

Questions & Answers

Questions and answers with regard to

- agenda item 11 (authorized capital) and
- agenda item 12 (authorization of the Management Board to issue convertible bonds as well as the conditional increase of the nominal capital for the granting of exchange rights to creditors of convertible bonds)

1. What is the background for the capital measures to be resolved upon?

The Management Board of AT&S has already been authorized so far to increase the nominal capital of the Company with the consent of the Supervisory Board by up to EUR 21,367,500.—by issuing up to 19,425,000 new bearer shares based on a resolution by the General Meeting on July 3, 2014. The Management Board has been further authorized to exclude the shareholders' pre-emptive rights in whole or in part if the legal requirements are met. In the General Meeting on July 3, 2014 the Management Board has also been authorized to issue convertible bonds in a total nominal amount of up to EUR 150,000,000 with the consent of the Supervisory Board. The Management Board has further been authorized to exclude the shareholders' pre-emptive rights in whole or in part also in relation to such issuance of convertible bonds if the legal requirements are met. An authorization for a conditional capital increase in order to provide for exchange rights in case convertible bonds are issued, has also been granted in the same way as it is foreseen in the current resolution proposal.

The authorizations to increase the nominal capital and to issue convertible bonds have been granted for a period of five years. Due to the fact that such authorizations expire on July 2, 2019, such authorizations have to be renewed.

In the view of the Management Board, the authorizations proposed correspond to the interests and needs of the Company, in particular the current and expected capital structure of the Company and should also allow to optimally utilize capital market opportunities (see also questions 4. and 5.).

The capital measures proposed for the annual general meeting 2019 constitute therefore an actualization and renewal of existing authorizations of the Management Board. The maximum potential dilution in case all capital measures are implemented may, however, amount to only 50% of the nominal capital (please refer to the next question with regard to the topic of maximum dilution).

2. What is the maximum possible extent of dilution that may arise?

If the capital measures now proposed are resolved by the General Meeting and if all such capital measures were actually fully utilized, the maximum dilution would amount to only 50% of the nominal capital. Although an authorization for the issuance of shares corresponding to up to 50% of the nominal capital is granted for both, the authorized capital as well as for the conditional capital, the total amount of the shares which can be issued by way of utilizing the conditional capital and the authorized capital may in total not exceed 50% of the nominal capital (limitation of the authorizations according to

amount). In other words: The Management Board may freely choose how many shares it issues out of the authorized capital and how many shares it issues out of the conditional capital, as long as the total amount of all such shares issued does not exceed 50% of the nominal capital (i.e. not more than 19,425,000 shares in total). This is also reflected in the proposed para 6 a), b) and c) of § 4 of the Articles of Association.

3. Which scope of discretion does the Management Board have with regard to the exclusion of pre-emptive rights?

It is important to stress the fact that the Management Board is only authorized but not obliged to exclude pre-emptive rights. For example, in the course of a cash capital increase, pre-emptive rights are normally not excluded. Further, the Management Board may only exercise the authorization granted to it to the extent the exclusion of pre-emptive rights is objectively justified. Such justification requires that the exclusion of pre-emptive rights (i) is in the interest of the Company (e.g. acquisition of participations, entrance into new markets, co-operations with others businesses etc.); (ii) is appropriate and (iii) is necessary i.e. the exclusion of pre-emptive rights has to be suitable and the most moderate way for achieving the objectives and therefore no possible alternative may be less burdensome; and, finally, the exclusion of pre-emptive rights has to be (iv) proportionate, i.e. the measure has to be weighted against the impact on the participation quota and the position of the existing shareholders; the more the issuance price corresponds to the fair market value of the shares, enabling the shareholders to maintain their position by way of purchasing additional shares on the market, the more likely it is that an exclusion of pre-emptive rights will meet the principle of proportionality.

In case the authorizations to exclude pre-emptive rights will be exercised, the Management Board will further establish a separate report, by which the fulfillment of the legal requirements will be evidenced based on the respective facts and circumstances then given. Such report will be published prior to the implementation of the respective capital measure.

4. Why does the Management Board need such resolutions?

In particular in a constantly changing market environment, different strategic options have to be available to the Management Board in order to be able to react flexibly to financing issues. Convening a general meeting in order to implement strategic objectives, which require the issuance of shares, may – in particular due to the financial and time efforts related thereto – frustrate potential opportunities arising on the market. Not only the preparation and structuring of transactions, but also the fulfillment of other potential financial needs may require the best possible flexibility for the Management Board with regard to the utilization of the available financial instruments as well as with regard to the determination of their terms and conditions also on a short term basis (e.g. convertible bonds are mainly subscribed by institutional investors often having high demands with respect to flexibility and timing). Therefore, it is in the interest of the Company to authorize the Management Board to the capital measures as proposed. Please also refer to the next question on the topic of the utilization of the authorizations.

5. In which way will the Management Board utilize the authorizations? Is a specific capital measure already envisaged?

Currently, no specific projects are envisaged which would make the utilization of the granted authorizations of the Management Board necessary (issuance of shares from the authorized capital and issuance of convertible bonds, where the shares to be issued pursuant to the terms and conditions of the convertible bonds are taken from the conditional capital). Due to the market development, in particular in the field of IC Substrate, or due to other strategic projects, such as to stay abreast of the ongoing trend of

modularization, it is, however, in the interest of development of the Company useful to grant to the Management Board the respective flexibility to be able to react to positive market developments (also on short notice if necessary).