

Company and Strategy

Our vision

ams envisions a world where technology is an integral and natural part of daily life, enhancing our experiences by making our day-to-day lives more convenient, safe, and environmentally sustainable. At ams, we extend the possibilities of analog and sensors in our quest to design technology

that responds intuitively and unobtrusively to our needs. We believe innovation must reflect human values and we are driven by the idea that technology should be a natural extension of who we are, contributing ultimately to a better quality of life.

Our company and strategy

ams designs and manufactures high performance analog ICs for sensors and sensor interfaces, power management, and wireless.

Taking on the most difficult analog design and implementation challenges, ams provides highly-differentiated analog ICs for the consumer, industrial, medical, and automotive markets.

ams' analog technology seamlessly connects the physical world to the digital, creating products that are designed to revolve around our needs.

ams enhances people's lives by helping them experience technology as a natural extension of themselves.

From new smartphone sensor and wireless applications to breakthrough medical imaging to safer driving, ams is at the forefront of analog possibilities. Our analog technology is increasingly able to replicate and expand human sensory perception, translating the richness and complexity of the physical world into digital applications.

ams unites people and technology to enable a world that is safer, simpler to navigate and more convenient. With extensive know-how in the areas of sensors, power management and wireless, ams pursues its vision through a clear strategy as an analog company:

ams designs analog solutions for the most challenging applications in sensors and sensor interfaces, power management, and wireless, pushing the limits of analog technology to achieve real innovation.

The people of ams are the foundation of the company's success in the high performance analog market. ams attracts and retains talented analog design engineers and specialists in all areas of business. Top engineers feel at home at ams, where solving complex problems and creating highly differentiated products go hand in hand.

Retaining a long-term perspective to our business, ams will continue to invest in its people, its design and process and manufacturing capabilities, and its close relationships with customers around the

world even when buffeted by economic cycles and semiconductor industry volatility. An increasing number of global OEMs and a fast-growing distribution customer base rely on ams' expertise as a leader in analog semiconductors.

ams operates its own semiconductor production facilities at its headquarters in Austria and in the Philippines. ams' proprietary advanced manufacturing processes are critical to high performance analog design and enable the high sensitivity, accuracy, and integration of its analog solutions that meet the most stringent quality standards.

ams regards sustainability, responsibility, and environmental concerns as key elements of its business. An industry pioneer in emissions reduction, ams is on track to achieve its mid-term goal of becoming 100% CO₂-neutral. Through the UN Global Compact and a Code of Conduct, ams implements responsible business practices benefitting all stakeholders.

Fuelled by the creativity and ingenuity of its people, ams is redefining the possibilities of analog and sensors.

People

The people of ams are the company's greatest single asset. Fueled by their creativity and ingenuity, ams is at the leading edge of analog semiconductor design and manufacturing. Working within a culture of experimentation, the people of ams are encouraged to bring new ideas to all aspects of their work in order to build solutions for the most challenging applications in analog and sensor technology. ams owes its competitive edge and market success to the combined talents of its people, who continue to advance technology in the quest to improve and enhance our lives.

ams recognizes and values the contributions of all its employees. With a priority to provide everyone with advancement and development opportunities, ams offers a wide range of internal and external training programs in addition to many career paths within the company. ams also provides regular vocational training positions at its headquarters. ams is dedicated to helping all employees reach their full potential and understands that a stimulating and rewarding professional environment is key to continued success. In its desire to have its staff benefit from the financial performance of the company, ams also offers a worldwide profit-sharing model and a broad-based employee stock option program as part of its comprehensive remuneration model.

ams appreciates each employee's contribution to its success and cultivates a culture where its people can grow professionally and feel valued.

In addition to its dedication to retain and reward outstanding talent, ams is committed to attracting high quality engineers to join its research and development groups. ams provides challenging opportunities for top analog engineers, who are able to become part of a selective team of expertise at the forefront of analog technology.

ams lives by a recognized Code of Conduct based on the commitments of the UN Global Compact which governs all employee relations and forms a foundation of trust throughout the company.

With over 1,300 people in Europe, North America, and Asia-Pacific, ams embraces cultural diversity and a global perspective. The focus of ams has always been international, with design centers, production facilities, and sales locations around the world and a family of employees comprising over 30 nationalities. ams also understands the cultural traditions of its global customer base and fosters close relationships with its partners and employees built on the principles of cultural awareness and respect.

Corporate Responsibility

Ethical professional practices and environmental responsibility are two fundamental principles that guide ams' business approach. ams believes that a culture built on respect for others and the environment is an essential corporate model for the 21st century.

ams is part of the UN Global Compact, the world's largest corporate initiative for responsible business and sustainability. With over 10,000 participants in more than 130 countries, the UN Global Compact is committed to human rights, just labor standards, environmental protection, and anti-corruption measures. Drawing on the ideals of the Compact, ams has implemented its own Code of Conduct, which articulates the stringent standards that guide all of the company's activities internally and externally. ams seeks to build relationships that are based on trust, transparency, and responsibility, and requires company-wide adherence to the tenets of its Code of Conduct.

Dedicated to protecting the environment and the sustainability of resources, ams has made a commitment to significantly reduce its CO₂ emissions and achieve a zero CO₂ footprint over the coming years. On its way to this ambitious target, ams implemented further measures to optimize energy consumption in the past year. ams is also aggressively promoting efficient energy use throughout its operations, where innovative ways to reduce electricity and gas consumption bring about both environmental as well as cost benefits.

A pioneer in environmental certification, ams is certified according to ISO 14001 for its locations in Unterpremstätten, Austria, and Calamba, Philippines. ams also adheres to the standards of the Forest Stewardship Council for wood products and the Marine Stewardship Council for staff catering.

ams operates from an intrinsic position of responsibility towards its stakeholders, its employees, and the environment, enacting initiatives that not only promote a positive corporate culture, but also a better world.

Technology

What distinguishes ams as a semiconductor vendor are its best-in-class analog and sensor solutions and its proven commitment to providing customers with the highest quality support and service. As one of the leading analog IC companies, ams is at the forefront of industry innovation. Expertise in the design and manufacturing of high performance analog ICs enables ams to deliver leading edge solutions for its customers' most challenging applications.

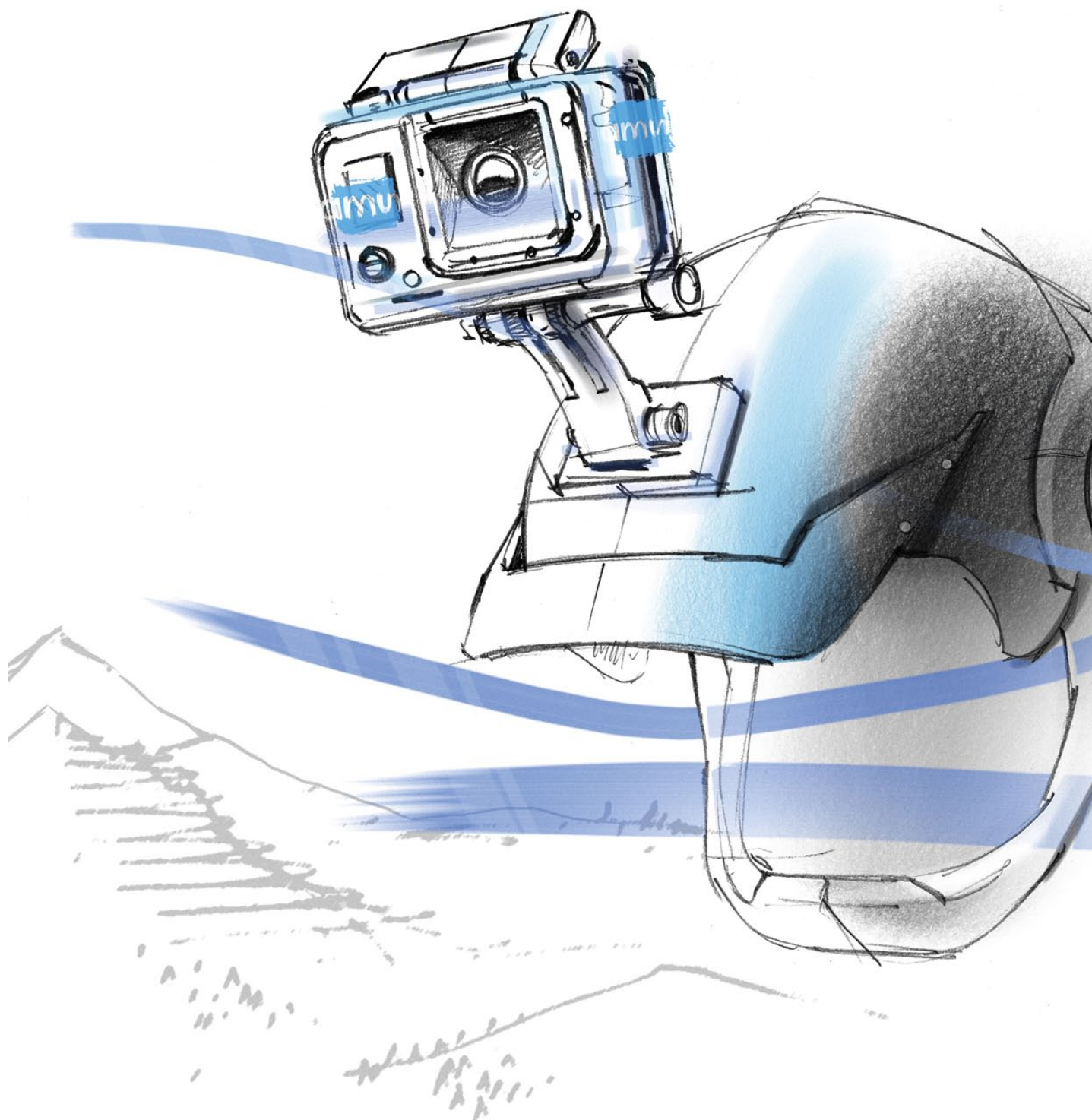
ams operates its own highly efficient 200mm wafer production facility at the company headquarters in Austria. ams' business growth is also supported by manufacturing partnerships with the leading foundries TSMC, UMC and IBM. These partnerships enable ams to remain flexible in its production planning and to benefit from a global supply platform, offering customers attractive and secure sourcing options.

