

Remuneration Report

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I. Introduction

The remuneration of the members of the Management Board and the Supervisory Board of ams-OSRAM AG is based on the remuneration policies adopted by the Annual General Meeting of the company on June 2, 2021.

Based on the general principles determined in the remuneration policy, the remuneration report summarizes the principles used to determine the remuneration of the members of the Management Board for fiscal year 2022 and explains the structure and amount of the remuneration paid to the members of the Supervisory Board. In addition, the remuneration of each member of the Management Board and the Supervisory Board for fiscal year 2022 is presented on an individual basis.

In fiscal year 2022, consolidated revenue decreased by 4% to EUR 4,819 million, compared to EUR 5,038 million in 2021. The decrease was primarily due to portfolio effects from business disposals with a total sales effect of EUR 307 million. On a like-for-like portfolio basis (adjusted for this business disposals), Group sales increased by approximately 2% compared to the previous year.

The result from operations (EBIT), adjusted for M&A-related expenses, transformation costs, expense for share-based compensation, and the result from investments in associates and from the sale of businesses, decreased by EUR 95 million year-on-year to EUR 407 million. Unadjusted EBIT decreased by EUR 358 million to EUR -161 million. This negative development was in particular driven by a one-off non-cash impairment charge of EUR 335 million in the IFRS based (unadjusted) results in the third quarter, in line with IFRS requirements.

The results reflected an overall solid corporate development in an increasingly difficult industry and economic environment during the year. In this context, the fiscal year was characterized by the significant impact of geopolitical and economic developments on the demand and market situation in the semiconductor industry, and additionally by considerable inflationary pressure.

The remuneration report for fiscal year 2022 is based on the requirements of § 78c Austrian Stock Corporation Law, respective rules of the Suisse stock exchange (SIX Swiss Exchange) and additional best practice standards for remuneration disclosure. In addition, it considers comments and recommendations received from proxy advisors, which shareholders received in the course of the Annual General Meeting on June 24, 2022, for the vote on the report for fiscal year 2021. This report was largely

rejected by the Annual General Meeting. Compared to last year's disclosure, the following changes in the remuneration report for fiscal year 2022 have been implemented:

- Detailed disclosure of the share-based compensation targets for the for the members of the Management Board, including a comprehensive breakdown of the targets and ranges set for the last fiscal year.
- Detailed disclosure of individual target achievement and allocation of options regarding the respective share-based compensation plans for the Management Board
- Disclosure of base salary of board members compared to the workforce

Based on the discussion with shareholders and shareholder representatives, the Supervisory Board has also fundamentally reviewed the remuneration policy for the Management Board with the support of an independent external remuneration expert. The Supervisory Board will propose a new remuneration policy for the Management Board to the Annual General Meeting on June 23, 2023. This includes the following significant adjustments:

- The overall level of contractually agreed remuneration for the members of the Management Board will be significantly reduced, by reducing the grants of share-based compensation instruments a maximum of 300% of the basic remuneration for the CEO (instead of up to 750%) and to a maximum of 250% of the basic remuneration (instead of up to 500%) for the other members of the Management Board. Together with minor adjustments to the other compensation elements, this results in an overall reduction in target compensation of around 45%.
- The company will introduce a new long-term share-based compensation plan (LTIP 2023), where all LTI instruments for the Management Board will be linked to the achievement of defined performance criteria and are therefore fully performance-based (Performance Stock Units or PSUs). Market value options (Special Performance Share Units or SPSUs) are no longer intended to be issued. The pay-for-performance relationship of the compensation to the Management Board will be significantly increased.
- Overachievement of long-term targets is strongly incentivized to create additional performance incentives (range 0-150% of target amount).

- The vesting period of the PSUs shall be four years (three-year performance period and one-year waiting period). The vesting of the PSUs shall also depend on the achievement of a long-term ESG target (weighting 20%) derived from the group wide ESG strategy.
- The opportunity to reclaim Management Board remuneration by applying claw back clauses is extended.
- In the event of a change of control, any unvested share-based compensation instruments are settled pro rata temporis (no "accelerated vesting").

