



Corporate Governance
Report 2012/13

AT&S - part of your daily life

Corporate Governance Report

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Principles and Corporate Governance Declaration

AT & S Austria Technologie & Systemtechnik AG (AT&S) declares its voluntary adherence to the Austrian Corporate Governance Code (ÖCGK) as amended in January 2012.

CORPORATE GOVERNANCE CODE In Austria the Corporate Governance Code drawn up by the Working Group for Corporate Governance under the guidance of the government authorities responsible for the Austrian capital markets has been in force since 1 October 2002. Since then it has been reviewed annually in light of national and international developments and where necessary amended, most recently with effect from 1 January 2012.

The Code contains all the rules essential to good corporate governance, divided into the following categories:

- L Rules (legal requirements): rules based on mandatory statutory requirements
- C Rules (comply or explain): rules from which any departure must be explained
- R Rules (recommendations): rules in the nature of recommendations, where non-compliance need neither be disclosed nor explained.

The version of the ÖCGK currently in force can be downloaded from the Working Group's website. An English translation of the Code and interpretations of the Code prepared by the Working Group are also available there.

AT&S has for many years been following a strategy designed to further long-term, sustainable growth in the Group's value. The AT&S share has been listed on the Vienna Stock Exchange since May 2008, and since then the company has subscribed to the Austrian Corporate Governance Code. An undertaking to comply with the ÖCGK is a requirement for Austrian companies seeking to be listed on the Vienna Stock Exchange's prime market. AT&S's commitment to the principles of good governance is reflected in the open discussions that take place within and between the Management Board and the Supervisory Board.

With the following declarations of undertaking AT&S already complies as of 31 March 2013 with all the provisions of the ÖCGK as amended in January 2012:

C RULES 27-28A AND ALL RELATED PASSAGES: These rules were amended in the course of the review of the ÖCGK in December 2009 and came into force on 1 January 2010. Rules 27, 27a and 28 contained in the version of January 2010 only apply to contracts concluded after 31 December 2009. As a result, these rules do not apply to the appointment of Mr Moitzi to the Management Board. Due to the short period between the most recent review of the ÖCGK and the appointment of Mr Gerstenmayer as Chairman of the Management Board in mid-December 2009, and in order to avoid any departure from the remuneration regulations applicable to the appointment of Mr Moitzi, the new rules were not considered in the contract concluded with Mr Gerstenmayer in January 2010. These rules were also not included in the Management Board appointment agreed with Mr Obendrauf in October 2010, in order to avoid the unequal treatment of individual Management Board members. The stock option plan affected by the new rules has now expired, with the last allocation made on 1 April 2012. Options granted under this scheme must be exercised by 31 March 2016.

MANAGEMENT BODIES OF A PUBLIC LIMITED COMPANY The Management Board is responsible for managing the affairs of the company so as to further the wellbeing of the company and the interests of shareholders, employees and the general public. Members of the Management Board are appointed by the Supervisory Board.

The Supervisory Board is responsible for overseeing the management of the company and must meet at least once a quarter. Members of the Supervisory Board are appointed by the General Meeting. In addition, the employee representatives are entitled to delegate one representative as a Supervisory Board member for every two Supervisory Board members elected by the General Meeting.

The General Meeting is the primary forum for shareholders to exercise their participatory decision-making rights as provided under statute and the company's articles of incorporation.

AT&S AG Management Board

The Management Board is collectively responsible for the management of the company. Each member of the Management Board is also responsible for specific areas of the business – which does not affect their collective responsibility. Management Board members have a duty to keep each other informed of all important business events and transactions. Fundamental issues of business policy and major decisions require the joint decision of all Management Board members. Open discussions take place between members of the Management Board during Board meetings. If unanimous agreement is not reached on such decisions, the Chairman of the Supervisory Board must be informed without delay. The Supervisory Board must also be informed of all proposed decisions with far-reaching consequences. The Management Board must inform the Supervisory Board at least once a year of measures taken to combat corruption in the Group. Internal audit has been set up as a separate organisational unit answerable to the Management Board. The audit plan and any material outcomes must be reported to the Audit Committee at least once a year. The rules and procedures of AT&S's Management Board require the Board to meet at least once a month. In the past financial year there were a total of 30 Management Board meetings. Written minutes of all Board meetings and decisions must be taken.

