

The future raises
many big questions.



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Principles and Corporate Governance Declaration

AT & S Austria Technologie & Systemtechnik AG (AT&S) declares its compliance with the Austrian Corporate Governance Code (ÖCGK) as amended in January 2015, and submits this corporate governance report in accordance with section 243b Austrian Commercial Code (UGB). This report also forms part of the Annual Report for the financial year 2014/15.

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 amended where necessary. Such amendment occurred most recently in order to implement the recommendation of the EU Commission of 9 April 2014 on the quality of corporate governance reporting ('comply or explain') and to take account of the new position taken by the Austrian Financial Reporting and Auditing Committee (AFRAC) with respect to the preparation and review of corporate governance reports pursuant to section 243b UGB. The amended Code is applicable to financial years starting after 31 December 2014.

The objective of the ÖCGK is responsible management and control of companies and groups for the purpose of creating sustainable, long-term value with a high level of transparency for all stakeholders of the business.

The basis of the Code is provided by the provisions of Austrian company, stock exchange and capital markets legislation, the EU recommendations concerning the responsibilities of supervisory board members and the remuneration of directors, and the principles of the OECD guidelines for corporate governance.

The rules of the ÖCGK are divided into three categories:

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

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

AT&S shares have been listed on the Vienna Stock Exchange since 20 May 2008. In order to qualify for inclusion in the Prime Market, companies must submit a declaration of commitment to comply with the ÖCGK. AT&S has therefore expressly subscribed to the ÖCGK since its shares were listed.

As of 31 March 2015, AT&S complies with all required provisions of the Code as amended in January 2015 with the following explanations:

C-RULE 18A Internal Audit conducts regular group-wide reviews based on an audit plan approved by the Audit Committee, which includes measures to fight corruption in the Group. It reports to the Audit Committee on this matter regularly and also if warranted by particular events.

C-RULES 27–28A AND ALL RELATED PROVISIONS These rules were amended as part of the revision to 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 apply only to contracts concluded after 31 December 2009. C-Rules 27-28a were therefore not applicable with respect to the original agreement appointing Mr Moitzi to the Management Board and were also not applied in full when the same agreement was extended in 2013. Due to the short period between the most recent revision of the Austrian Corporate Governance Code and the appointment

of Mr Gerstenmayer as Chairman of the Management Board of AT&S in mid-December 2009, and in order to avoid any departure from the remuneration arrangements applicable to the appointment of Mr Moitzi, the new rules were not taken into account when the agreement with Mr Gerstenmayer was signed in January 2010 nor when his Management Board contract was extended in 2013. This was not considered necessary because the Group's stock option scheme had already expired (see below). Furthermore, the Management Board and Supervisory Board work closely together on the long-term development of the Group, and the Supervisory Board and Nomination and Remuneration Committee regularly analyse the broader long-term orientation of Management Board remuneration. The following deviations from the rules currently require explanation:

The Group's now-expired stock option scheme did not require the beneficiaries to hold shares in the Group, and provided only for a vesting period of two years before a part of the options acquired could be exercised. This stock option scheme has expired, with the last allocation being made on 1 April 2012. Options granted under this scheme may still be exercised until 31 March 2017.

After extensive planning, a long-term incentive ("LTI") programme for the Management Board and key staff was implemented by resolution of the Supervisory Board on 3 July 2014 as a replacement for the stock option scheme that expired with the last distribution on 1 April 2012. The new programme is based on stock appreciation rights ("SAR"). The Management Board and Supervisory Board also work continuously to raise the performance of AT&S Group still further with respect to non-financial targets. However, in order to maintain the transparency and measurability of target achievement as it relates to variable long-term remuneration, no fixed non-financial criteria for remuneration under the long-term incentive programme are stipulated. Details of this long-term incentive programme can be found in the section on Management Board remuneration.

The portion of variable remuneration of the Management Board not in the form of stock options or SARs, but based instead on the results of the financial year, requires achievement of three near-term performance measures defined in the budget for the applicable financial year: return on capital employed (ROCE), cash earnings (CE), each with a 45% weighting, and the innovation revenue rate (IRR), with a 10% weighting. The basic prerequisite for awarding this variable remuneration is positive EBIT for the Group as a whole for the financial year and attainment of the target EBIT for the Group as a whole by at least 70% (the "hurdle rate"). In the event that the targets for ROCE, CE and IRR are exceeded, bonuses are restricted to a maximum of 200% of the annual bonus set out in the contract of employment. The inclusion of IRR is of major importance in giving variable remuneration a long-term focus because innovative strength – the development of new technologies, products or product types – is a crucial factor for the future business success of the Group. It can also be reliably measured: IRR represents the share of total revenue generated from products introduced in the past three years. The three-year reference period provides a long-term component of variable remuneration.