Further details of the new remuneration policy for the Management Board can be found in the proposed resolutions for the Annual General Meeting of the Company on June 23, 2023, published in advance.

II. Principles and objectives

The Supervisory Board decides on the remuneration system for the Management Board by determining a respective remuneration policy to be submitted to the Annual General Meeting of ams OSRAM's shareholders for approval. This policy shall ensure that the Management Board remuneration is aligned with the performance of the company and with usual remuneration in comparable positions of the worldwide semiconductor and technology industry, so that it supports the business strategy and long-term development of the company.

On February 2, 2023, the Supervisory Board decided to prepare adjustments to the remuneration system and establish a new remuneration policy. This policy will be presented at the Annual General Meeting on June 23, 2023.

The Supervisory Board established a Remuneration Committee to prepare decisions in this regard, which includes of the Chairperson of the Supervisory Board, his deputy and up to one further member of the Supervisory Board. This committee is responsible for passing resolutions on conclusion, amendment and termination of employment contracts with Management Board members, and in particular for determining their remuneration. As part of this responsibility, the committee regularly evaluates the appropriateness of the remuneration paid to members of the Management Board and the remuneration system in general, taking account of the statutory requirements and developments in corporate governance standards and investor expectations regarding executive remuneration. An external independent consultant regularly supports the committee. Based on this evaluation, the committee recommends adjustments to the Management Board remuneration system or policy. It also sets targets for the annual variable remuneration at the beginning of each fiscal year and determines target achievements after the end of the respective period.

In addition, the Supervisory Board sets up a Long-term Incentive Plan Committee (LTIP Committee) which is responsible for preparing the general policy and parameters of the long-term incentive plans for final decisions of the Supervisory Board and the Annual General Meeting to the extent required by law. The objective of the long-term incentive plan is to increase the value of the company in the interest of the shareholders and are generally based on share-based compensation. Furthermore, the LTIP Committee (i) periodically commissions an external expert to review the general market conditions, (ii) advises on changes to the LTIP, and (iii) decides, reviews, changes and approves the Management Board's proposal to award long-term incentives to senior managers and employees of the company.

When designing the remuneration system and setting the remuneration for the Management Board, the Supervisory Board is guided, in particular, by the following principles (as established in the remuneration policy):

- **Supporting the strategic development of ams OSRAM:** Overall objective of the executive remuneration at ams OSRAM is to promote the business strategy and long-term development of the company in the interests of its shareholders. The remuneration is reflecting the ongoing development of the ams OSRAM group by setting ambitious targets for the Management Board and adapting them to the current business situation as well as to the dynamic requirements of the ecosystem. ams OSRAM group pursues the goal of becoming the world's leading provider in the fast-growing market of optical solutions. In order to achieve this leadership position ams OSRAM invests extensively in forward-looking innovations and continuous transformation. At the same time, it is important that the long-term interests of shareholders are always considered in the business strategy. As part of our remuneration policy we therefore ensure that long-term and strategic decisions are appropriately incentivized.
- **Considering the overall situation of the company:** The Supervisory Board takes the economic situation as well as the company's success and future prospects into consideration when deciding on the structure and measurement of remuneration.
- **Offering competitive conditions for managers:** As ams OSRAM is operating in a highly competitive environment, executive remuneration should be attractive in comparison to what is offered by competitors, and thus be an incentive for best qualified executives from across the globe to join and contribute to the company's success.
- **Reflecting different experiences, skills and responsibilities of board members:** The remuneration of the members of the Management Board reflects the responsibility as lawful representatives of ams OSRAM and the scope of activities of the respective member as determined by the assignment of functions. In addition, relevant professional experience and the skills profile is considered to a significant extent.