As at 31 March 2013, the Management Board of AT&S was composed of Andreas Gerstenmayer (Chairman) and Heinz Moitzi (Chief Technical Officer). Thomas Obendrauf (Deputy Chairman and Chief Financial Officer) resigned from the AT&S Management Board with effect from the end of the financial year on 31 March 2013 by agreement with the Chairman and the Supervisory Board.

ANDREAS GERSTENMAYER

Chairman of the Management Board

since 1 February 2010; appointed until 31 January 2018

Mr Gerstenmayer was born on 18 February 1965, and is a German citizen. He studied Production Engineering at Rosenheim University of Applied Sciences. In 1990, he joined Siemens in Germany, working first in lighting, and then holding various management positions in the Siemens Group. In 2003 he was appointed Managing Director of Siemens Transportation Systems GmbH Austria and CEO of the Drive Technology business unit in Graz (world headquarters). Mr Gerstenmayer does not hold any supervisory board memberships or similar positions in other companies in Austria or abroad that are not included in the consolidated financial statements. On 26 January 2012, the Provincial Government of Styria passed a resolution appointing Mr Gerstenmayer to the Forschungsrat Steiermark advisory committee. Andreas Gerstenmayer's managerial responsibilities are sales and marketing, human resources, investor relations, PR and internal communication, and business development and strategy. As Chairman of the Management Board he is responsible for implementing the decisions and resolutions of the Management Board, the Supervisory Board and the Annual General Meeting, and seeing that they are carried out.

HEINZ MOITZI

Chief Technical Officer

since 1 April 2005; appointed until 31 March 2018

Heinz Moitzi, born on 5 July 1956, studied electrical installation with Stadtwerke Judenburg (Judenburg municipal utility company) from 1971 to 1975. From 1976 to 1981 he attended a higher technical college of electrical engineering (HTBL), where he completed his adult education certificate. In 1981 he worked as a measurement engineer at the Leoben University of Mining and Metallurgy. Mr Moitzi has been working at AT&S since 1981, first as head of the mechanics and galvanics department, then as production and plant manager at Hinterberg. He was project manager and COO at AT&S in Shanghai from 2001 to 2004, returning to take up the position of Vice President Production. Mr Moitzi does not hold any Supervisory Board memberships or similar position in other companies in Austria or abroad that are not included in the consolidated financial statements. Heinz Moitzi's specific managerial responsibilities cover production, research and development, quality, the environment, safety, maintenance, supply, and waste disposal.

THOMAS OBENDRAUF

Chief Financial Officer and Deputy Chairman

Thomas Obendrauf was born on 21 August, 1970. From 1989 to 1993, he studied business and commerce at Vienna University of Economics and Business. He became a qualified tax adviser in 1997, and a certified public accountant (CPA) in Illinois, USA in 1999. From 2002 to 2004, Mr Obendrauf completed an executive MBA at the University of Chicago's Graduate School of Business. After seven years at Price Waterhouse AG Österreich (from 1993–2000), he moved to AAA net.com Dienstleistungs GmbH, where he was Managing Director. Mr Obendrauf joined AT&S in 2001, initially heading up Group Controlling, and then held the position of Chief Financial Officer for AT&S (China) Co. Ltd. from 2005–2010. In October 2010, he moved back to Austria to become AT&S's Chief Financial Officer. Thomas Obendrauf decided to leave the company with effect from 31 March 2013 after two and a half years on the AT&S Management Board by agreement with the other members of the Board and the Supervisory Board. Mr Obendrauf did not hold any supervisory board memberships or similar positions in other companies in Austria or abroad that were not included in the consolidated financial statements during his appointment to the AT&S AG Management Board. He was responsible for finance and accounting, controlling, internal audit, legal affairs and insurance, IT and back office, supply chain management and procurement until his retirement from the Board. Management Board Chairman Andreas Gerstenmayer will assume responsibility for these areas until Mr Obendrauf's successor is appointed.