Management Board members are entitled to termination benefits in accordance with the Salaried Employees Act (AngG), applied *mutatis mutandis* ("old system for severance pay"), if their appointments are terminated. In the event of premature termination initiated by a Management Board member for reasonable cause, or if the function is eliminated for legal reasons, remuneration is payable until the end of the appointment contract, and not necessarily for a maximum of two years. Where a Management Board member resigns or is removed from office for severe breach of duty, and in the case of death, payment of salary ceases at the end of the applicable month. Compensation payments in cases of early termination of Management Board appointments, even without good cause, could exceed more than two years' total remuneration in exceptional cases subject to termination provisions under the Salaried Employees Act.

C-RULE 62 In derogation of C-Rule 62, AT&S has not commissioned an evaluation by an external institution of its compliance with the ÖCGK at least every three years nor published a report on the findings in the Corporate Governance Report. This C-Rule of the Code as amended in January 2015 applies to financial years

starting after 31 December 2014. However, this provision, which was changed from a recommendation (R-Rule) to a C-Rule taking effect with the ÖCGK as amended in January 2015, was adopted insofar as an evaluation for the financial year 2014/15 was conducted by KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, whose registered office is in 1090 Vienna. KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft has submitted a corresponding report. In the future, compliance with the ÖCGK will be evaluated by an external institution at least every three years and a report on the findings will be published in the Corporate Governance Report.

For the Corporate Governance Report for financial year 2014/15, the following excerpt from the report by KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft is presented:

"Review of compliance with the C-Rules of the Corporate Governance Code – examination of relevant documents and the website of AT&S by random sample

Based on the review of compliance with the rules of the Austrian Corporate Governance Code, the following conclusions can be made:

- In the course of the audit procedures applied, no facts – with the exception of those deviations from C-Rules which were explained by AT&S – have come to our attention that are inconsistent with compliance with the remaining C-Rules of the Austrian Corporate Governance Code.
- The information referred to in the C-Rules of the Austrian Corporate Governance Code on the website of AT&S was published in a materially current and complete manner.
- We encountered no facts in our audit procedures that contradict the information provided to us."

AT&S AG Management Board

The Management Board is the collective executive body responsible for the management of the Group. Each member of the Management Board is also responsible for defined areas of the business in addition to 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. Meetings of the Management Board are characterised by a culture of open discussion. 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 is required to obtain the prior consent of the Supervisory Board for business transactions as stipulated by law and the Articles of Association or rules and procedure issued by the Supervisory Board to the Management Board. Additionally, Internal Audit reports directly 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 21 Management Board meetings. Written minutes of all Management Board meetings and decisions are required.

As at 31 March 2015 and for the entire reporting period, the Management Board of AT&S was composed of Andreas Gerstenmayer as Chairman (CEO), Karl Asamer as Chief Financial Officer (CFO) and Heinz Moitzi as Chief Operating Officer (COO).

In addition to the statutory collective responsibility, functional responsibility is allocated to the members of the Management Board as follows:

a) Andreas Gerstenmayer is Chairman of the Management Board (CEO) and responsible for:

- Sales and Marketing
- Human Resources
- Investor Relations, Public Relations and Internal Communications
- Business Development and Strategy
- Compliance
- CSR and Sustainability

b) Karl Asamer is Deputy Chairman of the Management Board with responsibility as CFO for:

- Finance and Accounting
- Group Accounting
- Tax
- Treasury
- Controlling
- Legal affairs, Risk Management and Internal Audit
- IT
- Procurement

c) Heinz Moitzi is COO, with responsibility for:

- Research and Development (R&D)
- Operations
- Quality Management
- Business Process Excellence
- Environment
- Safety

Mr Gerstenmayer was born on 18 February 1965 and is a German citizen. He is a graduate of the Production Engineering programme 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 Business Unit Bogies Graz (world headquarters). He was first appointed to the Management Board on 1 February 2010 and his current term ends on 31 January 2018. Mr Gerstenmayer holds no 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 advisory committee of the Styrian Research Council (Forschungsrat Steiermark).