- **Linking remuneration strictly to performance:** To ensure a clear focus on performance, the compensation focuses on variable elements for which performance targets are set at the beginning of each fiscal year which cannot be amended subsequently. The base-salaries of Management Board members are comparably moderate, i.e. on average below those of comparable companies in the peer group defined below, and additional benefits like pension schemes are not granted. Thereby, the remuneration system for the Management Board strongly emphasizes on both, the (financial) long-term performance and the sustainable strategic development of the company.
- **Considering Peer Group companies, comparing vertical compensation and retaining expert advice:** When regularly reviewing remuneration to be at a competitive level, the Remuneration Committee analyses structure and level of remuneration in peer companies. To define the relevant peer group, an independent expert analyzed data of key competitors in the relevant semiconductor and optical component markets and considered sales, the number of employees, market capitalization, as well as the company's registered office in Austria and the listing of ams OSRAM shares in Switzerland. In addition, the peer groups used by proxy advisors, where available, were used for guidance. The resulting peer group consisted of the following companies in fiscal year 2022:
 - Aixtron
 - ASM International
 - BE Semiconductor
 - Infineon Technologies AG
 - Melexis Technologies N.V.
 - Nordic Semiconductor
 - REC Silicon
 - SMA Solar
 - Soitec
 - Baloise Holding AG
 - Barry Callebaut AG
 - Clariant AG
 - Dufry AG
 - Galenica AG
 - Georg Fischer AG
 - Helvetia Holding AG

III. Key elements of the Management Board remuneration

- Logitech International S.A.
- OC Oerlicaon Corporation AG
- The Swatch Group AG

This group is regularly updated based on independent expert advice. In this context, structural changes by M&A transactions, delisting etc. affecting peer companies are considered. Further information can be found in the remuneration policy.

In addition, the Remuneration Committee considers the Management Board's remuneration in relation to the remuneration of relevant parts of the ams OSRAM workforce (vertical comparison). For this purpose, worldwide employee data is analyzed. Additional information can be found in chapter IV.4.

The Remuneration Committee regularly seeks advice from external remuneration experts. In the last years, such advisors were involved in preparing the Long-Term Incentive Plan 2019 (LTIP 2019) and the remuneration policy adopted by the Annual General Meeting in June 2020. When engaging these experts, the established independence requirements for compensation consultants are strictly adhered to.

The remuneration policy applied in the fiscal year is fully in line with the current remuneration policy for the Management Board and consists of three main elements:

- Fixed base remuneration,
- Short-term variable remuneration (annual Performance Bonus) and
- Share-based compensation based on equity incentive plans.

Regarding weighing of these elements, the fixed base remuneration (together with other contributions in kind) shall account for app. 10-30% of the overall remuneration, whereas the variable components (short term variable remuneration and fair value of share-based compensation at grant date) are targeted to reach app. 70-90% of the overall remuneration. A clear focus on variable, performance-related components shall set a strong incentive for value creation through continuous profitable growth and a dynamic, strategic and technological development of the company.

1. Fixed base remuneration

The fixed base remuneration is not performance related and typically paid in 14 installments (twelve at the end of each month and two additional installments every six months as it is common practice in Austrian companies). The Supervisory Board decided to establish the base remuneration which is in line with international peer group companies. The chairman of the Management Board (CEO) receives a higher base salary due to his special responsibility and importance for managing the ams OSRAM group.

The amount of the base remuneration for the members of the current Management Board in fiscal year 2022 was reviewed and redetermined following the acquisition of the OSRAM Group in 2021. Therefore, the Supervisory Board considered the increased size of the company and the higher complexity of the Group. The amount of the base remuneration determined in this way was reviewed by the Supervisory Board with the support of an external remuneration expert as part of the revision of remuneration policy for the Executive Board at the end of 2022. It was moderately reduced for new Management Board contracts to be concluded.

