

Remuneration Policy 2020 for the Supervisory Board of AT&S AG

I. Principles and objectives of the Remuneration Policy

The Remuneration Policy detailed below provides shareholders with the extensive list of remuneration components that members of the Supervisory Board may benefit from. The Policy also aims at providing transparency on the mechanisms and processes followed to define and implement each component of the remuneration in accordance with L-Rule 50 of the Austrian Corporate Governance Code (ACGC).

One of the purposes of this document is therefore to regroup pre-existing information publicly disclosed to enhance readers' friendliness. In addition, the Supervisory Board understand the capital market, regulator, and wider range of stakeholders' expectation for higher remuneration reporting standards.

A. Principles for the remuneration policy

The following remuneration principles (remuneration policy) for the members of the Supervisory Board of AT&S AG (AT&S) were based on a proposal by the Supervisory Board and has been approved by a resolution of the Supervisory Board on 04 June 2020. They are intended for application after their presentation to AT&S's 26th Annual General Meeting. In accordance with § 98a in connection with § 78b (1) of the Austrian Stock Corporation Act, the remuneration policy must be presented to the Annual General Meeting for voting at least every fourth financial year.

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

B. Objectives for the remuneration policy

When instituting the Remuneration Policy, the Supervisory Board's purpose is to appropriately reward the Supervisory Board members considering the scope of functions and responsibilities. The appropriateness is assessed with respect to pay magnitude and practices at comparable companies. Appropriate remuneration should also create sustainable performance incentives, supporting the company's long-term strategy and development, and aligning Supervisory Board Members' interest with those of shareholders.

Supervisory Board remuneration should be understood as a mean to attract and retain experienced profiles, relevant to an international company, publicly listed, with a wide spectrum of high-technology products and intensive Research and Development to drive innovation.

To fulfill the above-mentioned objectives, the Supervisory Board relies on the following components:

- Fixed remuneration
- Meeting attendance fee
- Short-term variable remuneration
- Benefits: D&O insurance

C. Fixed remuneration

The Chairman of the Supervisory Board receives a fixed remuneration of € 56,240, his Deputies € 44,160 and all other elected members € 28,120 per financial year. Chairmanship of a committee (such as Nomination and Remuneration Committee, Audit Committee) is remunerated with a fixed amount of € 5,000, and membership of a committee with € 3,000 per financial year.

D. Attendance Fee

The attendance fee is € 400 per Supervisory Board meeting and all cash expenses are thereby reimbursed.

E. Short-term variable remunerations

The variable schemes are designed to incentivize to deliver high and sustainable performance, including short-term milestones that take into consideration the long-term vision for the company. This combination of short- and long-term achievements is at the basis of our “Vision to Strategy” that can be summarized as follows:

- Expansion of technology leadership
 - Leading provider of new interconnect solutions
 - Innovation revenue rate: > 20%
- Focus on sustainable profitable growth
 - Medium-term revenue target of € 2.0 billion with an EBITDA margin of 25-30%
- Creation of shareholder value
 - Long-term ROCE ≥ 12%
- Sustainable Management
 - 80% renewable energy
 - Life cycle assessment of product groups
 - 30% women in leadership positions

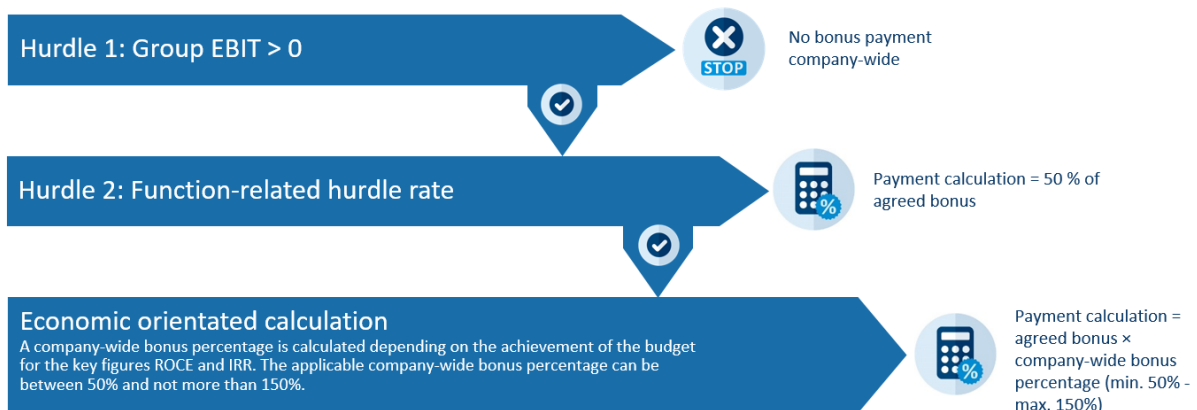
The short-term variable remuneration is designed to incentivize also the Supervisory Board members and support the achievement of yearly-predefined targets on a range of performance indicators. The Supervisory Board approves the targets in the yearly budget. The selected performance indicators are in line with the company’s strategy, operational reporting and “Vision to strategy”. Therefore, the short-term variable remuneration rewards the Supervisory Board compensation for their contribution to the achievement of key milestones tailored to the company.