Mr Asamer was born on 19 January 1970. He has a degree in business administration from Johannes Kepler University in Linz. Before joining AT&S, he worked for the Geka Group in Bechhofen, Germany, where he was managing partner. Prior to that, his responsibilities included financial management at Sell GmbH, the leading manufacturer of aircraft galleys for wide-body aircraft, and Magna Closures Europe, a division of automotive components supplier Magna. Mr Asamer is managing partner of Asamer GmbH, located in Ansbach, Germany. He became a member of the Management Board of AT&S on 1 April 2014. His current term ends on 31 March 2017. Mr Asamer holds no supervisory board memberships or similar positions in other companies in Austria or abroad that are not included in the consolidated financial statements.

Mr 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 the Austrian higher technical college (HTBL), where he completed his certificate in electrical engineering. In 1981 he was a measurement engineer at the Leoben University of Mining and Metallurgy. Mr Moitzi has been with AT&S since 1981, first as head of the mechanics and electroplating department, then as production and plant manager at Leoben-Hinterberg. From 2001 to 2004 he was project leader and COO of AT&S in Shanghai. Upon his return he assumed the position of Vice President of Production. He was first appointed to the Management Board on 1 April 2005, and his current term ends on 31 March 2018. Mr Moitzi holds no supervisory board memberships or similar positions in other companies in Austria or abroad that are not included in the consolidated financial statements.

AT&S AG Supervisory Board

AT&S AG Supervisory Board

	Date of birth	Date of first appointment	End of current appointment	Independent according to OECKG rule
Hannes Androsch	18.04.1938	30.09.1995 ¹⁾	21st AGM 2015 ¹⁾	-
Willibald Dörflinger	20.05.1950	05.07.2005	21st AGM 2015	53, 54
Regina Prehofer	02.08.1956	07.07.2011	22nd AGM 2016	53, 54
Karl Fink	22.08.1945	05.07.2005	21st AGM 2015	53, 54
Albert Hochleitner	04.07.1940	05.07.2005	21st AGM 2015	53, 54
Gerhard Pichler	30.05.1948	02.07.2009	25th AGM 2019	53
Georg Riedl	30.10.1959	28.05.1999	22nd AGM 2016	53
Karin Schaupp	23.01.1950	07.07.2011	22nd AGM 2016	53, 54
Wolfgang Fleck	15.06.1962	03.09.2008 ²⁾		n.a.
Sabine Fussi	12.10.1969	14.09.2011 ²⁾		n.a.
Franz Katzbeck	11.02.1964	15.10.2013 ²⁾		n.a.
Günther Wölfel	21.10.1960	10.06.2009 ²⁾		n.a.

¹⁾ AT&S was originally established as a private limited company (GmbH). The shareholders' meeting of 23 June 1995 passed a resolution to change the company into a public limited company (AG) and appointed Supervisory Board members including Hannes Androsch. The AG was registered in the Register of Companies on 30 September 1995.

²⁾ Appointed by the Works Council; date of first appointment in this case is either the date of the first Supervisory Board meeting attended or the date of notification to the Supervisory Board of the appointment.

The Supervisory Board monitors and supervises Management, and is responsible for decisions that are of fundamental importance to, or involve the strategic focus of, the Group.

Throughout the financial year ended 31 March 2015, the Supervisory Board received written and oral reports from the Management Board on the Group's policies and performance, and was closely involved in all business issues. The Supervisory Board met six times during the financial year 2014/15, with the participation of the Management Board. One of these meetings was held at the site of the production facility under construction in Chongqing (China), giving all members of the Supervisory Board a first-hand view of the project's progress.

In these meetings, the Management Board and the Supervisory Board discussed the economic position of AT&S Group in depth. As part of the Group's ongoing reporting process and at all board meetings, the Management Board gave the Supervisory Board comprehensive reports on the Group's operating and financial position, and on its investments in other companies, staff situation and planned capital expenditure. In-depth discussions focused primarily on the strategic entry into the IC substrate market as part of a partnership with a leading semiconductor manufacturer and on the broader direction of the new production facility in Chongqing, China.

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.

COMPOSITION

SHAREHOLDER REPRESENTATIVES

Hannes Androsch, Chairman of the Supervisory Board, was first appointed on 30 September 1995. His current appointment runs until the 21st Annual General Meeting in 2015.

He is an industrialist who, from 1970 to 1981, was Austrian Federal Minister of Finance. Between 1976 and 1981, he was also Vice Chancellor of the Republic of Austria. From July 1981 until 1988 he was Managing

Director of Creditanstalt-Bankverein. In 1994, together with Willibald Dörflinger and Helmut Zoidl, he carried out a management buyout of AT&S. Hannes Androsch holds interests in a number of well-known Austrian businesses.