2. Short-term annual variable remuneration (performance bonus)

The short-term annual variable remuneration (Performance Bonus) incentivizes the successful execution of the strategy broken down to annual financial and non-financial targets in each fiscal year. At the beginning of each fiscal year the Remuneration Committee sets clearly defined quantifiable targets for certain performance indicators. The target categories and their weighting shall ensure that the annual focus supports profitable growth, a well-balanced financial structure as well as short-term milestones for important strategic projects. Further, the targets consider key commitments to investors and are aligned with the long-term strategic development of the company.

Being convinced of the importance of sustainability for the success of the company, the Supervisory Board decided to use ESG performance indicators as part of the annual targets for members of the Management Board for the first time in fiscal year 2022. The Supervisory Board decided to support this process by including an initial ESG-related target in the remuneration system for fiscal 2022.

Target achievement is measured after the end of the fiscal year. The target bonus for each Management Board member amounts to one annual base salary. With an overall target achievement of 100% the payout is 100% of the target bonus. The Performance Bonus is not payable if the target achievement is 0%. The maximum bonus payout is generally 200%.

All payouts are subject to clawback provisions (see chapter III. sub 4 lit. c).

Further information is available in chapter IV.

3. Share-based compensation

The share-based compensation consists of several equity incentive plans and represents a significant portion of the medium- and long-term remuneration of the members of the Management Board. Within these plans, the Management Board as well as selected employees and executives are given the opportunity to participate in the success of ams OSRAM. The objectives of these equity incentive plans are to strengthen the alignment of interests between shareholders and employees, to provide an incentive for the generation of enhanced value, to ensure long-term commitment of employees and to maintain a motivating remuneration system that offers additional income opportunities.

The vesting of stock options under the respective plans is generally linked to the achievement of performance criteria of KPIs, such as EPS (earnings per share) /-growth or TSR (total shareholder return) in comparison to a defined peer group (for the composition of this group see above). The respective stock options generally vest over an extended time period throughout the duration of the stock options plans. The capital increase in 2020 in connection with the OSRAM transaction has led to an increased number of outstanding shares, which has been reflected in the stock options plans accordingly.

For fiscal year 2022, only stock options under the Long-Term Incentive Plan 2019 (LTIP 2019) have been awarded to members of the Management Board. This plan, which replaced LTIP 2014, became effective on 9 September 2019 and is applicable until the end of 2023. There are various limitations for the grant of stock options under this scheme: Overall, the LTIP 2019 plan comprises of approximately 7.5% of the company's share capital over the course of five years (2019-2023) so that each annual tranche is limited to 1.5% of the total share capital. In addition, the total amount of outstanding options and awards under all plans that can be converted into shares may at no point in time exceed 10% of the total share capital.

LTIP 2019 includes the following types of options for the members of the Management Board:

- **Performance Share Units (PSUs):**
PSUs are options subject to performance conditions. The performance indicators for the PSU are the relative Total Shareholder Return and the Earnings

per Share. The peer group for the relative TSR consists of key semiconductor companies (for details see above). An additional threshold is the fulfillment of the performance criteria under ams OSRAM Profit Sharing Program. PSUs will become exercisable 3 years after grant date (vesting period) if the LTIP Committee determines that the performance criteria have been met and provided that the price of the shares at the time of exercise exceed the average weighted price of the shares three months prior to the date of grant (exercise threshold). Each granted PSU entitles the participants to purchase one share of the Company at an exercise price of EUR 1.00.

- **Special Performance Share Units (SPSUs):**
SPSUs are market value options. Over a four-year period, each year one quarter of the total tranche of SPSUs becomes exercisable. Each granted SPSU entitles the participants to purchase one share of the Company for a strike price, which results from the weighted average price of the Shares within the last sixty (60) trading days prior to the respective date of grant, converted into a Euro amount and payable for each share acquired upon the exercise of an award.