The bonus base for the short-term variable remuneration amounts to € 15,000 for the Chairman of the Supervisory Board, € 10,000 for the Deputies of the Chairman of the Supervisory Board and € 7,000 for other Supervisory Board members. Depending on target achievement, the award can range from 0 to 150% of the aforementioned bonus base.

Provided that the yearly-predefined targets are met, total remuneration consists of around 20% variable (performance-related) remuneration and around 20% fixed remuneration (excluding meeting attendance fees and benefits).

a) Mechanism for the short-term variable remuneration

The below flow chart describes the circumstances and scenario leading to the payment of an annual variable award.



There will be no bonus pay out in case there is no positive EBIT generated (= Hurdle 1). Otherwise, the bonus pay out will be at least 50% of the bonus base on target. In case the EBIT margin of AT&S Group is above 70% of the budget (= Hurdle 2), the bonus pay out will be calculated as described below with reference to the Group ROCE and IRR performance.

To provide further details and transparency regarding the calculation methodology, you may refer to the below table, that provides a **schematic illustration**:

Indicator	Weight (A)s	Performance*	Level of achievement** (B)	Weighted payout (% of base amount)
ROCE	90%	-4%p	50%	(A×B)
		On-target*	100%	
		+4%p	150%	
		Linear between these points		
IRR	10%	-10%p	50%	
		On-target*	100%	
		+10%p	150%	
		Linear between these points		

*The target is equal to the percentage budgeted.

**The total level of achievement is the weighted sum of levels of achievement per indicator.

b) Further details on the performance indicators

EBIT/EBIT margin: The EBIT is in use for the bonus calculation as it shows the operating result over operating sales - if the EBIT is too low or even negative, there is no bonus distribution.

ROCE: AT&S uses the return on capital employed (ROCE) to measure its operating performance from the point of view of investors using the ratio of the result adjusted for finance costs – net and average capital employed. This ratio serves to derive the extent to which AT&S fulfils its investors’ interest requirements. The average cost of capital is derived from the minimum return investors expect for providing equity or borrowings. Overall, the ROCE contributes to the creation of shareholder value and a sustainable, profitable growth.

IRR: The inclusion of the IRR plays an important role for a sustainable design of variable remuneration since the ability to innovate – i.e., the development of new technologies, products or product

properties – represents a key element in the future economic success of a company and is easy to measure: the IRR is the share of products which have been launched in the last three years and are technologically innovative. It reflects the expansion of technology leadership and sustainable development.

II. Appointment

Unless otherwise determined by the General Meeting, the Supervisory Board members are elected for the longest period of time permitted under § 87 (7) of the Austrian Stock Corporation Act, i.e. until the end of the Annual General Meeting which resolves on the discharge for the fourth financial year after the election, not counting the financial year in which the election took place.

Supervisory Board members who have not belonged to the Supervisory Board for an entire financial year, receive the fixed remuneration and the short-term variable remuneration (if any) for such year on a pro rata basis (calculated on a daily basis).

Apart from the appointment resolutions of the General Meeting, there are no employment law-related contractual relationships between AT&S and the members of the Supervisory Board. Information on the terms of contracts of the members of the Supervisory Board, the relevant periods of notice, the main features of supplementary pension schemes and early retirement schemes and the conditions for termination and the payments to be made in this connection are therefore not applicable.

III. Supervisory Board Oversight

A. Conflict of interest

In their decisions, the members of the Supervisory Board shall not pursue their own interests or those of persons or enterprises close to them that are in conflict with the Company's interests or procure for themselves business opportunities to which the Company is entitled. If members of the Supervisory Board find themselves in conflicts of interests, they shall disclose such to the Chairman of the Supervisory Board immediately. If the Chairman of the Supervisory Board finds himself in a conflict of interests, he shall disclose this to his first deputy immediately.

The Annual General Meeting adopts a binding resolution on the entitlement to remuneration of Supervisory Board members for the preceding financial year, thereby avoiding conflicts of interest of Supervisory Board members with respect to the remuneration policy.

B. Review and maintenance of the Remuneration Policy

The remuneration policy is in force for a period of four years from the date it was approved by shareholders. However, and if the Supervisory Board deems this in line with the company's interest, the remuneration policy can be reviewed before the end of the four years period. In such situation, the reviewed policy would be submitted to shareholders' approval.

Under exceptional circumstances, the Supervisory Board has discretion to amend certain features of the remuneration policy such as the choice of performance conditions, the way performance targets are set, in order to keep taking into consistent consideration the environment in which the company evolves and is impacted by external factors. Any such changes would, however, remain in line with the general caps and pay magnitudes defined in the policy so there is no blank check provisions or excessive discretion. Exceptional circumstances are defined exclusively as situations where deviation

from the remuneration policy is necessary for the long-term development of the company or to ensure its profitability.

In case of appointment of a new Supervisory Board member, the ongoing remuneration policy would apply to his/her appointment.

When defining and amending the remuneration policy, the Supervisory Board may engage with several stakeholders such as shareholders, employees' representatives, regulators, and consultants in order to take into consideration a broad range of points of views and feedback.

The yearly application of such remuneration policy will be subject to a specific reporting that will provide clarity on the amounts due under each component of the package. Although the overall package is linked to factual elements, a degree of discretion may be introduced from time to time as explained above. In such situation, the supporting rationale will be provided to maintain transparency.