AT&S AG Supervisory Board

Name	Date of birth	Date of first appointment	End of current appointment
Hannes Androsch	18. 04. 1938	30. 09. 1995*	21st AGM 2015
Willibald Dörflinger	20. 05. 1950	05. 07. 2005	21st AGM 2015
Gerhard Pichler	30. 05. 1948	02. 07. 2009	20th AGM 2014
Georg Riedl	30. 10. 1959	28. 05. 1999	22nd AGM 2016
Karl Fink	22. 08. 1945	05. 07. 2005	21st AGM 2015
Albert Hochleitner	04. 07. 1940	05. 07. 2005	21st AGM 2015
Regina Prehofer	02. 08. 1956	07. 07. 2011	22nd AGM 2016
Karin Schaupp	23. 01. 1950	07. 07. 2011	22nd AGM 2016
Wolfgang Fleck	15. 06. 1962	03. 09. 2008**	
Johann Fuchs	16. 12. 1959	20. 11. 1996**	
Günther Wöfler	21. 10. 1960	10. 06. 2009**	
Sabine Fussi	21. 10. 1969	14. 09. 2011**	

* AT&S was originally established as a Gesellschaft mit beschränkter Haftung (limited liability company). The shareholders' meeting of 23 June 1995 passed a resolution changing the company into an Aktiengesellschaft (public limited company), and appointed the Supervisory Board members including Hannes Androsch. The Aktiengesellschaft was registered in the Register of Companies on 30 September 1995.

** Delegate of the Works Council; date of first appointment corresponds to the date of the first meeting of the Supervisory Board attended.

The Supervisory Board is responsible for policy issues and the Group's strategic focus. Throughout the financial year beginning on 1 April 2012 and ending on 31 March 2013, the Supervisory Board received written and oral reports from the Management Board on the company's policies and performance, and was closely involved in a number of company-related issues. The Supervisory Board met five times during the financial year 2012/13, with the Management Board participating. In these meetings the Management Board and the Supervisory Board discussed the state of AT&S Group's affairs in depth. As part of the Company's ongoing reporting process and at all board meetings, the Management Board also gave the Supervisory Board comprehensive reports on the Group's operating and financial position, as well as its interests in other companies, its staff situation and its planned investments. Entry into the IC substrate market as part of a strategic partnership with a leading semiconductor manufacturer, and the operational focus of the new production facility in Chongqing, China were discussed intensively and approved. The Supervisory Board also focused on compliance with new statutory regulations, and on developing compliance standards that meet international norms. Its members endorsed a group-wide staff development and succession planning programme, as well as the implementation of an effective issuer compliance system.

COMPOSITION

HANNES ANDROSCH is Chairman of the Supervisory Board. Appointed for the first time on 30 September 1995, appointed until the 21st Annual General Meeting in 2015. He is a non-practising certified accountant and tax adviser, and has a doctorate in economics. From 1970 to 1981 he was Austrian Federal Min-

ister of Finance, and between 1976 and 1981 Vice Chancellor as well. From July 1981 until 1988 he was Managing Director of Creditanstalt-Bankverein (today part of the UniCredit Group). In 1994 he and Willibald Dörflinger and Helmut Zoidl joined in the management buyout of AT&S. Hannes Androsch has interests in a number of well-known Austrian businesses.

WILLIBALD DÖRFLINGER is Deputy Chairman of the Supervisory Board. Appointed for the first time on 5 July 2005, appointed until the 21st Annual General Meeting in 2015. Willibald Dörflinger began his professional career in 1972 with M. Schmid & Söhne, moving to Honesta, Holz- und Kunststoffwarenindustrie in 1974. In 1978 he became head of technical procurement at EUMIG Elektrizitäts- und Metallwaren Industrie GesmbH; from 1980 was head of the department for circuit boards and surface technology, and between 1986 and 1990 he was Managing Director. From 1990 to 1994 Willibald Dörflinger was a member of the AT&S Management Board as well as Managing Director of EUMIG Fohnsdorf Industrie GmbH. In 1994 he and Hannes Androsch and Helmut Zoidl joined in the management buyout of AT&S, and in the period until 2005 he was at first Managing Director, then a member and finally Chairman of the Management Board. In 2005 he moved to AT&S's Supervisory Board.