Willibald Dörflinger, First Deputy Chairman of the Supervisory Board, was initially appointed to the Board on 5 July 2005. His current appointment runs until the 21st Annual General Meeting in 2015.

He began his professional career in 1972 at M. Schmid & Söhne, before 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 he was head of the department for circuit boards and surface technology, and Managing Director from 1986 to 1990. From 1990 to 1994 Mr Dörflinger was a member of the AT&S Management Board as well as Managing Director of EUMIG Fohnsdorf Industrie GmbH. In 1994 he joined Hannes Androsch and Helmut Zoidl in the management buyout of AT&S. Until 2005, he served first as Managing Director, then became a member and finally Chairman of the Management Board. In 2005 he joined AT&S's Supervisory Board.

Other supervisory board or similar positions held by Mr Dörflinger at listed companies:

- HWA AG

Regina Prehofer, Second Deputy Chairwoman of the Supervisory Board, was first appointed to the Board on 7 July 2011. Her current appointment runs 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 joined 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 to 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 moved 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 Administration. In October 2011 she was also appointed Vice Rector with responsibility for finance.

Other supervisory board or similar positions held by Regina Prehofer at listed companies:

- Wienerberger AG (Chairwoman of Supervisory Board since December 2013)

Karl Fink was first appointed on 5 July 2005. His current appointment runs until the 21st Annual General Meeting in 2015.

He 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 Deputy Managing Director in July 2004. In October 2007 he was appointed Managing Director of Wiener Städtische Versicherung AG, Vienna Insurance Group. Mr Fink retired from the Vienna Insurance Group's Managing Board on 30 September 2009. He is a member of the Management Board of Wiener Städtische Versicherungsverein, the principal shareholder in Vienna Insurance Group, and holds a number of supervisory and consultative positions within that Group. He is also honorary consul of Montenegro.

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

- Wienerberger AG

Albert Hochleitner was first appointed on 5 July 2005. His current appointment runs until the 21st Annual General Meeting in 2015.

Mr 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 joined Siemens AG, where he was head of the electric motors business in the automotive technology sector based in Würzburg. In October 1992 he became a member of the Management Board of Siemens AG Austria. From 1994 he was Chairman of the Management Board, before becoming a member of the Supervisory Board of Siemens AG in 2005, which he left 2010 because of reaching the applicable age limit for members of the Supervisory Board.

Gerhard Pichler was first appointed on 2 July 2009. His current appointment runs until the 25th Annual General Meeting in 2019.

He 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.

Georg Riedl was first appointed on 28 May 1999. His current appointment runs 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 commenced independent practice at Riedl & Ringhofer. He has been in independent practice since 2013 at the law office of Frotz Riedl Rechtsanwälte. He specialises in business, commercial, corporate, foundation and tax law, mergers and acquisitions, and contract law.

Other supervisory board or similar positions held by Mr Riedl at listed companies:

- Bwin.Party Digital Entertainment Plc
- Vienna Insurance Group AG

Karin Schaupp was first appointed on 7 July 2011. Her current appointment runs until the 22nd Annual General Meeting in 2016.

Karin Schaupp earned her doctorate at the Karl Franzens Universität Graz in 1978 and began her career as a university research assistant at the Institute of Pharmaceutical Chemistry. In 1980 she started 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 Southeastern Europe. In 2000 she was appointed to the management board of Fresenius Kabi AG, Bad Homburg, with responsibility for worldwide operations. She has been an independent consultant since 2003, with a focus on strategic business development and innovation transfer.

Other supervisory board or similar positions held by Ms Schaupp at listed companies:

- BDI - BioEnergy International AG

EMPLOYEE REPRESENTATIVES

Employee participation on supervisory boards and their committees is mandated by law and forms part of the Austrian corporate governance system. Employee representatives are entitled to appoint from among themselves one Supervisory Board member for every two Supervisory Board members elected by the General Meeting. If there is an odd number of shareholders' representatives, 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. The Group Works Council meets regularly with the Management Board. These meetings facilitate the exchange of information on developments in the Group which have a direct bearing on employees.

Wolfgang Fleck, Sabine Fussi, Franz Katzbeck and Günther Wölfler have been appointed to the Supervisory Board by the Works Council (as at 31 March 2015).

