SCHEDULE 14A
(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT
SCHEDULE 14A INFORMATION

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

Filed by the Registrant ☒

Filed by a Party other than the Registrant ☐

Check the appropriate box:

☐ Preliminary Proxy Statement

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

☒ Definitive Proxy Statement

☐ Definitive Additional Materials

☐ Soliciting Material under §240.14a-12

PHOTRONICS, INC.

(Name of Registrant As Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

☒ No fee required.

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

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

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

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

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

☐ Fee paid previously with preliminary materials.

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

(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

PHOTRONICS, INC.
15 Secor Road
Brookfield, Connecticut 06804
(203) 775-9000

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD ON MARCH 16, 2023

TO THE SHAREHOLDERS OF PHOTRONICS, INC.:

Notice is hereby given that the annual meeting of the holders of common stock of Photronics, Inc. (the "Shareholders" or "you") as of the record date specified herein will be held on March 16, 2023 at 8:30 am Eastern Time (the "Annual Meeting"). The Annual Meeting will be held in person at the offices of Photronics, Inc., 15 Secor Road, Building 1, Brookfield, CT 06804 and in virtual format by means of remote communication via live www.viewproxy.com/PLAB/2023/VM. Shareholders will be allowed to participate in the meeting in person or virtually by voting their shares and submitting questions in person or electronically during the meeting. We have designed the format of the Annual Meeting to provide Shareholders attending virtually the same rights and opportunities to participate as they would have at an in-person meeting.

The live audio webcast of the Annual Meeting will begin promptly at 8:30 am Eastern Time. You should ensure that you have a strong internet connection to participate in the Annual Meeting, and you should allow plenty of time to log in to ensure that you can hear the streaming audio prior to the start of the Annual Meeting. In order to attend the meeting virtually, you must first register at www.viewproxy.com/PLAB/2023 by 11:59 p.m. Eastern Time on March 15, 2023. After registering, you will receive an e-mail containing a unique link and password that will enable you to attend the meeting and vote at the meeting and at any adjournment or postponement thereof.

Shareholders may submit questions for the Annual Meeting after logging in. If you wish to submit a question, you may do so by logging into the virtual meeting platform using your unique link and password, typing your question into the "Questions/Chat Pane" field, and clicking "Submit." Please submit any questions before the start time of the meeting.

The Annual Meeting will be held for the following purposes:

1) To elect eight members of the Board of Directors;

2) To ratify the selection of Deloitte & Touche LLP as our independent registered public accounting firm for the fiscal year ending October 31, 2023;

3) To approve an amendment to the 2016 Equity Incentive Compensation Plan to increase the authorized shares of Common Stock available for issuance under the plan by an additional 1,000,000 shares. The amendment will increase the shares available for issuance under the plan from 4,000,000 to 5,000,000 shares and increase the shares under section 6(c)(i) from 2,000,000 shares to 5,000,000 shares;

4) To consider and vote upon a non-binding advisory proposal as to the frequency (every one, two or three years) with which the non-binding shareholder vote to approve the compensation of our named executive officers should be conducted; and

5) To approve, by non-binding advisory vote, the compensation of our named executive officers;

The Shareholders will also act on any other business as may properly come before the Annual Meeting or any adjournments or postponements thereof.

The Board of Directors has fixed February 6, 2023, as the record date for determining the holders of common stock entitled to notice of and to vote at the meeting. A list of those shareholders entitled to vote will be available for inspection by any of our Shareholders for any purpose germane to the Annual Meeting, during regular business hours at the principal executive offices of Photronics, Inc., for twenty (20) days prior to the Annual Meeting.

YOUR VOTE IS IMPORTANT. ALL SHAREHOLDERS ARE CORDIALLY INVITED TO PARTICIPATE IN THE MEETING IN PERSON OR VIRTUALLY. TO ENSURE YOUR REPRESENTATION AT THE MEETING, YOU ARE REQUESTED TO COMPLETE, DATE, SIGN AND RETURN THE ENCLOSED PROXY IN THE ENCLOSED ENVELOPE OR AUTHORIZE THE VOTING OF YOUR SHARES BY INTERNET OR TELEPHONE PRIOR TO THE DEADLINE SPECIFIED ON YOUR PROXY CARD. NO POSTAGE IS REQUIRED FOR MAILING IN THE UNITED STATES.

We thank you for your continued support.

By Order of the Board of Directors,

/s/ Richelle E. Burr

Richelle E. Burr
Executive Vice President,
Chief Administrative Officer,
General Counsel and Secretary

PHOTRONICS, INC.
15 Secor Road
Brookfield, Connecticut 06804
(203) 775-9000

PROXY STATEMENT
For the Annual Meeting of Shareholders
to be held on March 16, 2023

GENERAL INFORMATION

The enclosed proxy is solicited by the Board of Directors (the “Board” or “Board of Directors”) of Photronics, Inc. (“Photronics”, the “Company”, “we”, “our” or “us”), to be voted at the Annual Meeting of the Shareholders or any adjournments or postponements thereof (the “Annual Meeting”) to be held on March 16, 2023, at 8:30 am Eastern Time. The Annual Meeting will be held in person at the offices of Photronics, Inc., 15 Secor Road, Building 1, Brookfield, CT 06804 and in virtual format, by means of remote communication via live www.viewproxy.com/PLAB/2023/VM. Shareholders will be allowed to participate in the Annual Meeting virtually online, vote their shares electronically, and submit questions during the meeting. This proxy statement and the enclosed proxy card are being filed with the Securities and Exchange Commission (the “SEC”) on February 21, 2023, and on the same day, the Company will begin sending the proxy statement and proxy card to all Shareholders entitled to vote at the Annual Meeting. Our annual report on Form 10-K for the fiscal year ended October 31, 2022 (the “Annual Report”), as filed with the SEC, is also being mailed to our shareholders with this proxy statement.

The persons named as proxies on the accompanying proxy card have informed the Company of their intention, if no contrary instructions are given, to vote the shares of the Company’s common stock, par value $0.01 per share, (the “Common Stock”) represented by such proxies “FOR” each of the director nominees named herein in Proposal 1 and “FOR” Proposals 2, 3, 4, and 5 and at their discretion on any other matters which may come before the Annual Meeting. The Board of Directors does not know of any business to be brought before the Annual Meeting other than as set forth in the Notice of Annual Meeting of Shareholders.

Any Shareholder who executes and delivers a proxy may revoke it at any time prior to its use. Such revocation would be effective upon: (a) receipt by the Secretary of the Company of written notice of such revocation; (b) receipt by the Secretary of the Company of a properly executed proxy bearing a later date; (c) appearance by the shareholder at the Annual Meeting and voting (although attendance at the meeting will not by itself constitute a revocation of proxy); or (d) virtual appearance by the shareholder at the Annual Meeting and voting (although virtual attendance at the meeting will not by itself constitute a revocation of proxy). Any such notice or proxy should be sent to Photronics, Inc., 15 Secor Road, Brookfield, Connecticut 06804, Attention: Secretary. Appearance at the Annual Meeting without a request to revoke a proxy will not revoke a previously executed and delivered proxy.

QUORUM; REQUIRED VOTES

Only shareholders of record at the close of business on February 6, 2023, are entitled to notice of and to vote at the Annual Meeting. As of February 6, 2023, there were 62,489,704 shares of Common Stock issued and outstanding, each of which is entitled to one vote. At the Annual Meeting, the virtual presence of or our receipt of proxies from holders of a majority of the total number of shares of outstanding Common Stock will be necessary to constitute a quorum. Assuming a quorum is present, the matters to come before the Annual Meeting that are listed in the Notice of Annual Meeting of Shareholders require the following votes to be approved: (1) Proposal 1 (Election of Directors) a plurality of the votes cast by the Shareholders entitled to vote at the Annual Meeting is required to elect eight members of the Board of Directors subject to the Company’s policy that requires that any nominee that does not receive at least a majority of votes cast by Shareholders must tender their resignation; (2) Proposal 2 (Ratification of Selection of Independent Registered Public Accounting Firm for the Fiscal Year Ending October 31, 2023) a majority of the votes cast by the shareholders entitled to vote at the Annual Meeting is required to ratify the selection of Deloitte & Touche LLP; (3) Proposal 3 amendment to the 2016 Equity Incentive Compensation Plan to increase the number of authorized shares of Common Stock available for issuance by an additional 1,000,000 shares. The amendment will increase the shares available for issuance from 4,000,000 shares to 5,000,000 shares and increase the shares under section 6(c)(i) from 2,000,000 shares to 5,000,000 shares. A majority of the votes cast by the Shareholders entitled to vote at the Annual meeting is required to approve this amendment to the 2016 Equity Incentive Compensation;

(4) Proposal 4 (non-binding advisory proposal as to the frequency of advisory votes on executive compensation) a majority of the votes cast by the Shareholders entitled to vote at the Annual Meeting is required to approve the non-binding advisory proposal as to the frequency (every one, two or three years) with which the non-binding shareholder vote to approve the compensation of our Named Executive Officers should be conducted. Neither the approval nor the disapproval of Proposal 4 will be binding on the Company or the Board of Directors or will be construed as overruling a decision by the Company or the Board of Directors. Neither the approval nor the disapproval of Proposal 4 will create or imply any change to our fiduciary duties or create or imply any additional fiduciary duties for the Company or the Board of Directors; (5) Proposal 5 (Executive Compensation) a majority of the votes cast by the Shareholders entitled to vote at the Annual Meeting is required to approve the non-binding advisory resolution approving the compensation of the Named Executive Officers (as defined herein), as described in the Compensation Discussion and Analysis, compensation tables and the narrative disclosure included in this proxy statement. The Company will consider the result of this advisory vote in determining how often to hold future advisory votes relating to executive compensation. Similarly, the result of the advisory vote on Proposal 5 will neither be binding on the Company or the Board of Directors nor will it create or imply any change to our fiduciary duties or create or imply any additional fiduciary duties for the Company or the Board of Directors; however, the Company will consider the result of this advisory vote in determining how often to hold future advisory votes relating to executive compensation.

Shareholders who hold their shares through a broker (in “street name”), must provide specific instructions to their brokers as to how to vote their shares, in the manner prescribed by their broker. Pursuant to the rules that govern brokers and nominees who have record ownership of shares that are held in “street name” for account holders (who are the beneficial owners of the shares), brokers and nominees typically have the discretion to vote such shares on routine matters but not on non-routine matters. If a broker or nominee has not received voting instructions from an account holder and does not have discretionary authority to vote shares on a particular item because it is a non-routine matter, a “broker-non-vote” occurs. Under the rules governing brokers, an uncontested director election is considered a non-routine matter for which brokers do not have discretionary authority to vote shares held by an account holder. Additionally, as required by Section 957 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the “Dodd-Frank Act”), advisory votes on executive compensation and on the frequency of such votes are also considered non-routine matters for which brokers do not have discretionary authority to vote shares held by account holders. Of the five proposals listed in the Notice of Annual Meeting of Shareholders only the ratification of the selection of our independent registered public accounting firm under Proposal 2 is considered a routine matter. Abstentions and broker non-votes will be considered as present but will not be considered as votes cast on any matter.

CORPORATE GOVERNANCE AND ETHICS

Photronics is committed to the values of effective corporate governance and high ethical standards. Our Board believes that these values are essential to running our business efficiently, to maintaining our integrity in the marketplace, long-term performance and ensuring that the Company is managed for the long-term benefit of its Shareholders. The Board recognizes that maintaining and ensuring good corporate governance is a continuous process. The Board periodically reevaluates our policies to ensure they meet the Company’s needs. Set forth below are a few of the corporate governance practices and policies that we have adopted:

- **Related Party Transaction Policy.** The Board’s audit committee (the “Audit Committee”) is responsible for approving or ratifying transactions involving the Company and related parties and determining if such transactions are, or are not, consistent with the best interests of the Company and our shareholders.

- **Code of Conduct Questionnaire.** Every employee of the Company and its majority owned subsidiaries is required to complete the Code of Conduct Questionnaire on an annual basis in order to confirm the employee’s understanding of, and adherence to, the Company’s code of ethics and corporate governance policy (the “Code of Conduct”).

- **Executive Sessions.** The Board of Directors’ meetings regularly include executive sessions without the presence of management, including the Company’s chief executive officer (the “Chief Executive Officer” or the “CEO”).

The Common Stock is listed for trading on the NASDAQ Global Select Market (“NASDAQ”). NASDAQ requires its listed companies to publicly disclose self-identified board-level diversity statistics annually. The NASDAQ rule provides definitions of each category of demographic background the same as those included under the Equal

Employment Opportunity Commission (EEOC) regulations. The following table matrix sets forth Photronics' self-identified board-level diversity statistics and can be located at Photronics' Corporate Governance Page:

Board Diversity Matrix (As of August 5, 2022)		
Total Number of Directors:	8	
Gender:	**Female**	**Male**
Directors	1	7
Demographic Background:		
Asian		2
White	1	5

BOARD OF DIRECTORS' POLICIES, COMMITTEE CHARTERS, AND CODE OF ETHICS

The Board of Directors has responsibility for establishing broad corporate policies and reviewing overall performance rather than day to day operations of the Company. The Board's primary responsibility is to oversee management and, in doing so, to serve the Company's best interests and those of its Shareholders. Company management keeps the Board of Directors informed of Company activities through periodic updates when necessary, written reports and presentations at Board and Board committee meetings.

The Company has adopted a Code of Conduct to assist the Board and its committees in the exercise of their responsibilities. The Code of Conduct applies generally to the Board and the Company's Named Executive Officers. Each of the Board committees has a written charter that sets forth the goals and responsibilities of the committee. The Company's Code of Conduct and Board committee charters can be found on the Company's website at www.photronics.com. Shareholders may also request a free copy of the Company's Code of Conduct from: Photronics, Inc., 15 Secor Road, Brookfield, Connecticut 06804, Attention: General Counsel. We will disclose any amendments to, or waivers from, a provision of our code of ethics that applies to the principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions that relate to any element of the code of ethics as defined in Item 406 of Regulation S-K, by posting such information on our website.

The Board of Directors has assessed each of its eight nominees for director against the NASDAQ standards for independence and determined that Messrs. Fiederowicz, Lewis, Liao, Tyson, and Ms. Paladino meet requirements of an independent director as set forth by NASDAQ.

The number of directors on the Board is not permitted to be less than three or more than fifteen members under the Company's bylaws. Currently, the Board has fixed the number of directors at eight. The Board is responsible for nominating members to the Board and for filling vacancies on the Board that may occur between annual meetings of Shareholders, in each case upon the recommendation of its nominating committee (the "Nominating Committee"). The Nominating Committee seeks input from other Board members and senior management and may engage a search firm to identify and evaluate potential candidates. The Board and each of the committees of the Board conduct annual self-assessments to determine their effectiveness. Additionally, each committee reviews the adequacy of its charter annually and considers any proposed changes.

BOARD LEADERSHIP STRUCTURE

In addition to its chairman (the "Chairman" or the Chairman of the Board"), who at this time is not considered independent, the Board also has a lead independent director (the "Lead Independent Director"). Mr. Walter Fiederowicz serves as Lead Independent Director. Mr. Fiederowicz's duties include the following: chair any meeting of the independent directors in executive session; facilitate communications between other members of the Board and the Chairman of the Board and Chief Executive Officer (however, each director is free to communicate directly with the Chairman of the Board and the Chief Executive Officer); and monitor, with the assistance of the Company's general counsel, communications from Shareholders.

The Company has a retirement policy that stipulates each independent, non-employee director cannot be nominated for a term that begins after his or her 75th birthday. Our Board may waive this policy on a case-by-case basis if it deems a waiver to be in the best interests of the Company. It is anticipated that shortly after the annual meeting one or more directors will become independent, and at that time, it is anticipated that the Board will vote on whether to waive the policy for those directors. Additionally, the Board has waived this policy for Mr. Fiederowicz upon approval of a majority of the Board because it believes that having Mr. Fiederowicz continue to serve as the Lead Independent Director, as the Chairman of the Board's Compensation Committee (the "Compensation Committee"), and as vice chair of the Audit Committee is in the best interests of our Company and our Shareholders. We are committed to adding highly qualified candidates, who can also bring diverse experiences and perspectives to our Board.

The Board will continue to reexamine our corporate governance policies and leadership structure on an ongoing basis to ensure that such policies and leadership structure continue to meet the Company's needs.

THE BOARD OF DIRECTORS' ROLE IN RISK OVERSIGHT AND ASSESSMENT

The Company has a risk management program overseen by senior management and approved by the Board of Directors. The Board's risk oversight processes build upon management's regular risk assessment and mitigation processes, which include standardized reviews conducted with members of management across and throughout the Company in areas such as financial and management controls, strategic and operational planning, regulatory compliance, and environmental compliance. The results of these reviews are then discussed and analyzed at the most senior level of management, which assesses both the level of risk posed in these areas and the likelihood of their occurrence, coupled with planning for the mitigation of such risks and occurrences.

Risks are identified and prioritized by senior management and each prioritized risk is assigned to either a Board committee or the full Board for oversight. For example, strategic risks are overseen by the full Board; financial and business conduct risks are overseen by the Audit Committee or, depending on the nature of the risk and its potential severity, the full Board; risks associated with related party transactions are overseen by the Audit Committee; risks related to cyber security are overseen by the cyber security committee (the "Cyber Security Committee"); and compensation risks are overseen by the Compensation Committee. Management regularly reports these and other various risks to the relevant Board committee or the Board. Additional review or reporting of risks is conducted as needed or as requested by the Board or relevant Board committee.

PLURALITY-PLUS VOTING FOR DIRECTORS

The Board of Directors has adopted a "plurality plus" voting standard for uncontested elections of directors.

EMPLOYEE, OFFICER AND DIRECTOR HEDGING

The Company has stock ownership guidelines, which are further described in the Compensation Discussion and Analysis section of this proxy statement. Further, as illustrated in the Ownership of Common Stock by Directors, Officers, and Certain Beneficial Owners Table, all directors and Named Executive Officers are beneficial owners of Common Stock and are in compliance with the ownership guidelines. At this time, the Company has not adopted practices or policies regarding the ability of employees (including officers) or directors of the Company, or any of their designees, to purchase financial instruments (prepaid variable forward contracts, equity swaps, collars, and exchange funds) or otherwise engage in transactions, that hedge or offset, or are designed to hedge or offset, any decrease in the market value of the Company's equity securities.

OWNERSHIP OF COMMON STOCK BY DIRECTORS, OFFICERS AND CERTAIN BENEFICIAL OWNERS

The following table sets forth certain information on the beneficial ownership of the Company's Common Stock as of February 6, 2023, by: (i) beneficial owners of more than five percent of the Common Stock; (ii) each director; (iii) each Named Executive Officer in the Summary Compensation Table set forth below; and (iv) all directors and currently employed Named Executive Officers of the Company as a group.

Name and Address of Beneficial Owner(1)	Amount and Nature of Beneficial Ownership(2)	Percentage of Class
Black Rock, Inc. 55 East 52nd Street New York, NY 10055	10,607,115	16.97% (3)
Dimensional Fund Advisors Palisades West, Building One 6300 Bee Cove Road Austin, TX 78746	4,426,215	7.08% (4)
Vanguard Group 100 Vanguard Blvd. Malvern, PA 19355	4,655,002	7.45% (5)
Officers and Directors		
Richelle Burr	311,466(6)	*
Walter M. Fiederowicz	47,000	*
John P. Jordan	163,331	*
Frank Lee	537,600(6)	*
Adam Lewis	27,000	*
Daniel Liao	45,000	*
Constantine S. Macricostas	467,575	*
George Macricostas	83,000	*
Mary Paladino	54,000	*
Christopher J. Progler	258,188(6)	*
Mitchell G. Tyson	71,379	*
Directors and Named Executive Officers as a group (11 persons)	2,065,539(7)	3.31%

* Less than 1%

(1) The address for all officers and directors is 15 Secor Road, Brookfield, Connecticut 06804.

