



Board Rules

for the Supervisory Board of

AT & S Austria Technologie & Systemtechnik Aktiengesellschaft ("AT&S")

14 December 2018

Preamble

The Supervisory Board shall ensure that the majority of the members of the Supervisory Board elected by the general assembly of shareholders ("representatives of the capital") are independent of the Company and its Executive Board.

A representative of the capital is to be regarded as independent if he is in no business or personal relationship to the Company or its Executive Board that establishes a material conflict of interests and is therefore capable of influencing the member's conduct.

The criteria for independence shall be determined by the Supervisory Board and are set out in Schedule 1. Each representative of the capital shall at his own responsibility declare to the Supervisory Board whether he is independent in accordance with the criteria for independence.

In addition, the Supervisory Board shall ensure that at least two of the independent representatives of the capital are not also holders of shares with a shareholding exceeding 10% or represent their interests.

Sec. 1

Functions of the Supervisory Board

1. The Supervisory Board shall exercise its function according to the statutory provisions, the Company's Articles of Association, the provisions of the board rules, and as far as possible taking account of all recommendations and suggestions of the "Austrian Corporate Governance Code" (as amended from time to time).
2. Each year, the Supervisory Board shall address the efficiency of its activity, in particular its organisation and working method.
3. The Supervisory Board shall supervise the management of the Company and assist the Executive Board in the management of the Company, in particular in decisions of fundamental significance.
4. When members of the Executive Board are appointed, it shall be ensured that no final judgement has been rendered on the grounds of an offence that would cast doubt on his professional liability as Executive Board member.

5. The following transactions shall in any event be reserved to a decision by the Supervisory Board as a whole:
- a) the adoption of a resolution concerning the board rules for the Supervisory Board and the board rules for the Executive Board;
 - b) the election of the Chairman of the Supervisory Board and his deputies;
 - c) the formation of Supervisory Board committees and the determination of these committees' functions
 - d) the monitoring of the Executive Board's management;
 - e) measures and transactions of the Company or its group companies that according to the Executive Board's board rules require the prior consent of the Supervisory Board whereby for such measures and transactions which fall within the scope and competence of a (permanent or temporary) committee formed pursuant to Sec. 11 of these board rules, a decision of such committee shall suffice (provided that power has been conferred on it to make a decision);
 - f) the examination and determination of the financial statements, the proposal for the distribution of profits and the business report, the examination of the group financial statements and the group business report and the corporate governance report and the reporting thereof to the general assembly of shareholders.

Sec. 2

Resignation of the office of a member of the Supervisory Board

Each member of the Supervisory Board can resign his office at one month's notice even without good cause by means of a written declaration to be addressed to the Chairman of the Supervisory Board. The Chairman shall address his declaration of resignation to his first deputy.

The compliance with the one month's notice period can be waived by resolution of the presiding body of the Supervisory Board.

Sec. 3

Chair of the Supervisory Board

1. In the next meeting taking place after the office of Chairman of the Supervisory Board or his deputy becomes vacant, the Supervisory Board shall elect a Chairman and one or more deputies from amongst its members.
2. The election shall be chaired by the Chairman of the Supervisory Board, or, in the event of the election of a new Chairman, by the previous Chairman of the Supervisory Board. If the Chairman of the Supervisory Board is not present, the election shall be chaired by the first deputy.
3. The election shall be by absolute majority of the votes cast. If in an election none of the persons proposed obtains the necessary majority, a run-off ballot shall be held between the two persons who obtained the most votes. If in this run-off ballot neither of these obtain the necessary majority, the decision shall be made by casting lots. The validity of the election of the Chairman and his first deputy shall in any event also require the consent of the majority of the representatives of the



capital.