Additional information on the Supervisory Board and its composition is available online at 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 Group 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 Group 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 Group 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.
- During the last three years, the Supervisory Board member was neither a statutory auditor of the Group, nor a person with an interest in the audit firm, nor an employee of any such firm.
- The Supervisory Board member is not a member of a management board of another company in which 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 Group, or who represent the interests of such shareholders.
- The Supervisory Board member is not a close family relative (direct descendant, spouse, life 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.

In the meeting of 19 March 2015, the members of the Supervisory Board representing shareholder interests each declared whether they were independent as determined by the above criteria. 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 under C-Rule 53 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 – Regina Prehofer, Karin Schaupp, Willibald Dörflinger, Karl Fink and Albert Hochleitner – 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 is also a consideration in its composition. Three members of the Supervisory Board are women, representing a proportion of female members of 25% – significantly above the Austrian

average. The age of Supervisory Board members ranges from 45 to 77. All members of the Supervisory Board representing shareholder interests have extensive experience in international business.

AGREEMENTS REQUIRING APPROVAL In connection with various projects, the Group obtained the services from consulting companies where the Chairman of the Supervisory Board Hannes Androsch as member of the management board has full authority to act on behalf of the company (AIC Androsch International Management Consulting GmbH) and where the First Deputy Chairman of the Supervisory Board Willibald Dörflinger as member of the management board has full authority to act on behalf of the company (Dörflinger Management & Beteiligungs GmbH) or by Supervisory Board members (Dörflinger Management & Beteiligungs GmbH). The Group obtained legal services from Frotz Riedl Rechtsanwälte, where Member of the Supervisory Board Georg Riedl works as attorney:

in Tsd. €	2014/15	2013/14
AIC Androsch International Management Consulting GmbH	380	387
Dörflinger Management & Beteiligungs GmbH	8	5
Frotz Riedl Rechtsanwälte	3	6
	391	398

COMMITTEES In order to provide effective support and to properly address complex technical matters, the Supervisory Board has established two committees for in-depth focus on particular issues and regular reporting to the Supervisory Board. In the financial year 2014/15 the Supervisory Board also established a Project Committee to review matters related to debt financing.

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

- Regina Prehofer (Chairwoman)
- Gerhard Pichler (finance expert)
- Georg Riedl
- Wolfgang Fleck
- Günther Wölfler

The Audit Committee monitors the accounting process and the work of the statutory auditor. It monitors and reviews the statutory auditor's independence, reviews and prepares the adoption 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 auditor 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 Group'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 2014, the planning and preparation for the audit of the annual and consolidated annual financial statements for the financial year 2014/15, and the discussion of the risk management, internal control and internal audit systems. The chairwoman of the Audit Committee was also involved in the quarterly reporting in the financial year 2014/15.

NOMINATION AND REMUNERATION COMMITTEE The Nomination and Remuneration Committee comprised:

- Hannes Androsch (Chairman)
- Karl Fink
- Albert Hochleitner
- Wolfgang Fleck
- Günther Wölfler

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 and the remuneration of Management Board members. The committee met three times for these purposes in the financial year 2014/15.

The Nomination and Remuneration Committee is authorised to make decisions in urgent cases. All of the committee members representing shareholders are former management board chairmen or managing directors with knowledge and experience of remuneration policies.

PROJECT COMMITTEE On 19 March 2015 the Supervisory Board – in connection with a policy resolution of the same date concerning the implementation of various measures for debt financing – resolved under Article 17 of the Articles of Association to create a Project Committee made up of Supervisory Board members to oversee further progress, including giving approval for implementation of the relevant transactions. The Project Committee comprises the following members:

- Hannes Androsch (Chairman)
- Willibald Dörflinger
- Regina Prehofer
- Wolfgang Fleck
- Günther Wölfler

The Project Committee was authorised by the Supervisory Board to provide all further approvals required for issuing bonds, or assuming another form of debt, and the precise terms and conditions with respect to this.

As the Project Committee was formed on 19 March 2015, and thus at the end of the financial year, it did not meet during the financial year 2014/15. However, it will be ongoing after 31 March 2015 until its dissolution.

Remuneration report: Management and Supervisory Boards

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 2014/15 annual and consolidated financial statements.