(2) Except as otherwise indicated, the named person has the sole voting and investment power with respect to the shares of Common Stock set forth opposite such person's name.

(3) Based on Schedule 13G/A filed January 23, 2023.

(4) Based on Schedule 13G/A filed February 10, 2023.

(5) Based on Schedule 13G/A filed February 9, 2023.

(6) Includes shares of Common Stock underlying stock options exercisable as of February 6, 2023, (or within 60 days thereof), as follows: Ms. Burr: 105,500; Dr. Lee: 143,000; and Dr. Progler: 63,000.

(7) Includes the shares of Common Stock underlying stock options listed in notes (6) above.

PROPOSAL 1
ELECTION OF DIRECTORS

The Board has nominated eight directors to be elected at the 2023 Annual Meeting to serve for a one-year term. Each of the eight directors of the Company that is elected at the Annual Meeting will serve until the 2024 Annual Meeting of Shareholders (unless such director resigns or otherwise leaves the Board beforehand). Each nominee is currently a director of the Company and has agreed to serve if elected. The names of, and certain information with respect to, the nominees for election as directors are set forth below.

If, for any reason, any of the nominees shall become unable to stand for election, the individuals named in the enclosed proxy may exercise their discretion to vote for any substitutes chosen by the Board of Directors, unless the Board of Directors should decide to reduce the number of directors to be elected at the Annual Meeting. The Company has no reason to believe that any nominee will be unable to serve as a director.

THE BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE "FOR" THE ELECTION OF EACH OF THE FOLLOWING NOMINEES:

Name and (Age)	Director Since	Position(s) with the Company
Walter M. Fiederowicz (76 years)	1984	Director
Dr. Frank Lee (70 years old)	2022	Director/CEO
Adam Lewis (44 years)	2022	Director
Daniel Liao (69 years)	2020	Director
Constantine S. Macricostas (87 years)	1974	Chairman
George Macricostas (53 years)	2002	Director
Mary Paladino (61 years)	2019	Director
Mitchell G. Tyson (68 years)	2004	Director

As noted, Messrs. Fiederowicz, Lewis, Liao, and Tyson and Ms. Paladino qualify as independent under applicable NASDAQ rules.

In addition to the information set forth in the table above, the following provides certain information about each nominee for election as director, including his or her principal occupation for at least the past five years. Also set forth below is a brief discussion of the specific experience, qualifications, attributes or skills that led to the conclusion that each nominee and director should serve as a director as of the date of this proxy statement.

Mr. Walter M. Fiederowicz has been a private investor and consultant since August 1997. Mr. Fiederowicz is Lead Independent Director, Chairman of the Compensation Committee, and Vice Chairman of the Audit Committee. Mr. Fiederowicz brings to the Board of Directors substantial experience in analyzing and forecasting economic conditions both domestically and internationally. Through his service on the boards of other companies, he has gained extensive experience in leadership, risk management, and corporate governance matters. Mr. Fiederowicz brings leadership and extensive business and financial experience to the Board.

Dr. Frank Lee was promoted to Chief Executive Officer and elected to the Board of Directors in May 2022 due to his long and successful record of accomplishment. Prior to assuming the CEO position in May, he was appointed President in March 2022. Before joining Photronics in 2006, Dr. Lee was CEO of NSMC. His career also included roles at Fairchild Semiconductor, Intel and Soliconix. As Vice President of Operations at Texas Instruments-Acer (a TI/Acer joint venture) in Taiwan, Dr. Lee has also held leadership positions at TSMC-Acer and UMC¾both in Taiwan. His ability to lead the organization through its next phase of growth is based on his proven track record in all the positions he has successfully held. Dr. Lee holds a BS in Nuclear Engineering from Tsinghua University and a M.S. and Ph.D. in Materials Science from the University of Cincinnati.

Mr. Adam Lewis has over 20 years of experience in investment banking, executive financial management and private equity. Mr. Lewis joined DH Capital in 2007 and has advised digital infrastructure companies and investors on over 100 transactions, representing over $40 billion in aggregate transaction value. Prior to joining DH Capital, Mr. Lewis was Vice President of Finance at InfoHighway Communications where he was involved in the structuring and execution of highly strategic transactions that culminated in the successful exit to Broadview Networks in 2007. Mr. Lewis is a graduate of the University of Vermont and currently serves on the boards of SilverSky, Verge, Stackpath, Drive Sally, Kasi Cloud and Lokker. Mr. Lewis serves as chair of the Cyber Security Committee and a member of the Nominating Committee.

Mr. Daniel Liao is a Co-Founder of Eunodata Co., Ltd in Taiwan, an integrated data service provider for the semiconductor manufacturing industry. Mr. Liao served as Senior Advisor of Asia Pacific Regions for Lam Research Corporation (“Lam”), a leading semiconductor process equipment company, from March 2020 to February 2022, after his retirement from Lam in 2020. Mr. Liao joined Lam in 1993, and had served in a range of senior executive roles, including Chairman of Lam Asia Pacific Operations (Taiwan, China and Southeast Asia) from May 2017 to Feb 2020, President and General Manager of Lam Asia Pacific Operations from August 1993 to April 2017. During his career at Lam, he was a major contributor to the global product development, strategic planning, and growth of Lam’s Asia Pacific business. Prior to joining Lam, Mr. Liao held Engineering Management and Technology leadership positions at Integrated Device Technology in Santa Clara from 1988 to 1993, and Intel Corporation in Livermore and Santa Clara, CA from 1983 to 1988. Mr. Liao holds a Bachelor's degree in Electrical Engineering from National Cheng Kung University in Taiwan and a Master degree in Electrical Engineering and Applied Physics from Case Western Reserve University in Cleveland, Ohio. Mr. Liao became a member of Photronics board directors in September 2020; and is currently a member of the board of directors of Amkor Technology. He is also an International Corporate Board of WU Vienna University of Economics and Business. Mr. Liao serves as a member of the Compensation Committee and the Nominating Committee.

Mr. Constantine S. Macricostas is Chairman of the Board. Mr. Macricostas is also founder of the Company. Mr. Macricostas was Executive Chairman of the Company until January 20, 2018. Mr. Macricostas previously served as Chief Executive Officer of the Company on three different occasions from 1974 until August 1997, from February 2004 to June 2005, and from April 2009 until May 2015. Mr. Macricostas is also a former director of RagingWire Data Centers, Inc. Mr. Macricostas is the father of George Macricostas. As founder of the Company, Mr. Macricostas’ knowledge of the Company and its operations, as well as the industry, is invaluable to the Board of Directors in evaluating and directing the Company’s future. Through his long service to the Company and his vast experience in the photomask industry, he has developed extensive knowledge in the areas of leadership, safety, risk oversight, management, and corporate governance, each of which provides great value to the Board of Directors. Mr. Macricostas is the founder and director of The Macricostas Family Foundation, Inc., formed 2001, as a 501(c)(3) charitable organization. The foundation, administered by Mr. Constantine S. Macricostas, Ms. Marie C. Macricostas, Mr. George Macricostas, and Mr. Stephen Macricostas, provides grants and funding to educational, literary, and international institutions. Mr. Macricostas holds a Foundation board seat at Western Connecticut State University and is associated with the American School of Classical Studies at Athens. As an Overseer at the ASCSA’s Gennadius Library, Mr. Macricostas made possible the library’s Makriyiannis Wing.

Mr. George Macricostas is an investor and entrepreneur. He was Founder, Chairman and CEO of RagingWire Data Centers, Inc., a provider of mission critical data center colocation facilities, which is where the "Cloud" lives. Mr. Macricostas guided the company through an 80% sale to NTT of Japan in 2014 and completed the sale in 2018. Mr. Macricostas has over 30 years of technical and business management experience in business operations and information technology. From 2006, Mr. Macricostas has served as a director of the Jane Goodall Institute, a non-profit organization. Previously, he was a senior vice president at Photronics, Inc., where he was responsible for all aspects of the company's IT infrastructure. Mr. Macricostas also serves as a Board Member of the Macricostas Family Foundation, a non-profit organization that funds philanthropic, educational and environmental causes. Mr. Macricostas brings industry, risk management, leadership and business experience to the Board. Mr. Macricostas is a member of the Cyber Security Committee.

Ms. Mary Paladino is a certified public accountant with over thirty years of experience providing accounting, auditing, and advisory services to multi-national companies in a diverse range of industries. Ms. Paladino currently serves as the Executive Vice President and Chief Financial Officer for Quality Medical Management Services USA, LLC, a management service organization that provides non-clinical services to one of the largest specialty medical practices in the United States. Prior to her current position, Ms. Paladino was a partner and the audit and assurance practice leader for the White Plains, NY location of a top 25 public accounting firm located predominantly in the northeast United States. Prior to joining this firm in 2008, Ms. Paladino held various leadership roles in the auditing group of Deloitte & Touche, LLP and BDO Seidman, LLP. Ms. Paladino's broad experience in complex financial accounting and reporting matters, combined with her comprehensive understanding of effective corporate governance policies and internal control over financial reporting contribute to her service on the Board of Directors of the Company. Ms. Paladino is Chair of the Audit Committee and Vice Chair of the Compensation Committee.

Mr. Mitchell G. Tyson is an independent business strategy and clean energy consultant and serves on multiple industry, government, non-profit and private corporate boards of directors. He is also an advisor to the Asper Center for Global Entrepreneurship at the Brandeis International Business School, managing partner at the Clean Energy Venture Group, Venture Partner in the Clean EnergyVenture Fund, co-founder and former chair of the Northeast Clean Energy Council, Executive-in-Residence and board member at Greentown Labs. He also serves on a number of corporate boards and mentors numerous start-ups. Previously, Mr. Tyson served as the Chief Executive Officer of PRI Automation, a publicly traded corporation that supplied automation systems including hardware, software and services to the semiconductor industry. From 1987 to 2002, he held positions of increasing management responsibility and helped transform PRI Automation from a small robotics manufacturer to the world's leading supplier of semiconductor fab automation systems. Prior to joining PRI Automation, Mr. Tyson worked at GCA Corporation from 1985 to 1987 as Director of Product Management and served as science advisor and legislative assistant to the late U.S. Senator Paul Tsongas from 1979 to 1985. Mr. Tyson is Chairman of the Nominating Committee and a member of the Audit Committee of the Company. Mr. Tyson brings leadership and extensive business experience as well as finance expertise to the Board.

MEETINGS AND COMMITTEES OF THE BOARD

The Board of Directors met seven (7) times during the 2022 fiscal year. During fiscal 2022, each director attended at least 75% of the meetings of the Board of Directors and 100% of committee meetings of the Board on which such director served.

The Company's Board of Directors has Audit, Compensation, Cyber Security and Nominating Committees. Members of the Audit, Compensation, and Nominating Committees are entirely comprised of independent, non-employee directors under applicable NASDAQ rules and Rule 10A-3 under the Securities Exchange Act of 1934, as amended (the "Exchange Act").

The Audit Committee's functions include the appointment of the Company's independent registered public accounting firm, and then reviewing with such accountants the plan for and results of their auditing engagement as well as periodically assessing their independence. The Audit Committee pre-approves all audit & non-audit services provided to the Company. Messrs. Fiederowicz and Tyson and Ms. Paladino are the members of the Audit Committee. All members of this Committee are independent, non-employee directors under applicable NASDAQ rules and Rule 10A-3 under the Exchange Act. Ms. Paladino qualifies as an audit committee financial expert as defined under Item 407 of Regulation S-K. The Audit Committee held nine (9) meetings during the 2022 fiscal year. Ms. Paladino further serves as chair of the Audit Committee.

The Compensation Committee's functions include establishing the compensation levels for our executive officers and overseeing compensation policies and programs for the executive officers of the Company and administration of the Company's equity and stock plans. This includes setting corporate goals and objectives relevant to compensation of our executive officers and evaluating performance against these goals and objectives. The Committee also reviews and makes recommendations to the Board with respect to director compensation. Members of management, including the Chairman of the Board, the Chief Executive Officer, and the Chief Administrative Officer, participate in Compensation Committee meetings when requested by the Committee to present and discuss the materials provided, including recommendations considered to be relative to executive pay and competitive market practices. These members of management assist the Committee in understanding the Company's business plan and long-term strategic direction, developing the performance targets for our performance-based compensation and understanding the technical or regulatory considerations, as well as the motivational factors of the decisions that are intended to drive executive and company performance. Although the Committee solicits input and perspective from management, the ultimate decision on executive compensation is made solely by the Compensation Committee, and the decision regarding the Chief Executive Officer's compensation is made by the Compensation Committee outside the presence of the Chief Executive Officer. Messrs. Fiederowicz and Liao and Ms. Paladino are the members of the Compensation Committee. All members of this Committee are independent, non-employee directors under applicable NASDAQ rules. The Compensation Committee held seven (7) meetings during the 2022 fiscal year.

The purpose of the Cyber Security Committee is to assist the Board and the Company's management in fulfilling its oversight responsibilities to the shareholders by reviewing and reporting on technology-based issues as well as cybersecurity risks, protection, and mitigation. Messrs. George Macricostas and Lewis are the members of the Cyber Security Committee. The Committee held one (1) meeting during the 2022 fiscal year.

The Nominating Committee's functions include the consideration and nomination of candidates for election to the Board. Messrs. Fiederowicz, Lewis, Liao and Tyson were members of the Nominating Committee during fiscal 2022. All members of this Committee were independent, non-employee directors under applicable NASDAQ rules for fiscal 2022. This Committee held two (2) meetings during the 2022 fiscal year.

The minimum qualifications for nominees to be considered by the Nominating Committee are experience as a business or technology leader, the highest ethical standards, the ability to deliver value and leadership to the Company, and the ability to understand, in a comprehensive manner, the technology utilized by the Company and its customers for the production of semiconductors and flat panel displays. If an opening for a director arises, the Board will conduct a search for qualified candidates. The Nominating Committee utilizes its network of contacts to compile a list of potential candidates but may also engage, if it deems appropriate, a professional search firm. The Nominating Committee will also consider qualified candidates for director suggested by Shareholders in written submissions sent to Photronics, Inc., 15 Secor Road, Brookfield, Connecticut 06804, Attention: Secretary.

The Nominating Committee also recognizes that diversity of backgrounds, diverse skills and professional experience are important considerations for determination of the Board's composition. In this regard, the Committee's selection of a nominee also gives significant consideration to the backgrounds of the other directors, so that the Board of Directors as a whole has an appropriate mix of backgrounds, professional skills, and breadth of experience. The Nominating Committee reviews its effectiveness in balancing these considerations through its ongoing consideration of directors and nominees, as well as the Nominating Committee's annual self-evaluation process. The Nominating Committee evaluates candidates in the same manner, whether the candidate was recommended by a Shareholder or not.

The Nominating Committee did not receive any director nominations from a shareholder for the Annual Meeting.

General

The Board provides a process for Shareholders to send communications to the Board or to any director individually. Shareholders may send written communications to the Board or to any director c/o Photronics, Inc., 15 Secor Road, Brookfield, Connecticut 06804, Attention: Secretary. All communications will be compiled by the Secretary and submitted to the Board or the individual directors on a periodic basis.

It is the Company's policy that the directors who stand for election at the Annual Meeting attend the Annual Meeting unless the director has an irreconcilable conflict and attendance has been excused by the remainder of the Board. All of the current nominees who were directors during the last fiscal year were in attendance at the 2022 Annual Meeting of Shareholders.

AUDIT COMMITTEE REPORT

The Audit Committee consists of three directors, each of whom meets the independence requirements of NASDAQ and Rule 10A-3 under the Exchange Act. The Audit Committee operates under a written charter adopted by the Board of Directors of the Company. The Audit Committee also prepares a written self-performance evaluation of the Committee's performance on an annual basis.

The Audit Committee relies on the expertise and knowledge of management, the internal auditor, and Deloitte & Touche LLP (the Company's independent registered public accounting firm) in carrying out its oversight responsibilities. Company management is responsible for the Company's internal controls and the financial reporting process. In carrying out its responsibilities for the fiscal year ended October 31, 2022, the Audit Committee, among other things:

- Reviewed and discussed the audited financial statements with the Company's management and Deloitte & Touche LLP;
- Reviewed and discussed with Deloitte & Touche LLP matters required by the Public Company Accounting Oversight Board ("PCAOB") and the SEC;
- Received and reviewed the written disclosures and the letter from Deloitte & Touche LLP required by the PCAOB and discussed with Deloitte & Touche LLP its independence from the Company and its management;
- Met with management periodically to review the Company's Sarbanes-Oxley Section 404 compliance efforts related to internal control over financial reporting;
- Reviewed and discussed with management and Deloitte & Touche LLP management's report on internal control over financial reporting and Deloitte & Touche LLP's related opinions;
- Reviewed the policies and procedures for the engagement of Deloitte & Touche LLP, including the scope of the audit, audit fees, auditor independence matters, performance of the independent auditors, and the extent to which the independent registered public accounting firm may be retained to perform non-audit services; and
- Reviewed complaints and inquiries about accounting and auditing matters and violations of Company policy, if applicable.

Based on the foregoing meetings, reviews, and discussions, the Audit Committee recommended to the Board of Directors that the audited financial statements for fiscal year 2022 be included in the Company's Annual Report. Further, the Audit Committee has appointed Deloitte & Touche LLP as the Company's independent registered public accounting firm for fiscal 2023 and is submitting such appointment to the shareholders for ratification at the Annual Meeting.

This report is submitted by:

Mary Paladino, Chair

Walter M. Fiederowicz, Vice Chair

Mitchell G. Tyson

Independent Registered Public Accounting Firm Fees

For the fiscal years ended October 31, 2022 and October 31, 2021, the aggregate fees for professional services rendered by Deloitte & Touche LLP were as follows:

	Fiscal 2022	Fiscal 2021
Audit Fees[a]	$ 1,599,232	$ 1,472,966
Audit-Related Fees[b]	$ 0	$ 0
Tax Fees[c]	$ 36,706	$ 37,049
All Other Fees[d]	$ 11,327	$ 12,167
Total	$ 1,647,265	$ 1,522,182

(a) Represents aggregate fees in connection with the audit of the Company's annual financial statements, internal control over financial reporting, and review of the Company's quarterly financial statements or services normally provided by Deloitte & Touche LLP.

(b) Represents assurance and other activities that are reasonably related to the audit of the Company's financial statements.

(c) Represents aggregate fees in connection with tax compliance, tax advice and tax planning.

(d) Represents aggregate fees for products and services other than audit fees, audit related fees and tax fees.

Policy for Approval of Audit and Permitted Non-Audit Services

The Company maintains an auditor independence policy that, among other things, prohibits our independent registered public accounting firm from performing non-financial consulting services. This policy mandates that the Audit Committee approve in advance the audit and permissible non-audit services to be performed by the independent registered public accounting firm and the related budget, and that the Audit Committee be provided with routine reporting on actual spending. This policy also mandates that the Company may not enter into engagements with its independent registered accounting firm for non-audit services without the express pre-approval of the Audit Committee.

EXECUTIVE OFFICERS

The names of the executive officers of the Company whose compensation is required to be disclosed pursuant to SEC rules and regulations are set forth below together with the positions held by each person in the Company (the “Named Executive Officers”). All such executive officers are appointed by the Board of Directors annually and serve until their successors are duly elected and qualified.

Name and Age	Position	Served as an Executive Officer Since
Richelle E. Burr, 59	Executive Vice President, Chief Administrative Officer, General Counsel and Secretary	2010
John P. Jordan, 77	Executive Vice President, Chief Financial Officer	2017
Peter S. Kirlin, 62	Former Chief Executive Officer	2008
Frank Lee, 70	Chief Executive Officer	2018
Christopher J. Progler, 59	Executive Vice President, Chief Technology Officer and Strategic Planning	2006

Richelle E. Burr joined Photronics in 2003 as Corporate Counsel. Ms. Burr was promoted to Executive Vice President and Chief Administrative Officer in January of 2020. She was promoted to Vice President, Associate General Counsel in 2008 and was appointed Secretary in April of 2009 prior to her appointment as General Counsel in January 2010. Ms. Burr serves on the management board of the Company’s subsidiaries in Singapore, Korea and the United Kingdom and the Company’s Asia-based photomask joint venture companies PDMC and PDMCX and also serves as Representative Director of Photronics Cheonan, Ltd.