Specialty CMOS-based processes for high voltage, RF (silicon germanium), and other requirements allow ams to create highly differentiated solutions pushing the limits of analog performance in lowest noise, highest sensitivity and maximum accuracy.

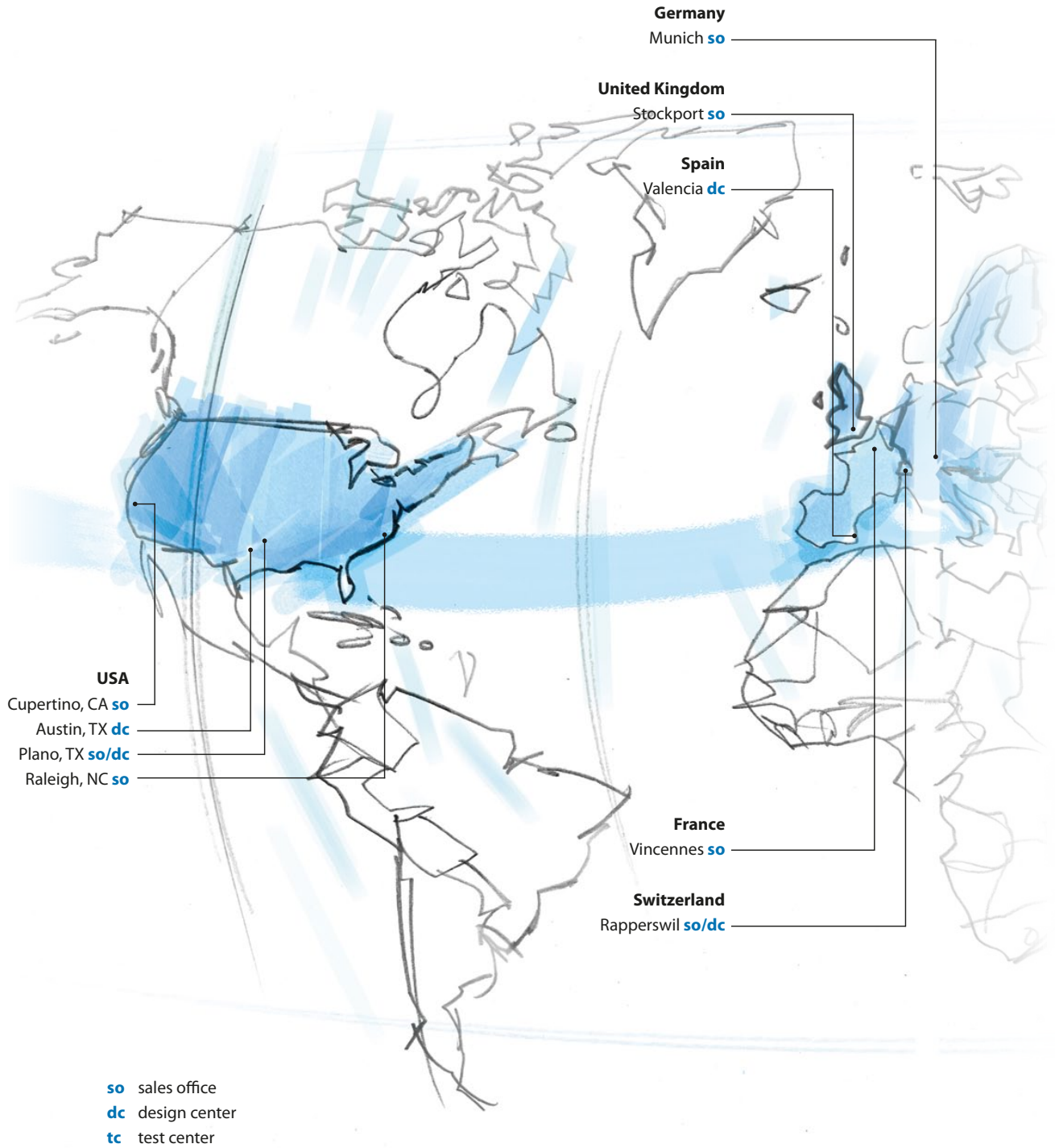
ams has been a pioneer in full scale production of TSV (Through Silicon Via) 3D packaging for high accuracy sensor applications. ams' TSV technology was instrumental in developing the company's revolutionary medical imaging sensors that offer dramatically increased sensitivity at significantly lower radiation doses. Now, TSV 3D packaging is creating a significant form factor advantage for ams' optical sensor solutions in mobile device applications. As part of its manufacturing strategy, ams has concentrated its in-house final testing activities in the Philippines and recently completed a significant expansion to support the continued growth of the company.

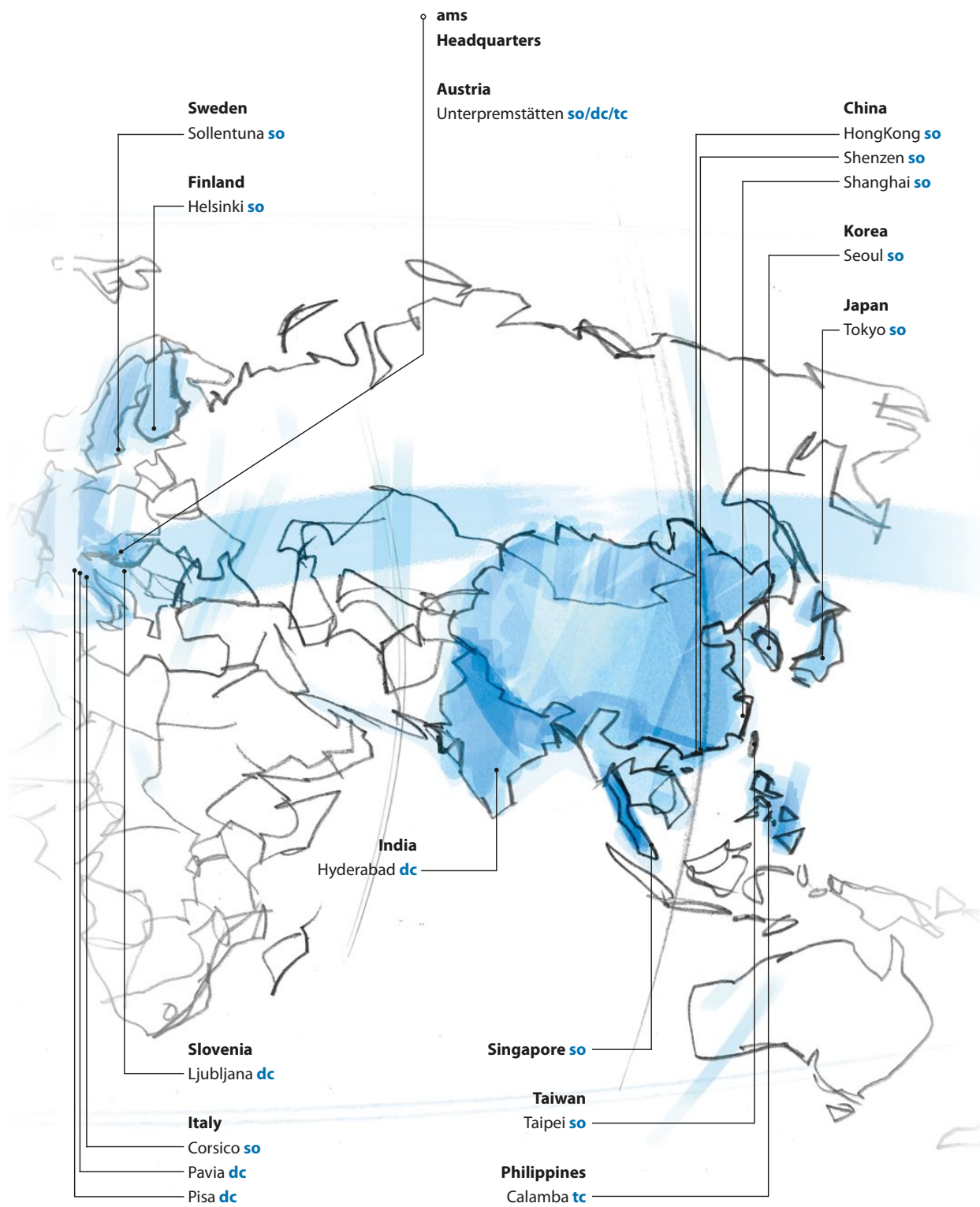
Highest quality in design and production is a key element of ams' market reputation. ams has built a global quality network with dedicated resources in important geographies and also holds stringent quality certifications for the automotive and medical markets.

More than 30 years of analog experience coupled with ams' process know-how ensure excellence in design and manufacturing. ams is driven to provide its customers with the most advanced analog and sensor technology of uncompromising performance.



