

ams AG

Premstaetten, Company Register Number 34109k

Proposal of the Supervisory Board
for the
Extraordinary General Meeting
January 24, 2020

On 6 November 2019, ams Offer GmbH (the "**Bidder**"), a wholly owned subsidiary of ams AG (the "**Company**"), made a voluntary public takeover offer (the "**Takeover Offer**") to the shareholders of OSRAM Licht AG (the "**OSRAM Shareholders**") for the acquisition of all their no-par-value registered shares in OSRAM Licht AG (the "**OSRAM Shares**"). The offer period in respect of all outstanding OSRAM Shares ended on 5 December 2019, 24:00 hrs (local time in Frankfurt am Main). The minimum acceptance threshold of 55% of the OSRAM Shares outstanding at the end of the offer period has been reached and it is assumed that the implementation of the Takeover Offer – which is still subject to approvals under merger law being granted – will be executed.

The Bidder offered EUR 41.00 per OSRAM share. This values the OSRAM Shares not already acquired by the Company at EUR 3,177 million. Together with loans taken out to acquire the 19,359,929 OSRAM Shares already held by the Company and further transaction related debt financing this results in a total financing requirement of approximately EUR 4,435 million ("**Total Financing Volume**").

By effecting the combination of the group of the Company and the group of OSRAM Licht AG it is intended to create a global leader in sensor solutions and photonics. The objective for both group of companies is to accomplish a significant development leap. The leading position of the Company's group in sensor and illumination technology in Europe will enable further growth, a significant improvement of margins and additional expenditure.

The Takeover Offer is fully financed by the banks supporting in the Takeover Offer. The Company intends to refinance the financing of the Takeover Offer provided by the banks as quickly as possible in order to reduce the Company's financing costs and optimize its capital and financing structure.

It is therefore intended to refinance a substantial part of the total financing volume by issuing new shares through an ordinary capital increase in accordance with sections 149 *et seq* Austrian Stock Corporation Act.

The purpose of the proposed resolution for the Company's extraordinary general meeting on 24th January 2020 is to establish the conditions required for this.

Therefore, the supervisory board of the Company proposes that the general meeting resolve on an ordinary capital increase with subscription rights of the shareholders. It is intended to achieve a total gross issue proceeds in the amount of EUR 1,649,000,000.00 from the issue of new shares by way of a discounted subscription right offer (the "**Target Proceeds**").

The resolution proposal provides for a "up-to-capital increase" in the amount that would ensure that the Target Proceeds would be achieved even if the subscription and offer price were equal to the (minimum) issue price of EUR 1.00 per new share. However, it is to be assumed that the subscription and offer price, which will be determined by the management board of the Company in accordance with the present resolution proposal immediately prior to the beginning of the subscription period, taking into account the then prevailing market conditions as well as the financing interest of the Company in achieving the Target Proceeds (therefore also at a substantial discount to the stock exchange price), will in fact be significantly higher than the amount of EUR 1.00. Accordingly, it is to be expected that the number of new shares to be issued will be significantly lower than the number of possible shares of up to 1,649,000,000.00 because the Target Proceeds can also be obtained by issuing a smaller number of new shares at a corresponding subscription and offer price. The extent of this capital increase is calculated by dividing the Target Proceeds by the subscription and offer price.

Against this backdrop, the following draft resolution is now proposed.

- 1. Resolution on the ordinary increase of the Company's share capital pursuant to sections 149 *et seq* Austrian Stock Corporation Act against contribution in cash in observance of the shareholders' statutory subscription right**

The supervisory board proposes that the general meeting adopt the following resolution:

The Company's share capital will be increased, against contribution in cash, by up to EUR 1,649,000,000.00 to up to EUR 1,733,419,826.00 in material observance of the shareholders' subscription right (section 153 para. 6 of the Austrian Stock Corporation Act), by issuing up to 1,649,000,000 new no-par-value bearer shares (ordinary shares), each representing a pro-rata amount of the share capital of EUR 1.00 (one euro), which carry the same dividend rights as the outstanding shares of the Company.

*The issue price of each new share is set at EUR 1.00 (the "**Issue Price**"). This corresponds to each new share's calculated notional share in the share capital and thus the statutory minimum issue price of 100% of the pro-rata amount in the share capital. The Issue Price must be paid in full and in cash and such payment must be made without undue delay after subscribing for the shares (nominal subscription).*

One or more credit institution(s) within the meaning of section 153 para 6 of the Austrian Stock Corporation Act will be admitted to subscribe for the new shares against payment of the Issue Price of EUR 1.00 for each new share (nominal subscription), in material observance of the subscription right of the Company's shareholders pursuant to section 153 para 6 of the Austrian Stock Corporation Act (indirect subscription right).

Such credit institutions' authorisation will be subject to them being under the obligation to (i) offer the new shares subscribed by them pursuant to section 153 para 6 of the Austrian Stock Corporation Act to shareholders entitled to subscribe for new shares and holders of subscription rights, (ii) offer new shares not subscribed for by shareholders entitled to subscribe for new shares or holders of subscription rights to interested investors for acquisition against payment of the subscription and offer price, as well as (iii) pay to the Company such amount exceeding the Issue Price that results from the subscription offer and the placement of the new shares at the subscription and offer price after deduction of all costs and fees.

Prior to the commencement of the subscription and offer period, the management board shall be authorised to determine in accordance with market conditions and publish both the commencement of the subscription period in which shareholders of the Company may subscribe for the new shares and the commencement and the duration of the offer period in which the Company may offer new shares in respect of which the subscription right has not been exercised to potential investors by way of a public offer and/or a private placement. The subscription period will be two weeks (section 153 para. 1 of the Austrian Stock Corporation Act).

The management board will be authorised to determine prior to the commencement of the rights offering the details of implementing the capital increase including the placement of any new shares not subscribed for.

*The amount of gross proceeds from the placement of new shares shall be EUR 1,649,000,00 (the "**Target Proceeds**").*

The subscription and offer price and the number of new shares offered to shareholders as part of the capital increase will be determined by the management board immediately prior to the start of the subscription period, taking into account the then prevailing market conditions as well as the financing interest of the company in achieving the Target Proceeds (therefore also at a substantial discount to the stock market price). The final volume of this capital increase is thus calculated by dividing the Target Revenue by the fixed subscription and offer price.

The management board shall procure that the new shares will be offered to shareholders in a subscription ratio of whole numbers, and ensure that the banks involved in the capital increase will organise a purchase and sale of subscription rights or enable subscription rights trading for shareholders entitled to subscribe for new shares that hold a number of existing shares that does not entitle them to subscribe for a whole number of new shares, so that these shareholders may sell their subscription rights or, if applicable, buy the number thereof required for purchasing another whole share. Any subscription rights not exercised will expire worthless after the end of the subscription period.

The capital increase must be implemented within a period of six months from the date on which the general meeting adopts the resolution.

The supervisory board will be authorised pursuant to section 145 of the Austrian Stock Corporation Act to resolve on any amendments to the articles of association that result from shares being issued in the ordinary capital increase pursuant to this agenda item.

**NON-BINDING
CONVENIENCE
TRANSLATION**



Premstaetten,

Chairman:

**NON-BINDING CONVENIENCE
TRANSLATION**
Signature on legally binding German
version

Mag. Hans Jörg Kaltenbrunner