MANAGEMENT BOARD REMUNERATION Total remuneration paid to members of the Management Board in the financial year:

€ in thousands	Financial year 2014/15			Financial year 2013/14		
	Fixed	Variable	Total	Fixed	Variable	Total
Andreas Gerstenmayer	429	506	935	428	373	801
Karl Asamer	361	301	662	–	–	–
Heinz Moitzi	359	361	720	357	424 ¹⁾	781
Total	1,149	1,168	2,317	785	797	1,582

The fixed element represented 45.88% of Mr Gerstenmayer's total remuneration and the variable element 54.12%. The fixed element represented 54.53% of Mr Asamer's total remuneration, and the variable element 45.47%. The fixed element represented 49.86% of Mr Moitzi's total remuneration, and the variable element 50.14%. For the Management Board as a whole, the fixed element represented 49.59% of total remuneration, and the variable element 50.41% in the financial year 2014/15.

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 number of stock options allocated to members of the Management Board was as follows:

Allocated on 1 April of every year

	Total	2012	2011	2010	2009
Andreas Gerstenmayer	120,000	40,000	40,000	40,000	–
Heinz Moitzi	120,000	30,000	30,000	30,000	30,000
Exercise Price (€)		9.86	16.60	7.45	3.86

The options granted may be exercised in tranches: up to 20% after two years, up to 30% after three years, and up to 50% after four years (from the allotment date). 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 granting expire without compensation. If the end of the five-year period falls within a restricted period, however, the restricted period will interrupt that five-year period. Options can be exercised again after the restricted period for the length of time the interruption occurred. The five-year period is thus extended by this amount of time. Options not exercised by the end of any five-year period extended in this manner become invalid and lapse without compensation. The stock option scheme in question has ended with the last allotment made on 1 April 2012. Options allotted on 1 April 2012 and not yet exercised (see Directors' holdings and dealings, including changes in the financial year 2014/15) may still be exercised until 31 March 2017.

After extensive planning, a long-term incentive programme for the Management Board and executive employees was implemented by resolution of the Supervisory Board on 3 July 2014 as a replacement for the stock option scheme that expired with the last distribution on 1 April 2012. The new programme is based on stock appreciation rights ("SAR"). SARs are rights to appreciation in value based on share performance over a defined period of time. As with stock options, but without a granting of actual shares or an option for such granting, the recipient receives financial remuneration only if the performance of the share price is positive.

In particular, the conditions include long-term and multiple-year performance criteria, a minimum vesting period of three years (with a subsequent exercise period of no more than two years), a minimum own investment by the recipient, and an upper limit on the potential financial benefits.

- Earnings per share (EPS) determines how many of the SARs allotted may actually be exercised once the vesting period ends. The EPS established by the medium-term plan for the reporting date of the third year following the allotment applies as the target. If, at the end of the vesting period, less than 50% of the EPS target has been achieved, the allotted SARs are forfeited. If 100% or more of the EPS target has been achieved at the end of the vesting period, all of the allotted SARs may be exercised. If achievement of the target is between 50% and 100%, the allotted SARs may be exercised in linear proportion to the percentage achieved.
- Own investment is a mandatory prerequisite for exercising SARs. The own investment is made by purchasing shares corresponding to 20% of the total allotment amount in SARs for a given year (e.g. for an allotment of 5,000 SARs, the own investment is 1,000 shares). If the own investment has not been made in full by the end of the vesting period (after three years), SARs are forfeited in a corresponding amount. The own investment must be held for the entire period of participation in the LTI programme.
- The exercise price is determined on the allotment date and is equal to the average closing price of AT&S shares on the Vienna Stock Exchange during the six months preceding the respective allotment date.
- The performance of the share price determines the amount of the LTI awarded to the recipient: The difference between the exercise price of the relevant virtual allotment and the closing price of the AT&S share on the Vienna Stock Exchange on the exercise date is multiplied by the number of SARs. There are no premiums on the exercise price and payouts are made in cash. In the event of extraordinary positive performance, the payout amount per SAR is limited to the amount represented by 200% of the respective exercise price. (Example: For an exercise price of €8.00, the maximum value per SAR is €16.00, which means that any share closing price above €24.00 produces no associated increase in the value per SAR.)