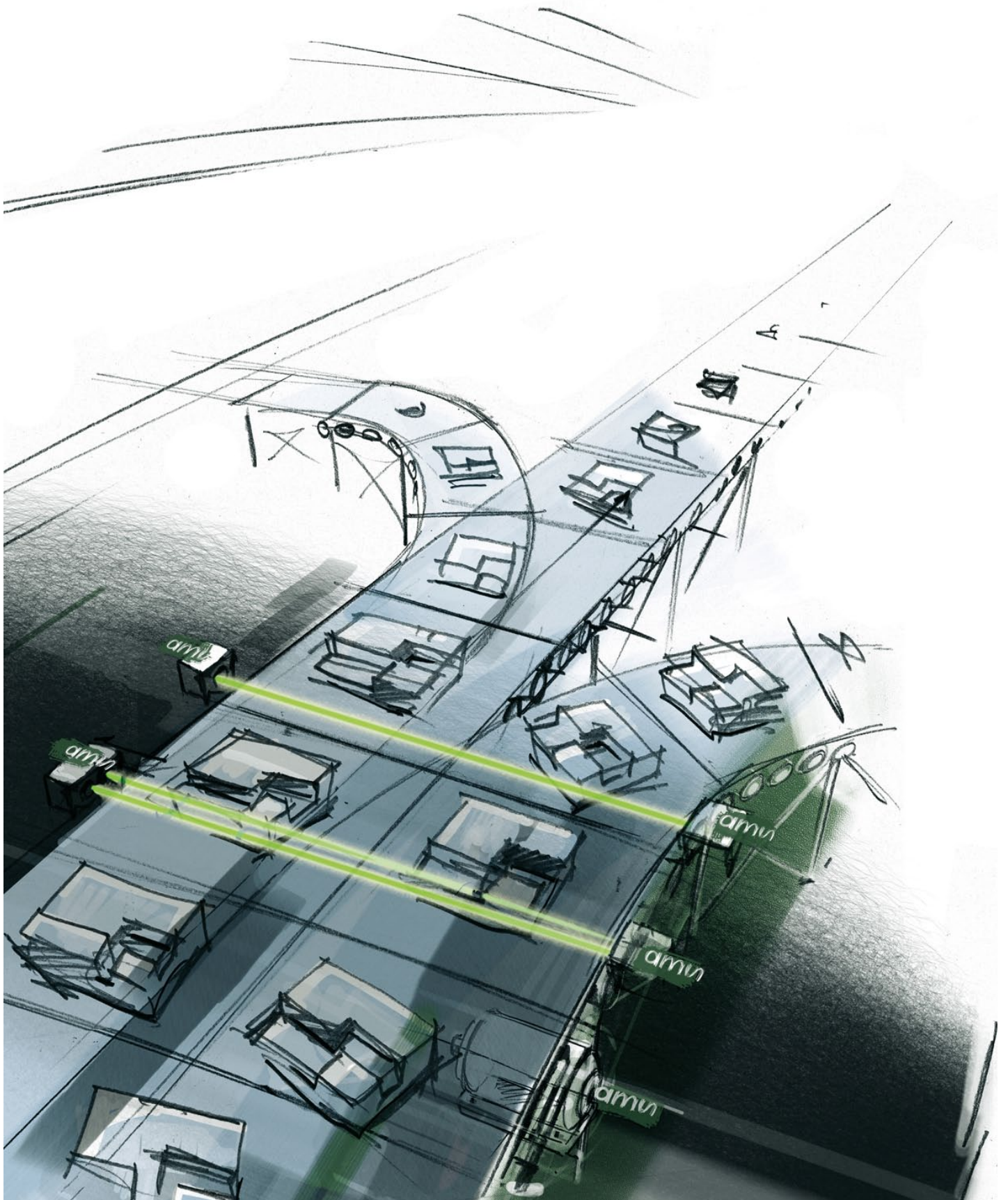
Global Presence





Business Areas

Sensors and Sensor Interfaces
Power Management
Wireless



Sensors and Sensor Interfaces

ams is a worldwide leader in highly accurate sensor technology. Sensors and sensor interfaces are at the core of ams' purpose, translating the analog world into electronic systems that improve safety, health, and environmental protection, and enhance the overall quality of our lives.

The functionality and convenience of smartphones and tablet PCs have made these devices fully integrated into our everyday lives. ams' sensor technology is at the forefront of innovation extending our ability to seamlessly interact with our mobile devices. ams' light sensors enable the automatic adjustment of display parameters for a vibrant visual experience and detect the proximity of objects to toggle touchscreen activity.

As the world leader in advanced light sensors, ams offers new RGB color and UV sensing capabilities that enable innovative applications in the next generation of devices. At the same time, the use of light sensors for mobile couponing helps make shopping easier and more enjoyable. Optical sensor capabilities available from ams are also supporting new ways of interacting with mobile devices, such as gesturing, further advancing how we communicate with technology.

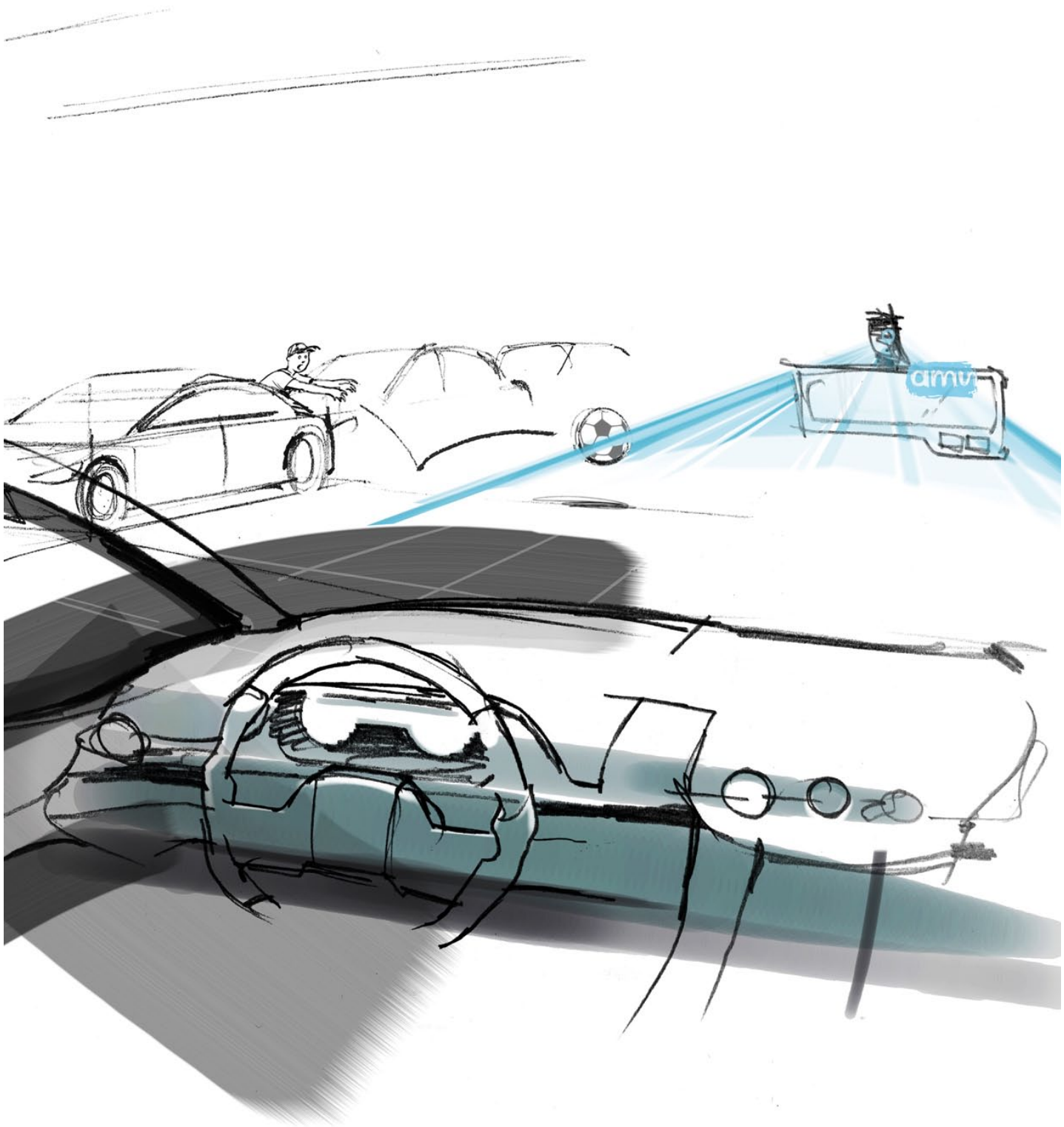
The user experience of mobile devices is enhanced by speech recognition and personal assistant functions. Low noise MEMS microphones, which generate the very high quality signals needed for these complex audio functions, rely on ams interface solutions for outstanding audio performance. ams' active

noise cancellation (ANC), a fully analog solution that provides clear sound regardless of noise levels from the surrounding environment, further increases the quality of mobile communication.

ams sensor technology is also behind many advances in industrial, medical, and automotive systems where highest sensitivity and integration help push the limits of technology. ams' industrial sensors enable more effective and efficient automation, which improves manufacturing quality while decreasing energy consumption and the environmental impact. ams' contactless position sensing technology measures movement and position with exact precision in applications for industrial tools, electrical motors, robotics, surgical systems, and automotive components. In specialty areas such as seismic exploration, ultra-sensitive ams sensor interfaces detect the lowest levels of sound reflection for the discovery of natural resources.

In the medical field, breakthrough sensor technology pioneered by ams has enabled new diagnostic possibilities for computed tomography (CT). With their ability to sense barely detectable signals with the highest accuracy, ams' sensors provide significantly higher picture quality at radically lower radiation doses. ams sensor solutions are also improving digital X-ray, mammography, and ultrasound diagnostics, helping doctors worldwide treat patients more successfully.

Automotive sensor solutions developed by ams are helping to increase safety and comfort by providing



a more secure and responsive driving experience. Contactless systems sense pedal position and improve fuel efficiency while innovative optical-based technology helps prevent collisions by detecting external obstacles in time to avoid them.

Across a wide range of applications, ams realizes innovation through leading-edge analog technology and sensor design.

Power Management

The ease and convenience of technology is highly dependent on power management in electric and electronic systems. Greater energy efficiency is key to enhancing the usefulness of the array of technology that has become part of our everyday lives. ams' analog expertise and design experience in power management are extending the possibilities of electronic devices by enabling lower power consumption and higher performance in a wide range of products for consumer & communications, industrial, medical, and automotive systems.