Other supervisory board positions held by Mr Dörflinger at listed companies

- HWA AG

GERHARD PICHLER, appointed for the first time on 2 July 2009, appointed until the 20th Annual General Meeting in 2014.

Mr Pichler studied business administration at the Vienna University of Economics and Business. A certified auditor and tax adviser, he has been Managing Director of CONSULTATIO Wirtschaftsprüfungsgesellschaft m.b.H. since 1986, and Managing Partner of the group since 1995.

KARL FINK, appointed for the first time on 5 July 2005, appointed until the 21st Annual General Meeting in 2015. Karl Fink graduated in business studies from the Vienna University of Economics and Business in 1971. From 1971 to 1975 he worked for Marubeni Corporation in international commodities trading, before moving to Wiener Städtische Wechselseitige Versicherungsanstalt in Vienna. Between 1979 and 1987 he was Chairman of the Management Board of Interrisk – Internationale Versicherungs-Aktiengesellschaft. In 1987 he became a member of the Management Board of Wiener Städtische Allgemeine Versicherungs AG and in July 2004 Deputy Managing Director. In October 2007 he was appointed Managing Director of Wiener Städtische Versicherung AG, Vienna Insurance Group. Mr Fink retired from the Vienna Insurance Group Managing Board on 30 September 2009.

Other supervisory board positions held by Mr Fink at listed companies:

- Wienerberger AG

ALBERT HOCHLEITNER, appointed for the first time on 5 July 2005, appointed until the 21st Annual General Meeting in 2015. Albert Hochleitner completed his studies in engineering physics at Vienna University of Technology in 1965. In the same year, he joined the Siemens Group's low voltage works in Vienna. In 1984 he was appointed Chairman of the Management Board of Uher AG. In 1988 he moved to Siemens AG, where he was head of the electric motors business in the automotive technology sector based in Würzburg. In October 1992 he became Chairman of the Management Board of Siemens AG Austria. In 2005 he moved to the Supervisory Board of Siemens AG Austria.

GEORG RIEDL, appointed for the first time on 28 May 1999, appointed until the 22nd Annual General Meeting in 2016. Georg Riedl acquired his doctorate in law in 1984 from the University of Vienna. In 1991 he set up in independent practice as Riedl & Ringhofer. He specialises in business, commercial, corporate and tax law, mergers and acquisitions, and contract law.

REGINA PREHOFER, second deputy chairperson of the Supervisory Board appointed for the first time on 7 July 2011, appointed until the 22nd Annual General Meeting in 2016. Regina Prehofer studied commerce and law in Vienna. She started her career in 1981 at Oesterreichische Kontrollbank. In 1987 she moved to Creditanstalt, where she held various managerial positions in the bank's corporate customer segment. In 2003 she was appointed to the Management Board of Bank Austria Creditanstalt AG, where she was responsible for corporate customers and Eastern European markets. From 2006–2008 she was CEO of

UniCredit Global Leasing, in addition to her Management Board responsibilities in Austria. This appointment gave her overall responsibility for UniCredit Group's leasing operations. In September 2008 she switched to the Management Board of BAWAG P.S.K. where she headed the bank's retail and corporate customer activities. In May 2011 she was appointed Vice Rector with responsibility for infrastructure at the Vienna University of Economics and Business. An appointment to the office of Vice Rector with responsibility for finance followed in October 2011.

Other supervisory board positions held by Ms Prehofer at listed companies:

- Wienerberger AG

KARIN SCHAUPP, appointed for the first time on 7 July 2011, appointed until the 22nd Annual General Meeting in 2016. Karin Schaupp gained her doctorate at the Karl Franzens Universität Graz in 1978 and began her career as a research assistant at the Institute of Pharmaceutical Chemistry. In 1980 she began her career in industry as head of analytics at Leopold Pharma GmbH. After holding various research, development and product management posts in the international pharmaceuticals industry she was appointed CEO of Fresenius Kabi Austria GmbH in 1997. In 1999 she became regional manager for Austria and Eastern Europe. In 2000 she was made a member of the management board of Fresenius Kabi AG, Bad Homburg with responsibility for worldwide operations. She has worked as an independent consultant since 2003, with a focus on strategic business development and innovation transfer.