John P. Jordan currently Executive Vice President, Chief Financial Officer (the “Chief Financial Officer”), was appointed as Senior Vice President, Chief Financial Officer, effective September 5, 2017. Prior to joining Photronics, Mr. Jordan was most recently Vice President, Chief Financial Officer, Treasurer and Controller of AstroNova, Inc. Before joining AstroNova, Mr. Jordan served as Vice President, Chief Financial Officer, and Treasurer of Zygo Corporation from 2011 to 2014. Prior to that he was Vice President, Chief Financial Officer, and Treasurer of Baldwin Technology Company, Inc.

Dr. Frank Lee was appointed Chief Executive Officer on May 16, 2022. Prior to his appointment as Chief Executive Officer, Dr. Lee became a Named Executive Officer on January 20, 2018. Dr. Lee has been serving as the President of our joint venture entity in Taiwan (formerly PSMC) since 2006. Prior to that he was CEO, NSMC, Ning-PO from 2004 to 2006 and was Fab Director and Senior Advisor for UMC, Hsin-Chu, Taiwan from 2001 to 2004 and, prior to that, he was Executive Vice President of Grace Semiconductor, Shanghai, China from 2000-2001.

Dr. Christopher J. Progler became a Named Executive Officer on June 21, 2006. Dr. Progler was promoted to Executive Vice President in January 2020. Dr. Progler has been employed by Photronics since 2001 starting with the position of Corporate Chief Scientist. He was promoted to Vice President and Chief Technology Officer in 2004. In 2011, Dr. Progler assumed the added responsibility of Strategic Planning for the Company. His current work includes global R&D, product development and strategic ventures. Dr. Progler serves on the management boards of Asia-based photomask joint venture companies PDMC and PDMCX.

COMPENSATION DISCUSSION AND ANALYSIS

The Compensation Committee is responsible for setting and administering the policies governing compensation of our executive officers. The Compensation Committee reviews and approves, among other things, overall compensation, long-term and annual performance-based compensation for the executive officers (identified in the Summary Compensation Table) as well as participants in the Company's 2011 Executive Incentive Compensation Plan ("2011 EICP"). The purpose of this Compensation Discussion and Analysis is to provide material information about the Company's compensation objectives and policies for its Named Executive Officers and to put into perspective the tabular disclosures and related narratives. The following report provides information about our compensation programs and policies and the outcomes and achievements that resulted in the determination of compensation to our executive officers. Specific 2022 compensation information for our Chief Executive Officer and the other Named Executive Officers will be outlined in a series of tables following this report.

Corporate Summary

The Company is the world's leading manufacturers of photomasks, which are high precision photographic quartz plates containing microscopic images of electronic circuits. Photomasks are a key element in the manufacture of semiconductors and flat panel displays ("FPD") and are used as masters to transfer circuit patterns onto semiconductor wafers and flat panel substrates during the fabrication of integrated circuits ("IC") and a variety of FPDs and, to a lesser extent, other types of electrical and optical components. The Company presently operates principally from eleven manufacturing facilities, two of which are located in Europe, three in Taiwan, one in Korea, two in China and three in the United States. Currently, research and development of photomask activities for ICs are focused on 14 nanometer node and below and, for FPDs, on AMOLED resolution enhancement (display device technology used in smart watches, mobile devices, laptops and televisions) and introduction of photomasks Generation 10.5+ large glass substrates (3370 x 2940mm or greater).

2022 was a great year for the Company. We achieved record revenue for the fifth consecutive year as demand for our design-driven products remained strong and our entire team performed well. Revenue of $824.5 million was a record for the fifth consecutive year, up 24% compared with 2021. Full year integrated circuit revenue was $593 million, up 29% compared with last year and a new annual record, and full year FPD revenue was $231.5 million, 14% over the fourth quarter last year. Cash and short-term investments increased to $359 million at the end of the fiscal year with $275 million generated from operating activities and $112 million invested in growth through capital expenditures. Fourth quarter IC revenue was a record $156.2 million, which is up 25% compared with the same period last year. We generated strong cash flow from operations, which has allowed us to invest in organic growth and reduce debts, strengthen our balance sheet and position us to support our growth strategy as well as help us to navigate economic uncertainty. We also generated record fourth quarter revenue of $210.3 million, up 4% sequentially and 16% compared with last year.

Compensation Philosophy

It is important that the Company be able to attract, motivate and retain highly talented individuals at all levels of the organization who are committed to the Company's values and objectives. Accordingly, the Company's compensation philosophy is based on rewarding the Company's executives for their individual and collective efforts and contributions to the Company in a manner that fosters teamwork and leads to the long-term success of the Company. We feel this is in the best interest of our Shareholders. The Company also believes that delivering a substantial portion of such rewards in the form of restricted stock aligns the interests of the Company's executives with the interests of its Shareholders. Our current design and structure of the executive compensation program have been consistent for several years and the Company's compensation program is designed to attract, motivate and retain talented employees by providing adequate incentives to achieve its business objectives while not encouraging excessively risky behavior.

We believe that our executive compensation program supports our business strategies and talent management objectives and is consistent with governance best practices that serve our Shareholders' long-term interests. The following are some of the highlights of our program design and pay practices for our Named Executive Officers:

What We Do	**What We Don't Do**
Maintain stock ownership guidelines to reinforce the alignment of executive officer and shareholder interests	No above-median pay benchmarking
Generally require four year vesting periods on equity awards	No gross-up provisions
Provide for change-in-control benefits	No non-statutory pension plans or other post-employment benefit plans
Conduct an annual risk assessment of our pay design and practice	
Solicit Shareholder input and incorporate feedback	
Minimal executive perquisites	

<u>Compensation Objectives</u>

Consistent with the Company's philosophy, the Company believes that executive compensation must be competitive with other comparable employers in order for qualified employees to be attracted to, and retained by, the Company and that the Company's compensation practices should provide incentives for driving better business performance and increasing Shareholder value. Accordingly, the four primary objectives of the Company's compensation program, as administered by the Compensation Committee are:

- to provide competitive compensation to attract, retain and motivate talented employees and foster teamwork as well as support the Company's achievement of its financial and strategic goals;
- to advance the goals of the Company by aligning executives' interests with Shareholder interests;
- to minimize risks associated with compensation; and
- to balance the incentives associated with the program in a way that provides incentives for executives to assess and manage risks associated with the Company's business appropriately, in the context of the Company's business strategy.

<u>Elements of Compensation</u>

The Compensation Committee uses three principal components to achieve the Company's primary objectives: base salary, annual cash incentives and stock-based awards. The Company minimizes its perquisites available to its employees as a whole, including its executives.

The Compensation Committee believes that the three principal components of the Company's compensation result in a compensation program that is competitive and aligns the Named Executive Officers' interests with Shareholder value creation.

Base Salary

Base salaries provide each executive with a fixed, minimum level of cash compensation. The Company believes that it is important for retention, stability, and continuity of leadership that base salaries be competitive with the Company's peers. Base salaries may be increased or decreased depending upon changes in duties or economic conditions.

Annual Cash Incentives

Annual cash incentives are used to promote the achievement of specific short-term goals of the Company that are set on an annual basis.

Stock-Based Awards

Stock-based awards are the Company’s preferred approach to both align the interests of Shareholders with the executives, as well as enhance the Company’s retention goals. By virtue of the stock-based awards, the Named Executive Officers are Shareholders themselves and participate in the gains in value of the Common Stock.

Determination of Total Compensation

When determining total compensation, the Compensation Committee assesses five primary factors:

- the overall performance of the Company;
- the Named Executive Officer’s role in that performance;
- the compensation earned by the Named Executive Officer;
- the compensation of similarly situated executive officers working for peer group companies; and
- Shareholder feedback.

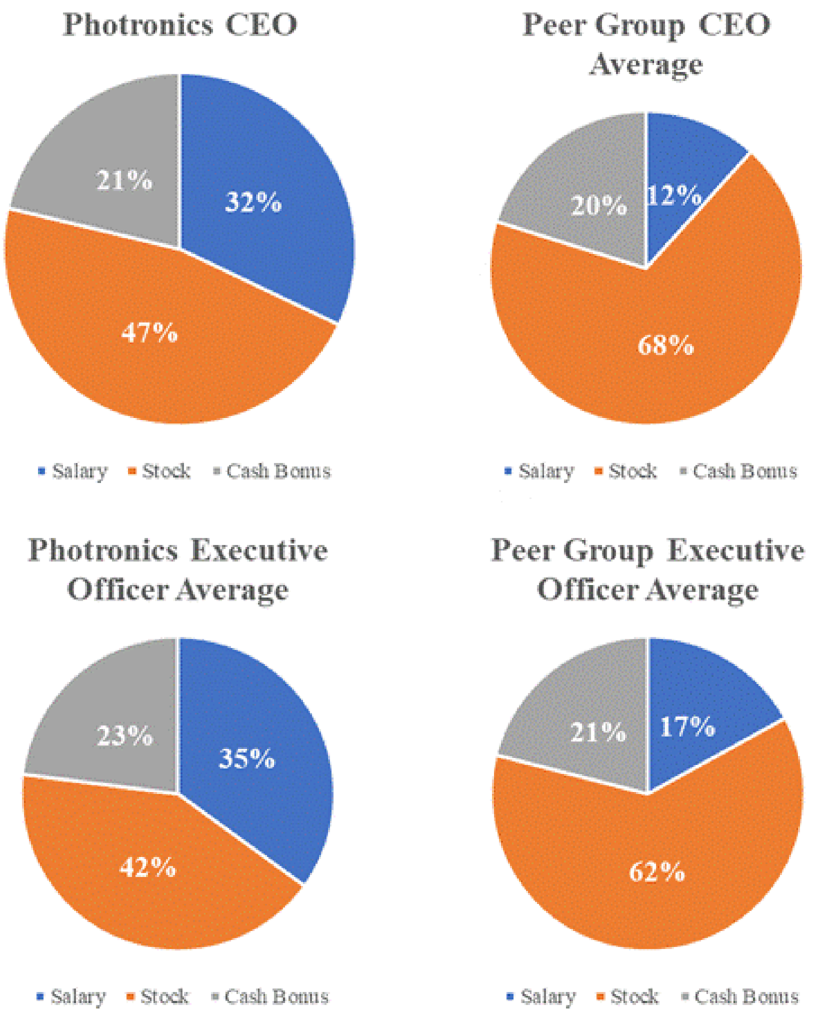
When linking the Company’s performance and the total compensation of the Named Executive Officers, the Compensation Committee uses both the objective metrics provided for under the 2011 EICP, as well as its subjective assessment of the performance of the Company and individual Named Executive Officer’s contributions.

The Compensation Committee meets with the Chief Executive Officer and the Chief Administrative Officer to obtain recommendations with respect to the Company’s compensation programs and practices for executives and other employees. The Compensation Committee takes management’s recommendations into consideration but is not bound by management’s recommendations with respect to executive compensation. When the Compensation Committee evaluates the role of each Named Executive Officer in the performance of the Company it considers both the recommendation and evaluation of such Named Executive Officer by the Chief Executive Officer (the Chief Executive Officer does not evaluate his own performance) and the Compensation Committee’s assessment of each Named Executive Officer’s leadership qualities, paying particular attention to the scope of his or her duties and the collaboration of such Named Executive Officer with other team members.

The Compensation Committee periodically reviews the Company’s approach to executive compensation in light of the general economic conditions in the semiconductor industry and the Company’s performance. The Compensation Committee also reviews the compensation practices of its peers and periodically, when appropriate, consults with outside advisors. This review includes looking at peer data, such as grant summaries, past grants, executive analysis (e.g. base salary, stock, bonus, etc.), long term incentives, world-wide salary increase projections, and other publicly available data.

In establishing compensation levels for the Named Executive Officers, the Compensation Committee considers compensation at eight publicly traded companies in the semiconductor/electronics industries with similar levels of sales and capital. These companies are Advanced Energy Industries, Inc., Axcelis Technologies, Inc., Azenta, Inc., CMC Materials, Entegris, Inc., Form Factor Inc., Kulicke & Soffa Industries, Inc., and Veeco Instruments Inc. Information regarding these companies and their compensation practices is drawn from their proxy statements. Generally, the Compensation Committee believes that the compensation of its executive officers should be set near the median compensation of this comparison group; however, it is also important to the Compensation Committee that compensation reflect individual performance and the Company’s results which may warrant compensation up to 20% above or below the median.

In addition, when establishing its compensation policies for a given year, the Compensation Committee will evaluate the results from the most recent Shareholder advisory vote on compensation to consider the implications of such advisory vote for the compensation policies and determine whether changes are appropriate. At the 2022 Annual Shareholders Meeting, 78% of the votes cast with respect to the advisory vote on executive compensation approved the executive compensation paid in fiscal 2021. In light of this vote, as well as the Compensation Committee's review of the compensation arrangements discussed above, general market pay practices for its executives, and its assessments of individual and corporate performance, the Compensation Committee determined that no significant change in its compensation policies would be made. The Compensation Committee will consider the results from this year's and future Shareholder advisory votes regarding future executive compensation decisions.



Compensation Awards in Fiscal 2022

Base Salary

The Compensation Committee evaluates and establishes base salary levels in light of economic conditions (generally and in the regions where executives work) and in comparison to other similarly situated companies. Base salary is designed to recognize an executive's knowledge, experience level, skill, ability, level of responsibility, and ongoing performance. The Compensation Committee targets base salary for all executives to be at a level consistent with our assessment of their value relative to their peers in the labor market, while also taking into account our need to manage costs. Any recommendations for salary changes to any of the Named Executive Officers (other than the Chief Executive Officer) are made by the Chief Executive Officer and presented to the Compensation Committee for approval.

In fiscal 2022, Ms. Burr, received a 28.58% salary increase, which includes a merit increase and an increase for increased responsibilities, Mr. Jordan received a 9.82% salary increase, Dr. Progler received a 2.50% salary increase, and Dr. Lee received a 41.44% salary increase, which includes a merit increase and a promotion to Chief Executive Officer.

Annual Cash Incentives

Participation in the 2011 EICP is limited to the Named Executive Officers of the Company and or any other key employees of the Company as selected by the Compensation Committee. The 2011 EICP is administered by the Compensation Committee, which has full power and authority to determine which key employees of the Company receive awards under the 2011 EICP, set performance goals and bonus targets for each fiscal year, interpret and construe the terms of the 2011 EICP and make all determinations it deems necessary in the administration of the 2011 EICP, including any determination with respect to the achievement of performance goals and the application of such achievement to the bonus targets. The 2011 EICP sets out quantitative and qualitative categories of business criteria upon which performance goals are based. The business criteria measures within each category may be assigned different weightings based upon their relative degree of importance as determined by the Compensation Committee.

In the quantitative category, one or more of the following business criteria may be used as performance measures: (i) net sales, (ii) operating income, (iii) net income, (iv) earnings per share of common stock, (v) net cash flows provided by operating activities, (vi) increase in working capital, (vii) return on invested capital, (viii) return on equity, (ix) debt reduction, and/or (x) gross margin. In the qualitative category, the business criteria relate to objective individual performance, taking into account individual goals and objectives. The performance goals with respect to each category of business criteria are established by the Compensation Committee within ninety days of the commencement of each fiscal year. Annual bonus targets are either expressed as a percentage of current salary or a fixed monetary amount with respect to each performance goal. At the end of each fiscal year for which a bonus may be earned, the Compensation Committee determines each participant's level of achievement of the established performance goals. Consistent with the relevant provisions of the Dodd-Frank Act, the Company will "clawback", or retroactively adjust, if the relevant financial results that awards are based upon are later restated or otherwise adjusted in a manner that would reduce the size of the award or payment. The Compensation Committee may amend or terminate the 2011 EICP at any time provided that no amendment will be effective prior to approval of the Shareholders to the extent such approval is required under listing rules or otherwise required by law.

The Compensation Committee met in January 2022 and established six (6) metrics for fiscal 2022 that were to be used under the 2011 EICP. The goals established for 2022 were to: achieve a specified EBITDA target; achieve a specified net income target; achieve two targets of breakthrough financial performance; and execute two targets of a revenue plan relating to one of the Company's high end facilities.

Below sets forth the targets and the actual performance of the Company against those targets.

Metric	Target	Actual Performance
Achieve EBITDA Target	$209.6MM	Exceeded
Achieve Net Income Target	$56MM	Exceeded
Breakthrough Financial Performance (target one of two)	Competitively Sensitive(1)	Exceeded
Breakthrough Financial Performance (target two of two)	Competitively Sensitive(1)	Exceeded
Execute our revenue plan relating to one of the Company’s high-end facilities (target one of two)	Competitively Sensitive(1)	Exceeded
Execute our revenue plan relating to one of the Company’s high-end facilities (target two of two)	Competitively Sensitive(1)	Exceeded

(1) In accordance with Instruction 4 to Item 402 of Regulation S-K, target information has been omitted with criteria involving confidential trade secrets or confidential commercial or financial information, the disclosure of which would result in competitive harm for the Company.

The EBITDA target for fiscal 2022 of $209.6 million was based on full year performance (we measure EBITDA as it is defined in our outstanding credit agreement, which is filed as an exhibit to our Annual Report, as GAAP net income plus interest expense, income tax expense, depreciation and amortization, plus (less) special items as defined). The other targets were to (i) achieve net income of $56 million based on full year performance (net income defined as net income attributable to the Company, which is revenue and income less expenses and net income attributable to non-controlling interests); (ii) achieve two targets of breakthrough financial performance; and (iii) execute two targets of a revenue plan relating to one of the Company’s high-end facilities. Each of the six metrics was given equal weight. In order for the Named Executive Officers to be eligible for a cash bonus for fiscal 2022, the Company was required to meet at least four of the metrics. Starting in late October and November of 2022, the Compensation Committee met and reviewed the metrics established for fiscal 2022 and also reviewed the performance of the Company as a whole for fiscal 2022.

The Compensation Committee met several times and decided to award the bonuses detailed below to the Named Executive Officers based on achievement of the metrics set forth above. Furthermore, based on the fact that the Company met all six metrics, including materially exceeding all of the metrics, the Compensation Committee awarded the following bonuses to the Named Executive Officers in December 2022. Based on the record setting revenue and performance of the Company for fiscal 2022 the Compensation Committee used its discretion to award bonuses to the Named Executive Officers as follows. The 2011 EICP provides that bonuses cannot exceed 65% of base salary. However, based on the Company’s fiscal 2022 performance and the individual performance of certain Named Executive Officers, the Compensation Committee used its discretion to grant certain Named Executive Officers discretionary bonuses. The amount of bonus awarded to the Named Executive Officers in December of 2022 was as follows:

Ms. Richelle Burr, Esq.	$505,712
Mr. John P. Jordan	$102,500
Dr. Frank Lee	$963,800
Dr. Christopher J. Progler	$313,653

In January 2023, the Compensation Committee met and established goals for the first quarter of fiscal 2023 pursuant to the terms of the 2011 EICP. The Compensation Committee established that the bonus pool for 2023 will be determined by accruing a percentage of operating income at the end of the quarter. The Compensation Committee met in the second quarter and established the following goals for the second, third, and fourth quarters of fiscal 2023: In each quarter, if a target percentage of gross margin is achieved, the bonus pool will accrue based on a percentage of operating income. The targets for gross margin and operating income are competitively sensitive and therefore in accordance with Instruction 4 to Item 402 of Regulations S-K are not disclosed, as disclosure would result in competitive harm to the company.

Stock-Based Awards

The Company's long-term incentive program uses restricted stock and stock options. The Company's equity incentive plan described below allows for the grant of stock options and restricted stock awards to directors, executive officers of the Company, and other employees of the Company. The Compensation Committee believes that the grant of stock options and restricted stock awards provides a strong link between executive compensation and shareholder return, aligning the long-term interests of its executives with those of the Shareholders and thereby promoting strategic planning while minimizing excessive risk.