As mobile devices play an increasingly central role in our private and professional lives, improving their power efficiency while expanding their capabilities becomes a critical design goal. ams' integrated and discrete lighting and power management solutions help optimize the power consumption of mobile devices, bringing longer battery life and exciting features, such as larger screen sizes, faster graphics support and better flash picture quality, to a broad range of designs.

ams successfully launched a new power management solution for a leading graphics processor vendor in the past year, supporting increased refresh rates for high-resolution display devices. The solution optimizes the performance of the graphics processor in a new device architecture for a variety of screen sizes. Built around ams' proprietary CMOS process capabilities, the solution enables high efficiency at a minimized footprint and answers the need for advanced high-current handling for the next generation of mobile devices.

ams power management is designed into the highly successful GoPro® outdoor video cameras where it extends battery life for maximum recording time. Enhancing the home entertainment experience, ams lighting solutions are bringing better picture quality

and energy efficiency to HDTVs. ams combines its light sensor technology with LED backlighting to adapt the TV picture to the surrounding lighting environment, further improving picture quality and reducing power consumption.

Optimized power management is equally important for electronic systems in the industrial, medical, and automotive markets. ams' IC solutions for industrial electronics, sensors and automation include power management technologies to facilitate better performance at lower power consumption, saving costs and reducing environmental impact. For large medical systems like computed tomography (CT) scanners, ams' power management know-how is creating major advances in energy efficiency. With its breakthrough medical imaging sensor solutions, ams enables not only higher picture quality and lower radiation doses but also a significant reduction in system power consumption.

In the area of automotive, dedicated power management is becoming a necessity to support the rising number of electronic and electro-mechanical systems in cars. These additional consumers are placing increasing demands on a car's electric power supply while new drive concepts like range extenders require advanced battery and charging control. Managing electric loads and system health, ams power management technology contributes to greater fuel efficiency and reduced environmental impact.

Wireless

Wireless technology extends the possibilities and convenience of mobile devices as well as introduces new ways to interact with electronic systems in our everyday lives.

ams' high performance analog ICs make possible unique solutions for Radio Frequency Identification (RFID) and Near Field Communication (NFC), enabling technological innovation that enhances our lives. The ease of integration of ams RFID solutions significantly reduces the system cost and complexity of RFID-based systems, which allows for easier adoption in an expanding range of applications using ams' reader ICs. These include peer to peer systems, passive and active tag, and antenna boost systems.

At ams, RFID centers on authentication systems which are seeing increasing adoption in the areas of logistics, supply chain security, and specialty consumer goods. Here, ams' RFID technology helps identify authentic parts or high value goods, protecting against counterfeit, facilitates warehousing and shipping, and offers comfort and convenience in our home lives. From handheld terminals for logistics tracking clothing through to the retail store to the latest coffee machines that brew a higher quality cup using RFID coffee capsules, ams solutions are playing a central role in the emerging generation of widely-used RFID systems.

For the new world of NFC, ams offers a range of products based on years of wireless and RFID development expertise. ams' innovative antenna booster solution enables NFC mobile payment and reader / tag functionality to change the way we pay for goods and services, transforming mobile devices into convenient, secure, and fast means of payment. A quick swipe of a smartphone by a reader system significantly increases the ease of everyday monetary transactions eliminating the need for cash or a card exchange. ams' miniaturized solutions add the most advanced NFC technology to existing phones

via a SIM or microSD card, enabling the convenience of mobile payment systems without requiring a new device. Alternatively, ams' NFC technology ensures the best reception and performance in new NFC-enabled smartphone designs as well.

Together with ams, OEMs are already looking beyond payment, creating NFC solutions for peer-to-peer and household applications. These efforts underscore that NFC is poised to become a major technology for interacting with technical systems and devices in our everyday lives. As an example, NFC-enabled home appliances simplify customer support in case of technical problems transmitting diagnosis data to a service center via a smartphone.

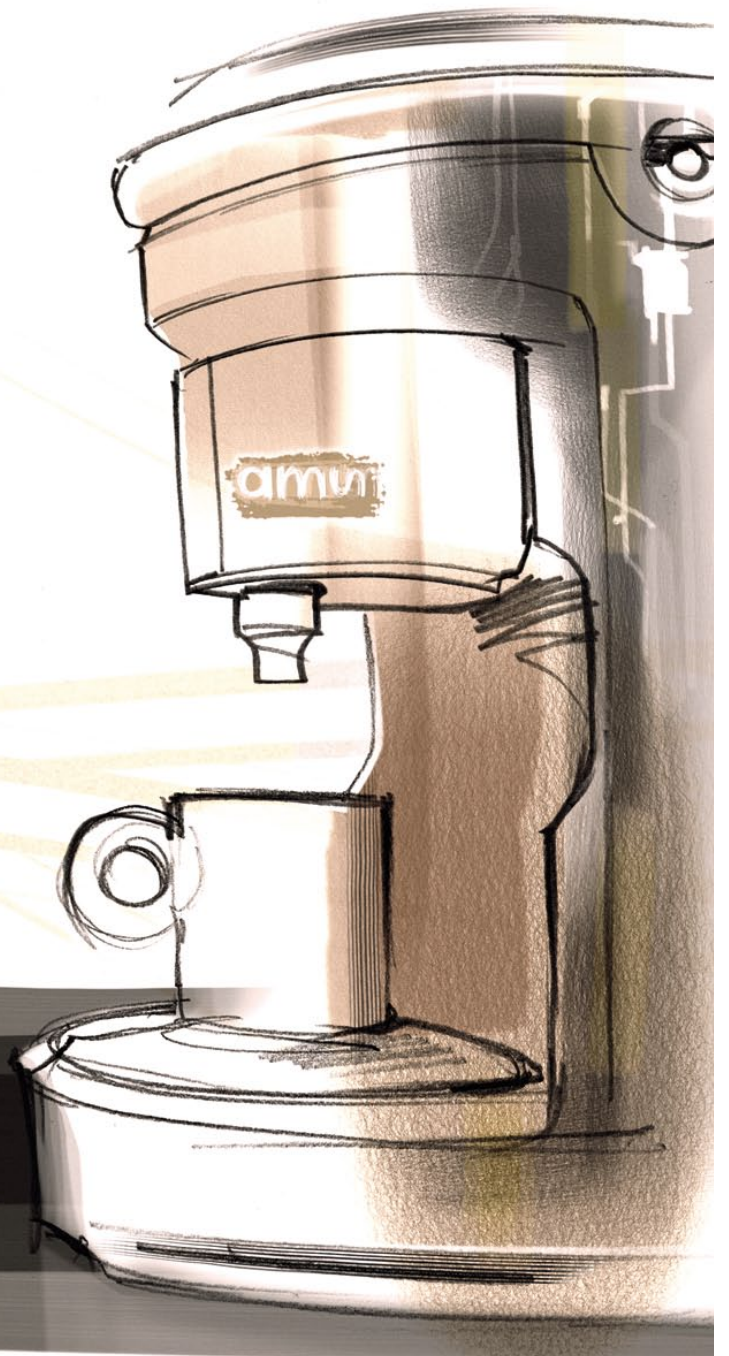
Wireless technology pioneered by ams is also enhancing our outdoor safety. ams' lightning sensor, which garnered numerous industry awards for analog innovation, can perceive the threat of a storm with a range of up to 40 km. This allows mobile devices to issue warnings ahead of potentially dangerous situations protecting people and shutting down critical equipment.

These emerging applications are propelling strong growth in Wireless for ams. ams took a critical strategic step in 2012 to further expand its position in the exciting RFID and NFC markets. Through the acquisition of IDS, a global design leader for highly-integrated, ultra-low power RFID IC solutions, ams has deepened its technology expertise and IP base for high performance wireless systems. ams is very strongly positioned in the fast-growing markets for authentication, mobile payment, and new mobile device applications, which offer exciting opportunities with major OEMs.

With the ability to offer the smallest form factors, the lowest power consumption, and the highest sensitivity, ams is helping shape the future of wireless technologies.