For members of the Management Board the following maximum award limit applies: The fair value of the annual grant to the chairman of the Management Board must not exceed 750%, for all other members of the Management Board 500% of their respective annual fixed base compensation. In addition, the annual grant for all beneficiaries under the LTIP 2019 is limited to 1.5% of the share capital which may also cap the number of options to be granted to members of the Management Board. Due to this limitation the Chairman of the Management Board was granted 314% and the members of the Management Board 210% of the fixed base compensation. This cap amounted to 42% of the planned grant volume.

As a standard, members of the Management Board receive 65% of their respective total grant value as PSUs and 35% as SPSUs. The vesting of PSUs, which represent the major part of options to be granted, requires fulfillment of performance-related criteria, namely Earnings per Share (EPS) exceeding the budget approved by the Supervisory Board and Total Shareholder Return (TSR being defined change to the share price plus reinvested dividends over the performance period) of ams OSRAM group relative to those of peer companies. While SPSUs do not have to meet these criteria, their value is dependent on share price increases since the date of grant.

Consequently, both instruments put a strong emphasis on long-term value creation and alignment with shareholder interests.

The future remuneration policy for the Management provides that only PSUs will be granted to the Management Board.

Options will be vested only for members of the Management Board if they are still in a valid employment relationship with ams OSRAM during the vesting period. All granted options must be exercised within ten years after grant.

4. LTIP as of fiscal year 2023

Considering comments received from shareholders and in view of the overall development of corporate governance standards for share-based compensation plans, the LTIP Committee of the Supervisory Board developed a new LTI plan (LTIP 2023) for ams OSRAM to replace the LTIP 2019. This was done with the support of an independent external compensation consultant. LTIP 2023 provides that only performance-based share-based payment instruments (PSUs) will be granted to members of the Management Board. The amount of the annual grant is capped at 300% for the Chief Executive Officer and at 250% of their fixed remuneration for the other members of the Management Board.

Share-based compensation is linked to external and internal targets, also taking into account sustainability aspects. The Supervisory Board sets financial targets for relative TSR and average operating profitability at the time of grant. These targets are each included in the target measurement with a weighting of 40%. Furthermore, the Supervisory Board defines one or more ESG targets derived from the company's current sustainability strategy (weighting of 20%).

Target achievement is measured after every three years, whereby the target achievement level can vary between 0% and 150%. The vesting period is followed by a one-year holding period, so that all share-based compensation elements of the Management Board vest no earlier than four years after they are granted. The instruments that can be exercised are generally serviced by transferring treasury shares; in exceptional cases, a cash settlement may be granted.

5. Other elements of the remuneration system

a) Term and termination of the mandate

The employment contracts of the members of the Management Board are concluded for the duration of their mandate. Members of the Management Board are appointed for a period of three years by resolution of the Supervisory Board, reappointments are permitted. In accordance with section 75 (4) of the Austrian Stock Corporation Act (AktG), members of the Management Board may be dismissed from their position for good cause or may be dismissed if there is a reason for dismissal within the meaning of section 27 of the Austrian Employees Act (AngG). Consequently, the employment contract is terminated at the time of dismissal. In these cases, or in the event of resignation from office without the consent of the Supervisory Board, the Management Board member concerned is not entitled to any remuneration for termination or other form of compensation in connection with the termination of the employment relationship.

In the absence of good cause or in the event of illness or accident, whereas the Management Board member is unable to perform his duties for three months and the reason for the impediment is not expected to be settled within the next three months, as well as in the event of occupational disability within the meaning of Section 273 of the Austrian General Social Insurance Act (ASVG), any termination compensation in connection with the termination of the employment relationship is due. This compensation for termination is limited in total to the compensation due pro rata temporis for the remaining period of the mandate and limited at 200% of the annual remuneration of the last fiscal year of service. Granted long-term incentive plans that remain in existence do not stipulate a general compensation for the termination of the respective mandate but allow for good leavers to maintain parts of their instruments (depending on the individual case).