4. The election as Chairman and his deputy shall apply for the duration of the elected person's term of office as a member of the Supervisory Board, and shall end upon expiry of the elected person's term of office as member of the Supervisory Board. Re-election to such an office is possible.
5. If the office of Chairman of the Supervisory Board or the office of one of his deputies becomes vacant during the term of office, a replacement election shall take place at the next meeting of the Supervisory Board.
6. The Chairman of the Supervisory Board or, if he is prevented, his first deputy shall prepare the meeting of the Supervisory Board, ensure the due invitation of the members, chair the meeting and in the event of resolutions by circular prescribe such and arrange for their due execution.

Sec. 4 **Convening**

1. The Supervisory Board shall be convened as often as required by the Company's interests, but at least four times each financial year. The meetings shall be held at least quarterly.
2. The Supervisory Board shall be convened in writing by the Chairman or, if he is prevented, by his first deputy (see Item 3). The aforesaid shall not affect Sec. 94 (2) of the Joint Stock Corporations Act (as amended from time to time). The meeting can also be convened by the Executive Board on behalf of the Chairman of the Supervisory Board.
3. The meetings of the Supervisory Board shall be convened by invitation to all members in writing, by telegram, telephone (in such case with written confirmation by the person thus convened), by fax or email by the Chairman or, on his instruction, by the Executive Board, stating the time, place and the agenda with at least one week's notice, not counting the day of the convening except in the case of sending via email, and in all cases the day of the meeting. Compliance with the deadline shall be determined, in the case of sending by post, by the date of the postmark, otherwise by the date of the receipt of the invitation. The aforesaid provisions can only be abandoned in the case of particular urgency and provided that all members of the Supervisory Board can be proven to have been notified.
4. The invitations shall be accompanied by the agenda and, to the extent necessary for the information of the members, documents, reports and explanations on the individual items of the agenda. The agenda and the documents must as a rule likewise be served with one week's notice.
5. If all members of the Supervisory Board are present at a meeting and adopt the agenda, any deficiencies in the convening shall be deemed to be cured.

Sec. 5

Agenda

1. The agenda shall be determined by the Chairman of the Supervisory Board or, if prevented, by his first deputy, taking account of the motions submitted by the members of the Supervisory Board and the motions submitted by the Executive Board in accordance with the provisions of the law and the Articles of Association. It shall state all matters that are to be deliberated in the meeting and on which a resolution is to be adopted.
2. A resolution can only be adopted concerning matters not included in the agenda if all members of the Supervisory Board are present and no member objects to the adoption of the resolution.

Sec. 6

Deliberations and resolutions of the Supervisory Board

1. The Supervisory Board shall be quorate if at least the simple majority of the representatives of the capital, but in any event three elected members, including the Chairman or his deputy, are present. Members represented shall not be counted in the determination of quoracy. In the event of inquoracy, a new meeting shall be convened that shall be limited to the same agenda as the inquorate meeting and whose quoracy shall be determined according to the statutory provisions. This shall be pointed out separately in the invitation to this meeting.
2. The Chairman or, if he is absent, his first deputy shall chair the meeting.
3. The resolutions of the Supervisory Board shall, unless different majorities are laid down by the law, be adopted by simple majority of the votes cast. Abstentions and votes cast that do not indicate a clear opinion or are made conditionally shall not be taken into account, the decision lying with the Chairman of the meeting alone.
4. Each member of the Supervisory Board shall have one vote. The manner and form of the casting of votes shall be determined by the Chairman of the meeting. In the event of an equality of votes, the Chairman of the meeting shall have the casting vote.
5. All members of the Supervisory Board and the Executive Board shall be entitled to submit motions to the Supervisory Board.

Sec. 7

Conflict of interests

1. 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 without delay. If the Chairman of the Supervisory Board finds himself in a conflict of interests, he shall disclose this to his first deputy without delay.
2. The members of the Supervisory Board shall not exercise any executive roles in other companies that are in competition with the Company.

3. The conclusion of contracts with members of the Supervisory Board by means of which they undertake to provide a performance outside their activity in the Supervisory Board to the Company or a subsidiary (Sec. 228 (3) of the Commercial Code) in return for more than mere trivial remuneration shall require the consent of the Supervisory Board. This shall also apply to contracts with enterprises in which a member of the Supervisory Board has a substantial economic interest;
4. The granting of loans by the Company or its group companies to members of the Supervisory Board outside the ordinary business activity of the enterprise is prohibited.