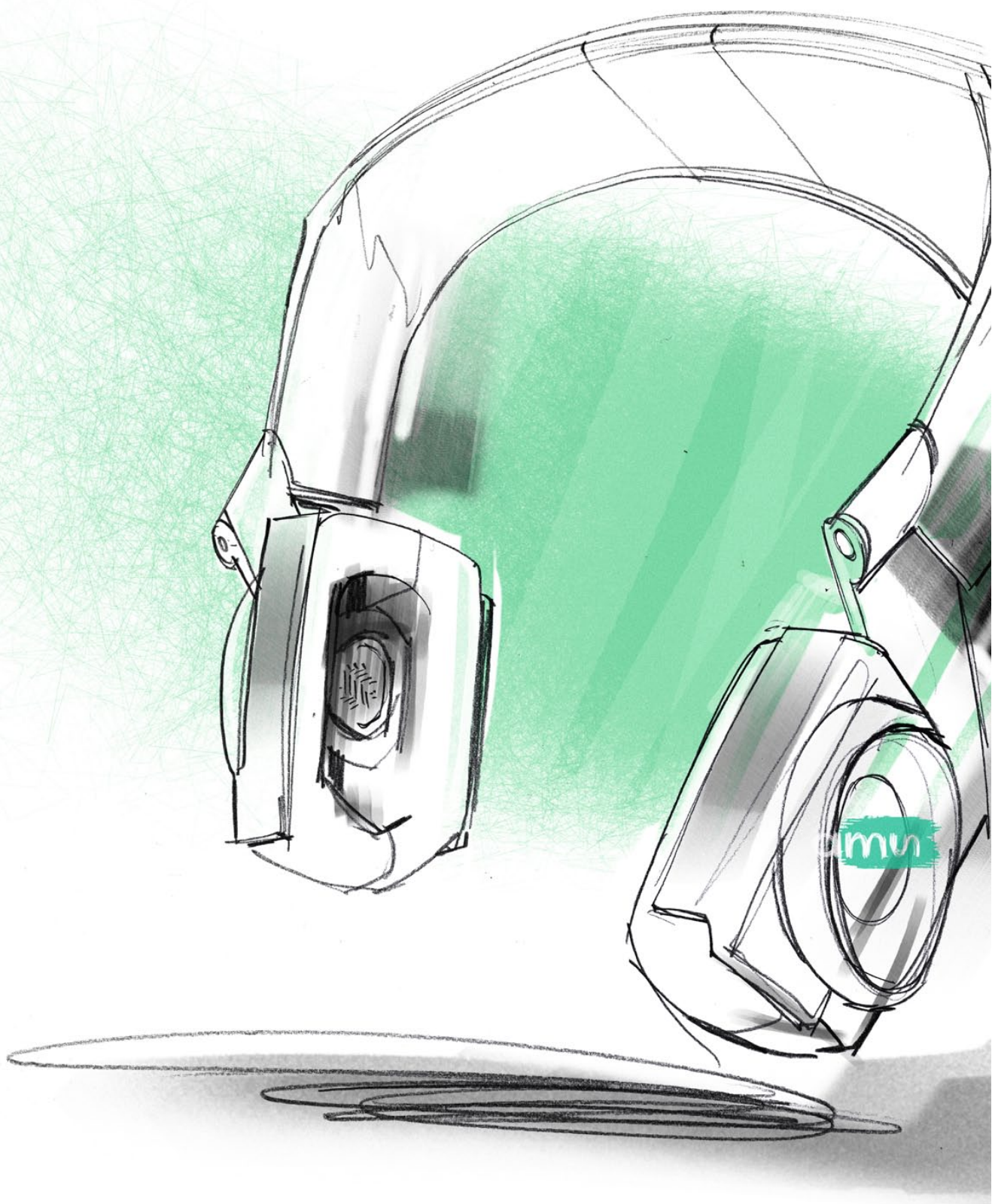
Single serve coffee machine

RFID reader



Investor Relations and Corporate Governance

Investor Relations
Executive Bodies
Corporate Governance



Investor Relations

The ams share offers attractive potential for long-term value appreciation as the company follows its successful strategic path for profitable growth and continued innovation. The ams share showed a very strong performance in 2012, appreciating by 155% over the course of the year. This positive development made ams the best performing semiconductor stock worldwide last year and allowed the company to broaden its international investor base.

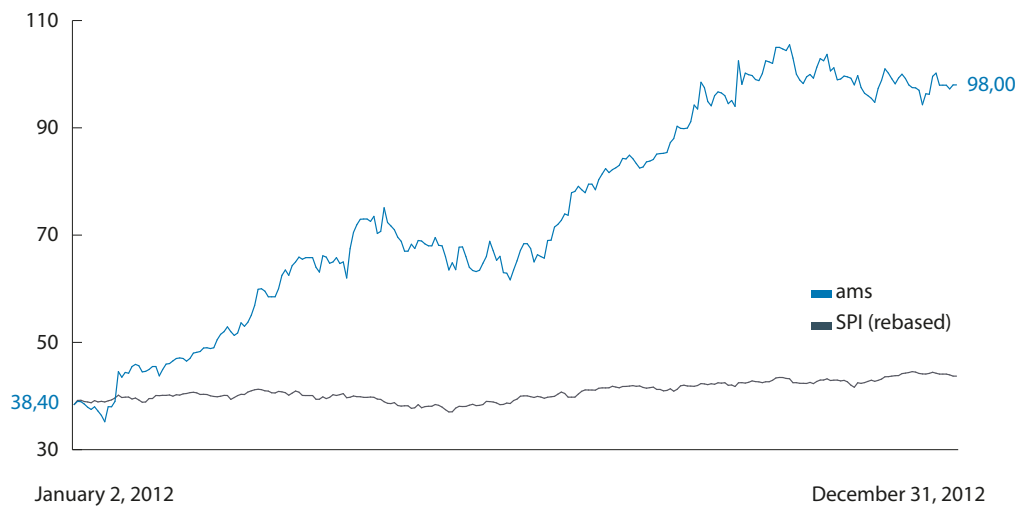
ams follows a dividend policy defining a payout of 25% of the annual net result. The Management Board will therefore propose a dividend of EUR 1.43 for the fiscal year 2012, which is an increase of EUR 0.79, or 123%, compared to 2011. ams intends to continue to distribute dividends in the coming years based on the further positive development of its business. ams also operates a share buyback scheme under which the company bought back 352,622 shares last year, equivalent to 2.5% of total issued shares at year end 2012. The shares are principally designated to cover the employee share option plan adopted in 2009. All agenda items at the Annual General Meeting in May 2012 which were subject to a vote were approved with a large majority or, in part, unanimously.

ams continued its extensive investor relations activities during 2012. Quarterly reports, regular presentations to analysts, press and institutional investors, and the participation in investor conferences in Europe and the U.S. provided comprehensive information about ams' business and strategy. ams held investor road shows in financial centers including London, Zurich, Frankfurt, Paris, Austria, Edinburgh, the Benelux countries, Poland, Scandinavia, and the United States East and West Coast regions. Financial reports, press releases, and additional information on the ams share are available in the "Investor" section of the company website www.ams.com.

Share details

ISIN	AT0000920863
Securities code	1808109
Ticker symbol	AMS (SIX Swiss Exchange)
Reuters / Bloomberg	AMS.S / AMS SW

ams share price development (in CHF)



Executive Bodies

Management Board

John A. Heugle, MSc (CEO)

Mag. Michael Wachsler-Markowitsch (CFO)

Supervisory Board

DI Guido Klestil (Chairman)

Mag. Hans Jörg Kaltenbrunner (Deputy Chairman)

Prof. Dr. Siegfried Selberherr (Deputy Chairman)

Dr. Kurt Berger

Dipl. Kfm. Michael Grimm

Dipl. Wirtsch. Ing. Klaus Iffland

Jacob Jacobsson

Gerald Rogers

Johann Eitner (employee representative)

Ing. Mag. Günter Kneffel (employee representative)

Dr. Günther Koppitsch (employee representative)

Dipl. Ing. Kurt Layer † (employee representative, until April 2012)

Dipl. Ing. Vida Uhde-Djefroudi (employee representative, since April 2012)

Corporate Governance

As an Austrian company listed in Switzerland, ams AG ("ams") is subject to the regulations of the SIX Swiss Exchange's directive concerning information on corporate governance ("Swiss Corporate Governance Directive").

In this context, ams points out that Austrian Corporate Law differs from the Swiss model in terms of the structure of its corporate bodies, their duties and their accountability. Hereinafter, the Austrian terms for the corporate bodies will be used. Corporations that are not constituted according to the Swiss Code of Obligations are required correspondingly to meet the regulations of the Swiss Corporate Governance Directive, which is formulated in close correspondence with the Swiss Code of Obligations. Consequently there follows a brief description of the particular features of the Austrian organizational structure:

– The Management Board is responsible for company management and representation of the company; it holds the monopoly on company management and representation. It is not subject to instructions by the shareholders or the Supervisory Board, acting rather on its own responsibility and without instructions. Where the Swiss Corporate Governance Directive calls for information on the Executive Board, corresponding details on the Management Board are provided. Nevertheless, the function of the Management Board does not correspond exactly with that of the Swiss Executive Board.

– The Supervisory Board is in charge of appointing and dismissing the Management Board and, in particular, supervising it. Furthermore, specific legal transactions also require the Supervisory Board's approval. Where the Swiss Corporate Governance Directive calls for information on the Administrative Board corresponding details on the Supervisory Board are provided. Nevertheless, the function of the Supervisory Board does not correspond exactly with that of the Swiss Administrative Board.

– The Annual General Meeting, functioning as the supreme means of decision-making body for a company, is responsible for appointing and dismissing the members of the Supervisory Board and the appointment of the auditor. Where the Swiss Corporate Governance Directive calls for information on the General Meeting corresponding details on the Annual General Meeting are provided. The Swiss and Austrian legal systems differ with regard to these two institutions.

As an Austrian company ams has committed on a voluntary basis to comply with the stipulations of the Austrian Corporate Governance Code. Additional information on this voluntary commitment is provided at the end of this chapter in the section entitled "Austrian Corporate Governance Code". This chapter also contains the Corporate Governance report information according to the stipulations of Austrian law.

1. Corporate Structure and Shareholders

1.1 Corporate Structure

ams, with headquarters in Unterpremstätten, Austria, has been officially listed on the main segment of the SIX Swiss Exchange since May 17, 2004 (securities number 1808109; ISIN AT0000920863). On the date of reporting, the company had a market capitalization of approximately 1.4 billion CHF. ams' business activity is divided into the business segments Products and Foundry. The Products business segment consists of the Consumer, Communications, Industrial, Medical, and Automotive market areas, while the Foundry business segment comprises the Full Service Foundry area. The company manages its business via an Executive Committee which includes managers responsible for managing the business areas within the framework of the strategy defined by the Management Board. They report directly to the Management Board of ams. Further

information on the business segments is provided in the Notes to the Consolidated Financial Statements under item 1.

The company has the following active unlisted subsidiaries; there are no listed subsidiaries:

Company	Head office	Equity in EUR	Percentage of shares held
ams Germany GmbH	Munich	541,914	100 %
ams International AG	Rapperswil	22,944,988	100 %
ams France S.à.r.l.	Vincennes	-167,176	100 %
ams Italy S.r.l.	Milan	399,819	100 %
ams R&D UK Ltd.	Launceston	192,781	100 %
AMS USA, Inc.	Raleigh	658,718	100 %
ams Japan Co., Ltd.	Tokyo	174,499	100 %
ams Asia Inc.	Calamba City	14,425,112	100 %
ams Semiconductors India Private Ltd.	Hyderabad	166,882	100 %
ams R&D Spain SL	Valencia	46,587	100 %
Aspern Investment Inc.	County of Kent	818,956	100 %
AMS-TAOS USA Inc.	Plano	4,188,059	100 %

1.2 Major Shareholders

In April 2008 the company was notified that the shareholder Schroders plc, London, United Kingdom, held 4.6% of the share capital. In September 2008 the company was notified that Dr. Berger, Vienna, Austria, held 8.3% of the share capital as trustee. In July 2009 the company was notified that the shareholder Dr. Johannes Heidenhain GmbH, Traunreut, Germany, held 3.2% of the share capital and that the shareholder Kempen Capital Management, Edinburgh, United Kingdom, held 9.2% of the share capital. In August 2009 the company was notified that the shareholder Odin Fund Management, Oslo, Norway held 4.3% of the share capital and that the shareholder Pictet Asset Management, Zurich, Switzerland held 4.1% of the share capital. In February 2010, the company was notified that the shareholder The Capital Group Companies, Inc., Los Angeles, USA, held 3.0% of the share capital. In July 2010, the company was notified that the shareholder FMR LLC, Boston, USA, held 4.8% of the share capital.

