is to be construed in accordance with and governed by the internal laws of the State of Delaware without giving effect to any choice of law rule that would cause the application of the laws of any jurisdiction other than the internal laws of the State of Delaware to the rights and duties of the parties, except to the extent the internal laws of the State of Delaware are superseded by the laws of the United States. Should any provision of the Plan be determined by a court of law to be illegal or unenforceable, the other provisions will nevertheless remain effective and will remain enforceable.

28. Dispute Resolution. The provisions of this Section 28 will be the exclusive means of resolving disputes arising out of or relating to the Plan. The Company and the Participant, or their respective successors (the "parties"), will attempt in good faith to resolve any disputes arising out of or relating to the Plan by negotiation between individuals who have authority to settle the controversy. Negotiations will be commenced by either party by notice of a written statement of the party's position and the name and title of the individual who will represent the party. Within thirty (30) days of the written notification, the parties will meet at a mutually acceptable time and place, and thereafter as often as they reasonably deem necessary, to resolve the dispute. If the dispute has not been resolved by negotiation, the parties agree that any suit, action, or proceeding arising out of or relating to the Plan must be brought in the United States District Court for Delaware (or should such court lack jurisdiction to hear such action, suit or proceeding, in a Delaware state court) and that the parties will submit to the jurisdiction of such court. The parties irrevocably waive, to the fullest extent permitted by law, any objection the party may have to the laying of venue for any such suit, action or proceeding brought in such court. **THE PARTIES ALSO EXPRESSLY WAIVE ANY RIGHT THEY HAVE OR MAY HAVE TO A JURY TRIAL OF ANY SUCH SUIT, ACTION OR PROCEEDING.** If any one or more provisions of this Section 28 is for any reason held invalid or unenforceable, it is the specific intent of the parties that such provisions be modified to the minimum extent necessary to make it or its application valid and enforceable.

VEECO INSTRUMENTS INC.
 TERMINAL DRIVE
 PLAINVIEW, NEW YORK 11803

VOTE BY INTERNET
Before The Meeting - Go to 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 day before the cut-off date or meeting date. Have your proxy card in hand when you access the web site and follow the instructions to obtain your records and to create an electronic voting instruction form.

During The Meeting - Go to www.virtualshareholdermeeting.com/VECO2021

You may attend the meeting via the Internet and vote during the meeting. Have the information that is printed in the box marked by the arrow available and follow the instructions.

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 day 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.

VOTE IN PERSON: You may choose to attend, and vote in person at the stockholder meeting. Many stockholder 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, as well as directions on how to get to the meeting location. At the meeting, you will need to request a ballot to vote these shares.

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

D37382-P51698

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

THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED.

VEECO INSTRUMENTS INC.

The Board of Directors recommends you vote FOR the following proposals:

- | | | | | | | | | |
|----|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|--------------------------|--------------------------|--------------------------|------------|----------------|----------------|
| 1. | To elect three directors named in the proxy statement to hold office until the 2024 Annual Meeting of Stockholders and until their successors are duly elected and qualified; | Nominees: | For | Against | Abstain | | | |
| | 1a. Richard A. D'Amore | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | | |
| | 1b. Keith D. Jackson | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | | |
| | 1c. Mary Jane Raymond | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | For | Against | Abstain |
| 2. | To approve an amendment to Veeco's 2016 Employee Stock Purchase Plan to increase the authorized shares of Veeco's common stock thereunder by 750,000 shares; | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | | |
| 3. | To approve, on a non-binding advisory basis, the compensation of our named executive officers; | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | | |
| 4. | To ratify the appointment of KPMG LLP as our independent registered public accounting firm for 2021; and | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | | |
| 5. | To consider such other business as may properly come before the 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 and Proxy Statement and Annual Report are available at www.veeco.com.

D37383-P51698

**VEECO INSTRUMENTS INC.
Annual Meeting of Stockholders
May 6, 2021 8:30 AM, EDT
This proxy is solicited by the Board of Directors**

The stockholder(s) hereby appoint(s) William J. Miller, Ph.D. and John P. Kiernan, or either of them, as proxies, each with the power to appoint his substitute, and hereby authorize(s) them to represent and to vote, as designated on the reverse side of this ballot, all of the shares of Common Stock of VEECO INSTRUMENTS INC. that the stockholder(s) is/are entitled to vote at the Annual Meeting of Stockholders to be held at 8:30 AM, EDT on May 6, 2021, at Terminal Drive, Plainview, New York 11803, and any adjournment or postponement thereof.

This proxy, when properly executed, will be voted in the manner directed herein. If no such direction is made, this proxy will be voted in accordance with the Board of Directors' recommendations.

Continued and to be signed on reverse side