Sec. 8 **Representation**

Each member of the Supervisory Board can, by written power of attorney to be delivered to the Chairman of the meeting at the beginning of the meeting, empower another member of the Supervisory Board to represent him at an individual meeting. The member of the Supervisory Board thus represented shall not be included in the determination of the quoracy of the meeting. The right to chair the meeting cannot be transferred. A member of the Supervisory Board can also empower another member of the Supervisory Board to submit a written vote for him at a meeting. However, the representation can in each case only extend to one further member of the Supervisory Board.

Sec. 9 **Minutes**

1. Separate minutes shall be kept of the meetings of the Supervisory Board and each individual committee, stating the names of the persons present, the agenda and the resolutions adopted and the course of the meeting in the main subjects of deliberation, and shall be signed by the Chairman of the meeting.
2. At the request of one member of the Supervisory Board, his opinion dissenting from the resolution adopted, together with his justification, shall be included in the minutes.
3. The minutes shall be sent to each member of the Supervisory Board within four weeks after the meeting by means of registered letter or in another provable manner and shall be presented for approval to the Supervisory Board at the next meeting of the Board. Objections or requests for changes of the minutes can be raised in writing to the Chairman within two weeks from service of the minutes by means of registered letter. Compliance with the deadlines shall be determined by the date of the postmark.

Sec. 10 **Circular resolutions**

1. The resolutions of the Supervisory Board can also be adopted by writing, by telex or telephone, by video telephony (videoconference, Internet conference) or any other comparable manner (including email) if the Chairman prescribes such for particular reasons and if no member of the Supervisory Board objects to this procedure.
2. The representation of a member of the Supervisory Board shall not be permitted for the adoption of resolutions by the casting of votes in writing.

3. The majorities for resolutions shall be determined by the provisions of Sec. 6 (3) of these board rules as amended from time to time. The adoption of a valid resolution shall require votes being cast by at least a simple majority of the elected members of the Supervisory Board, including in any event the Chairman or his deputy.
4. Sec. 9 shall apply mutatis mutandis to resolutions by circular. Minutes shall be prepared of resolutions adopted by telephone or comparable manner and shall be signed by the Chairman.

Sec. 11 **Committees**

1. By resolution, the Supervisory Board shall form committees for particular functions from amongst its members. The functions and powers shall be determined by the Supervisory Board, the power to adopt decisions can also be transferred to the committees by resolution of the Supervisory Board provided that these functions are not reserved to the Supervisory Board as a whole by the law, the Articles of Association or the board rules. The majority of the members of the committee shall satisfy the criteria for independence laid down by the Supervisory Board. In particular, the Supervisory Board shall form the following committees from amongst its members:

- a. Audit committee

The audit committee shall be responsible for monitoring the accounting process and the work of the Company auditor, for monitoring and examining the independence of the Company auditor, for examining and preparing the determination of the annual accounts, for examining the proposal for the distribution of the profits, the business report and, from the 2009/10 financial year onwards, the corporate governance report and for the submission of the report on the audit results to the Supervisory Board.

The audit committee shall also monitor group accounting, examine the group accounts and submit a proposal for the selection of the Company auditor, and report thereon to the Supervisory Board.

In addition, the audit committee shall monitor the efficiency of the company-wide internal control system, where appropriate the internal audit system and the risk management system of the Company.

One member of the audit committee must be a person who has the knowledge and practical experience in finance, accounting and reporting corresponding to the needs of the enterprise (financial expert). The chairman of the audit committee or the financial expert shall not be anyone who in the last three years has been a member of the Executive Board or managerial employee or Company auditor, or who has signed the auditor's certificate or for other reasons is not independent and impartial.