Further, within the scope of the Austrian Corporate Staff and Self-Employment Provision Act (BMSVG), ams OSRAM makes contributions to an employee provision fund in the statutory amount.

Generally, there are no specific entitlements of the Management Board members related to possible changes of control or comparable structural changes of the Company. However, share-based instruments may be subject to an accelerated vesting in case of a change of control given that the conditions for key metrics under the

long-term incentive plans typically materially change and measurement of target values may become impossible in such a scenario. The future remuneration for the Management Board no longer provides such accelerated vesting.

No loans or similar commitments are granted to members of the Management Board.

b) Shareholding requirements

Management Board members are obliged to have a qualifying interest in shares of the company. The amount of this qualifying interest is measured by the average weighted price of the shares over a period of the previous 12 (twelve) months is 300% of the base salary for the Chairman of the Management Board and 200% of the base salary for the other members of the Management Board. Half of the qualifying interest may be held in shares obtained through share-based compensation and half in vested options.

c) Claw-back provisions

Under the rules of the LTIP 2019 the LTIP Committee is entitled to cancel or claw back some or all of a participant's awards under predefined circumstances ("Claw-back"). Especially in but not limited to the case the Committee

- determines that financial results of the company were materially misstated,
- forms the view that in assessing any performance conditions imposed on an award assessment was based on an error, or on inaccurate or misleading information or assumption, or
- the individual ceases to be a director or employee of an ams group member as a result of material misconduct on the part of the individual.

Such Claw-back may be applied through direct repayment or a reduction in unvested awards of future grants, or a reduction in such other payments as might otherwise be due from the company to the individual (including outstanding bonus payments).

Comparable stipulations have been part of all long-term incentive plans since 2014.

There were no withdrawals of share-based payment instruments under the claw-back provisions in the fiscal year 2022.

The future remuneration policy for the Management Board provides that a claw-back should also be generally possible in the event of a material breach of duty, in case of at least slight negligence. Moreover, if administrative penalties or fines have been imposed on the company and the conduct of the board member has demonstrably contributed to this. In general, a claw-back should also cover all remuneration components.

d) Other benefits

There is no pension or early retirement scheme for members of the Management Board.

Management Board members are entitled to an upper-middle class passenger car for business and private purposes. Alternatively, board members can opt for a car allowance.

The company may conclude D&O insurance contracts for members of the Management Board for the duration of their respective Management Board function. In addition, ams-OSRAM AG may under certain circumstances take out a private accident insurance policy for the benefit of the members of the Management Board or for the benefit of a third party named by the respective member of the Management Board. To safeguard compliance with complex tax regulations, the company may bear the cost of tax consulting for Management Board members, especially if there are different tax legislation involved.

IV. Management Board remuneration

1. Setting of targets

At its meeting on April 6, 2023, the Remuneration Committee on behalf of the Supervisory Board decided on the amounts of short-term variable remuneration (performance bonus) based on achievement of the targets agreed in fiscal year 2022.

When setting the targets for fiscal year 2022, the Remuneration Committee placed the focus on the development of strategic growth, shareholder return and sustainability of the organization. Therefore, when defining the annual targets for the members of the Management Board, the Supervisory Board gave high priority to profitability and revenue growth, as well as, for the first time, to the achievement of an ESG-related target.

Consequently, the targets for fiscal year 2022 focused on adjusted EBIT with a weight of 65% and revenue with a weight of 20%. Furthermore, the preparation of a sustainability report in accordance to the GRI and a report to achievement of climate neutrality by 2030 with a weight of 15% were defined as additional performance indicators.

This also reflected the achievement of key commitments to shareholders for fiscal year 2022 which creates the basis for future profitable growth of the ams OSRAM group.