For the purpose of aiding the Company and its subsidiaries in attracting, retaining, and motivating qualified personnel, the Company adopted a long-term equity incentive compensation plan (the "2016 LTEICP") in 2016. We believe that the 2016 LTEICP is essential to the Company's continued success. The awards provided under the 2016 LTEICP are vital to our ability to attract and retain highly skilled individuals to work for the Company and to serve on its Board of Directors.

The 2016 LTEICP is administered by the Compensation Committee. The Compensation Committee has the authority to determine, subject to the provisions of the 2016 LTEICP, who will be granted awards, the terms and conditions of awards, and the number of shares subject to, or the cash amount payable with respect to, an award. The Compensation Committee may also make factual determinations in connection with the administration or interpretation of the 2016 LTEICP. To the extent not prohibited by applicable laws, rules, and regulations, the Compensation Committee may also, from time to time, delegate some or all of its authority under the 2016 LTEICP to a subcommittee or to other persons or groups of persons as it deems necessary, appropriate, or advisable. Additionally, subject to applicable laws, rules and regulations, any authority or responsibility that, under the terms of the 2016 LTEICP may be exercised by the Compensation Committee, may alternatively be exercised by the Board of Directors of the Company.

Grants of equity awards under the 2016 LTEICP are generally decided every November or December. Such equity awards are usually granted in January. Grants to Named Executive Officers under the 2016 LTEICP are based on job responsibilities and the potential for individual contribution impacting the Company's overall performance. When considering grants, the Compensation Committee exercises judgment and discretion, looking at each executive's scope of responsibility and individual performance as well as the performance of the Company, and also considers previous stock award grants to align generally with its overall compensation philosophy. For example, the Compensation Committee may consider reducing grants in a particular year when a Named Executive Officer has large realizable gains from stock award grants in previous years. Other than inducement awards to new officers or other awards permitted to be granted outside of a shareholder approved equity plan under NASDAQ rules, the Company makes all grants of restricted stock and stock options pursuant to the terms of the 2016 LTEICP.

The annual stock grant is a collaborative process between the Compensation Committee and the Chief Executive Officer for determining the total pool of shares available for award. The Compensation Committee approves the total number of shares available for grant. The Chief Executive Officer then provides individual grant recommendations to the Compensation Committee (except for his own) for his senior management team including the Named Executive Officers for review and approval by the Compensation Committee. The Chief Executive Officer's recommendation is a subjective evaluation of the Named Executive Officers' individual contributions to the performance of the Company as a whole, the level of incentive compensation previously received, as well as the market price of the common stock on the date of grant. The Compensation Committee considers the aggregate number of shares available, the number of shares previously awarded and the number of individuals to whom the Company wishes to grant stock options or restricted stock awards, as well as the factors set forth in the immediately preceding paragraph. The Compensation Committee reserves the right to consider any factors it considers relevant under the circumstances then prevailing in reaching its determination regarding the amount of each stock option and/or restricted stock award.

The Chief Executive Officer's grant is determined by the Compensation Committee in its sole discretion, based on the Compensation Committee's evaluation of the Chief Executive Officer's expected contribution to the Company's future success, the level of incentive compensation previously awarded, the overall performance of the Company, a review of the Chief Executive Officer's peer group compensation, and the market price of the Common Stock on the date of grant.

When determining the long-term incentive grants that were decided by the Compensation Committee in the later part of 2022 but awarded in early January 2023, the Compensation Committee considered the overall performance of the Company in fiscal 2022. The Compensation Committee also reviewed the restricted stock awards that were granted last year, as well as the cost of such grants to the Company all in connection with the performance of the Company for fiscal 2022. The Compensation Committee also reviewed the grant history of the Company's peers and the compensation given to peer company Named Executive Officers and based on the totality of its review and analysis the Compensation Committee decided to grant the awards shown below to the Named Executive Officers.

The Compensation Committee has the authority under the 2016 LTEICP to select the individuals who will be granted awards from among the officers, employees, directors, non-employee directors, consultants, advisors, and independent contractors of the Company or a subsidiary of the Company.

A maximum of four million (4,000,000) shares of Common Stock may be issued under the 2016 LTEICP. This total includes authorized but unissued shares, shares previously issued and reacquired by the Company, or both. Any shares subject to awards which, for any reason, expire or are terminated or forfeited, become available again for grant under the 2016 LTEICP. Additionally, shares that are tendered or withheld to pay the exercise price of an award or to satisfy tax withholding obligations and exercised shares covered by a stock-settled stock appreciation right will not be available for issuance pursuant to a new award. The Compensation Committee shall have full authority to determine the effect of a change in control, on the vesting, exercisability, settlement, payment or lapse of restrictions applicable to an award under the 2016 LTEICP.

The Compensation Committee may grant the following types of awards under the 2016 LTEICP: (i) options; (ii) restricted stock; (iii) restricted stock units; (iv) stock appreciation rights; (v) performance stock; (vi) performance units; and (vii) other awards based on, or related to, shares of the Common Stock. However, the 2016 LTEICP contains various limits with respect to the types of awards, as follows: no more than 15% of the shares measured as of the date the 2016 LTEICP was adopted by the Board and approved by the shareholders can be granted to any participant in any fiscal year; provided, however, that Non-Employee Directors may not receive more than 30,000 shares in any fiscal year.

Option awards typically vest 25% per year beginning one year after the grant date, with full vesting on the fourth anniversary of the grant date. Stock options expire ten years after the grant date, unless the employee separates earlier from the Company, at which point vested options expire 30 days after separation. The exercise price is equal to the closing price of the Common Stock on the date of grant.

Restricted stock awards typically vest 25% per year beginning one year after the grant date, with full vesting on the fourth anniversary of the grant date. Any shares not fully vested on the date the employee separates from the Company are forfeited. Restricted stock awards granted to the Named Executive Officers vest 25% per year beginning one year after the grant date.

Based on the determination of the Compensation Committee, the following Named Executive Officers were awarded the following grants of restricted stock on January 3, 2023:

	Restricted Stock
Ms. Richelle Burr, Esq.	60,000
Mr. John P. Jordan	20,000
Dr. Frank Lee	120,000
Dr. Christopher J. Progler	50,000

The shares of restricted stock will, consistent with earlier grants, vest in four equal increments over the next four years. All stock awards granted are subject to acceptance by the respective recipients of the terms of the stock award agreements. No stock options were granted to any Named Executive Officers in this compensation cycle.

Stock Ownership Guidelines

We have stock ownership guidelines that require directors and Named Executive Officers to maintain ownership of our stock based on a multiple of base salary or a non-management director's annual cash retainer converted to a fixed number of shares as follows:

Title	Stock Ownership Guidelines
Chairman of the Board and non-management directors	2x Annual Cash Retainer
Chief Executive Officer	2x Base Salary
Other Named Executive Officers	1x Base Salary

Chairman of the Board 2x annual cash retainer; Chief Executive Officer 2x base salary; 1x base salary for the Chief Financial Officer; 1x base salary for the Chief Technology Officer; 1x base salary for the President of Asia IC Photomask; and 1x base salary for the Chief Administrative Officer. Non-Management Directors 2x annual cash retainer fee. Common Stock that counts towards satisfaction of guidelines includes shares owned outright by the participant, stock held in Photronics' Employee Stock Purchase Plan, restricted stock issued or granted, whether vested, and shares acquired upon stock option exercises. The stock price used to calculate compliance will be the average stock price over the twenty trading days prior to the given date. Participants have five years to achieve their designated ownership level.

All directors and Named Executive Officers are in compliance with the stock ownership guidelines.

Health and Welfare and Retirement Benefits

The Named Executive Officers participate in a variety of health and welfare and paid time off benefits designed to allow the Company to retain its workforce. The benefits program offered to the Company's Named Executive Officers is the same as that offered to all other employees.

The Company does not have a defined benefit pension plan or supplemental retirement plan. However, the Company does have a 401K Savings Plan (the "Plan"). The Plan is a 401(k)-compliant plan which enables participating employees to make contributions from their earnings and share in the contributions the Company makes to a trust fund maintained by the trustee. An account in the trust fund is maintained by the trustee for the Plan. All employees are eligible to participate in the Plan, except for nonresident aliens with no United States earned income from the Company and temporary employees or interns. The minimum amount that an employee can contribute is 1% and the maximum amount is 50%.

In fiscal year 2022, the Company provided a matching contribution based on the contributions that participating employees made to the Plan. Participating employees received a matching contribution of 50% of the first 4% of their eligible salary contributed to the Plan.

Employment Agreements

In order to retain the Named Executive Officers and retain continuity of management in the event of an actual or threatened change of control, the Company has entered into employment agreements with each of the Named Executive Officers. Each agreement covers title, duties and responsibilities, and stipulates compensation terms. Each employment agreement also sets forth the severance benefits due in the event of a change in control or termination without cause. These employment agreements are described below under the caption "Certain Agreements." The estimate of the compensation that would be payable in the event of a change in control or termination without cause is described below under the caption "Potential Payments Upon Termination or Change in Control." The Compensation Committee believes that these agreements are a competitive requirement to attract and retain highly qualified executive officers. Before authorizing the Company to enter into the employment agreements with the Named Executive Officers, the Compensation Committee analyzed each of the termination and change in control arrangements and determined that each arrangement was advisable and appropriate under the circumstances of the Company and given the circumstances of each of the individual Named Executive Officers. The Compensation Committee will review these arrangements again upon the renewal of each employment agreement.

Perquisites

The Company offers very limited perquisites to its Named Executive Officers. The use of a company car or a car allowance to employees is provided to the Named Executive Officers as indicated in the Summary Compensation Table.

Tax and Accounting Impact on Compensation

Financial reporting and income tax consequences to the Company of individual compensation elements are important considerations for the Compensation Committee when it is analyzing the overall level of compensation and the mix of compensation. Overall, the Compensation Committee seeks to balance its objective of ensuring an effective compensation package for the Named Executive Officers while attempting to ensure the deductibility of such compensation – at the same time ensuring an appropriate and transparent impact on reported earnings and other closely followed financial measures.

Section 162(m) of the Internal Revenue Code (“Section 162(m)”) limits the amount of compensation paid to “covered employee” that may be deducted by the Company to $1 million in any year. Generally, the term “covered employees” means the CEO, CFO, and the other officers with the highest compensation during the year, i.e., the Named Executive Officers. Historically, prior to the 2017 Tax Cuts and Jobs Act (“TCJA”), there was an exception to the $1 million limitation for performance-based compensation that met certain requirements. This exception was repealed as part of the TCJA for tax years beginning after December 31, 2017 and remains in force for fiscal 2021. Further, a transition rule continuing the exception, to written binding contracts that were in place as of November 2, 2017, provided that those contracts are not materially modified after November 2, 2017, through any subsequent renewal date.

Historically, the compensation paid to our executive officers has not exceeded this limit due to the performance-based exception. Following the changes made by the TCJA, whether compensation paid to executive officers exceeds the Section 162(m) limitation will depend in part on whether such compensation qualifies under the transition rule for performance-based compensation available for written binding contracts in place on November 2, 2017, and not materially modified (or subsequently renewed) thereafter. To the extent that it is practicable and consistent with the Company’s executive compensation philosophy, the Company will maintain the contracts qualified under the transition rule or if it is determined not to be in the best interest of Shareholders, the Compensation Committee will abide by its compensation philosophy even if it results in a loss of deductibility.

Compensation Risk Assessment

The Company regularly assesses the risks related to our compensation programs, including our executive compensation programs, and does not believe that the risks arising from our compensation policies and practices are reasonably likely to have a material adverse effect on the Company. Incentive award targets and opportunities are reviewed annually. One of the Compensation Committee’s primary objectives is to motivate high achievement while maintaining an appropriate balance between rewarding extraordinary performance without encouraging excessive risk taking.

CEO Pay Ratio

As required by SEC rules, we are providing the following information about the ratio of the median annual total compensation of our employees and the annual total compensation of Dr. Frank Lee, our Chief Executive Officer. For the fiscal year ended October 31, 2022:

- the median of salary and bonus compensation of all employees of our Company for fiscal 2022 is estimated to be: $36,111;
- the total compensation of Dr. Frank Lee for fiscal 2022 was $2,924,350; and
- based on this information, the ratio of the annual total compensation of our Chief Executive Officer to the median of the annual total compensation of all other employees is estimated to be 81 to 1.

Excluding our Chief Executive Officer, we identified the median employee by examining the 2022 total annual base salary plus bonus for all individuals who were employed as of October 31, 2022. We included all our employees, whether full-time or part-time. For any employee that we paid in currency other than U.S. Dollars, we then applied the applicable foreign currency exchange rate as of October 31, 2022 to convert such employee's total compensation into U.S. Dollars.

Once we identified our median employee, we added together all of the elements of such employee's compensation for 2022 in the same way that we calculate the annual total compensation of our Named Executive Officers in the Summary Compensation Table including overtime, bonus, matching contribution pursuant to the Company 401(k) savings and profit sharing and vacation payout, if applicable. To calculate our ratio, we used Dr. Lee's salary for fiscal 2022 plus his bonus for fiscal 2022 performance plus his stock award granted in fiscal 2022 and divided that amount by the median employee's annual total compensation.

COMPENSATION COMMITTEE REPORT ON EXECUTIVE COMPENSATION

The Compensation Committee, comprised of independent directors, reviewed and discussed the above Compensation Discussion and Analysis (the "CD&A") and recommended that the CD&A be included in this Proxy Statement.

Respectfully submitted,

Walter M. Fiederowicz, Chairman
Mary Paladino, Vice Chair
Daniel Liao, Member

EXECUTIVE COMPENSATION

The following table sets forth certain information regarding compensation paid or accrued by the Company for services rendered for the three-year period ended October 31, 2022, to each of the following Named Executive Officers who served (i) as the Chief Executive Officer; (ii) Chief Financial Officer; and (iii) the three other most highly compensated executive officers of the Company.

SUMMARY COMPENSATION TABLE

Name and Principal Position	Year	Salary ($)	Bonus ($)	Stock Awards ($)[1]	Option Awards ($) (2)	All Other Compensation ($)	Total ($)
Richelle Burr	2022	475,000	505,712	1,002,350		15,556(3)	1,986,618
Executive Vice President, Chief Administrative Officer,	2021	372,303	260,000	448,270		17,800(3)	1,098,373
General Counsel and Secretary	2020	365,003	73,000	539,000		17,600(3)	994,603
John P. Jordan	2022	410,000	102,500	771,200		17,800(4)	1,289,500
Executive Vice President, Chief Financial Officer	2021	373,330	187,000	448,270		17,800(4)	1,026,400
	2020	366,011	73,000	539,000		17,347(4)	995,358
Peter S. Kirlin[7]	2022	730,000	N/A	1,735,200		5,079(5)	3,758,562
Former Chief Executive Officer	2021	640,883	425,000	932,450		8,661(5)	2,006,994
	2020	628,318	157,000	1,309,000		9,578(5)	2,103,896
Frank Lee	2022	650,000	963,800	1,310,550			2,924,350
Chief Executive Officer	2021	459,530	365,000	448,270			1,272,800
	2020	446,146	89,000	539,000			1,074,146
Christopher J. Progler	2022	418,204	313,653	$ 771,200		17,800(6)	1,508,857
Executive Vice President, Chief Technology Officer,	2021	408,003	205,000	448,270		17,800(6)	1,079,073
Strategic Planning	2020	400,004	80,000	539,000		17,600(6)	1,035,604

(1) The amounts shown in the "Stock Awards" column represents the closing price of the Common Stock on the date of grant multiplied by the number of shares awarded in accordance with ASC No. 718.

(2) The amounts included in this column represent the grant date fair value of the options calculated in accordance with ASC No. 718. The assumptions used in determining the fair value of these options are set forth in Note 8 of the Company's Annual Report.

(3) Represents car allowance, matching contribution pursuant to the Company's 401(k) Savings and Profit Sharing Plan, and other Company-sponsored benefits.

(4) Represents car allowance, matching contribution pursuant to the Company's 401(k) Savings and Profit Sharing Plan, and other Company-sponsored benefits.

(5) Represents personal use of a Company car and matching contribution pursuant to the Company's 401(k) Savings, and Profit Sharing Plan, and other Company-sponsored benefits.

(6) Represents car allowance and matching contribution pursuant to the Company's 401(k) Savings and Profit Sharing Plan, and other Company-sponsored benefits.

(7) On March 10, 2022, Peter S. Kirlin retired as Chief Executive Officer and resigned as a member of the Board of Directors effective March 11, 2022.

GRANT OF PLAN-BASED AWARDS TABLE

During the fiscal year ended October 31, 2022, the following plan-based awards were granted to the Named Executive Officers:

Name	Grant Date	Non-Equity Award[1]	Restricted Stock Awards: Number of Shares of Stock[2]	Grant Date Fair Value of Stock and Option Awards $
Richelle Burr	01/03/2022		40,000	$771,200
	05/18/2022		15,000[3]	$231,150
John P. Jordan	01/3/2022		40,000	$771,200
Peter S. Kirlin	01/3/2022		90,000	1,735,200
Frank Lee	01/3/2022		40,000	$771,200
	05/18/2022		35,000[3]	$539,350
Christopher J. Progler	01/3/2022		40,000	$771,200

(1) 2011 Executive Incentive Compensation Plan.

(2) Restricted stock awards typically vest 25% per year beginning one year after the grant date, with full vesting on the fourth anniversary of the grant date.

(3) Represents a one-time special stock award grant based on a promotion in May 2022.

See the CD&A for an explanation of the amount of salary and bonus in proportion to total compensation and a description of the material terms of plan-based awards.

OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END

		Option Awards				Stock Awards	
Name	Grant Date	No. of Securities Underlying Unexercised Options (#) Exercisable	No. of Securities Underlying Unexercised Options[1] (#) Un-exercisable	Option Exercise Price ($)	Option Expiration Date	No. of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested ($)
Richelle Burr	12/7/2012	5,625		5.46	12/7/2022		
	12/13/2013	25,000		8.86	12/13/2023		
	12/19/2014	25,000		8.23	12/19/2024		
	1/4/2016	25,500		12.13	1/4/2026		
	1/3/2017	15,000		11.35	1/3/2027		
	1/2/2018	15,000		8.60	1/2/2028		
	1/2/2019					6,750[2]	109,485
	1/3/2020					17,500[2]	283,850
	1/2/2021					26,250[2]	425,775
	1/3/2022					40,000[2]	648,800
	5/18/2022					15,000[2]	243,300
John P. Jordan	1/2/2019					9,000[2]	145,980
	1/3/2020					17,500[2]	283,850
	1/2/2021					26,250[2]	425,775
	1/3/2022					40,000[2]	648,880
Frank Lee	12/7/2012	30,000		5.46	12/7/2022		
	12/13/2013	30,000		8.86	12/13/2023		
	12/19/2014	30,000		8.23	12/19/2024		
	1/4/2016	33,000		12.13	1/4/2026		
	1/3/2017	20,000		11.35	1/3/2027		
	3/7/2017	10,000		10.75	3/7/2027		
	1/2/2018	20,000		8.60	1/2/2028		
	1/2/2019					10,000[2]	162,200
	1/3/2020					17,500[2]	283,850
	1/2/2021					26,250[2]	425,775
	1/3/2022					40,000[2]	648,800
	5/18/2022					35,000[2]	567,700
Christopher J. Progler	1/4/2016	33,000		12.13	1/4/2026		
	1/3/2017	15,000		11.35	1/3/2027		

	1/2/2018	15,000		8.60	1/2/2028		
	1/2/2019					8,000[2]	129,760
	1/3/2020					17,500[2]	283,850
	1/2/2021					26,250[2]	425,775
	1/3/2022					40,000[2]	648,800

(1) The options vest 25% on each of the first 4 anniversaries of the date of the grant.