The audit committee must hold at least two meetings each financial year. The Company auditor shall be consulted at the meetings that address the preparation or the determination of the annual accounts (group accounts) and the audit thereof. The meetings shall be convened at least two weeks in advance, stating the agenda and the place of the meeting.

- b. Nomination and remuneration committee

The nomination and remuneration committee shall submit to the Supervisory Board proposals for the filling of posts becoming vacant in the Executive Board, and shall address questions of succession planning, matters concerning the remuneration of the members of the Executive Board and the content of contracts of employment with members of the Executive Board. The nomination and remuneration committee shall in addition be empowered to adopt decisions in urgent cases. The chairman of the nomination and remuneration committee shall always be the Chairman of the Supervisory Board. The meetings shall be convened at least one week in advance stating the agenda and the place of the meeting.

c. Financing committee

The financing committee of the Supervisory Board shall, in particular at the request of the Executive Board, deal with financing matters of the Company and the group companies (with the exception, however, of measures for raising equity capital (Secs. 149-174 of the Joint Stock Corporations Act – AktG and Secs. 52 and 53 of the Law on Limited Liability Companies – GmbHG) and the injection of equity capital within the meaning of the Commercial Code in other ways, for which the approval of the entire Supervisory Board is required). In this context, it shall in particular also be empowered to decide on and grant approvals for financing measures (of any kind and form) of the Company (or group companies) which require the prior approval of the Supervisory Board in accordance with the board rules for the Executive Board, while safeguarding the interests of the Company and the shareholders.

Within the scope of its powers, this includes the necessary approvals of: (i) the taking up of bonds, loans and credits by the Company or group companies, including the issuance of any senior and/or hybrid bonds and other equity-linked instruments, (ii) the granting of loans to and the assumption of liabilities for group and affiliated companies by the Company or group companies, and (iii) the granting of loans and credits (to third parties) by the Company or group companies, to the extent that such granting is not part of the ordinary course of business (with the exception, however, of loans and credits to members of the Executive Board and executive employees (Sec. 80 para. 1 Joint Stock Corporations Act – AktG) and their relatives and other third parties within the meaning of Sec. 80 para. 3 Joint Stock Corporations Act – AktG, for which the approval of the entire Supervisory Board is required if the relevant threshold is exceeded). Within the scope of these financing measures, the financing committee shall also be authorized to take any necessary measures in connection therewith (such as the commissioning of banks), while safeguarding the interests of the Company and the shareholders (including approvals).

The Chairman of the financing committee shall always be the Chairman of the Supervisory Board. The appointment of a deputy chairman shall be permissible. Meetings shall be convened at least one week in advance stating the agenda and the place of the meeting.

2. The election of the members of committees shall be subject to the provisions of these board rules. The Chairman of the Supervisory Board or one of his deputies shall be a member of each committee and shall also chair the committee.
3. Each committee chairman shall regularly report to the Supervisory Board about the work of the committee.
4. Each committee must have at least two members. Quoracy shall require the presence of at least two members of the committee.

5. The resolutions of the committees shall, unless the law lays down different majorities, be adopted by simple majority of the votes cast. Abstentions and votes cast that do not indicate a clear opinion or are made conditionally shall not be taken into account, the decision lying with the Chairman of the meeting alone.
6. If a committee resolution cannot be adopted for whatever reason, the matter shall be submitted to the Supervisory Board as a whole for the adoption of the resolution, which shall at the latest be adopted at the next quarterly meeting.

Sec. 12

Attendance at meetings of the Supervisory Board and its committees

1. With the exception of a secretary, persons who are neither a member of the Supervisory Board nor the Executive Board may only attend meetings of the Supervisory Board and its committees if such is resolved by the Supervisory Board.
2. If necessary, items on the agenda can be deliberated in the Supervisory Board and its committees without participation of the members of the Executive Board.
3. Experts, respondents or other informed persons can in any event be consulted on individual matters upon a directive by the Chairman of the meeting. The Company auditor shall attend meetings of the audit committee and meetings of the Supervisory Board for those items of the agenda whose subject matter is the adoption of a resolution concerning the annual accounts or the preparation thereof.
4. Members of the Supervisory Board who are not a member of the committee can only attend the meetings of the committee with the consent of the Chairman of the Supervisory Board, but shall not have any voting rights.