In detail, the following annual performance targets for receiving the short-term variable remuneration were set for the Management Board for fiscal year 2022:

Targets and target values ¹	0%	100%	150%	200%	Weighting of target
Revenues (excluding divestments in FY 2022) ²	4,215 €	4,315 €	4,565 €	4,815 €	20%
EBIT (excluding divestments in FY 2022) ²	103 €	111 €	182 €	253 €	65%
Qualitative targets (weighted equally): Creation of a Sustainability report according to GRI and a report for the achievement of climate neutrality by 2030 ³ Achievement of the “Ready for Equipment” milestone in the construction of a new factory in Kulim by January 31, 2023	No target reached	one target reached	-	both targets reached	15%

Based on the results of fiscal year 2022, the following target achievement was determined:

Targets ¹	Result at the end of the target period	Target achievement	Weighting of target	Contribution to overall target achievement
Revenues (excluding divestments in FY 2022) ²	4,388 €	115%	20%	23%
EBIT (excluding divestments in FY 2022) ²	-286 €	0%	65%	0%
Qualitative targets (weighted equally): Creation of a Sustainability report according to GRI and a report for the achievement of climate neutrality by 2030 ³ Achievement of the “Ready for Equipment” milestone in the construction of a new factory in Kulim by January 31, 2023 ⁴	both targets reached	200%	15%	30%
Overall target achievement				53%

¹ All values in EUR million

² Net-revenue and EBIT are based on audited and consolidated figures for ams OSRAM before the sale of business units. As defined by the Supervisory Board at the beginning of the fiscal year, disposals and deconsolidations of business units in fiscal 2022 were adjusted for target and actual values in the target measurement. Revenue in US dollars is adjusted using the budgeted exchange rate of 1.15 EUR/USD.

³ Target achievement for fiscal year 2022 for the preparation of a report on achieving climate neutrality by 2030 is measured against a plan to reduce carbon dioxide emissions and energy consumption by at least 50% between 2021 and 2029.

⁴ The milestone “Ready for Equipment” for the new factory building in Kulim (Malaysia) was reached as of December 31, 2022.

2. Total remuneration of the Management Board

Members of the Management Board received the following remuneration:

Table 1: Total remuneration granted¹

In kEUR	Fixed remuneration							Variable remuneration ³						Total Remuneration	
	Base Salary		Other benefits ²		Severance payments		Subtotal	Performance Bonus		Share-based compensation ⁴					
	Name (Position)	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Alexander Everke (CEO)	1,035	1,035	27	27	-	-	1,062	1,062	521	2,053	3,823	10,387	5,406	13,502	
Ingo Bank (CFO)	650	650	34	1,666 ⁵	-	124	686	2,440	327	1,289	1,600	4,346	2,611	8,075	
Dr. Thomas Stockmeier (CTO)	600	600	9	10	-	-	609	610	302	1,190	1,476	4,012	2,388	5,812	
Mark Hamersma (CBO)	600	600	51	29	-	-	651	629	302	1,190	1,476	4,012	2,429	5,831	
Total	2,885	2,885	121	1,732	-	124	3,006	4,741	1,453	5,722	8,375	22,756	12,835	33,219	

Table 2: Total remuneration paid

In kEUR	Fixed remuneration							Variable remuneration ³						Total Remuneration	
	Base Salary		Other benefits ²		Severance payments		Subtotal	Performance Bonus		Share-based compensation ⁴					
	Name (Position)	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Alexander Everke (CEO)	1,035	1,035	27	27	-	-	1,062	1,062	1,951	1,101	-	-	3,013	2,163	
Ingo Bank (CFO)	650	650	36	1,666 ⁵	-	-	686	2,316	1,225	682	-	-	1,911	2,998	
Dr. Thomas Stockmeier (CTO)	600	600	9	10	-	-	609	610	1,131	629	-	-	1,740	1,239	
Mark Hamersma (CBO)	600	600	51	29	-	-	651	629	1,131	629	-	-	1,782	1,258	
Total	2,885	2,885	121	1,732	-	-	3,006	4,617	5,438	3,041	-	-	8,444	7,658	

¹ Total remuneration granted includes - regardless of the time of payment - all remuneration components that were granted to a member of the Management Board in the fiscal year, at least in principle, and whose (future) amount can at least be estimated.