In this LTI Programme for 2014 – 2016, three allotment tranches are possible, which will occur between 1 April 2014 and 1 April 2016. To date, the following number of SARs has been allotted to members of the Management Board at the exercise price indicated:

Allocation on 1 April 2014

	Total	2014
Andreas Gerstenmayer	40,000	40,000
Karl Asamer	30,000	30,000
Heinz Moitzi	30,000	30,000
Exercise Price (€)		7.68

The variable remuneration of the Management Board in the financial year 2014/15 (not in the form of stock options and SARs) was dependent on the achievement of three performance measures defined in the budget for the financial year in question: return on capital employed (ROCE), cash earnings (CE), each with a 45% weighting, and the innovation revenue rate (IRR), with a 10% weighting. The basic prerequisite for awarding this variable remuneration is positive EBIT for the Group as a whole for the financial year and attainment of the target EBIT for the Group as a whole by at least 70% (the "hurdle rate"). In the event that the targets for ROCE, CE and IRR are exceeded, bonuses are restricted to a maximum of 200% of the annual bonus set out in the contract of employment. The inclusion of IRR is of major importance in giving variable remuneration a long-term focus given that innovative strength – the development of new technologies, products or product types – is a crucial factor for the future business success of the Group. It can also be reliably measured: IRR represents the share of total revenue generated from products introduced in the past three years which are technical innovative. The three-year reference period provides a long-term component of variable

remuneration. Management Board members are entitled to termination benefits in accordance with the Salaried Employees Act (AngG), applied mutatis mutandis (“old system for severance pay”), if their appointments are terminated. In the event of premature termination initiated by a Management Board member for reasonable cause, or if the function is eliminated for legal reasons, remuneration is payable until the end of the appointment contract. Where a Management Board member resigns or is removed from office for severe breach of duty, and in the case of death, payment of salary ceases at the end of the applicable month. There are no other rights or entitlements arising from the termination of appointments.

Management Board pension entitlements are defined benefit or defined contribution plans agreed individually. Mr Moitzl's pension entitlement is 1.2% of his most recent salary for each year of service, up to a maximum of 40%. For Andreas Gerstenmayer a contribution of 10% of monthly gross salary is paid into a pension fund. The amount of the occupational pension is based on the capital accumulated in the pension fund; the annualisation is determined by the pension fund's rules.

Members of the Management Board are entitled to a company car (the respective non-monetary remuneration is included under fixed remuneration), and are covered by accident insurance. Health insurance is limited to what is provided under the Austrian statutory social security system.

SUPERVISORY BOARD REMUNERATION

SUPERVISORY BOARD REMUNERATION Remuneration for the members of the Supervisory Board is determined retrospectively for the past financial year by means of a resolution at the Annual General Meeting. Remuneration paid to members of the Supervisory Board in the financial year 2014/15 for the previous financial year was in accordance with the resolution passed at the 20th Annual General Meeting of 3 July 2014.

in €

Member	Fixed fee	Committee fee	Variable remuneration	Attendance fees	Total
Hannes Androsch	30,000	3,000	17,700	2,000	52,700
Willibald Dörflinger	25,000	–	8,850	1,600	35,450
Regina Prehofer	20,000	3,000	8,850	2,000	33,850
Karl Fink	20,000	2,000	8,850	1,600	32,450
Albert Hochleitner	20,000	2,000	8,850	1,600	32,450
Gerhard Pichler	20,000	2,000	8,850	2,000	32,850
Georg Riedl	20,000	2,000	8,850	2,000	32,850
Karin Schaupp	20,000	–	8,850	2,000	30,850
Total	175,000	14,000	79,650	14,800	283,450

The Chairman of the Supervisory Board receives fixed remuneration of €30,000 per financial year, the First Deputy Chairman €25,000 and all other elected members €20,000. Chairmanship of a standing committee (Nomination and Remuneration Committee, Audit Committee) is remunerated with a fixed amount of €3,000 per financial year, and membership of a standing committee with €2,000. The attendance fee is €400 per Supervisory Board meeting, and all cash expenses are reimbursed. Members of the Supervisory Board also receive variable remuneration based on targeted cash earnings (CE) and return on capital employed (ROCE) for each financial year. If the targets are 100% achieved, the Chairman receives €10,000 and other members €5,000. The targets receive equal weighting. Members of the Supervisory Board do not receive stock options in the Group. As resolved by the 20th Annual General Meeting of 3 July 2014, variable remuneration was paid to Supervisory Board members in the financial year 2014/15 in respect of the financial year 2013/14, since the targets established for variable remuneration in the budget for the financial year 2013/14 were achieved.

The employee representatives perform their duties on the Supervisory Board voluntarily and therefore receive no separate remuneration for their position.

DIRECTORS AND OFFICERS LIABILITY INSURANCE (D&O INSURANCE) The D&O insurance at AT&S covers all past, present and future members of the Group'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 provides global cover and the annual premium is paid by AT&S.

Directors' Holdings & Dealings

The members of the Supervisory Board and the Management Board have voluntarily undertaken to publicly disclose the number of shares in AT & S Austria Technologie & Systemtechnik Aktiengesellschaft held by them. The holdings of individuals with close personal relationships with members of the Supervisory Board or Management Board are not disclosed.