(2) Represents restricted stock awards which vest 25% on each of the first 4 anniversaries of the date of the grant.

(3) Represents restricted stock awards which vest 25% quarterly over one year from the date of the grant.

OPTION EXERCISES AND STOCK VESTED
FISCAL YEAR ENDED OCTOBER 31, 2022

	Option Awards		Stock Awards	
Name (a)	**No. of Shares Acquired On Exercise (#)(b)**	**Value Realized on Exercise ($)(c)**	**No. of Shares Acquired on Vesting (#)(d)**	**Value Realized on Vesting ($)(e)**
Richelle Burr	0	0	29,500	559,328
John P. Jordan	0	0	28,000	531,053
Peter S. Kirlin	153,750	1,243,440	76,250	1,446,450
Frank Lee	0	0	33,500	634,728
Christopher J. Progler	51,688	499,965	30,750	582,890

CERTAIN AGREEMENTS

Ms. Burr and the Company entered into a three-year employment agreement dated May 21, 2010. The Compensation Committee or the Board of Directors reviews Ms. Burr's base salary from time to time in accordance with normal business practices of the Company and as a result of such review may increase her base salary. Ms. Burr's current base salary is $503,500. Ms. Burr received a bonus of $505,712 in December 2022 and received a 6% salary increase in January of 2023. Ms. Burr's agreement is automatically extended for consecutive one-year periods unless the Company gives at least 30 days' notice of its intent not to renew. Ms. Burr is entitled to participate in employee benefit plans and arrangements as established by the Company for similarly situated executives. Ms. Burr is also entitled to receive an automobile allowance or company car in accordance with the Company's policies and provisions applicable to other similarly situated executives of the Company. If the agreement is terminated by the Company for reasons other than for “cause” or Ms. Burr resigns for “good reason”, Ms. Burr will receive a payment equal to 100% of her base salary paid out over 12 months. The agreement also provides severance payments equal to 150% of her base salary payable over 18 months in the event of involuntary termination other than for “cause” (including a resignation for “good reason”) following a “change in control” and Ms. Burr's stock options or similar rights will become immediately vested. Ms. Burr has agreed not to engage in any activity that competes with the Company's business during the term of her employment agreement and for twelve months thereafter.

John P. Jordan and the Company entered into a three-year employment agreement dated September 5, 2017. The Compensation Committee or the Board of Directors will review Mr. Jordan's base salary from time to time in accordance with normal business practices of the Company, and as a result of such reviews, may increase his base salary. Mr. Jordan's current salary is $410,000. Mr. Jordan received a bonus of $102,500 in December 2022. The agreement is automatically extended for consecutive one year periods unless the Company gives at least 30 days' notice of its intent not to renew. Mr. Jordan is entitled to participate in employee benefit plans and arrangements as established by the Company for similarly situated executives. Mr. Jordan is also entitled to receive an automobile allowance in accordance with the Company's policies and provisions applicable to other similarly situated executives of the Company. If the agreement is terminated by the Company for reasons other than for “cause,” or Mr. Jordan resigns for “good reason,” Mr. Jordan will receive a payment equal to 100% of his base salary paid out over 12 months. The agreement also provides severance payments equal to 150% of his base salary payable over 18 months in the event of involuntary termination other than for “cause” (including a resignation for “good reason”) following a “change in control” and Mr. Jordan’s stock options or similar rights will become immediately vested. Mr. Jordan has agreed not to engage in any activity that competes with the Company's business during the term of his employment agreement and for twelve months thereafter.

Dr. Lee and the Company entered into a three-year employment agreement dated October 31, 2019. The Compensation Committee or the Board of Directors of Photronics reviews Dr. Lee’s base salary from time to time in accordance with normal business practices of the Company, and as a result of such reviews, may increase his base salary. Dr. Lee’s current base salary is $750,000. Dr. Lee received a bonus of $963,800 in December 2022 and a 15.38% salary increase in January 2023. The agreement is automatically extended for consecutive one-year periods unless the Company gives at least 30 days’ notice of its intent not to renew. Dr. Lee is entitled to participate in employee benefits plans and arrangements as established by the Company for similarly situated executives. Dr. Lee is also entitled to receive an automobile allowance in accordance with the Company’s policies and provisions applicable to other similarly situated executives of the company. If the agreement is terminated by the company for reasons other than for “cause”, or Dr. Lee resigns for “good reason”, Dr. Lee will receive a payment equal to 100% of his base salary paid out over 12 months. The agreement also provides severance payments equal to 150% of his base salary payable over 18 months in the event of involuntary termination other than for “cause” (including resignation for “good reason”) following a “change in control” and Dr. Lee’s stock options or similar rights will become immediately vested. Dr. Lee has agreed not to engage in any activity that competes with the Company’s business during the term of his employment agreement and for twelve months after.

Dr. Progler and the Company entered into a three-year employment agreement dated September 10, 2007. The Compensation Committee or the Board of Directors reviews Dr. Progler's base salary from time to time in accordance with normal business practices of the Company, and as a result of such reviews may increase his base salary. Dr. Progler's current base salary is $434,932. Dr. Progler received a bonus of $313,653 in December 2022 and a 4% salary increase in January of 2023. The agreement is automatically extended for consecutive 1-year periods unless the Company gives at least 30 days' notice of its intent not to renew. Dr. Progler is entitled to participate in employee benefit plans and arrangements as established by the Company for similarly situated executives. Dr. Progler is also entitled to receive an automobile allowance or company car in accordance with the Company's policies and provisions applicable to other similarly situated executives of the Company. If the agreement is terminated by the Company for reasons other than for “cause” or Mr. Progler resigns for “good reason”, Mr. Progler will receive a payment equal to 100% of his base salary paid out over 12 months. The agreement also provides severance payments equal to 150% of his base salary payable over 18 months in the event of involuntary termination other than for “cause” (including a resignation for “good reason”) following a “change in control” and Mr. Progler's stock options or similar rights will become immediately vested. Mr. Progler has agreed not to engage in any activity that competes with the Company's business during the term of his employment agreement and for twelve months thereafter.

For purposes of the foregoing, “good reason” means the relocation of the Company's principal executive offices outside the United States without the employee's consent or any reduction in his salary or health benefits without the employee's consent.

EQUITY COMPENSATION PLAN INFORMATION

Plan Category	No. of Shares to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants, and rights (b)	No. of Shares remaining available for future issuance under equity compensation plans (excluding securities reflected in column) (c)
Equity Compensation Plan Approved by Shareholders	1,547,529	$ 13.24	1,461,782(1)
Equity Compensation Plans Not Approved by Shareholders	0	0	0
Total	1,547,529	$ 13.24	1,461,782

(1) Represents shares of Photronics Common Stock issuable pursuant to future grants under the Company's 2016 Long Term Equity Incentive Plan (the "LTEIP") and shares available under the Company's Employee Stock Purchase Plan.

POTENTIAL PAYMENTS UPON TERMINATION OR CHANGE IN CONTROL

Ms. Burr, Mr. Jordan, Dr. Lee and Dr. Progler have employment agreements with the Company that provide for severance payments in the event of termination by the Company without cause, termination upon a change of control, or resignation by such Named Executive Officer with good reason. The employment agreements are further described above under the caption “Certain Agreements”.

The table below was prepared as if the Named Executives Officer’s employment was terminated as of October 31, 2022, the last business day of our 2022 fiscal year and, if applicable, a change in control occurred on that date. The table also utilizes the closing share price of Common Stock on October 31, 2022.

Name	Severance Payment ($)(1)	Benefit Plans ($)(2)	Options ($)(3)	Restricted Stock ($)(4)	Total ($)
Richelle Burr					
Termination without cause or resignation for good reason.	475,000	18,000			493,000
Termination upon change of control	712,500	18,000		1,711,210	2,441,710
John P. Jordan					
Termination without cause or resignation for good reason.	410,000	18,000			428,000
Termination upon change of control	615,000	18,000		1,504,405	2,137,405
Frank Lee					
Termination without cause or resignation for good reason.	650,000				650,000
Termination upon change of control	975,000			2,088,325	3,063,325
Christopher J. Progler					
Termination without cause or resignation for good reason.	418,204	18,000			436,204
Termination upon change of control	627,306	18,000		1,488,185	2,133,491

(1) Assumes no bonus will be paid as part of the severance payment. The calculation was based on base salary for fiscal 2022.

(2) Assumes a payment of $1,500 per month for COBRA premiums for 12 months.

(3) The value of restricted stock assumes all unvested outstanding awards as of October 31, 2022, were immediately vested upon the change of control, regardless of whether termination of employment, for any reason has occurred, as provided under the Company’s stock incentive plans. In the case of restricted stock the value is based on the number of outstanding shares that would not ordinarily have vested as of October 31, 2022, multiplied by $16.22, the closing share price on October 31, 2022.

DIRECTORS' COMPENSATION

Directors who are not employees of the Company each received an annual retainer of $40,000 in addition to a fee of $4,000 for each Board meeting attended in fiscal 2022. The Chairman of the Board received an additional $50,000 retainer.

Grants of stock as part of the directors' annual compensation are approved at the first Board meeting of the Company's fiscal year and granted in January. For fiscal 2022, each director received a restricted stock award of 12,000 shares. The Chairman of the Board received an additional 10,000 shares. The restrictions on the awards lapse quarterly over the one-year service period.

Directors who are also employees of the Company are not compensated for serving on the Board.

In fiscal 2022, the Chairman of the Audit Committee received an additional annual retainer of $40,000 and the Vice Chairman received an additional annual retainer of $20,000. In fiscal 2022, the other members of the Audit Committee received an additional annual retainer of $15,000. Members of the Audit Committee are eligible to receive a per diem payment of $2,500 for travel in connection with the Audit Committee and for Board of Directors assignments. The Chairman of the Compensation Committee received an additional annual retainer of $40,000 and the Vice Chairman of the Compensation Committee receives an additional annual retainer of $20,000. In fiscal 2022, the Chairman of the Nominating Committee received an additional annual retainer of $20,000 and the Vice Chairman received an additional annual retainer of $10,000. In fiscal 2022, the Chairman of the Cyber Security Committee received an additional annual retainer of $15,000 and the other member of the Cyber Security Committee received a retainer of $10,000. From time to time, management may request the involvement of one or more directors outside of board meetings in connection with the development or consideration of strategic initiatives. The directors are paid an additional $2,500 per diem prorated fee for the time devoted to such matters. Such additional fees shall be paid to the directors if such services are rendered by any director.

At the meeting of the Board of Directors held in December 2022, the Compensation Committee recommended to the Board the compensation to be paid to the Board for fiscal 2023. The Board, after considering this recommendation, then established the annual compensation for the directors. When assessing the directors' compensation, the Compensation Committee reviews the compensation of the directors of its peer group (the peer group is described above in the CD&A), reviewing each element of director compensation including the annual retainer, the committee chair retainer, meeting fees and equity awards to determine whether the amount is competitive and reasonable for the services provided by the directors. We provide higher annual retainers for service as the Chair(s) of the Audit and Compensation Committee. We believe that providing part of the directors' annual retainer compensation in the form of equity rather than cash serves to align the interests of our directors with our shareholders as they become shareholders themselves. The annual retainer for directors who are not employees for 2023 is $50,000 and a meeting fee of $5,000 per meeting. Grants of stock as part of the directors' annual compensation are generally made in January. For fiscal 2023, each Director received a restricted stock award of 15,000 shares in January 2023. The restrictions on the awards lapse quarterly over the one-year service period.

In fiscal 2023, the Chairman of the Audit Committee will receive an additional annual retainer of $40,000 and the Vice Chairman will receive an additional annual retainer of $20,000. In fiscal 2023, the other member of the Audit Committee will receive an additional annual retainer of $15,000. Members of the Audit Committee will receive a per diem payment of $2,500 for travel in connection with the Audit Committee and for Board of Director assignments. The Chairman of the Compensation Committee will receive an additional annual retainer of $40,000 and the Vice Chairman of the Compensation Committee will receive an additional annual retainer of $20,000. In fiscal 2023, the Chairman of the Nominating Committee will receive an additional annual retainer of $20,000 and the Vice Chairman will receive an additional annual retainer of $10,000. In fiscal 2023, the Chairman of the Cyber Security Committee will receive an additional annual retainer of $15,000 and the other member of the Cyber Security Committee will receive a retainer of $10,000. From time to time, management may request the involvement of one or more directors outside of board meetings in connection with the development or consideration of strategic initiatives. The directors may earn an additional $2,500 per diem prorated fee for the time devoted to such matters.

DIRECTOR COMPENSATION TABLE

Name	Fees Earned or Paid in Cash ($)	Stock Awards ($)	Total ($)
Walter M. Fiederowicz	133,000(4)	231,360(1)	364,360
Adam Lewis	54,500(5)	184,920(2)	239,420
Daniel Liao	80,500(6)	231,360(1)	311,860
Constantine Macricostas	123,000(7)	385,460(3)	508,460
George Macricostas	80,500(8)	231,360(1)	311,860
Mary Paladino	128,000(9)	231,360(1)	359,360
Mitchell G. Tyson	103,000(10)	231,360(1)	334,360

(1) Represents 12,000 shares of restricted stock granted on January 3, 2022 with a closing stock price of $19.28. The restricted stock vests quarterly over a year from the date of grant.

(2) Represents 12,000 shares of restricted stock granted on May, 18, 2022 with a closing stock price of $15.41. The restricted stock vests quarterly over a year from the date of grant.

(3) Represents 12,000 shares of restricted stock granted on January 3, 2022 with a closing stock price of $19.28 and an additional 10,000 shares of restricted stock granted on May, 18, 2022 with a closing stock price of $15.41. The restricted stock vests quarterly over a year from the date of grant.

(4) Represents $40,000 as an annual retainer, $40,000 as Chairman of the Compensation Committee, $20,000 as Vice Chairman of the Audit Committee and $5,000 as Vice Chair of the Nominating Committee (prorated for half-year service) and $28,000 for meeting fees (7 meetings at $4,000 per meeting).

(5) Represents $30,000 as an annual retainer (prorated for partial year service), $7,500 as Chairman of the Cyber Security Committee (prorated for half-year service), $5,000 as a member of the Nominating Committee (prorated for half-year service), and $12,000 for meeting fees (3 meetings at $4,000 per meeting).

(6) Represents $40,000 annual retainer, $7,500 as a member of the Compensation Committee (prorated for half-year service), $5,000 as a member of the Nominating Committee (prorated for half-year service), and $28,000 in Board fees (7 meetings at $4,000 per meeting).

(7) Represents $40,000 as an annual retainer, $50,000 as Chairman of the Board of Directors, $5,000 as a member of the Cyber Security Committee (prorated for half-year service), and $28,000 for meeting fees (7 meetings at $4,000 per meeting).

(8) Represents $40,000 as an annual retainer, $7,500 as Chairman of the Cyber Security Committee (prorated for half-year service), $5,000 as a member of the Cyber Security Committee (prorated for half-year service), and $28,000 for meeting fees (7 meetings at $4,000 per meeting).

(9) Represents $40,000 as an annual retainer, $40,000 as Chairperson of the Audit Committee and $20,000 as Vice Chair of the Compensation Committee and $28,000 for meeting fees (7 meetings at $4,000 per meeting)

(10) Represents $40,000 as an annual retainer and $15,000 as a member of the Audit Committee, $20,000 as Chairman of the Nominating Committee, and $28,000 for meeting fees (7 meetings at $4,000 per meeting).

COMPENSATION COMMITTEE
INTERLOCKS AND INSIDER PARTICIPATION

During fiscal 2022, no members of the Compensation Committee were officers or employees of the Company or any of its subsidiaries. During fiscal 2022, no executive officers of the Company served on the Compensation Committee or the Board of Directors of another entity whose executive officers served on the Company’s Compensation Committee.

PROPOSAL 2
RATIFICATION OF THE SELECTION OF
INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Audit Committee has selected Deloitte & Touche LLP ("D&T"), independent registered public accounting firm, to audit the consolidated financial statements of the Company and its subsidiaries for the fiscal year ending October 31, 2023. We are asking you to ratify this selection at the meeting.

A representative of D&T will be available at the meeting to answer appropriate questions and may make a statement.

Approval of this proposal to ratify the appointment of D&T requires a majority of the votes cast by the Shareholders entitled to vote at the Annual Meeting.

THE BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE "FOR" RATIFYING THE SELECTION OF D&T AS OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR THE FISCAL YEAR ENDING OCTOBER 31, 2023

PROPOSAL 3

TO APPROVE AN AMENDMENT TO THE PHOTRONICS, INC. 2016 EQUITY INCENTIVE COMPENSATION PLAN TO INCREASE THE NUMBER OF AUTHORIZED SHARES OF COMMON STOCK AVAILABLE FOR ISSUANCE UNDER THE PLAN FROM 4,000,000 SHARES TO 5,000,000 SHARES AND INCREASE THE SHARES UNDER SECTION 6(c)(i) FROM 2,000,000 SHARES TO 5,000,000 SHARES

For the purpose of aiding the Company and its subsidiaries in attracting, retaining and motivating qualified personnel, the Company adopted a long term equity incentive plan (the “2016 LTEICP”) in 2016. We believe that the 2016 LTEICP is essential to the Company’s continued success. In addition to stock options, stock appreciation rights, restricted stock, performance shares and performance units, the 2016 LTEICP also permits the granting of restricted stock units and other equity-based awards. The awards provided under the 2016 LTEICP are vital to our ability to attract and retain the highly skilled individuals who work for the Company and for those who serve on its Board of Directors.

Pursuant to the current terms of the 2016 LTEIPC, a maximum of 4,000,000 shares of Common Stock may be issued. The proposed amendment would increase the number of shares of Common Stock authorized for issuance under the Plan from 4,000,000 shares to 5,000,000 shares and increase the shares under section 6(c)(i) from 2,000,000 shares to 5,000,000 shares.

The Board believes the Plan should be amended to increase the number of shares authorized for issuance in order to continue attracting, retaining and motivating qualified personnel. Approval of this proposal requires the affirmative vote of the holders of a majority of the outstanding shares of Common Stock present in person or by proxy at the Annual Meeting.

The 2016 LTEICP is qualified in its entirety by reference to the text of the 2016 LTEICP. You may request a copy of the 2016 LTECIP, as amended, free of charge by writing to: General Counsel, Photronics, Inc., 15 Secor Road, Brookfield, Connecticut 06804. A copy of the plan is also attached hereto as Annex A.

THE BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE “FOR” AMENDMENT TO THE PHOTRONICS, INC. 2016 EQUITY INCENTIVE COMPENSATION PLAN

PROPOSAL 4
TO RECOMMEND BY NON-BINDING VOTE THE FREQUENCY OF SHAREHOLDER VOTES ON EXECUTIVE COMPENSATION

As described in Proposal 5 below, in accordance with Section 14A of the Exchange Act, our shareholders are being provided the opportunity to cast an advisory vote to approve the compensation program of our Named Executive Officers, referred to as a "say-on-pay vote."

This Proposal 4 provides our shareholders the opportunity to cast an advisory vote on how often we should include a say-on-pay vote in our proxy materials for future annual stockholder meetings (or special stockholder meetings for which we must include executive compensation information in the proxy statement for that meeting). Under this Proposal 4, our shareholders may vote to have the say-on-pay vote every year, every two years or every three years. Our shareholders may also abstain from voting on this proposal.

While we will continue to monitor developments in this area, our Board believes that a say-on-pay vote should be conducted every year so that our shareholders may express their views on our executive compensation program and our Compensation Committee can consider the outcome of these votes in making its decisions on executive compensation annually.

The results of the vote contemplated by this Proposal 4 are advisory in nature, and therefore not binding on us, our Board or our Compensation Committee. Our Board and our Compensation Committee value the opinions of our shareholders and will take into account the outcome of this vote in considering the frequency with which future say-on-pay votes will be held.