Sabine Fussi, Wolfgang Fleck, Johann Fuchs, and Günther Wölfler have been delegated to the Supervisory Board by the Works Council.

Employee participation in supervisory boards and their committees is mandated by law, and forms part of the Austrian corporate governance system. Employee representatives are entitled to delegate one representative as a Supervisory Board member for every two Supervisory Board members elected by the General Meeting. If the number of shareholders' representatives is odd, the number of employee representatives is rounded up. This one-third representation also applies to all supervisory board committees, with the exception of meetings and votes concerning the relationship between the company and its management board members. Resolutions appointing or dismissing a management board member and the granting of stock options in the company are also excepted. Representatives of the Group hold regular meetings with the Management Board. These meetings facilitate the exchange of information on developments in the Group which have a direct bearing on employees.

Additional information on the Supervisory Board and its composition is available online at <http://www.ats.net/company/supervisory-board/>.

Independence of Supervisory Board members

The ÖCGK specifies that the majority of Supervisory Board members representing the shareholders must be independent. In accordance with C Rule 53, the Supervisory Board has established the following criteria to be used in determining the independence of its members.

Supervisory Board members are to be regarded as independent if they have no business or personal relationships with the Company or its Management Board which could be cause for material conflicts of interest and therefore liable to influence the behaviour of the member in question. The following criteria are applied in determining the independence of Supervisory Board members:

- The ÖCGK specifies that the majority of Supervisory Board members representing the shareholders must be independent. In accordance with C Rule 53, the Supervisory Board has established the following criteria to be used in determining the independence of its members.
- Supervisory Board members are to be regarded as independent if they have no business or personal relationships with the Company or its Management Board which could be cause for material conflicts of interest and therefore liable to influence the behaviour of the member in question. The following criteria are applied in determining the independence of Supervisory Board members:
 - The Supervisory Board member was neither a member of the Management Board nor a senior manager of the Company or one of its subsidiaries in the past five years.
 - The Supervisory Board member neither had during the last financial year nor currently has a business relationship with the Company or any of its subsidiaries of material significance to that member. This also applies to business relationships between AT&S Group and enterprises in which the Supervisory Board member has a significant economic interest.
 - The Supervisory Board member was neither a statutory auditor of the Company, nor a person with an interest in the audit firm, nor an employee of any such firm during the last three years.
 - The Supervisory Board member is not a member of a management board of another company where a member of AT&S's Management Board is a member of that company's supervisory board.
 - The Supervisory Board member has not been a member of the Supervisory Board for longer than 15 years. This does not apply to Supervisory Board members who are shareholders with entrepreneurial interests in the Company, or who represent the interests of such shareholders.

- The Supervisory Board member is not a close family relative (direct descendant, spouse, lifetime partner, parent, uncle, aunt, sibling, nephew or niece) of a Management Board member or of any person in a position described in the foregoing points.

Every member of the Supervisory Board representing shareholder interests declared whether they were independent in the meaning of the above criteria at the meeting of 7 March 2013. Seven of the eight members of the AT&S AG Supervisory Board representing shareholder interests declared that they were independent. Hannes Androsch declared that he was not independent.

C Rule 54 specifies that for companies with a free float in excess of 50%, at least two Supervisory Board members who are independent should also not be shareholders with interests in excess of 10%, or representatives of such interests. Five of the eight Supervisory Board members representing the shareholders – Willibald Dörflinger, Karl Fink, Albert Hochleitner, Regina Prehofer and Karin Schaupp – declared themselves independent within the meaning of C Rule 54.

DIVERSITY Expertise and management experience are vital considerations when selecting members of the Supervisory Board. Diversity also has a role to play. Three members of the Supervisory Board are women, taking the proportion of female members to 25% – significantly above the Austrian average. The members of the Supervisory Board are aged between 43 and 75. All members of the Supervisory Board representing shareholder interests have extensive experience of international business and as such have a highly international outlook.

AGREEMENTS REQUIRING APPROVAL In connection with various acquisitions and projects, AT&S Group has procured consultancy services from AIC Androsch International Management Consulting GmbH, which is headed by the Chairman of AT&S's Supervisory Board. In the financial year 2012/13, fees for such services amounted to EUR 365,000.

