

**ams AG  
Premstaetten, Company Register Number 34109k**

**Proposals of the Management Board  
for the  
Annual General Meeting  
June 03, 2020**

- 1. Presentation of the annual accounts, including the report of the Management Board and the corporate governance report, the group accounts together with the group annual report, the proposal for the appropriation of profits and the report of the Supervisory Board for the business year 2019.**

There is no need for a resolution to be adopted on this item of the agenda.

- 2. Adoption of a resolution on the allocation of the balance sheet result of the year.**

The Management Board proposes that the General Meeting shall adopt the following resolution:

The net loss as determined for the business year 2019 in the amount of EUR -141,705,409.33 and the profit carried forward from last year in the amount of EUR 1,719,354.40 shall be allocated and covered as follows:

- (i) ams AG shall abstain from paying dividends to dividend-bearing shares;
- (ii) a portion of the profit carried forward in the amount of EUR 1,074,203.00 shall be allocated to the legal reserve for treasury shares;
- (iii) the retained earnings in the amount of EUR 83,986,746.64 and a portion of the unrestricted capital reserve in the amount of EUR 57,073,511.29 shall be released to cover the balance sheet loss which results in a balance sheet profit for the financial year 2019 of EUR 0.00.

**3. Adoption of a resolution on the discharge of the members of the Management Board for the business year 2019.**

The Management Board proposes that the General Meeting shall adopt the following resolution:

The Members of the Management Board in office in the Business Year 2019 shall be discharged for said period.

**4. Adoption of a resolution on the discharge of the members of the Supervisory Board for the business year 2019.**

The Management Board proposes that the General Meeting shall adopt the following resolution:

The Members of the Supervisory Board in office in the Business Year 2019 shall be discharged for said period.

**5. Adoption of a resolution on the remuneration of the members of the Supervisory Board.**

The Management Board proposes that the General Meeting shall adopt the following resolution:

The remuneration of the members of the Supervisory Board shall be as follows:

- |   |                |
|---|----------------|
| (i) for the Chairman                                      | EUR 125,000. - |
| (ii) for the Deputy Chairmen, each                        | EUR 105,000. - |
| (iii) for each additional member of the Supervisory Board | EUR 85,000. -  |
| (iv) for the Chairman of a Committee                      | EUR 15,000. -  |

(excluded are the Supervisory Board Chairman or the Deputy Chairman of the Supervisory Board.)

**6. Resolution on the election of the auditor and group auditor for the business year 2020.**

For this agenda item exclusively the Supervisory Board has to submit a proposal for a resolution.

## 7. Remuneration Policy

For this agenda item exclusively the Supervisory Board has to submit a proposal for a resolution.

## 8. Resolution on the authorization of the Management Board to issue financial instruments according to sec. 174 AktG, in particular convertible notes which may provide for subscription of and/or conversion in shares of the Company, along with the limitation of subscription rights of the shareholders on such financial instruments

As a result of the capital increase approved by the extraordinary general meeting on January 24, 2020, part of the debt financing in connection with the takeover bid for OSRAM shares has already been repaid. ams AG continues to aim at refinancing the remaining bank financing as quickly as possible in order to further reduce financing costs in favor of the company and to optimize its capital and financing structure. Therefore, the opportunity should be created to refinance a further part of the total financing volume by issuing financial instruments within the meaning of sec. 174 AktG, in particular convertible notes, profit participation bonds or profit participation rights.

The authorization to exclude the subscription right is materially justified by the objectives pursued. The objectives are to optimize the capital structure and reduce financing costs, to optimize a high conversion rate, to attract new groups of investors and thus to further consolidate and improve the Company's competitive position in the interests of the Company and its shareholders.

In addition, the exclusion of subscription rights is also appropriate and necessary because the expected inflow of debt or equity capital by means of a target-group-specific orientation of the financial instruments within the meaning of sec. 174 AktG replaces more cost-intensive capital measures, offers favorable financing terms and ensures flexible long-term business planning and realization of the planned corporate objectives for the benefit of the Company and, in connection therewith, also all shareholders. Without the exclusion of subscription rights, the Company will not be able to react comparably quickly and flexibly to favorable market conditions. Furthermore, the exclusion of subscription rights is generally customary for such financial instruments.

The Management Board expects that the advantage of the Company from the issuance of financial instruments within the meaning of Section 174 AktG, under exclusion of subscription rights, will benefit all shareholders and clearly outweigh the (potential) proportionate loss of participation of the shareholders excluded from the subscription rights, so that the Company's overall interest will also outweigh the disadvantage of the shareholders through the exclusion of subscription rights.