Shareholders are not voting to approve or disapprove our Board's recommendation. Instead, you may cast your vote on your preferred voting frequency by choosing among four choices with respect to this proposal: a one, two or three year frequency, or shareholders may abstain from voting on the proposal. You are being asked only to express your preference for a one, two or three year frequency or to abstain from voting. Your vote on this proposal will be non-binding on us and the Board of Directors and will not be construed as overruling a decision by us or the Board of Directors. Your vote will not create or imply any change to our fiduciary duties or create or imply any additional fiduciary duties for us or the Board of Directors. However, the Board of Directors values the opinions that our shareholders express in their votes and will consider the outcome of the vote when making such future compensation decisions as it deems appropriate.

THE BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE "FOR" 1 YEAR ON THE FREQUENCY WITH WHICH THE NON-BINDING SHAREHOLDER VOTE TO APPROVE THE COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS SHOULD BE CONDUCTED

PROPOSAL 5
TO APPROVE, BY NON-BINDING VOTE, THE COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS

Pursuant to the Dodd-Frank Act, we are asking our shareholders to provide advisory approval of the compensation of our Named Executive Officers, as we have described it in the CD&A section of this proxy statement beginning on page 14. While this vote is advisory, and not binding on the Company, it will provide information to our Compensation Committee regarding investor sentiment about our executive compensation philosophy, policies, and practices which the Compensation Committee will be able to consider when determining executive compensation for future years. For the reasons stated below, we are requesting your approval of the following non-binding resolution:

"RESOLVED, that the compensation paid to the Company's Named Executive Officers, as set forth in the Compensation Discussion and Analysis, compensation tables and narrative discussion is hereby APPROVED."

The compensation of our Named Executive Officers and our compensation philosophy policies are comprehensively described in the CD&A and its accompanying tables (including all footnotes).

The Compensation Committee designs our compensation policies for our Named Executive Officers to create executive compensation arrangements that are competitive, align pay with creating shareholder value and balance compensation risk appropriately in the context of the Company's business strategy. Based on its review of the total compensation of our Named Executive Officers for fiscal year 2022, the Compensation Committee believes that the total compensation for each of the Named Executive Officers is reasonable and effectively achieves the designed objectives of driving Company performance, attracting, retaining and motivating our people, aligning our executives with shareholders' long-term interests, and discouraging excessive risk taking.

Neither the approval nor the disapproval of this resolution will be binding on us or the Board of Directors or will be construed as overruling a decision by us or the Board of Directors. Neither the approval nor the disapproval of this resolution will create or imply any change to our fiduciary duties or create or imply any additional fiduciary duties for us or the Board of Directors.

THE BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE "FOR" APPROVING THE COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS

RELATED PARTY TRANSACTIONS

The Company has an operating policy the purpose of which is to ensure that contracts with entities in which any director, officer, or other member of management has a financial interest are competitively priced and commercially reasonable. Under the policy, any such contract must be reviewed and approved in advance by the Audit Committee. To the extent that anyone on the Audit Committee is the person with a financial interest, the Chief Executive Officer and Chief Financial Officer of the Company will obtain independent assessment of the commercial reasonableness of the contract when considered necessary.

Dr. Frank Lee is related to an individual in a position of authority at one of our largest customers. We recorded revenue from this customer of $119.0 million, $111.0 million and $96.4 million, in 2022, 2021, and 2020, respectively. As of October 31, 2022, and October 31, 2021, we had accounts receivable of $32.4 million and $34.5 million, respectively, from this customer.

We believe that the terms of our transactions with the related parties described above were negotiated at arm’s length and were no less favorable to us than terms we could have obtained from unrelated third parties.

SOLICITATION OF PROXIES AND COSTS THEREOF

We will bear the costs of solicitation of proxies. We have engaged Alliance Advisors, LLC to assist us with the solicitation of proxies and provide related advice and informational support for a services fee and the reimbursement of customary disbursements both of which are not expected to exceed $30,000 in the aggregate. In addition to solicitations by mail, certain of our officers may solicit proxies by telephone, email and personal interviews without additional remuneration. We will request brokers, custodians, and fiduciaries to forward proxy solicitation material to the owners of shares of our common stock that they hold in their names. We will reimburse banks and brokers for their reasonable out-of-pocket expenses incurred in connection with the distribution of our proxy materials.

As of the date of this proxy statement, the Board of Directors knows of no matters which will be presented for consideration at the Annual Meeting of Shareholders other than the proposals set forth in this Proxy Statement. If any other matters properly come before the Annual Meeting of Shareholders the persons named in the proxy will act in respect thereof in accordance with their best judgment.

DELINQUENT SECTION 16(A) REPORTS

Section 16(a) of the Exchange Act, as amended, requires the Company’s executive officers and directors and persons who beneficially own more than ten percent of a registered class of the Company’s equity securities to file an initial report of beneficial ownership on Form 3 and changes in beneficial ownership on Form 4 or 5 with the SEC. Executive officers, directors and greater than ten percent shareholders are also required by SEC rules to furnish the Company with copies of all Section 16(a) forms they file. Based solely on its review of the copies of such forms received by it, or written representations from the reporting persons, the Company believes that during the 2022 fiscal year there were two Form 4 delinquent filings, one for Mr. Tyson and one for Mr. Progler, whose filings were each filed twenty-four hours late due to administrative oversight.

FORM 10-K AND ADDITIONAL INFORMATION

The Company’s Annual Report, which includes audited financial statements and financial statement schedules, will be furnished, free of charge, upon written request directed to the Secretary, Photronics, Inc., 15 Secor Road, Brookfield, Connecticut 06804 (203-775-9000). It can also be accessed on our web site at https://photronicsinc.gcs-web.com/financial-information/annual-reports.

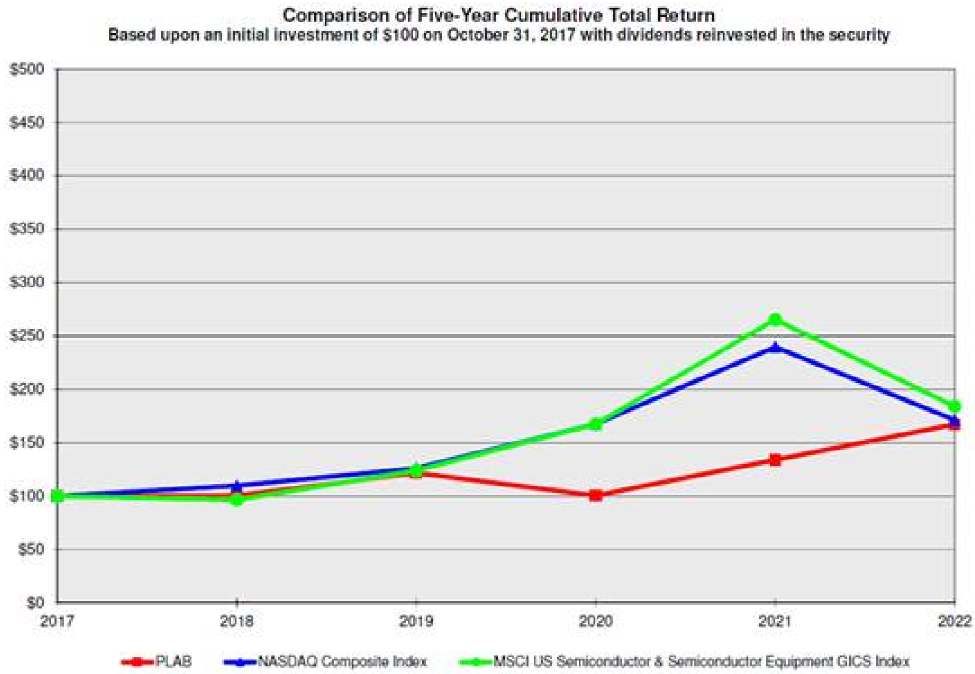
MULTIPLE SHAREHOLDERS SHARING THE SAME ADDRESS

The Company has adopted a procedure approved by the SEC called “householding” which will reduce our printing costs and postage fees. Under this procedure, multiple shareholders residing at the same address will receive a single copy of the annual report and proxy statement unless the shareholder notifies the Company that they wish to receive individual copies. Shareholders may revoke their consent to householding at any time by contacting Alliance Advisors, LLC either by calling toll-free at 1-(866)-584-0577, or by writing to Alliance Advisors, Proxy Logistics, 200 Broadacres Drive, 3rd Floor, Bloomfield, New Jersey, 07003. The Company will remove you from the householding program within 30 days of receipt of your request, following which you will receive an individual copy of our disclosure document.

SHAREHOLDER PROPOSALS

Under Rule 14a-8 shareholder proposals intended for inclusion in the Company’s proxy statement for the 2024 Annual Meeting of Shareholders must be received by the Company no less than 120 calendar days before the date of the Company’s proxy statement released to shareholders in connection with the previous year’s annual meeting (March 10, 2022) and must meet certain requirements of applicable laws and regulations in order to be considered for possible inclusion in the proxy statement for that meeting. Proposals may be mailed to Photronics, Inc. to the attention of the Secretary, 15 Secor Road, Brookfield, Connecticut 06804. A nomination by a qualifying shareholder may be made only pursuant to timely notice (in the same time frame as a shareholder proposal) in proper written form to the Secretary.

PERFORMANCE GRAPH



Annex A

PHOTRONICS, INC.
2016 Equity Incentive Compensation Plan

1. PURPOSES OF THE PLAN.

The purpose of the Plan is to (a) promote the long-term financial success of the Company and its Subsidiaries and increase stockholder value by providing Eligible Individuals with equity-based awards and (b) assist the Company in attracting, retaining and motivating highly qualified individuals who are in a position to make significant contributions to the Company and its Subsidiaries.

Upon the Effective Date, (a) no further Awards will be granted under the Prior Plans and (b) the Prior Plans shall be terminated, except that the Prior Plans shall continue to govern awards granted thereunder prior to the Effective Date.

2. DEFINITIONS AND RULES OF CONSTRUCTION.

(a) Definitions. For purposes of the Plan, unless otherwise specified or unless the context otherwise requires, the following capitalized terms shall have the meanings set forth below:

"Administrator" means Committee, unless there is no Committee in which case "Administrator" means the Non-Employee Directors of the Board or such other committee or person to whom it has delegated power to act on its behalf hereunder, generally or specifically.

"Award" means an Incentive Stock Option, Non-Qualified Stock Option, Stock Grant, Stock-Based Award, Restricted Stock, Restricted Stock Unit, Stock Appreciation Right, Performance Unit, Performance Stock and other stock or cash award as the Administrator may establish pursuant to the terms of the Plan.

"Award Document" means an agreement, certificate or other type or form of document or documentation approved, generally or specifically, by the Administrator that sets forth the terms and conditions of an Award. An Award Document may be in written, electronic or other media, may be limited to a notation on the books and records of the Company and, unless the Administrator requires otherwise, need not be signed by a representative of the Company or a Participant.

"Beneficial Owner" and **"Beneficially Owned"** have the meaning set forth in Rule 13d-3 under the Exchange Act.

"Board" means the Board of Directors of the Company.

"Change of Control" means:

(i) Any Person becomes the Beneficial Owner, directly or indirectly, of securities of the Company representing thirty-five percent (35%) or more of the combined voting power of the Company's then outstanding securities; or

(ii) The following individuals cease for any reason to constitute a majority of the number of directors then serving: individuals who, on the Effective Date, constitute the Board and any new director (other than a director whose initial assumption of office is in connection with an actual or threatened election contest, including, but not limited to, a consent solicitation, relating to the election of directors of the Company) whose appointment or election by the Board or nomination for election by the Company's stockholders was approved or recommended by a vote of at least a majority of the directors then still in office who either were directors on the Effective Date or whose appointment, election or nomination for election was previously so approved or recommended; or

(iii) There is consummated a merger or consolidation of the Company or any Subsidiary with any other corporation, other than (A) a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or any parent thereof), in combination with the ownership of any trustee or other fiduciary holding securities under an employee benefit plan of the Company or any Subsidiary of the Company, more than fifty percent (50%) of the combined voting power of the securities of the Company or such surviving entity or any parent thereof outstanding immediately after such merger or consolidation, or (B) a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company representing thirty-five percent (35%) or more of the combined voting power of the Company's then outstanding securities; or

(iv) The stockholders of the Company approve a plan of complete liquidation or dissolution of the Company or there is consummated an agreement for the sale or disposition by the company of all or substantially all of the Company's assets, other than a sale or disposition by the Company of all or substantially all of the Company's assets to an entity, more than fifty percent (50%) of the combined voting power of the voting securities of which are owned by stockholders of the Company in substantially the same proportions as their ownership of the Company immediately prior to such sale.

Notwithstanding the foregoing, with respect to an Award that is subject to Section 409A of the Code and the payment or settlement of the Award will accelerate upon a Change of Control, no event set forth herein will constitute a Change of Control for purposes of the Plan or any Award Document unless such event also constitutes a "change in ownership," "change in effective control," or "change in the ownership of a substantial portion of the Company's assets" as defined under Section 409A of the Code.

"Code" means the Internal Revenue Code of 1986, as amended, and the applicable rules and regulations promulgated thereunder.

"Committee" means the Compensation Committee of the Board, any successor committee thereto or any other committee appointed from time to time by the Board to administer the Plan. It is intended that the power, authority and composition of the Committee shall meet the requirements of Section 162(m) of the Code, Section 16(b) of the Exchange Act and the applicable rules of the NASDAQ; provided, however, that, if any Committee member is found not to have met the requirements of Section 162(m) of the Code or Section 16(b) of the Exchange Act, any actions taken or Awards granted by the Committee shall not be invalidated by reason of such failure.

"Common Stock" means the common stock of the Company, par value $0.01 per share, or such other class of shares or other securities as may be applicable under Section 14.

"Company" means Photronics, Inc., a Connecticut corporation, or any successor (other than a successor in a Change of Control) to all or substantially all of the Company's business that adopts the Plan.

"EBITDA" means earnings before interest, taxes, depreciation and amortization.

"Effective Date" means the date on which the Plan is adopted by the Board and approved by the stockholders.

"Eligible Individuals" means the individuals described in Section 5 (a) who are eligible for Awards under the Plan.

"Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

"Fair Market Value" means, with respect to a share of Common Stock, the fair market value on the date of grant or valuation of such Award as determined by the Administrator; provided, however, that with respect to an incentive stock option issued to a 10% or more stockholder, Fair Market Value means 110% of such fair market value or such other lower percentage as may be permitted by the Code and regulations promulgated thereunder.

"Incentive Stock Option" means an Option that is intended to comply with the requirements of Section 422 of the Code or any successor provision thereto.

"NASDAQ" means the NASDAQ Stock Market, Inc.

"Non-Employee Director" means any member of the Board who is not an officer or employee of the Company or any Subsidiary.

“**<u>Nonqualified Stock Option</u>**” means an Option that is not intended to comply with the requirements of Section 422 of the Code or any successor provision thereto.

“**<u>Option</u>**” means an Incentive Stock Option or Nonqualified Stock Option granted pursuant to Section 8 of the Plan.

“**<u>Other Award</u>**” means any form of Award other than an Incentive Stock Option, Non-Qualified Stock Option, Stock Grant, Stock-Based Award, Restricted Stock, Restricted Stock Unit, Stock Appreciation Right, Performance Unit or Performance Stock, as the Administrator may establish and grant pursuant to Section 12.

“**<u>Participant</u>**” means an Eligible Individual who has been granted an Award under the Plan.

“**<u>Performance Period</u>**” means the period established by the Administrator and set forth in the applicable Award Document over which Performance Targets are measured.

“**<u>Performance Stock</u>**” means an Award granted pursuant to Section 11(a), representing the unfunded and unsecured right to receive Shares contingent upon the achievement of one or more Performance Targets, in accordance with this Plan and the applicable Award Document.

“**<u>Performance Target</u>**” means the performance measures established by the Administrator, from among the performance criteria provided in Section 7 (g), and set forth in the applicable Award Document.

“**<u>Performance Unit</u>**” means an Award granted pursuant to Section 11(b), representing the unfunded and unsecured right to receive one or more units, denominated in Shares or cash or a combination thereof, contingent upon the achievement of one or more Performance Target, in accordance with this Plan and the applicable Award Document.

“**<u>Permitted Transferees</u>**” means (i) a Participant’s family member, (ii) one or more trusts established in whole or in part for the benefit of one or more of such family members, (iii) one or more entities which are beneficially owned in whole or in part by one or more such family members, or (iv) a charitable or not-for-profit organization.

“**<u>Person</u>**” means an individual, a partnership, a corporation, an association, a joint stock company, a limited liability company, a trust, a joint venture, an unincorporated organization and a governmental entity or any department, agency or political subdivision thereof, or a “group” within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act.

“**<u>Plan</u>**” means this 2016 Equity Incentive Compensation Plan, as amended or restated from time to time.

“**<u>Plan Limit</u>**” means the maximum aggregate number of Shares that may be issued for all purposes under the Plan as set forth in Section 6 (a).

“**<u>Prior Plan</u>**” means any of the 1996 Stock Option Plan, the 1998 Stock Option Plan, the 2000 Stock Plan and the 2007 Long Term Equity Incentive Plan, in each case, as amended from time to time.

“**<u>Restricted Stock</u>**” means one or more Shares granted pursuant to Section 9 (a).

“**<u>Restricted Stock Unit</u>**” means a right to receive one or more Shares (or cash, if applicable) in the future granted pursuant to Section 9 (b).

“**<u>Shares</u>**” means shares of Common Stock.

“**<u>Stock Appreciation Right</u>**” means a right to receive all or some portion of the appreciation on Shares granted pursuant to Section 10.

“**<u>Subsidiary</u>**” means (i) a corporation or other entity with respect to which the Company, directly or indirectly, has the power, whether through the ownership of voting securities, by contract or otherwise, to elect at least a majority of the members of its board of directors or analogous governing body or (ii) any other corporation or other entity in which the Company, directly or indirectly, has an equity or similar interest and which the Administrator designates as a Subsidiary for purposes of the Plan. For purposes of determining eligibility for the grant of Incentive Stock Options under the Plan, the term “Subsidiary” shall be defined in the manner required by Section 424(f) of the Code.

"<u>Substitute Award</u>" means any Award granted upon assumption of, or in substitution or exchange for, outstanding employee equity awards previously granted by a corporation or other entity acquired by the Company or with which the Company combines pursuant to the terms of an equity compensation plan that was approved by the stockholders of such company or other entity

(b) <u>Rules of Construction</u>. The masculine pronoun shall be deemed to include the feminine pronoun, and the singular form of a word shall be deemed to include the plural form, unless the context requires otherwise. Unless the text indicates otherwise, references to Sections are to sections of the Plan.

3. ADMINISTRATION.

(a) <u>Administrator</u>. The Administrator is authorized to:

(i) administer and interpret the provisions of the Plan and adopt, prescribe, amend, waive and rescind administrative regulations, rules and procedures relating to the Plan;

(ii) select the Participants from the Eligible Individuals;

(iii) grant Awards in accordance with the Plan and determine the number of Shares subject to each Award or the cash amount payable in connection with each Award;

(iv) determine the terms and conditions of each Award, including, without limitation, those related to term, exercise, vesting, cancellation, payment, settlement, exercisability, performance, termination of employment and, subject to Section 7 (d), a Change of Control;

(v) subject to Sections 17 and 19 (e), amend the terms and conditions of an Award after the granting thereof;

(vi) specify and approve the forms terms and conditions of Award Documents;

(vii) interpret the provisions of any Award Document;

(viii) make factual determinations in connection with the administration or interpretation of the Plan;

(ix) employ such legal counsel, independent auditors and consultants as it deems desirable for the administration of the Plan and rely upon any advice, opinion or computation received therefrom;

(x) vary the terms of Awards to take account of tax and securities law and other regulatory requirements or procure favorable tax treatment for Participants;

(xi) correct any defects, supply any omission or reconcile any inconsistency in any Award Document or the Plan;

(xii) make all other determinations and take all other actions that it deems desirable or necessary to interpret or implement properly the Plan or any Award; and

(xiii) adopt any sub-plans as it deems necessary or appropriate in order to comply with or take advantage of any tax or other laws applicable to the Company, any Subsidiary or Participants or to otherwise facilitate the administration of the Plan.