The Group has procured consultancy services from Dörflinger Management & Beteiligungs GmbH, which is under the direct influence of Willibald Dörflinger, Deputy Chairman of the Supervisory Board. In the financial year 2012/13, fees for such services amounted to EUR 6,000.

Committees

In order to provide itself with effective support and to deal with complex technical matters, the Supervisory Board has established two committees which carry out detailed analysis of particular issues and report their findings to the Supervisory Board.

AUDIT COMMITTEE In the financial year under review, the Audit Committee comprised:

- Regina Prehofer (chairwoman)
(until 31 May 2012: Willibald Dörflinger)
- Gerhard Pichler (finance expert)
- Georg Riedl
- Wolfgang Fleck
- Günther Wölfler

The Audit Committee monitors the accounting process and the work of the statutory auditor, monitors and reviews the statutory auditor's independence, reviews the preparation and audit of the annual financial statements, and reviews the proposed distribution of profits, the management report and the corporate governance report. The Committee is responsible for reporting on the results of its reviews to the Supervisory Board. The Audit Committee also carries out preparatory work for the Supervisory Board on all issues in connection with the audit of the consolidated financial statements, consolidated management report and the consolidated accounting process. It also submits a proposal for the appointment of the statutory auditors and reports on this matter to the Supervisory Board. The Audit Committee is responsible for monitoring the effectiveness of the group-wide internal control system and, where appropriate, the Company's internal audit and risk management systems. The Audit Committee convened twice in the last financial year. Its activities focused primarily on the discussion and review of the annual and consolidated annual financial statements for the year ended 31 March 2013, the planning and preparation for the audit of the annual and consolidated annual financial statements for the financial year 2012/13, and the discussion of the risk management, internal control and internal audit systems. The Chairman of the Audit Committee was also involved in the quarterly reporting in the period under review and reported on these matters to the Audit Committee.

NOMINATION AND REMUNERATION COMMITTEE In the financial year under review, the Nomination and Remuneration Committee comprised:

- Hannes Androsch (chairman)
- Karl Fink
- Albert Hochleitner
- Wolfgang Fleck
- Johann Fuchs

The Nomination and Remuneration Committee submits proposals to the Supervisory Board for appointments to fill vacancies on the Management Board whenever necessary. It deals with succession planning issues, the remuneration of Management Board members and the details of their contracts of appointment. In light of this, the Nomination and Remuneration committee met twice in the financial year just ended. The Nomination and Remuneration Committee is authorised to make decisions in cases of urgency. All of the committee members representing shareholders are former management board chairmen or managing directors with knowledge and experience of remuneration policies. After the resignation of Thomas Obendrauf from the Management Board, the Nomination and Remuneration Committee and the Management Board agreed that Chairman of the Management Board would assume the managerial responsibilities of the Chief Financial Officer until a new Management Board member was appointed. The Supervisory Board's Nomination and Remuneration Committee immediately began the process of identifying a successor and has been making intensive efforts to secure an appointment.

Remuneration report

The following report presents the remuneration of AT&S's Management and Supervisory Board members. It should be read in conjunction with the explanations in the notes to the 2012/13 annual and consolidated financial statements.

TOTAL REMUNERATION OF MANAGEMENT BOARD MEMBERS

In EUR '000	Financial year 2012/13			Financial year 2011/12		
	Fixed	Variable	Total	Fixed	Variable	Total
Andreas Gerstenmayer	396	–	396	388	203	591
Heinz Moitzi	310	–	310	308	190	498
Thomas Obendrauf*	499	–	499	322	212	534
Steen E. Hansen*	–	–	–	–	242	242
	1,205	–	1,205	1,018	847	1,865

* retired

The number of share options allocated to members of the Management Board is as follows:

	Allocated on 1 April				Total
	2009	2010	2011	2012	
Andreas Gerstenmayer	n.a	40,000	40,000	40,000	120,000
Heinz Moitzi	30,000	30,000	30,000	30,000	120,000
Thomas Obendrauf ¹	1,500	1,500	30,000	30,000	63,000
Exercise price (EUR)	3.86	7.45	16.60	9.86	

¹ Thomas Obendrauf was previously a member of the Stock Option Scheme in his senior management position (from which he retired with effect from 31 March 2013). The new allocation of options on 1 April 2011 reflected his promotion to the Management Board.