Sec. 13

Executive Board's duty to report

1. The reports to be submitted to the Supervisory Board by the Executive Board shall not only provide information about the course of business and the state of the Company and the state of the group and essential holdings, inter-alia in the form of quarterly accounts, but shall also inform about the business plans and strategies of the Company and of the group companies and major holdings. These reports shall also contain a comparison with the budget taking into account future developments. As part of the reporting, the Executive Board shall in particular also apprise the Supervisory Board of intended measures with far-reaching effects on the future development of the Company. If an important occasion arises, an oral or written report shall be made without delay to the Chairman of the Supervisory Board. In the event of significance departures from budget figures, the Executive Board shall apprise the Supervisory Board without delay. In addition, a report shall be made to the Supervisory Board without delay about circumstances that are of considerable significance for the Company's profitability or liquidity (special report). The annual report and the quarterly reports shall be made in writing and explained orally upon demand by the Supervisory Board; they shall be delivered to each member of the Supervisory Board. The special reports shall be submitted in writing or orally.

2. The manner and scope of the reporting shall otherwise be determined according to the guidelines applicable to the AT&S Group. The reports shall correspond with the principles of conscientious and faithful accountability.
3. The Supervisory Board or the Chairman of the Supervisory Board or his first deputy or two other members of the Supervisory Board shall be entitled to demand written or oral reports from the Executive Board at any time concerning Company matters. In addition, a report shall be submitted to the next Supervisory Board meeting. The report shall be submitted to the entire Supervisory Board.
4. The members of the Executive Board shall be available to provide information to Supervisory Board meetings if required. They shall be informed in good time by the Chairman or, if prevented, his deputy about the dates of the meetings, the agenda and the matters on which they are to be heard.

Sec. 14

Amendments of the Articles of Association

The Supervisory Board shall be empowered to adopt amendments of the Articles of Association that only concern the wording.

Sec. 15

Declarations of the Supervisory Board's will

Declarations of the will of the Supervisory Board and its committees shall be issued by the Chairman of the Supervisory Board or, if prevented, by his first deputy.

Sec. 16

Annual accounts and Company auditor

1. The Supervisory Board shall examine the financial statements submitted by the Executive Board, including the appendix, the proposal for the distribution of profits and the business report and the group financial statements and the group business report and, from the 2009/2010 financial year, the corporate governance report, shall make a statement to the Executive Board within two months after presentation and shall report on its examination to the general assembly of shareholders. If the Supervisory Board approves the financial statements, they shall be deemed to be determined pursuant to Sec. 125 (2) of the Joint Stock Corporations Act (as amended from time to time) and a report submitted thereon to the general assembly of shareholders.
2. In the report, the Supervisory Board shall state the manner and the extent to which it examined the management of the Company during the financial year, what department examined the financial statements and the business report, the group financial statements and the group business report and where appropriate the corporate governance report, and whether the final results of these examinations gave rise to significant objections.
3. In addition, the Supervisory Board shall submit to the general assembly of shareholders a proposal for the election of the Company auditor. Immediately after the election, the Supervisory Board shall conclude the contract with the elected auditor concerning the performance of the audit and agree on the remuneration. The remuneration shall be in a reasonable proportion to the functions of the auditor and the expected scope of the audit. The audit contract and the amount of the agreed

remuneration shall not be linked to any prerequisites or conditions of whatever kind, and shall not depend on whether the auditor provides additional services for the audited Company alongside the audit activity.

4. The auditor's management letter shall be brought to the attention of the Chairman of the Supervisory Board. The latter shall ensure that the management letter is discussed in the audit committee and a report submitted thereon to the Supervisory Board.