(b) <u>Determinations of Administrator Final and Binding</u>. All determinations by the Administrator shall be made in the Administrator's sole discretion and shall be final, binding and conclusive for all purposes and upon all Persons.

(c) <u>Delegation of Authority</u>. To the extent not prohibited by applicable laws, rules and regulations, the Administrator may, from time to time, delegate some or all of its authority under the Plan to a subcommittee or subcommittees thereof or other persons or groups of persons as it deems necessary or desirable under such conditions or limitations as it may set at the time of such delegation or thereafter; *provided, however*, that the Administrator may not delegate its authority (i) to make Awards to employees (A) who are subject on the date of the Award to the reporting rules under Section 16(a) of the Exchange Act, (B) whose compensation for such fiscal year may be subject to the limit on deductible compensation pursuant to Section 162(m) of the Code or (C) who are officers of the Company who are delegated authority by the Administrator hereunder, or (ii) pursuant to Section 17. For purposes of the Plan, reference to the Administrator shall be deemed to refer to any subcommittee, subcommittees, or other persons or groups of persons to whom the Administrator delegates authority pursuant to this Section 3(d).

(d) Liability of Administrator. Subject to applicable laws, rules and regulations: (i) the Administrator and its delegatees shall not be liable for any action or determination made in good faith; and (ii) the Administrator and its delegates shall be entitled to indemnification and advancement of expenses to the fullest extent provided by law. In the performance of its responsibilities with respect to the Plan, the Administrator shall be entitled to rely upon information and advice furnished by the Company's officers or employees, the Company's accountants, the Company's counsel and any other Person that the Administrator or its delegates deems necessary, and the Administrator or its delegatees shall not be liable for any action taken or not taken in reliance upon any such information and advice.

(e) Action by the Board. Anything in the Plan to the contrary notwithstanding, subject to applicable laws, rules and regulations, any authority or responsibility that, under the terms of the Plan, may be exercised by the Administrator may alternatively be exercised by the Board.

4. CLAWBACK.

All Awards granted under the Plan will be subject to recoupment in accordance with any clawback policy that the Company is required to adopt pursuant to the listing standards of any national securities exchange or association on which the Company's securities are listed or as is otherwise required by the Dodd-Frank Wall Street Reform and Consumer Protection Act or other applicable law. In addition, the Board may impose such other clawback, recovery or recoupment provisions in an Agreement as the Board determines necessary or appropriate. No recovery of compensation under such a clawback policy will be an event giving rise to a right to resign for "good reason" or "constructive termination" (or similar term) under any agreement with the Company.

5. ELIGIBILITY.

(a) Eligible Individuals. Awards may be granted to officers, employees, directors, consultants, advisors and independent contractors of the Company or any of its Subsidiaries; *provided, however*, that only employees of the Company or a Subsidiary within the meaning of Section 422 of the Code may be granted Incentive Stock Options. The Administrator shall have the authority to select the persons to whom Awards may be granted and to determine the type, number and terms of Awards to be granted to each such Participant. Under the Plan, references to "employment" or "employed" include the engagement or retention of Participants who are consultants, advisors and independent contractors and the service of Participants who are directors, except for purposes of determining eligibility to be granted Incentive Stock Options.

(b) Grants to Participants. The Administrator shall have no obligation to grant any Eligible Individual an Award or to designate an Eligible Individual as a Participant for any reason, including without limitation the fact that such Eligible Individual received a prior Award or was previously designated as a Participant. The Administrator may grant more than one Award to a Participant and may designate an Eligible Individual as a Participant for overlapping periods of time.

(c) Future Remuneration. The grant of an Award shall not obligate the Company or any Subsidiary of the Company to pay a Participant any particular amount of remuneration, to continue the employment of the Participant after the grant or to make further grants to the Participant at any time thereafter.

6. SHARES SUBJECT TO THE PLAN.

(a) Plan Limit. Subject to adjustment in accordance with Section 14, the maximum aggregate number of Shares that may be issued for all purposes under the Plan shall be five (5) million (5,000,000). Shares to be issued under the Plan may be authorized and unissued shares, issued shares that have been reacquired by the Company (in the open-market or in private transactions) and that are being held in treasury, or a combination thereof. All of the Shares subject to the Plan Limit may be issued pursuant to Incentive Stock Options.

(b) Rules Applicable to Determining Shares Available for Awards. The number of Shares available for Awards at any time will be reduced by the number of Shares subject to the outstanding Awards and, by the number of Shares actually delivered prior thereto upon settlement or payment of Awards. For purposes of determining the number of Shares actually so delivered, (i) the number of Shares that are tendered by a Participant or withheld by the Company to pay the exercise price of an Award or to satisfy the Participant's tax withholding obligations in connection with the exercise or settlement of an Award and (ii) all of the Shares covered by a stock-settled Stock Appreciation Right to the extent exercised, will be deemed to have been actually delivered. Shares Awards that are forfeited or cancelled or otherwise expire for any reason without having been exercised or settled or that are settled through issuance of consideration other than Shares (including, without limitation, cash) shall again be available for the grant of Awards; *provided, however*, that this provision shall not be applicable with respect to (i) the cancellation of a Stock Appreciation Right granted in tandem with an Option upon the exercise of the Option or (ii) the cancellation of an Option granted in tandem with a Stock Appreciation Right upon the exercise of the Stock Appreciation Right.

(c) Special Limits. Anything to the contrary in Section 6 (a) notwithstanding, but subject to adjustment under Section 14, the following special limits shall apply to Shares available for Awards:

(i) the maximum number of Shares that may be issued pursuant to awards of Restricted Stock, Restricted Stock Units, Performance Stock, Performance Units and Other Awards that are payable in Shares granted under the Plan shall be five million (5,000,000) shares in the aggregate; and

(ii) subject to the other limitations set forth herein, the maximum amount of Awards that may be awarded to any Participant in any fiscal year is 15% of the Shares measured as of the Effective Date provided however, that no Non-Employee Director may receive one or more Awards in any fiscal year in excess of 30,000 Shares.

(d) Substitute Awards. Any Shares underlying Substitute Awards shall not be counted against the number of Shares issuable hereunder and shall not be subject to Section 6 (c).

(e) Legal Compliance. Shares will not be issued pursuant to the exercise of an Award unless the exercise of such Award and the issuance and delivery of such Award will comply with applicable laws, rules and regulations as determined by counsel for the Company.

7. AWARDS IN GENERAL.

(a) Types of Awards. Incentive Stock Options, Non-Qualified Stock Options, Stock Grants, Stock-Based Awards, Restricted Stock, Restricted Stock Units, Stock Appreciation Rights, Performance Units, Performance Stock and other stock or cash awards may be granted as the Administrator may determine. Any Award described in Sections 8 through 12 may be granted singly or in combination or tandem with any other Award, as the Administrator may determine. Awards under the Plan may be made in combination with, in replacement of, or as alternatives to awards or rights under any other compensation or benefit plan of the Company or its Subsidiaries, including the plan of any acquired entity.

(b) Terms Set Forth in Award Document. The terms and conditions of each Award shall be set forth in an Award Document in a form and with terms and conditions approved by the Administrator, which Award Document shall contain terms and conditions not inconsistent with the Plan. Notwithstanding the foregoing, and subject to applicable laws, rules and regulations, the Administrator may accelerate (i) the vesting or payment of any Award, (ii) the lapse of restrictions on any Award or (iii) the date on which any Award first becomes exercisable. The terms of Awards may vary among Participants, and the Plan does not impose upon the Administrator any requirement to make Awards subject to uniform terms.

(c) Termination of Employment. The Administrator shall specify at or after the time of grant of an Award the provisions governing the disposition of an Award in the event of a Participant's termination of employment with the Company or any of its Subsidiaries. Subject to applicable laws, rules and regulations, in connection with a Participant's termination of employment, the Administrator shall have the discretion to accelerate the vesting, exercisability or settlement of, eliminate the restrictions and conditions applicable to, or extend the post-termination exercise period of an outstanding Award. Such provisions may be specified in the applicable Award Document or determined at a subsequent time.

(d) Change of Control.

(i) The Administrator shall have full authority to determine the effect, if any, of a Change of Control (or similar events, as determined by the Administrator) on the vesting, exercisability, settlement, payment, lapse of restrictions or other terms and conditions applicable to an Award, which effect may be specified in the applicable Award Document or determined at a subsequent time. Subject to applicable laws, rules and regulations, the Administrator may, at any time prior to, coincident with or after the effective time of a Change of Control, take such actions as it may consider necessary or desirable, including, without limitation: (A) providing for the acceleration of any vesting conditions relating to the exercise or settlement of an Award or that an Award shall terminate or expire unless exercised or settled in full on or before a date fixed by the Administrator; (B) making such adjustments to an Awards to reflect such Change of Control; (C) causing Awards to be assumed, or new rights to be substituted therefor, by the surviving corporation or other entity in such Change of Control; or (D) permitting or requiring Participants to surrender outstanding Options and Stock Appreciation Rights in exchange for a cash payment, if any, equal to the difference between the highest price paid for a Share in the Change of Control and the exercise or settlement price of such Award. In addition, except as otherwise specified in an Award Document (or a Participant's written employment agreement with the Company or any Subsidiary):

(1) any and all Options and Stock Appreciation Rights outstanding as of the effective time of the Change of Control shall become immediately exercisable, and shall remain exercisable until the earlier of the expiration of their initial term or the second (2^{nd}) anniversary of the Participant's termination of employment with the Company;

(2) any restrictions imposed on Restricted Stock and Restricted Stock Units outstanding as of the effective time of the Change of Control shall lapse;

(3) the Performance Targets with respect to all Performance Units, Performance Stock and other performance-based Awards granted pursuant to Section 7 (g) or 11 outstanding as of the effective time of the Change of Control shall be deemed to have been attained at the specified target level of performance; and

(4) the vesting of all Awards denominated in Shares outstanding as of the effective time of the Change in Control shall be accelerated.

(ii) Notwithstanding any other provision of the Plan or any Award Document, the provisions of this Section 7 (d) may not be terminated, amended, or modified upon or after a Change of Control in a manner that would adversely affect a Participant's rights with respect to an outstanding Award without the prior written consent of the Participant. Subject to Section 17, the Board, upon recommendation of the Administrator, may terminate, amend or modify this Section 7 (d) at any time and from time to time prior to a Change of Control.

(e) Dividends and Dividend Equivalents. The Administrator may provide Participants with the right to receive dividends or payments equivalent to dividends with respect to an outstanding Award, which payments can either be paid currently or deferred or be deemed to have been reinvested in Shares, and can be made in Shares, cash or a combination thereof, as the Administrator shall determine; *provided, however*, that the terms of any reinvestment of dividends must comply with all applicable laws, rules and regulations, including, without limitation, Section 409A of the Code. Notwithstanding the foregoing, no dividends or dividend equivalents shall be paid with respect to Options or Stock Appreciation Rights.

(f) Rights of a Stockholder. A Participant shall have no rights as a stockholder with respect to Shares covered by an Award (including voting rights) until the date the Participant or his nominee becomes the holder of record of such Shares. No adjustment shall be made for dividends or disbursements for which the record date is prior to such date, except as provided in Section 14.

(g) Performance-Based Awards.

(i) The Administrator may determine whether any Award under the Plan is intended to be "performance-based compensation" as that term is used in Section 162(m) of the Code. Any such Awards designated to be "performance-based compensation" shall be conditioned on the achievement of one or more Performance Targets to the extent required by Section 162(m) of the Code and will be subject to all other conditions and requirements of Section 162(m). The Performance Targets will be comprised of specified levels of one or more of the following performance criteria as the Administrator deems appropriate: net income; cash flow or cash flow on investment; pre-tax or post-tax profit levels or earnings; operating earnings; return on investment; earned value added expense reduction levels; free cash flow; free cash flow per share; earnings per share; net earnings per share; return on assets; return on net assets; return on equity; return on capital; return on sales; growth in managed assets; operating margin; total stockholder return or stock price appreciation; EBITDA; adjusted EBITDA; revenue; revenue before deferral, in each case determined in accordance with generally accepted accounting principles or in accordance with non-GAAP accounting historically used by the Company (subject to modifications approved by the Administrator) consistently applied on a business unit, divisional, subsidiary or consolidated basis or any combination thereof. The Performance Targets may be described in terms of objectives that are related to the individual Participant or objectives that are Company-wide or related to a Subsidiary, division, department, region, function or business unit and may be measured on an absolute or cumulative basis or on the basis of percentage of improvement over time, and may be measured in terms of Company performance (or performance of the applicable Subsidiary, division, department, region, function or business unit) or measured relative to selected peer companies or a market index. In addition, for Awards not intended to qualify as "performance-based compensation" under Section 162(m) of the Code, the Administrator may establish Performance Targets based on other criteria as it deems appropriate.

(ii) The Participants will be designated, and the applicable Performance Targets will be established, by the Administrator within ninety (90) days following the Administrator of the applicable Performance Period (or such earlier or later date permitted or required by Section 162(m) of the Code). Any payment of an Award granted with Performance Targets shall be conditioned on the written certification of the Administrator in each case that the Performance Targets and any other material conditions were satisfied.

The Administrator retains the right to reduce any Award notwithstanding the attainment of the Performance Targets.

(h) Deferrals. In accordance with the procedures authorized by, and subject to the approval of, the Administrator, Participants may be given the opportunity to defer the payment or settlement of an Award to one or more dates selected by the Participant; *provided, however*, that the terms of any deferrals must comply with all applicable laws, rules and regulations, including, without limitation, Section 409A of the Code. No deferral opportunity shall exist with respect to an Award unless explicitly permitted by the Administrator on or after the time of grant.

(i) Repricing of Options and Stock Appreciation Rights. Notwithstanding anything in the Plan to the contrary, an Option or Stock Appreciation Right shall not be granted in substitution for a previously granted Option or Stock Appreciation Right being canceled or surrendered as a condition of receiving a new Award, if the new Award would have a lower exercise price than the Award it replaces, nor shall the exercise price of an Option or Stock Appreciation Right be reduced once the Option or Stock Appreciation Right is granted. The foregoing shall not (i) prevent adjustments pursuant to Section 14 or (ii) apply to grants of Substitute Awards.

8. TERMS AND CONDITIONS OF OPTIONS.

(a) General. The Administrator, in its discretion, may grant Options to Eligible Individuals and shall determine whether such Options shall be Incentive Stock Options or Nonqualified Stock Options. Each Option shall be evidenced by an Award Document that shall expressly identify the Option as an Incentive Stock Option or Nonqualified Stock Option, and be in such form and contain such provisions as the Administrator shall from time to time deem appropriate.

(b) Exercise Price. The exercise price of an Option shall be fixed by the Administrator at the time of grant or shall be determined by a method specified by the Administrator at the time of grant. In no event shall the exercise price of an Option be less than one hundred percent (100%) of the Fair Market Value of a Share on the date of grant; *provided, however* that the exercise price of a Substitute Award granted as an Option shall be determined so as to avoid excise or other taxes under Section 409A of the Code and may be less than one hundred percent (100%) of the Fair Market Value.

(c) Term. An Option shall be effective for such term as shall be determined by the Administrator and as set forth in the Award Document relating to such Option, and the Administrator may extend the term of an Option after the time of grant; *provided*, *however*, that the term of an Option may in no event extend beyond the tenth (10^{th}) anniversary of the date of grant of such Option.

(d) Exercise; Payment of Exercise Price. Options shall be exercised by delivery of a notice of exercise in a form approved by the Company. Subject to the provisions of the applicable Award Document, the exercise price of an Option may be paid (i) in cash or cash equivalents, (ii) by actual delivery or attestation to ownership of freely transferable Shares already owned by the person exercising the Option, (iii) by a combination of cash and Shares equal in value to the exercise price, (iv) through net share settlement or similar procedure involving the withholding of Shares subject to the Option with a value equal to the exercise price or (v) by such other means as the Administrator may authorize. In accordance with the rules and procedures authorized by the Administrator for this purpose, the Option may also be exercised through a “cashless exercise” procedure authorized by the Administrator from time to time that permits Participants to exercise Options by delivering irrevocable instructions to a broker to deliver promptly to the Company the amount of sale or loan proceeds necessary to pay the exercise price and the amount of any required tax or other withholding obligations or such other procedures determined by the Company from time to time.

(e) Incentive Stock Options. The exercise price per Share of an Incentive Stock Option shall be fixed by the Administrator at the time of grant or shall be determined by a method specified by the Administrator at the time of grant, but in no event shall the exercise price of an Incentive Stock Option be less than one hundred percent (100%) of the Fair Market Value of a Share on the date of grant. No Incentive Stock Option may be issued pursuant to the Plan to any individual who, at the time the Incentive Stock Option is granted, owns stock possessing more than ten percent (10%) of the total combined voting power of all classes of stock of the Company or any of its Subsidiaries, unless (i) the exercise price determined as of the date of grant is at least one hundred ten percent (110%) of the Fair Market Value on the date of grant of the Shares subject to such Incentive Stock Option and (ii) the Incentive Stock Option is not exercisable more than five (5) years from the date of grant thereof. No Participant shall be granted any Incentive Stock Option which would result in such Participant receiving a grant of Incentive Stock Options that would have an aggregate Fair Market Value in excess of one hundred thousand dollars ($100,000), determined as of the time of grant, that would be exercisable for the first time by such Participant during any calendar year. No Incentive Stock Option may be granted under the Plan after the tenth anniversary of the Effective Date. The terms of any Incentive Stock Option granted under the Plan shall comply in all respects with the provisions of Section 422 of the Code, or any successor provision thereto, as amended from time to time.

9. TERMS AND CONDITIONS OF RESTRICTED STOCK AND RESTRICTED STOCK UNITS.

(a) Restricted Stock. The Administrator, in its discretion, may grant or sell Restricted Stock to Eligible Individuals. An Award of Restricted Stock shall consist of one or more Shares granted or sold to an Eligible Individual, and shall be subject to the terms, conditions and restrictions set forth in the Plan and established by the Administrator in connection with the Award and specified in the applicable Award Document. Restricted Stock may, among other things, be subject to restrictions on transferability, vesting requirements or other specified circumstances under which it may be canceled.

(b) Restricted Stock Units. The Administrator, in its discretion, may grant Restricted Stock Units to Eligible Individuals. A Restricted Stock Unit shall entitle a Participant to receive, subject to the terms, conditions and restrictions set forth in the Plan and the applicable Award Document, one or more Shares. Restricted Stock Units may, among other things, be subject to restrictions on , vesting requirements or other specified circumstances under which they may be canceled. If and when the cancellation provisions lapse, the Restricted Stock Units shall become Shares owned by the applicable Participant or, at the sole discretion of the Administrator, cash, or a combination of cash and Shares, with a value equal to the Fair Market Value of the Shares at the time of payment.

10. STOCK APPRECIATION RIGHTS.

(a) General. The Administrator, in its discretion, may grant Stock Appreciation Rights to Eligible Individuals. A Stock Appreciation Right shall entitle a Participant to receive, upon satisfaction of the conditions to payment specified in the applicable Award Document, an amount equal to the excess, if any, of the Fair Market Value on the exercise date of the number of Shares for which the Stock Appreciation Right is exercised over the grant price for such Stock Appreciation Right specified in the applicable Award Document. The grant price per share of Shares covered by a Stock Appreciation Right shall be fixed by the Administrator at the time of grant or, alternatively, shall be determined by a method specified by the Administrator at the time of grant, but in no event shall the grant price of a Stock Appreciation Right be less than one hundred percent (100%) of the Fair Market Value of a Share on the date of grant; *provided, however*, that the grant price of a Substitute Award granted as a Stock Appreciation Rights shall be determined so as to not result in excise or other taxes under Section 409A of the Code and may be less than one hundred percent (100%) of the Fair Market Value. Payments to a Participant upon exercise of a Stock Appreciation Right may be made in cash or Shares, having an aggregate Fair Market Value as of the date of exercise equal to the excess, if any, of the Fair Market Value on the exercise date of the number of Shares for which the Stock Appreciation Right is exercised over the grant price for such Stock Appreciation Right. The term of a Stock Appreciation Right settled in Shares shall not exceed seven (7) years.