The stock option-based system of Management Board remuneration at AT&S is based on the Stock Option Scheme 2009–2012, which ran from 1 April 2009 to 1 April 2012. The options granted can be exercised in tranches: up to 20% after two years, up to 30% after three years, and up to 50% after four years following allotment. Stock options may be exercised in whole or in part after completion of the vesting period, although not during a restricted period. Allotted options not exercised within five years of the date of grant expire without compensation.

The variable remuneration of the Management Board not consisting of stock options, and of all employees whose remuneration includes variable elements, depended on the achievement of two performance measures defined in the budget, with equal weight attached to return on capital employed (ROCE) and cash earnings. The weighting of these two performance measures for top management was reduced (from 50% to 45%) and the Innovation Revenue Rate (IRR) was introduced with a 10% weighting for the first time in the financial year 2011/12. Bonuses were restricted to a maximum of 200% of the annual bonus set out in the contract of employment. No variable remuneration was paid as the relevant performance targets were not met in the financial year 2012/13.

Management Board members are entitled to termination benefits in accordance with the Salaried Employees Act (AngG) if their appointments are terminated. In the event of premature termination of a Management Board member's appointment for reasonable cause or where the function disappears for legal reasons, remuneration is payable until the end of the appointment contract. Where a Management Board member resigns the appointment or is removed from office for severe breach of duty, and in case of death, payment of salary ceases at the end of the applicable month.

Management Board pension entitlements are defined benefit or defined contribution plans agreed individually. Mr Moitzi was awarded pension entitlements of 1.2% of his most recent salary for each year of service, up to a maximum of 40%. A contribution of 10% of the gross monthly salary of Mr Gerstenmayer and Mr Obendrauf was paid into a pension fund.

SUPERVISORY BOARD REMUNERATION

TOTAL REMUNERATION FOR SERVICES RENDERED BY MEMBERS OF THE SUPERVISORY BOARD IN THE FINANCIAL YEAR, AS RECOMMENDED TO THE ANNUAL GENERAL MEETING, WAS AS FOLLOWS:

In EUR '000	Financial year 2012/13				
	Fixed	Committees	Variable	Meetings	Total
Hannes Androsch	30.0	3.0	–	2.0	35.0
Willibald Dörflinger	25.0	–	–	2.0	27.0
Georg Riedl	20.0	2.0	–	1.6	23.6
Regina Prehofer	20.0	3.0	–	2.0	25.0
Albert Hochleitner	20.0	2.0	–	2.0	24.0
Karl Fink	20.0	2.0	–	2.0	24.0
Gerhard Pichler	20.0	2.0	–	2.0	24.0
Karin Schaupp	20.0	–	–	2.0	22.0
	175.0	14.0	–	15.6	204.6

The Chairman of the Supervisory Board receives fixed remuneration of EUR 30,000 per financial year, the first Deputy Chairman EUR 25,000 and all other elected members EUR 20,000. Chairmanship of a Committee is remunerated with a fixed amount of EUR 3,000 per financial year, and membership of a Committee with EUR 2,000. The attendance fee is generally EUR 400 per Supervisory Board meeting. The variable element of Supervisory Board remuneration consists of attendance fees and a bonus based on AT&S's achieving the level of ROCE established in the budget. In addition, the Chairman of the Supervisory Board receives an ROCE-based bonus of EUR 10,000 per financial year, and other members of the Board EUR 5,000 if the budgeted level is fully achieved. Members of the Supervisory Board do not receive stock options in the Company. No variable remuneration was paid as the relevant performance targets were not met in the financial year 2012/13.

The remuneration for the members of the Supervisory Board is determined retrospectively for the financial year just ended by

means of a resolution at the Annual General Meeting. Remuneration paid to members of the Supervisory Board in the financial year 2012/13 for the previous financial year was in accordance with the resolution passed at the 18th Annual General Meeting of 5 July 2012.

The employee representatives receive no remuneration for their work on the Supervisory Board.