Sec. 17 **Confidentiality**

All members of the Supervisory Board shall maintain strictest confidentiality outwardly concerning the discussions and the resolutions adopted by the Supervisory Board and its committees and about the business secrets and circumstances of the Company becoming known to them in their quality as members of the Supervisory Board. In particular, the members of the Supervisory Board shall under no circumstances be entitled to communicate documents and materials they receive in their function as members of the Supervisory Board in whatever form to unauthorised third parties. This duty of confidentiality shall continue to apply after withdrawal from the function as member of the Supervisory Board.

Sec. 18 **Remuneration of the Supervisory Board**

Each member of the Supervisory Board shall receive an attendance fee for each meeting and an annual remuneration the amount of which shall be determined by the general assembly post hoc at the assembly that resolves on the financial statements. Cash expenses shall be covered by the remuneration and shall not be reimbursed separately.

Sec. 19 **Announcements**

Announcements to the members of the Supervisory Board shall, unless laid down otherwise in the board rules, as a matter of principle be sent by registered letter to the address last notified to the Company.

Sec. 20 **Partial invalidity**

If one of the provisions of these board rules shall not be legally effective or become invalid, this shall not affect the validity of the remaining provisions of the board rules. Instead of the invalid provision, the Supervisory Board shall at the latest at the next quarterly meeting resolve a provision that comes closest to the purpose of the legally invalid provision.

Sec. 21 **Concluding provisions**

1. These board rules for the Supervisory Board shall enter into effect on the day of the adoption of the resolution by the Supervisory Board, and all preceding board rules of the Supervisory Board shall simultaneously be set aside.



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Aktiengesellschaft**

2. Each member of the Supervisory Board shall upon demand be given a copy of the board rules as amended from time to time.
3. Resolutions of the Supervisory Board concerning its board rules and the amendment thereof shall require a resolution of the Supervisory Board.

Approved at the 105th meeting of the Supervisory Board:

Leoben, the 14th of December 2018

[signature]

For the Supervisory Board:

The Chairman of the Supervisory Board

Dr. Hannes Androsch



Schedule 1: Criteria for the independence of members of the Supervisory Board of AT&S

In accordance with the Austrian Corporate Governance Code, the Supervisory Board determines the criteria according to which its members are to be regarded as independent:

A member of the Supervisory Board is to be regarded as independent if he is not in a business or personal relationship with the Company or its Executive Board that creates a material conflict of interests and is therefore capable of influencing the member's conduct. The following criteria shall serve to assess the independence of a member of the Supervisory Board:

- In the last five years, the member of the Supervisory Board was not a member of the Executive Board or a managerial employee of the Company or a subsidiary of the Company.
- The member of the Supervisory Board did not in the last financial year and does not currently maintain a business relationship with the Company or a subsidiary of the Company to an extent of significance for the Supervisory Board member. This shall also apply to business relationships with enterprises in which the member of the Supervisory Board has a significant economic interest.
- In the last three years, the Supervisory Board member was not a Company auditor or partner or employee of the auditing audit company.
- The member of the Supervisory Board is not a member of the Executive Board of another company in which a member of the Company's Executive Board is a member of the Supervisory Board.
- The member of the Supervisory Board has not been a member of the Supervisory Board for longer than 15 years. This shall not apply to members of the Supervisory Board who are shareholders with an entrepreneurial participation or who represent the interests of such a shareholder.
- The member of the Supervisory Board is not a close family member (direct descendant, spouse, partner, parent, uncle, aunt, sibling, niece, nephew) of a member of the Executive Board or of persons who are in a position described in the above paragraphs.



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Schedule 2: Glossary

Abs.....	Paragraph
AktG.....	Joint Stock Corporations Act
ArbVG.....	Labour Relations Act
AT&S.....	Austria Technologie & Systemtechnik Aktiengesellschaft
EUR.....	Euro
idgF.....	as amended from time to time
Representatives of the capital	Members of the Supervisory Board elected by the general assembly of shareholders or delegated by the shareholders on the basis of the Articles of Association
UGB.....	Austrian Commercial Code