Following the capital increase of July 2011 in connection with the acquisition of 100% of the shares of TAOS Inc., Twilight S, LLC, an entity owned by former shareholders of TAOS Inc., held 19.7% of the share capital.

The shareholdings above relate to the time of notification or capital increase and may have changed subsequently as, at the reporting date, the company does not fall under the notification requirements stipulated by Swiss law.

1.3 Cross Shareholding

No cross shareholdings exist at this time.

2. Capital Structure

2.1 Capital

As of December 31, 2012, ams' ordinary capital amounted to nominally EUR 34,657,928.98, divided up into 14,307,105 no-par-value shares with a calculated nominal value of EUR 2.42 per share.

2.2 Authorized and Conditional Capital in Particular Authorized Capital

At the Annual General Meeting on May 26, 2011, the Management Board was authorized to increase the company's share capital by up to nominally EUR 13,349,218.40 through issuing up to 5,510,677 new no-par value shares and to set the issue price and terms of issue in consultation with the Supervisory Board. In connection with the acquisition of 100% of the shares of TAOS Inc., 2,706,840 new shares were issued under this authorization in July 2011 against contribution in kind.

Conditional Capital

In May 2005, the Annual General Meeting authorized the Management Board to increase the share capital by EUR 2,398,203.53 by issuing 990,000 new bearer shares for cash to provide cover for stock options granted to staff members and senior executives in the company and its subsidiaries, excluding the subscription rights of existing shareholders. The terms of issue are based on the provisions of the stock option plan approved by the Management Board on April 22, 2005 (Stock Option Plan 2005).

2.3 Changes in Capital

In total, the ams Group's shareholders' equity amounted to EUR 191.02 million as of December 31, 2010, EUR 332.17 million as of December 31, 2011 and EUR 409.51 million as of December 31, 2012. Information about the changes in shareholders' equity over the last two reporting years is provided in the section entitled "Consolidated Statement of Changes in Shareholders' Equity according to IFRS from January 1, 2012 until December 31, 2012" in the financial part of this Annual Report.

2.4 Shares and Participation Certificates

On the date of reporting, ams' share capital consisted of 14,307,105 common no-par-value shares issued to bearer with a calculated nominal value of EUR 2.42 per share. Every bearer of a common share has the right to vote and is entitled to receive dividends; there are no preferential rights. All shares are equal in terms of the company's residual assets; all capital was paid in. There are no participation certificates.

2.5 Profit Sharing Certificates

There are no profit-sharing certificates.

2.6 Restrictions on Transferability and Nominee Registration

The company only has bearer shares outstanding. There are no restrictions on transferability or corporate rules on nominee registration.

2.7 Convertible Bonds and Option Plan

On April 22, 2005, the Management Board approved a stock option plan for staff members and senior executives in the company and its subsidiaries (Stock Option Plan 2005). This provides for the issue of a total of 990,000 options over a period of four years. According to the conditions of SOP 2005, options forfeited back to the company may be re-issued until the end of the plan period. In 2012 97,000 options were granted, so a total of 981,279 options have been granted (after deduction of forfeited options). One option entitles the bearer to buy one share in the company. 20% of the options issued can be exercised a year after issue at the earliest and the remainder in 20% instalments for each further year after issue at the earliest. The last possible exercise date is June 30, 2015. The options' strike price is calculated from the average market price of the ams share over the three months prior to granting of the stock options, minus a discount of 25%. To fund the options issued, the conditional capital increase described in section 2.2 will be used. Differing from the practice in previous years, these options were immediately exercisable at 60% at

grant date and will be exercisable in the amount of 20% on the first and second anniversary of grant date. The options are non-transferable. An additional Stock Option Plan (SOP 2009) was approved at the Annual General Meeting of April 2, 2009. Under the terms of SOP 2009, over a period of 4 years a total not exceeding 1,100,000 options on no-par company shares will be granted, corresponding to around 10% of the company's current stock. It is planned that the options will be granted over a period of four years. Every option granted entitles the participant to purchase a no-par share in ams. Exercise of options will be possible annually to the extent of 25% on the days of the first, second, third and fourth anniversaries of granting, i.e. in four equal tranches. The preferential price of the options is calculated from the average stock market price over the 3 months prior to granting of the stock options. All options granted must be exercised by June 30, 2017. In 2012 293,250 stock options were distributed from SOP 2009.

In connection with the acquisition of TAOS Inc., the company has committed to grant options to certain employees of TAOS Inc. by issuing a Stock Option Plan, which – as far as legally possible – matches the number of options and the option plan which has been granted to those employees under the TAOS Inc. – „Equity Incentive Plan 2000“. To fulfill this obligation, the management board of ams has adopted a new Stock Option Plan 2011 (SOP 2011), which the company's Supervisory Board approved on July 9, 2011. The SOP 2011 comprises unvested options and vested options. Each option granted entitles each employee to purchase one share of the company. For holders of unvested options the exercise price equals the original exercise price under the TAOS Inc. plan. This price is in the range of USD 0.94 and USD 19.81. Certain employees of TAOS Inc., who held a small number of TAOS Inc. shares („small Shareholders“), were granted exercisable options for shares of the Company as compensation for shares of TAOS Inc. held by them prior to the transaction (vested options). The option exercise price for these options is CHF 41.36 which is the average of the market price of the shares of the company on the SIX Swiss Exchange within 30 days following the date of grant of options. The term of the unvested options will remain unchanged compared to the original TAOS Inc. plan. The options will expire between September 3, 2017 and June 8, 2021. The options of the Small Shareholders expire ten years after the date of issuance, therefore on July 12, 2021.

3. Supervisory Board

On the date of reporting, the company Supervisory Board was composed of twelve members, of whom four were employee representatives. The members were not employed as members of the company's or a subsidiary's management board and are therefore non-executive.

3.1 / 3.2/ 3.3 / 3.4 Members of the Supervisory Board, Other Activities, Vested Interests, Cross-Involvement, Election and Terms of Office

Insofar as nothing to the contrary is mentioned below, no material activities, vested interests or cross-involvements exist regarding the members of the Supervisory Board. Under the Corporate Governance Directive and the relevant comment by SIX Swiss Exchange, activities and vested interests are only indicated in listed Swiss and foreign organizations or ones that operate in the same or a related industry sector as the company.

DI Guido Klestil (Chairman), born in 1942, Austrian citizen. Chairman of the Supervisory Board since 1988. Re-elected in 2009, current term of office until 2014. After completing his studies in Communications Engineering, during his almost 40-year career Guido Klestil held management positions in major international companies in the electrical and electro-

tics industry, including General Manager of ITT Austria, General Manager of Alcatel Austria and member of the Management Board of Austrian Industries. He is member of the Board of Advisors of the American Chamber of Commerce in Austria.

Prof. Dr. Siegfried Selberherr (Deputy Chairman), born in 1955, Austrian citizen. Member of the Supervisory Board since March 2001, Deputy Chairman since July 2001. Re-elected in 2009, current term of office until 2014. After completing his studies in Electrical Engineering, Prof. Selberherr earned a doctorate in Technical Sciences. He has been a full professor at the Institute of Microelectronics at Vienna University of Technology since 1988 and was Dean of the Faculty of Electrical Engineering and Information Technology from 1998 to 2005. Prof. Selberherr is internationally recognized for his research in microelectronics, particularly in the field of technology computer-aided design (TCAD), and advises several international semiconductor companies.

Dipl. Wirtsch. Ing. Klaus Iffland, born in 1956, German citizen. Member of the Supervisory Board since March 2006. Re-elected in 2009, current term of office until 2014. Having graduated in Mechanical Engineering and Business Studies, Klaus Iffland held executive positions at Audi AG in production, development and purchasing, and was head of purchasing from 1996. Since 2002 he has held executive positions at Magna International, a leading worldwide automotive supplier, first as a member of the management board of Magna Steyr Fahrzeugtechnik, then as President of Intier Automotive Europe and Magna Closures, VP Purchasing at Magna International Europe and VP Procurement & Supply at Magna Steyr. Since 2008 he is VP Global Purchasing Magna International Europe; in July 2011 he additionally assumed responsibility for Magna Logistics Europe and joined the Management Board of Magna Europe.

Dipl. Kfm. Michael Grimm, born in 1960, German citizen. Member of the Supervisory Board since 2009, current term of office until 2014. Dipl. Kfm. Grimm studied Management at the University of Frankfurt and then worked as a tax consultant and auditor at Arthur Andersen Wirtschaftsprüfungsgesellschaft, later as a partner and head of the Leipzig office. From 1997 until 2001 he was at Hoechst AG with responsibility for group accounts and was involved in the transformation of Hoechst AG into Aventis. From 2002 until 2005 Dipl. Kfm. Grimm was director of finance, accounting and investments at Grohe Water Technology AG & Co. KG, then Managing Director of Triton Beteiligungsberatung GmbH, an investment company with holdings in medium-size companies in Germany and Sweden. Since 2008 Dipl. Kfm. Grimm has been Commercial Director of Dr. Johannes Heidenhain GmbH.