DIRECTORS AND OFFICERS LIABILITY INSURANCE (D&O INSURANCE)

The D&O insurance at AT&S covers all past, present and future members of the Company's and its subsidiaries' managing and supervisory bodies. The insurance covers court and all other costs of defence against unwarranted claims, together with the satisfaction of warranted claims for pure financial loss arising from breaches of duty by the insured in their managerial or supervisory activities. The insurance is valid worldwide. The annual premium is paid by AT&S.

Directors' holdings and dealings

In EUR '000	Shares				Options (according to Stock Option Plan)		
	As of 31 March 2012	Change	As of 31 March 2013	% capital	As of 31 March 2012	Allocated/ exercised/lapsed	As of 31 March 2013
Heinz Moitzi	1,672	–	1,672	0.01%	114,000	–	114,000
Andreas Gerstenmayer	–	–	–	0.00%	80,000	40,000	120,000
Thomas Obendrauf	–	–	–	0.00%	34,500	-34,500	–
Hannes Androsch	445,853	–	445,853	1.72%			
Androsch Privatstiftung	5,570,666	–	5,570,666	21.51%			
Dörflinger Privatstiftung	4,594,688	–	4,594,688	17.74%			
Gerhard Pichler	19,118	–	19,118	0.07%			
Georg Riedl	9,290	–	9,290	0.04%			
Johann Fuchs	4	–	4	0.00%			
Total – all directors' holdings and dealings	10,641,291		10,641,291	41.09%	228,500	5,500	234,000
Own shares ¹⁾	2,577,412	–	2,577,412	9.95%			
Other shares in issue	12,681,297	–	12,681,297	48.96%			
Total	25,900,000		25,900,000	100.00%			

¹⁾ The nominal value of treasury stock at 31 March 2013 was EUR 2,835,153.

The share options held by Thomas Obendrauf remained exercisable until 31 March 2013, i.e. the date he left the company and the date his contract expired. Share options granted to him but not exercised by 31 March 2013 expired without compensation.

Other codes of conduct

INCREASING FEMALE REPRESENTATION AT BOARD AND SENIOR MANAGEMENT LEVEL

Two of the eight members of the AT&S Supervisory Board representing shareholder interests are women, and the employee representatives delegated a further female member to the Supervisory Board. At 25%, the proportion of female Supervisory Board members is significantly above the Austrian average. 14% of the senior management positions in the two levels directly below Management Board level are held by women. 36% of the Group's employees are female. The Group continues to make every effort to increase female representation at board and senior management level.

AT&S CODE OF BUSINESS ETHICS AND CONDUCT

In addition to the ÖCGK, AT&S has established its own code of business ethics, which describes how AT&S conducts its business in an ethical and socially responsible way. The guidelines apply to all AT&S's activities worldwide, and all AT&S employees without exception are expected to abide by the Code in the exercise of their business and professional activities and their daily work. Stricter or more detailed guidelines may be established for specific regions, countries or functions, but they must be consistent with this corporate policy. Under one of the main provisions of the code, AT&S is committed to avoiding any form of discrimination on the basis of race, religion, political affiliation or gender in activities such as recruitment, remuneration and promotion. Performance is the decisive factor.

AT&S COMPLIANCE CODE

AT&S supports the Austrian Corporate Governance Code's aim of raising domestic and foreign investors' confidence in the Austrian financial market by enhancing transparency and introducing universal principles. AT&S attaches great importance to equal treatment of all investors and the provision of comprehensive information. The Group has adopted a Compliance Code ("Corporate Directive Issuer Compliance") which covers all Supervisory Board members and complies with the provisions of the Issuer Compliance Regulation of the Austrian Financial Market Authority and all other statutory regulations applicable to the financial markets. The Group Guidelines on Issuer Compliance were adapted in the financial year 2012/13 to reflect the changes in the Issuer Compliance Order (Federal Law Gazette [FLG] II No. 213/2007 as amended by FLG II No. 30/2012) enacted by the Austrian Finance Market Authority, which entered into force on 1 December 2012. The Compliance Officer constantly monitors adherence to these guidelines. During the 2012/13 financial year there were no instances of violations of the compliance regulations.

Management Board

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