(b) Stock Appreciation Rights in Tandem with Options. A Stock Appreciation Right granted in tandem with an Option may be granted either at the same time as such Option or subsequent thereto. If granted in tandem with an Option, a Stock Appreciation Right shall cover the same number of Shares as covered by the Option (or such lesser number of Shares as the Administrator may determine) and shall be exercisable only at such time or times and to the extent the related Option shall be exercisable, and shall have the same term as the related Option. The grant price of a Stock Appreciation Right granted in tandem with an Option shall equal the per-share exercise price of the Option to which it relates. Upon exercise of a Stock Appreciation Right granted in tandem with an Option, the related Option shall be canceled automatically to the extent of the number of Shares covered by such exercise; conversely, if the related Option is exercised as to some or all of the Shares covered by the tandem grant, the tandem Stock Appreciation Right shall be canceled automatically to the extent of the number of Shares covered by the Option exercise.

11. TERMS AND CONDITIONS OF PERFORMANCE STOCK AND PERFORMANCE UNITS.

(a) Performance Stock. The Administrator may grant Performance Stock to Eligible Individuals. An Award of Performance Stock shall consist of such number of Shares determined by the Administrator and granted to an Eligible Individual based on the achievement of Performance Targets over the applicable Performance Period, and shall be subject to the terms, conditions and restrictions set forth in the Plan and established by the Administrator in connection with the Award and specified in the applicable Award Document.

(b) Performance Units. The Administrator, in its discretion, may grant Performance Units to Eligible Individuals. A Performance Unit shall entitle a Participant to receive, subject to the terms, conditions and restrictions set forth in the Plan and established by the Administrator in connection with the Award and specified in the applicable Award Document, such number of Shares or cash determined by the Administrator and based upon the achievement of Performance Targets over the applicable Performance Period. At the sole discretion of the Administrator, Performance Units shall be settled through the delivery of Shares or cash, or a combination of cash and Shares, with a value equal to the Fair Market Value of the underlying Shares as of the last day of the applicable Performance Period.

12. OTHER AWARDS.

The Administrator shall have the authority to specify the terms and provisions of cash, stock or other equity-based or equity-related awards not described above that the Administrator determines to be consistent with the purpose of the Plan and the interests of the Company.

13. CERTAIN RESTRICTIONS.

(a) Transfers. No Award shall be transferable other than pursuant to a beneficiary designation under Section 13 (c), by last will and testament or by the laws of descent and distribution or, except in the case of an Incentive Stock Option, pursuant to a domestic relations order, as the case may be; *provided, however*, that the Administrator may, subject to applicable laws, rules and regulations and such terms and conditions as it shall specify, permit the transfer of an Award, other than an Incentive Stock Option, for no consideration to a Permitted Transferee of the relevant participant. Any Award transferred to a Permitted Transferee shall be further transferable only by last will and testament or the laws of descent and distribution or, for no consideration, to another Permitted Transferee of the relevant Participant.

(b) Award Exercisable Only by Participant. During the lifetime of a Participant, an Award shall be exercisable only by the Participant or by a Permitted Transferee to whom such Award has been transferred in accordance with Section 13 (a). The grant of an Award shall impose no obligation on a Participant to exercise or settle the Award.

(c) Beneficiary Designation. The beneficiary or beneficiaries of the Participant to whom any benefit under the Plan is to be paid in case of his death before he receives any or all of such benefit shall be determined under the Company's Group Life Insurance Plan. A Participant may, from time to time, name any beneficiary or beneficiaries to receive any benefit in case of his death before he receives any or all of such benefit. Each such designation shall revoke all prior designations by the same Participant, including the beneficiary designated under the Company's Group Life Insurance Plan, and will be effective only when filed by the Participant in writing (in such form or manner as may be prescribed by the Administrator) with the Company during the Participant's lifetime. In the absence of a valid designation under the Company's Group Life Insurance Plan or otherwise, if no validly designated beneficiary survives the Participant or if each surviving validly designated beneficiary is legally impaired or prohibited from receiving the benefits under an Award, the Participant's beneficiary shall be the Participant's estate.

14. RECAPITALIZATION OR REORGANIZATION.

(a) Authority of the Company and Stockholders. Neither the Plan nor any Award Documents or Awards shall affect or restrict in any way the right or power of the Company or the stockholders to make or authorize any adjustment, recapitalization, reorganization or other change in the Company's capital structure or business, any merger or consolidation of the Company, any issue of stock or of options, warrants or rights to purchase stock or of bonds, debentures, preferred or prior preference stocks whose rights are superior to or affect the Shares or the rights thereof or which are convertible into or exchangeable for Shares, or the dissolution or liquidation of the Company, or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar character or otherwise.

(b) Change in Capitalization. The number and kind of Shares authorized for issuance under Section 6, including the maximum number of Shares available under the special limits provided for in Section 6 (c), may be equitably adjusted in the sole discretion of the Administrator in the event of a stock split, reverse stock split, stock dividend, recapitalization, reorganization, partial or complete liquidation, reclassification, merger, consolidation, separation, extraordinary cash dividend, split-up, spin-off, combination, exchange of Shares, warrants or rights offering to purchase Shares at a price substantially below Fair Market Value, or any other corporate event or distribution of stock or property of the Company affecting the Shares in order to preserve, but not increase, the benefits or potential benefits intended to be made available under the Plan. In addition, upon the occurrence of any of the foregoing events, the number and kind of Shares subject to any outstanding Award and the exercise or settlement price, under any outstanding Award may be equitably adjusted (including by payment of cash to a Participant) in the sole discretion of the Administrator in order to preserve the benefits or potential benefits intended to be made available to Participants.

15. TERM OF THE PLAN.

Unless earlier terminated pursuant to Section 17, the Plan shall terminate on the tenth (10^{th}) anniversary of the Effective Date, except with respect to Awards then outstanding. No Awards may be granted under the Plan after the tenth (10^{th}) anniversary of the Effective Date.

16. EFFECTIVE DATE.

The Plan shall become effective on the date on which it is approved by the stockholders.

17. AMENDMENT AND TERMINATION.

Subject to applicable laws, rules and regulations, the Board may at any time terminate or, from time to time, amend, modify or suspend the Plan; *provided, however*, that no termination, amendment, modification or suspension (i) will be effective without the approval of the stockholders of the Company if such approval is required under applicable laws, rules and regulations, including the rules of NASDAQ and (ii) shall materially and adversely alter or impair the rights of a Participant in any Award previously made under the Plan without the consent of the holder thereof. Notwithstanding the foregoing, the Board shall have broad authority to amend the Plan or any Award without the consent of a Participant to the extent it deems necessary or desirable (a) to comply with, take into account changes in, or interpretations of, applicable tax laws, securities laws, employment laws, accounting rules and other applicable laws, rules and regulations, (b) to take into account unusual or nonrecurring events or market conditions (including, without limitation, the events described in Section 14 (b)), or (c) to take into account significant acquisitions or dispositions of assets or other property by the Company or its Subsidiaries.

18. MISCELLANEOUS.

(a) Tax Withholding. The Company or a Subsidiary, as appropriate, may require any individual entitled to receive a payment or settlement of an Award to remit to the Company, prior to payment or settlement, an amount sufficient to satisfy any applicable tax withholding requirements. In the case of an Award payable in Shares, the Company or a Subsidiary, as appropriate, may permit a Participant to satisfy, in whole or in part, such obligation to remit taxes by directing the Company to withhold Shares that would otherwise be received by such individual or to deliver Shares then owned by the Participant, in accordance with all applicable laws and pursuant to such rules as the Administrator may establish from time to time. The Company or a Subsidiary, as appropriate, shall also have the right to deduct from all cash to be paid to a Participant (whether or not made in connection with an Award) any applicable taxes required to be withheld with respect to such payments, rules and regulations.

(b) No Right to Awards or Employment. No person shall have any claim or right to receive Awards under the Plan. Neither the Plan, the grant of Awards nor any action taken or omitted to be taken under the Plan shall be deemed to create or confer on any Eligible Individual any right to be retained in the employ of the Company or any Subsidiary, or to interfere with or to limit in any way the right of the Company or any Subsidiary to terminate the employment of such Eligible Individual at any time. No Award shall constitute salary or other recurrent compensation. Payments received by a Participant under any Award made pursuant to the Plan shall not be included in, nor have any effect on, the determination of employment-related rights or benefits under any other employee benefit plan or similar arrangement provided by the Company and the Subsidiaries, unless otherwise specifically provided for under the terms of such plan or arrangement or by the Administrator.

(c) Securities Law Restrictions. An Award may not be exercised or settled, and no Shares may be issued in connection with an Award, unless the issuance of such Shares (i) has been registered under the Securities Act of 1933, as amended, (ii) has been registered or qualified under applicable state “blue sky” laws (or the Company has determined that an exemption from registration and from qualification under such state “blue sky” laws is available) and (iii) complies with all applicable foreign securities laws. The Administrator may require each Participant purchasing or acquiring Shares pursuant to an Award under the Plan to represent to and agree with the Company in writing that such Participant is acquiring the Shares for investment purposes and not with a view to the distribution thereof. All certificates for Shares delivered under the Plan shall be subject to such stock-transfer orders and other restrictions as the Administrator may deem advisable under rules and regulations and rules of any exchange upon which the Shares are then listed, and the Administrator may cause a legend or legends to be put on any such certificates to make appropriate reference to such restrictions.

(d) Section 162(m) of the Code. As to any Award that constitutes or may constitute “qualified performance-based compensation” within the meaning of Section 162(m) of the Code, the Plan is intended to comply with the requirements of Section 162(m) of the Code to the extent necessary to result in deductibility of such compensation; *provided, however*, that, in the event the Administrator determines that compliance with Section 162(m) of the Code is not desired with respect to a particular Award, compliance with such requirements will not be required. If any provision of the Plan would cause Awards that are intended to constitute “qualified performance-based compensation” to fail to so qualify, that provision shall be severed from, and shall be deemed not to be a part of, the Plan, but the other provisions hereof shall remain in full force and effect.

(e) Section 409A of the Code. As to any Award that constitutes or may constitute “deferred compensation” within the meaning of Section 409A of the Code, the Plan is intended to comply with the requirement of Section 409A of the Code to the extent necessary to avoid the imposition of any excise or other additional tax, accelerated taxation, interest or penalty on the compensation represented by such Award. If any provision of the Plan or an Award Document would cause an Award to be subject to additional tax, accelerated taxation, interest and/or penalties under Section 409A of the Code, such provision of the Plan or Award Document may be modified by the Administrator without consent of the Participant in any manner the Administrator deems desirable or necessary. In making such modifications the Administrator shall attempt, but shall not be obligated, to maintain, to the maximum extent practicable, the original intent of the applicable provision. Any discretionary authority that the Administrator may have pursuant to the Plan shall not be applicable cause the plan not to comply with such requirements.

(f) Awards to Individuals Subject to Laws of a Jurisdiction Outside of the United States. To the extent that Awards are granted to Participants who are domiciled or resident outside of the United States or to persons who are domiciled or resident in the United States but who are subject to the tax laws of a jurisdiction outside of the United States, the Administrator may adjust the terms of such Awards to such person to (i) comply with the laws, rules and regulations of such jurisdiction and to (ii) permit the grant of such Awards not to be a taxable event to the Participants. The authority granted under the previous sentence shall include the discretion for the Administrator to adopt, on behalf of the Company, one or more sub-plans applicable to separate classes of Eligible Individuals who are so domiciled or resident.

(g) Satisfaction of Obligations. Subject to applicable laws, rules and regulations, the Company may apply any cash, Shares, securities or other consideration received upon exercise or settlement of an Award to any obligations a Participant owes to the Company and the Subsidiaries in connection with the Plan or otherwise, including, without limitation, any tax obligations in connection with the Plan or otherwise.

(h) No Limitation on Corporate Actions. Nothing contained in the Plan shall be construed to prevent the Company or any Subsidiary from taking any corporate action, whether or not such action would have an adverse effect on any Awards. No Participant, beneficiary or other person shall have any claim against the Company or any Subsidiary as a result of any such action.

(i) Unfunded Plan. The Plan is intended to constitute an unfunded plan for incentive compensation. Prior to the issuance of Shares, cash or other form of consideration in connection with an Award, nothing contained herein shall give any Participant any rights that are greater than those of a general unsecured creditor of the Company. The Administrator may, but is not obligated, to authorize the creation of trusts or other arrangements to meet the obligations created under the Plan to deliver Shares, cash or other forms of consideration with respect to Awards hereunder.

(j) Successors. All obligations of the Company under the Plan with respect to Awards granted hereunder shall be binding on any successor to the Company, whether the existence of such successor is the result of a direct or indirect, merger, consolidation, sales of all or substantially all of the assets of the Company, or otherwise.

(k) Application of Funds. The proceeds received by the Company from the sale of Shares pursuant to Awards will be used for general corporate purposes.

(l) Award Document. In the event of any conflict or inconsistency between the Plan and any Award Document, the Plan shall govern and the Award Document shall be interpreted to minimize or eliminate any such conflict or inconsistency.

(m) Headings. The headings of Sections herein are included solely for convenience of reference and shall not affect the meaning of any of the provisions of the Plan.

(n) Severability. If any provision of this Plan is held unenforceable, the remainder of the Plan shall continue in full force and effect without regard to such unenforceable provision and shall be applied as though the unenforceable provision were not contained in the Plan.

(o) Expenses. The costs and expenses of administering the Plan shall be borne by the Company.

(p) Arbitration. Any dispute, controversy or claim arising out of or relating to the Plan that cannot be resolved by the Participant, on the one hand, and the Company, on the other, shall be submitted to arbitration in the State of Connecticut under the National Rules for the Resolution of Employment Disputes of the American Arbitration Association; *provided, however*, that all disputes, controversies and claims by the Participant that are not properly submitted to such arbitration by the participant within one (1) year of the date of the events giving rise to such dispute, controversy or claim are waived, released and forfeited. The determination of the arbitrator shall be conclusive and binding on the Company and the Participant, and judgment may be entered on the arbitrator's award in any court having jurisdiction. The expenses of such arbitration shall be borne by the Company; *provided, however*, that each party shall bear its own legal expenses unless the Participant is the prevailing party, in which case the Company shall promptly pay or reimburse the Participant for the reasonable legal fees and expenses incurred by the Participant in connection with such arbitration (excluding any fees payable pursuant to a contingency fee arrangement).

(q) Governing Law. Except as to matters of federal law, the Plan and all actions taken thereunder shall be governed by and construed in accordance with the laws of the State of Connecticut.

(r) Notice. All notices and other communications required or permitted to be given under this Plan shall be in writing and shall be deemed to have been duly given if delivered personally or mailed first class, postage prepaid, as follows:

(i) If to the Company – at its principal business address to the attention the Secretary.

(ii) If to any Participant – at the last address of the Participant known to the sender at the time the notice or other communication is sent.

(iii) In either event, notice may also be delivered via email as long as the email account is one used in the regular course of business of the Participant or Company representative.

PROXY

PHOTRONICS, INC.

Annual Meeting of Shareholders
March 16, 2023 at 8:30 a.m. Eastern Time

THIS PROXY IS SOLICITED ON BEHALF OF THE
BOARD OF DIRECTORS OF PHOTRONICS, INC.

THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED

The undersigned hereby appoints Richelle E. Burr and Aimee M. Radeschi, or either one of them acting in the absence of the other, with full power of substitution, as proxies of the undersigned, and hereby authorizes each or either of them to vote, as designated on the other side, all shares of Common Stock of Photronics, Inc., which the undersigned is entitled to vote if personally present at the 2023 Annual Meeting of Shareholders of Photronics, Inc. (the "Meeting") to be held at 8:30 a.m. Eastern Time on March 16, 2023, at the company's headquarters, Photronics, Inc., 15 Secor Road, Brookfield, CT 06804, Building 1, Second Floor, Boardroom. Additionally, you will be able to participate in the virtual meeting online, vote electronically, and submit questions during the meeting. In order to attend the meeting virtually, you must first register at www.viewproxy.com/PLAB/2023 by 11:59 p.m. Eastern Time on March 15, 2023. After registering you will receive an e-mail containing a unique link and password that will enable you to attend the meeting and vote at the meeting and at 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 marked, dated and signed on other side)

▲ PLEASE DETACH ALONG PERFORATED LINE AND MAIL IN THE ENVELOPE PROVIDED. ▲

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting to be held on March 16, 2023:

The Proxy Statement/10-K Report are available at:
http://viewproxy.com/PLAB/2023

Please mark your votes like this ☒

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

Proposal 1. To elect eight members of the Board of Directors.

NOMINEES:	FOR ALL ☐	WITHHOLD ALL ☐	FOR ALL EXCEPT ☐
(1) Walter M. Fiederowicz			☐
(2) Frank Lee			☐
(3) Adam Lewis			☐
(4) Daniel Liao			☐
(5) Constantine S. Macricostas			☐
(6) George Macricostas			☐
(7) Mary Paladino			☐
(8) Mitchell G. Tyson			☐

INSTRUCTIONS: To withhold authority to vote for any individual nominee(s), mark "FOR ALL EXCEPT" and mark the box for each nominee you wish to withhold.

DO NOT PRINT IN THIS AREA
(Stockholder Name & Address Data)

Address Change/Comments: (If you noted any Address Changes and/or Comments above, please mark box.) ☐

Please indicate if you plan to attend this meeting ☐

CONTROL NUMBER

Proposal 2. To ratify the selection of Deloitte & Touche LLP as independent registered public accounting firm for the fiscal year ending October 31, 2023.

FOR ☐ AGAINST ☐ ABSTAIN ☐

Proposal 3. To approve an amendment to the Photronics, Inc. 2016 Equity Incentive Compensation Plan to increase the number of authorized shares of common stock available from 4,000,000 to 5,000,000.

FOR ☐ AGAINST ☐ ABSTAIN ☐

The Board of Directors recommends you vote 1 YEAR on the following proposal:

Proposal 4. To vote upon the frequency (One, Two, or Three years) with which the non-binding shareholder vote to approve the compensation of our named executive officers should be conducted.

1 YEAR ☐ 2 YEARS ☐ 3 YEARS ☐ ABSTAIN ☐

Proposal 5. To approve by non-binding advisory vote executive compensation.

FOR ☐ AGAINST ☐ ABSTAIN ☐

NOTE: Such other business as may properly come before the meeting or any adjournment thereof.

Date ____________________

Signature ____________________

Signature (if held jointly) ____________________

NOTE: This proxy should be marked, dated, and signed by each stockholder exactly as such stockholder's name appears hereon, and returned promptly in the enclosed envelope. When shares are held jointly, each holder should sign. When signing as an executor, administrator, attorney, trustee, or guardian, please give full title as such. If the signatory is a corporation, please sign full corporate name by duly authorized officer, giving full title as such. If the signatory is a partnership, please sign in the partnership name by authorized person.

▲ PLEASE DETACH ALONG PERFORATED LINE AND MAIL IN THE ENVELOPE PROVIDED. ▲

CONTROL NUMBER

PROXY VOTING INSTRUCTIONS

Please have your 11-digit control number ready when voting by Internet or Telephone.

INTERNET

Vote Your Proxy on the Internet:
Go to www.FCRvote.com/PLAB

Have your proxy card available when you access the above website. Follow the prompts to vote your shares.

TELEPHONE

Vote Your Proxy by Phone:
Call 1-866-402-3905

Use any touch-tone telephone to vote your proxy. Have your proxy card available when you call. Follow the voting instructions to vote your shares.

MAIL

Vote Your Proxy by Mail:

Mark, sign, and date your proxy card, then detach it, and return it in the postage-paid envelope provided.