Mag. Hans Jörg Kaltenbrunner (Deputy Chairman), born in 1957, Austrian citizen. Member of the Supervisory Board since 2009, current term of office until 2014. Having studied at the Vienna University of Business and Economics, Mag. Kaltenbrunner began his professional career at the Austrian Trade Delegation in Taipei, Taiwan as Deputy Trade Delegate in 1982. From 1985-1994, he assumed management positions at the Hong Kong branch and in the asset management group of Creditanstalt-Bankverein. Following appointments to the management board of RHI AG and management board and supervisory board of Austria Mikro Systeme AG, he has been a partner of Andlinger & Company since 2002 and has served as a member of management and supervisory boards of international industrial companies in this capacity.

Dr. Kurt Berger, born in 1966, Austrian citizen. Member of the Supervisory Board since 2009, current term of office until 2014. Having studied law in Graz, Dr. Berger was an assistant professor and member of teaching staff

at Vienna University of Business and Economics. In 1996 he was awarded a doctorate by Vienna University. Since 1999, Dr. Berger has worked as an attorney at the firm of Berger Ettel Rechtsanwälte in Vienna focusing on company law and associated capital market law, corporate transactions, acquisitions, funding and business law. Dr. Berger is co-author of „Kommentar zum Aktiengesetz“ by Doralt/Nowotny/Kalss (2012) and „Handbuch für den Aufsichtsrat“ by Kalss/Kunz (2011). He is Vice Chairman of the supervisory board of Binder + Co. AG and a member of the supervisory boards of Waagner-Biro AG, Waagner-Biro Austria Stage Systems AG, Waagner-Biro Bridge Systems AG and Waagner-Biro Stahlbau AG (all in Austria).

Jacob Jacobsson, born in 1953, Swedish and U.S. citizen. Member of the Supervisory Board since 2011, current term of office until 2016. Jacob Jacobsson has held CEO positions at Blaze DFM, Inc., Forte Design Systems and SCS Corporation, and executive positions at Xilinx Inc., Cadence Design Systems, and Daisy Systems. He has served on the board of directors at Actel Corp., and currently serves on the boards of a number of privately-held companies in the United States and Europe. He was a member of the board of directors for TAOS Inc. since 2003. Prior to his management career, Jacob Jacobsson was active in the fields of IC design and automated design of semiconductor chips. He holds M.S. degrees in Computer Science and Electrical Engineering from the Royal Institute of Technology (KTH, Stockholm) and a B.A. degree from the University of Stockholm.

Gerald Rogers, born in 1944, U.S. citizen. Member of the Supervisory Board since 2011, current term of office until 2016. A prolific engineer and successful businessman in the technology industry, he is Chairman of the board of directors for privately-held OnBoard Research, a musical instrument accessory company, and also serves as an advisor and investor to technology start-ups. He was a member of the board of directors for TAOS Inc. since 2003. Gerald Rogers began his career in 1969 at Texas Instruments in VLSI design and was promoted to Vice President and manager of the microprocessor division in 1981. In 1986, he became President and CEO of Visual Information Technologies. In 1987, he founded Cyrix, a highly successful microprocessor company focused on the PC market, serving as its CEO for almost a decade. Gerald Rogers earned his Bachelor's degree from the University of Houston.

Johann C. Eitner (Employee Representative), born in 1957, Austrian citizen. Member of the Supervisory Board since July 1994. Re-elected in 2010, current term of office until 2014. Chairman of the Workers' Council and Employee Representative on the Supervisory Board since 1994. During his more than 35-year career, Johann Eitner has been employed as an electrician in various positions and, since 1984, as supervisor in the mask lithography department at ams. He was trained as an electrician.

Ing. Mag. Günter Kneffel (Employee Representative), born in 1968, Austrian citizen. Member of the Supervisory Board since March 1999. Re-elected in 2011, current term of office until 2015. Chairman of the Employee Council and Employee Representative on the Supervisory Board since 1999. After completing his studies in RF Engineering and Electronics, Ing. Mag. Kneffel gained more than 15 years of professional experience as a process engineer for photolithography and graduated in law in 2010 (Magister der Rechtswissenschaften).

Dr. Günther Koppitsch (Employee Representative), born in 1950, Austrian citizen. Member of the Supervisory Board since 2011, current term of office until 2015. Member of the Employee Council since 2007. Dr. Koppitsch studied at Graz University of Technology and University

of Graz and received a degree in Experimental Physics, Geophysical Science and Physical Chemistry. He joined ams in 1985 and, following assignments in Design and Process Technology, works in Research & Development.

Dipl. Ing. Vida Uhde-Djefroudi (Employee Representative), born in 1959, Austrian citizen. Member of the Supervisory Board since 2012, current term of office until 2015. Member of the Employee Council since 2003. Dipl. Ing. Uhde-Djefroudi studied at Graz University of Technology and received a degree in Electrical Engineering. She joined ams in 1994 as an analog circuit designer and has been focusing on high voltage design since 2003.

Unless decided otherwise by the Annual General Meeting, members of the Supervisory Board are elected for the longest term possible in accordance with the Austrian Stock Corporation Act, i.e. until the end of the Annual General Meeting that decides on their discharge for the fourth business year after the election. For this purpose, the business year in which they were elected is not included in the calculation. The Articles of Association do not stipulate any staggering of the Supervisory Board members' terms of office.

3.5 Internal Organization

3.5.1 Allocation of tasks in the Supervisory Board

Both the Management Board and the Supervisory Board have rules of procedure. The Supervisory Board has a chairman and two deputy chairmen. The Supervisory Board can appoint one or more committees from its midst for the purpose of preparing its negotiations and resolutions or monitoring the implementation of its resolutions. The Supervisory Board of ams has formed the following committees: Staff Committee, Financial Audit Committee, Nomination Committee and Emergency Committee.

3.5.2 Members list, tasks and area of responsibility for all committees of the Supervisory Board

– Staff Committee

The Staff Committee is responsible for negotiating and passing resolutions on the relationship between the company and the members of the Management Board except resolutions on appointments and dismissals of members of the Management Board (signing, adaption and termination of the employment contracts for members and remuneration for the Management Board, etc.) The members of this committee are DI Guido Klestil (Chairman), Prof. Dr. Siegfried Selberherr and Johann C. Eitner.

– Financial Audit Committee

The Financial Audit Committee is, amongst other things, in charge of examining the annual financial statements, the management report and the proposal on the appropriation of profits, preparing the reports to be submitted to the Annual General Meeting and discussing the audit report with the auditor. The members of this committee are Mag. Hans-Jörg Kaltenbrunner (Chairman), DI Guido Klestil, Jacob Jacobsson, Johann C. Eitner, and Ing. Mag. Günter Kneffel.

– Nomination Committee

The Nomination Committee is responsible for preparing proposals to the Supervisory Board regarding appointments to executive positions that become available on the Management Board, strategies for succession planning and proposals to the Annual General Meeting regarding appointments to positions that become available on the Supervisory

Board. The members of this committee are DI Guido Klestil (Chairman), Prof. Dr. Siegfried Selberherr, Mag. Hans-Jörg Kaltenbrunner, Jacob Jacobsson, Johann C. Eitner, and Ing. Mag. Günter Kneffel.

– Emergency Committee

This committee was formed as part of the implementation of Rule 39 of the Austrian Corporate Governance Code (see section "Austrian Corporate Governance Code" at the end of this chapter). The Emergency Committee is set up to discuss the affairs of the Supervisory Board in cases of imminent danger ("danger in delay") and, if the situation absolutely requires it, to decide on them. The members of this committee are DI Guido Klestil (Chairman), Prof. Dr. Siegfried Selberherr, Mag. Hans-Jörg Kaltenbrunner, Johann C. Eitner, and Ing. Mag. Günter Kneffel.

3.5.3 Working procedures of the Supervisory Board and its committees

The meetings of the Supervisory Board are presided over by the Chairman and, in his absence, by the Deputy Chairman. Resolutions are passed by simple majority of the votes cast. In case of equality of votes, the Chairman's vote is decisive. In principle the Management Board also attends the Supervisory Board's meetings. Unless the chairman of the meeting decides otherwise, the Management Board is merely granted an advisory vote. The Supervisory Board is entitled to request written reports on corporate affairs and managerial issues from the Management Board at any time. A committee is entitled to adopt a resolution which is binding for the Supervisory Board only in cases where the committee has been granted such decision-making power by the Supervisory Board in advance. The Supervisory Board appoints a committee member as Committee Chairman and an additional committee member as the Chairman's deputy. Committee resolutions are passed by simple majority of the votes cast. In case of equality of votes, the Committee Chairman's vote is decisive.

The Supervisory Board normally convenes five times a year. During the past year, the Supervisory Board convened a total of seven times with sessions lasting an average of around five hours. The Staff Committee convened a total of eight times with sessions lasting an average of around two hours. The Financial Audit Committee convened a total of three times with sessions lasting an average of around three hours. The Nomination Committee convened once. The Emergency Committee did not convene.

3.6 Definition of Area of Responsibility

The Management Board of ams acts on its own responsibility and is not subject to instructions from the shareholders or the Supervisory Board. Specific legal transactions individually listed in the Austrian Stock Corporation Act require approval by the Supervisory Board. The Supervisory Board supervises the business conduct of the Management Board. The Management Board clears the company's strategic orientation with the Supervisory Board and discusses the status of strategy implementation with the Supervisory Board at regular intervals.

3.7 Information and Control Instruments vis-à-vis the Management Board

The company possesses a Risk Management System, a Management Information System (MIS) and an internal audit function. Within the framework of the Risk Management System, recognizable risks in numerous areas of the company are compiled and assessed at least twice a

year. The principal results are subsequently evaluated by the Management Board and brought to the attention of the Supervisory Board. The company's MIS compiles a multitude of performance indicators from various areas of the company as well as comprehensive financial information and promptly makes them available to management as processed files in electronic form. The Supervisory Board receives monthly and quarterly reports based on information from the MIS. The internal audit function compiles four audit reports per year which are made available to the Supervisory Board and cover specific areas of audit jointly defined by the Management and Supervisory Boards.

4. Management Board

4.1 / 4.2 Members of the Management Board, Other Activities and Vested Interests

Insofar as nothing to the contrary is mentioned below, no material activities or vested interests exist regarding the members of the Management Board.