	Shares				Options (Stock Option Scheme)		
	As of 31 Mar 2014	Change	As of 31 Mar 2015	% capital ^{*)}	As of 31 Mar 2014	Exercised/ lapsed	As of 31 Mar 2015
Andreas Gerstenmayer	–	10,000	10,000	0.03 %	120,000	40,000	80,000
Karl Asamer	–	4,000	4,000	0.01 %	–	–	–
Heinz Moitzi	2,786	–	2,786	0.01 %	90,000	30,000	60,000
Hannes Androsch	599,699	–	599,699	1.54 %	–	–	–
Androsch Privatstiftung	6,339,896	–	6,339,896	16.32 %	–	–	–
Willibald Dörflinger	–	–	–	–	–	–	–
Dörflinger Privatstiftung	6,902,380	–	6,902,380	17.77 %	–	–	–
Karl Fink	–	–	–	–	–	–	–
Albert Hochleitner	–	–	–	–	–	–	–
Gerhard Pichler	26,768	–	26,768	0.07 %	–	–	–
Regina Prehofer	–	–	–	–	–	–	–
Georg Riedl	15,482	–	15,482	0.04 %	–	–	–
Karin Schaupp	–	–	–	–	–	–	–
Wolfgang Fleck	–	–	–	–	–	–	–
Sabine Fussi	–	–	–	–	–	–	–
Franz Katzbeck	–	–	–	–	–	–	–
Günther Wöfler	–	–	–	–	–	–	–

^{*)} The indicated number of shares held in AT & S Austria Technologie & Systemtechnik Aktiengesellschaft includes all direct and indirect investments. Thus, for the Androsch Private Foundation, this information also includes those shares held by AIC Androsch International Management Consulting GmbH, which is owned by the Androsch Private Foundation. For the Dörflinger Private Foundation, it also includes those shares held by Dörflinger Management & Beteiligungs GmbH, whose majority owner is the Dörflinger Private Foundation. Transactions between the Androsch Private Foundation and AIC Androsch International Management Consulting GmbH, which is owned by the Androsch Private Foundation, are therefore offsetting and not separately presented here.

The individual directors' dealings notifications can be viewed in and downloaded from the FMA Directors' Dealings Database, at <https://www.fma.gv.at/en/companies/issuers/directors-dealings/directorsdealings-database.html>.

Other codes of conduct

INCREASING THE REPRESENTATION OF WOMEN IN SENIOR MANAGEMENT AT&S has no explicitly formulated plan for increasing the number of women on the Management or Supervisory Boards or in senior management positions in the Group or its subsidiaries. The selection of candidates to fill open positions is based on the principle of the best possible person for the job, regardless of gender, age, religion or ethnic origin.

There are women in various senior management positions at AT&S and its subsidiaries. Although no women are represented on the Management Board of AT&S, two of the eight members of the AT&S Supervisory Board representing shareholder interests and one of the employee representatives are women. At 25%, the proportion of female Supervisory Board members is above the average for Austrian companies. Of the senior management positions at the first level directly below the Management Board, 16% are held by women. Around 34% of the Group's employees are female. Within AT&S, the ratio of women in Europe and the USA at 40% continues to be significantly higher than that in Asia, where the ratio is 33%. The Group continues to make every effort to increase the representation of women at senior management level. Proactive efforts are made, particularly when staff return from maternity leave, to ensure that careers and family life are compatible.

AT&S CODE OF BUSINESS ETHICS AND CONDUCT As a supplement to the ÖCGK, AT&S has established its own code of ethics and conduct, 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 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 aim of the ÖCGK to raise Austrian and foreign investors' confidence in the Austrian financial market by enhancing transparency and introducing universal principles. AT&S attaches great importance to the equal treatment of all investors and the provision of comprehensive information. For the purpose of preventing insider trading and ensuring compliance with other relevant capital market regulations, the Group has adopted a Compliance Code ("Group Guidelines on Issuer Compliance") that applies, including all Supervisory Board members. The Group Guidelines on Issuer Compliance were amended in the financial year 2012/13 and entered into force on 1 December 2012 to reflect the changes in the Issuer Compliance Order (Federal Law Gazette BGBl. II No. 213/2007 as amended by BGBl. II No. 30/2012) issued by the Austrian Finance Market Authority.

Management Board

Andreas Gerstenmayer

Karl Asamer

Heinz Moitzi