The Management Board therefore proposes that the General Meeting shall adopt the following resolution:

- a) The authorization of the Management Board to issue with the approval of the Supervisory Board until 03.06. 2025 financial instruments within the meaning of sec. 174 AktG, in particular convertible bonds, profit participation bonds or profit participation rights, with a total nominal amount of up to EUR 27,428,928.00, which may also grant conversion and/or subscription rights to acquire a total of up to 27,428,928 shares in the Company and/or are structured in this way, that they can be shown as debt or equity, also in several tranches and in different combinations, and also indirectly by way of a guarantee for the issuance of financial instruments by an affiliated company of the Company with conversion and/or subscription rights to shares of the Company.
- b) To settle the conversion and/or subscription rights, the Management Board may use the conditional capital, in particular the new conditional capital to be created in accordance with item 9 of the agenda of the Annual General Meeting of 3 June 2020, treasury shares or a combination of conditional capital and treasury shares.
- c) The issue price and the terms of issue of the financial instruments (in particular: interest rate, term, subordination, denomination, protection against dilution, conversion modalities, conversion price, exchange and/or subscription conditions, etc.) are to be determined by the Management Board with the approval of the Supervisory Board, whereby the issue price is to be determined in accordance with recognized standard market financial mathematical methods and the price of the Company's shares in a recognized pricing procedure.

- d) The Management Board is authorized, with the consent of the Supervisory Board, to exclude the subscription rights of shareholders to the financial instruments within the meaning of sec. 174 (4) AktG.

Reference is made to the written report of the Management and Supervisory Board on this item of the agenda according to sec. 174 para 4 and sec. 153 para 4 sentence 2 AktG .

**9. Resolution on the conditional increase of the share capital of the company pursuant to sec. 159 para 2 no. 1 AktG for issuance to creditors of financial instruments  
[Conditional Capital 2020 for Financial Instruments]**

With regard to this item on the agenda, reference is essentially made to the statements on the resolution on the authorization to issue financial instruments within the meaning of sec. 174 AktG.

Based on the current number of shares issued by the Company, the conditional capital increase in question amounts to approximately 10 % (ten percent) of the share capital. Therefore, the nominal amount of the conditional capital of the Company does not exceed half of the current share capital of ams AG. The issue price shall be determined in accordance with recognized methods of financial mathematics and the price of the Company's shares in a recognized pricing procedure.

The Management Board proposes that the General Meeting shall adopt the following resolution:

- a) The conditional increase of the Company's share capital pursuant to sec 159 para 2 no 1 AktG by up to EUR 27,428,928.00 by issuing up to 27,428,928 new no-par value bearer shares with a pro-rata amount of the share capital of EUR 1.00 per share for the purpose of issuing them to creditors of financial instruments pursuant to sec. 174 AKtG, which were issued on the basis of the authorization by the resolution of the Annual General Meeting under item 8 of the agenda dated 3 June 2020, insofar as the creditors of the financial instruments exercise their conversion and/or subscription rights to shares of the Company, is hereby approved. The issue amount and the exchange ratio shall be determined in accordance with recognized methods of financial mathematics and the price of the shares of the Company in a recognized pricing procedure. The newly issued shares of the conditional capital increase are

entitled to dividends to the same extent as the existing shares of the Company. The Management Board is authorized, with the approval of the Supervisory Board, to determine the further details of the implementation of the conditional capital increase.

- b) The Supervisory Board is authorized to resolve amendments to the Articles of Association resulting from the issue of shares from the conditional capital.

**10. Amendment of the Articles of Association in § 4 para 1**

The Company considers expanding the Management Board in the future, also in the light of the acquisition of OSRAM Licht AG, from currently four to five persons.

The Management Board, therefore, proposes that the General Meeting shall adopt the resolution to amend the articles of association of the Company in § 4 para 1, which shall read as follows:

*§ 4*

*Management Board, By-Laws*

- (1) The Management Board of the company consists of up to 5 individuals. The appointment of deputy members of the Board is permissible within this context.*
- (2) The Supervisory Board is responsible for drawing up the by-laws for the Management Board, including the assignment of duties to the members of the Board.*

**11. Report concerning the stock, the purchase and sale of own stock pursuant to section 65 para 3 AktG.**

There is no need for a resolution to be adopted on this item of the agenda.

Premstaetten, April 24, 2020

The Management Board

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

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