John A. Heugle, MSc, born in 1958, U.S. citizen. Chairman of the Management Board since April 2002. Contract term until 2014. During his 30-year career, John A. Heugle worked in Europe, the United States and Asia and has been with ams since 2002. He has held a series of management positions in companies in the electronics and telecommunications sectors, such as Molex Inc., Stocko Metallwarenfabriken GmbH and Krone AG. John A. Heugle studied Metallurgical Engineering at the University of Oklahoma (Bachelor of Science) and Material Science at Northwestern University (Master of Science) in the United States.

Mag. Michael Wachsler-Markowitsch, born in 1968, Austrian citizen. Member of the Board responsible for finance since February 2004. Contract term until 2016. He has been with ams since 2001, holding the position of Chief Financial Officer since 2003. During his 20-year career, Michael Wachsler-Markowitsch was finance director of Ahead Communications AG and worked as a consultant and auditor for international mandates at KPMG Austria. He has extensive experience in accounting, corporate finance and tax consultancy. Michael Wachsler-Markowitsch studied Business Administration at Vienna University of Business and Economics (Magister degree) and founded Dynaconsult GmbH, an IT consulting firm, during the same period. He is member of the Management Board of the Styrian Federation of Industry and heads the representative body for the electrical and electronics industries at the Styrian Chamber of Commerce.

4.3 Management Contracts

There are currently no management contracts.

5. Compensation, Shareholdings and Loans

5.1 Content and Method of Determining Compensation and Share Ownership Programs

The Annual General Meeting is in charge of determining the remuneration of the company's Supervisory Board. A shareholder may submit a proposal for resolution to the Annual General Meeting.

The remuneration and share ownership programs of the individual Management Board members are determined annually by the Supervisory Board's Staff Committee. The Supervisory Board is informed about the developments in this process. The Management Board members do not

have a right to attend the Staff Committee meetings. In 2012, external advisers were consulted.

The amount of the variable part of the remuneration is determined according to the fulfillment of annually determined performance targets for the members of the Management Board. This was based on targets for revenues and operating result (EBIT), with the level of achievement taking into account 50% each for revenues and operating result (EBIT). The determination of the annual compensation includes an external benchmarking of the remuneration and remuneration structure with respect to comparable positions in the electronics sector in Austria, Germany and Switzerland. Further details are given in the Notes to the Consolidated Financial Statements under item 26.

In the period under review, the variable part of the remuneration was 100% of the basic remuneration for the CEO and 100% of the basic remuneration for the CFO. In addition, a profit sharing program for all employees including the Management Board was instituted at the end of 2009. Under the program, up to 5% of yearly pre-tax profit plus up to 100% top-up bonus based on certain sales growth criteria are allocated relative to employees' yearly gross remuneration and distributed not exceeding a maximum of 15% of each employee's yearly gross remuneration.

The Management Board members receive a severance pay of two gross monthly salaries per year of service up to a maximum of two yearly gross salaries. In case of termination of their Board membership they have a claim in the amount of the severance pay. There are no further claims from company pension schemes or in case of termination of Board membership. D&O insurance is in place for members of the Management Board and for members of the Supervisory Board.

5.2 Transparency in Compensation, Shareholdings and Loans for Issuers Based Abroad

Regarding compensation for acting Board members, further details are given in the Notes to the Consolidated Financial Statements under item 26.

Retired Board members were not granted any termination pay. In the year under review, former Board members were not granted any compensation.

6. Shareholders' Right of Participation

6.1 Voting Rights and Representation Restrictions

All shareholders of ams hold common bearer shares. Every share entitles its bearer to one vote at the Annual General Meeting. There are no voting right restrictions. Voting by proxy is only possible with a written power of attorney which remains with the company.

6.2 Statutory Quorums

The resolutions passed by the Annual General Meeting require the majority of the votes cast (simple majority) insofar as the Austrian Stock Corporation Act or the Articles of Association do not foresee a larger majority or additional requirements. ams' Articles of Association do not call for a higher number of votes than those required by the Austrian Stock Corporation Act.

6.3 Convocation of the Annual General Meeting

Pursuant to the Austrian Stock Corporation Act, the Annual General Meeting is convened by the Management Board. In accordance with the company's Articles of Association, the Annual General Meeting shall be convened at least 28 days prior to the appointed date. The convocation is published in the "Wiener Zeitung" and announced in "Finanz & Wirtschaft".

6.4 Agenda

In compliance with the Austrian Stock Corporation Act, the agenda proposed for the Annual General Meeting is published in connection with the convocation of said meeting. In any case, the agenda must be disclosed at least seven days prior to the day on which the shares must be deposited for participating in the Annual General Meeting. Should the passing of a certain resolution require a qualified majority, this resolution must be disclosed 14 days prior to the day of the Annual General Meeting. A minority of 5% of the ordinary capital may demand that the agenda of a previously convened Annual General Meeting be supplemented, but only in the event that the request is filed sufficiently early to allow compliance with the above-mentioned time limits. Those proposing must have been in possession of the shares for at least three months prior to making their proposal and must hold the shares until the decision is reached regarding the proposal.

6.5 Inscriptions into the Share Register

The company only has bearer shares outstanding and therefore does not keep a share register.

7. Changes of Control and Defense Measures

7.1 Duty to Make an Offer

Since ams is an Austrian corporation listed in Switzerland, the regulations of the Swiss Federal Law on Securities Exchanges and Securities Trading regarding offer obligations do not apply at the reporting date. Furthermore, the regulations of Austrian takeover law relating to offer obligations do not apply to ams. The Articles of Association of ams do not contain any provisions regarding offer obligations.

7.2 Clauses on Change of Control

There are no change-of-control clauses.

8. Auditors

8.1 Duration of the Mandate and Term of Office of the Lead Auditor

The existing auditing mandate was assumed by KPMG Alpen-Treuhand GmbH, now KPMG Wirtschaftsprüfungs- und Steuerberatungs AG, Vienna, in 2005. Its election as auditor for the year under review was confirmed at the Annual General Meeting on May 24, 2012. The chief auditor, Mag. Dr. Johannes Bauer, who is responsible for this mandate, took office in 2010.

8.2 Auditing Fees

The auditing firm charged auditing fees amounting to EUR 135,000 during the year.

8.3 Additional Fees

The auditing firm charged fees for additional consulting services amounting to EUR 73,901 during the year.

8.4 Supervisory and Control Instruments Pertaining to the Audit

The auditor reports regularly to the Supervisory Board's Financial Audit Committee both orally and in writing. In the period under review, the auditor attended one Supervisory Board meeting and two Financial Audit Committee meetings.

The auditor is monitored and evaluated by the Supervisory Board's Financial Audit Committee at regular intervals. The auditor is selected on the basis of a tendering process that takes a catalog of criteria into account. The auditor's remuneration is checked regularly against prevailing market fees. The lead auditor for the company rotates every five years.

9. Information Policy

ams is committed to an open and transparent information policy towards the stakeholders. All important information on the development of business and the share price (reports, financial calendar and share price data) is available on the company website www.ams.com under the "Investor" tab. The company's ad-hoc publications are available via <http://www.ams.com/eng/Investor/Financial-News/Ad-hoc> and can be subscribed via <http://www.ams.com/eng/Investor/Investor-Contact/Subscribe>. Share-price-influencing events are published promptly through the media and on the website. ams issues quarterly reports regarding the development of its business. The publications are made available in electronic form. The Annual Report may also be made available in a printed version. For the company's contact details, refer to the publishing information at the end of the Annual Report.

Advancement of Women

ams is generally committed to facilitating the career development of women in management positions and to increasing the share of women in its workforce in the medium-term. However, being a highly technical company in a high-tech industry it remains difficult for ams to increase the ratio of women in management positions in Austria as well as internationally. The share of women in management positions (except Management Board members) was 11% in fiscal year 2012 (10% in fiscal year 2011), while the overall share of women in the company's workforce was 26% last year. According to its Code of Conduct, ams refrains from any form of discrimination based on, for example, race, religion, political affiliation, and in particular gender.

Austrian Corporate Governance Code

As an Austrian stock company, ams has committed itself to compliance with the Austrian Corporate Governance Code in a declaration of commitment. This code represents a voluntary commitment of companies to the principles of transparent corporate governance and contains corresponding recommendations. The code is available on the internet in electronic form at www.corporate-governance.at. However, since ams is not listed in Austria, it has in its declaration of commitment exempted itself from guidelines of the Austrian Corporate Governance Code which are not based on or closely associated with mandatory provisions of the Austrian Stock Corporation Act or not applicable due to mandatory provisions arising in connection with the company's listing in Switzerland. Furthermore, ams has stated the following additional deviations from the L and C rules of the Austrian Corporate Governance Code:

– Rule 27a: Severance payments accrued under previous contracts may exceed the remuneration for the balance period of the contract. Severance pay accrued under previous contracts will be paid out in case of termination of the current contract due to gross misconduct.

– Rule 28: The passing of a resolution on stock option plans for the Management Board required by this rule is effected by the Supervisory Board's Staff Committee in the interest of a consistent remuneration policy for members of the Management Board. In the interest of a consistent implementation of the share-based compensation schemes the members of the Management Board participate in the employee stock option plans (SOP) detailed in pt. 2.7 of this chapter.

– Rules 53, 54: Application of these rules cannot be determined by the company because the Annual General Meeting decides upon membership of the Supervisory Board without restrictions. Oriented on Appendix 1 of the Austrian Corporate Governance Code, the members of the Supervisory Board are to be seen as independent for the purpose of rules 53 and 54, with the exception of one member of the Supervisory Board exceeding the recommended 15 year maximum service period.

– Rule 66: The company prepares the quarterly reports for the first half year according to IAS 34 (half year report), while a shortened reporting format is chosen for the first and third quarter of each year.

External Evaluation

According to rule 62 of the Austrian Corporate Governance Code, ams commissions an external evaluation of compliance with the respective rules of the Code and correctness of the related public reporting in regular intervals; the last evaluation was conducted in 2011.