² Other benefits comprise an upper-middle class passenger car for business and private purposes and car allowance, D&O insurance, and under certain circumstances a private accident insurance policy for the benefit of the members of the Management Board or for the benefit of a third party named by the respective member of the Management Board. Other benefits are recognized at their taxable value.

³ The variable compensation depicts the amounts accrued (table 1) or paid (table 2).

⁴ The share-based compensation (LTI) is determined with the fair value of the options granted in each fiscal year and presented within the remuneration accrued. The options that can be exercised are only determined after the end of the vesting period based on target achievement. Options exercised, are presented as remuneration paid.

⁵ Thereof kEUR 1,645 cash settlement of long-term incentives (OSRAM Stock Awards) which Ingo Bank received in his capacity as member of the Management Board of OSRAM Licht AG and which were settled in cash according to a resolution of the Supervisory Board of OSRAM Licht AG.

Table 1a: Fixed and variable remuneration granted in relation to total remuneration

Name (Position)	Fixed remuneration				Variable remuneration			
	In kEUR	in %	In kEUR	in %	In kEUR	in %	In kEUR	in %
	2022	2021	2022	2021	2022	2021	2022	2021
Alexander Everke (CEO)	1,062	1,062	20%	8%	4,344	12,440	80%	92%
Ingo Bank (CFO)	686	2,440	26%	30%	1,927	5,635	74%	70%
Dr. Thomas Stockmeier (CTO)	609	610	26%	10%	1,779	5,202	74%	90%
Mark Hamersma (CBO)	651	629	27%	11%	1,779	5,202	73%	89%
Total	3,006	4,741	23%	14%	9,828	28,478	77%	86%

Table 2a: Fixed and variable remuneration paid in relation to total remuneration

Name (Position)	Fixed remuneration				Variable remuneration			
	In kEUR	in %	In kEUR	in %	In kEUR	in %	In kEUR	in %
	2022	2021	2022	2021	2022	2021	2022	2021
Alexander Everke (CEO)	1,062	1,062	35%	49%	1,951	1,101	65%	51%
Ingo Bank (CFO)	686	2,316	36%	77%	1,225	682	64%	23%
Dr. Thomas Stockmeier (CTO)	609	610	35%	49%	1,131	629	65%	51%
Mark Hamersma (CBO)	651	629	37%	50%	1,131	629	63%	50%
Total	3,006	4,617	36%	60%	5,438	3,041	64%	40%

3. Share-based compensation

Under the LTIP 2019, Management Board members are entitled to PSUs and SPSUs to be granted in July of the year following the respective fiscal year.

In the reporting year, a total of 1,549,509 options (2021 1,913,293 options) to acquire shares in ams-OSRAM AG were granted to members of the Management Board. All of these awards were granted from the LTIP 2019, thereof 995,900 PSUs and 553,609 SPSUs (2021: 1,186,243 PSUs and 727,050 SPSUs). The strike price for PSUs is EUR 1.00 (2021: EUR 1.00) and for SPSUs EUR 10,75 (2021: EUR 16,15). For terms and valuation of the options to acquire shares in ams-OSRAM AG from the LTIP 2014, SSOP 2017 and SLTIP 2018, SSOP 2019 and LTIP 2019 and also for anti-dilution measures please refer to Note 4 of the financial statements.

In the reporting period, 370,051 SPSUs were vested under the LTIP 2019 for current members of the Management Board. A total of 311,081 PSUs were forfeited under the LTIP 2019 because the relative TSR target for awards granted in 2019 was not met. In fiscal year 2022, 253,276 options vested due to the achievement of the grant period. These options were granted in 2017 under the SSOP 2017. The members of the Management Board held 93,825 shares and 6,773,104 options to acquire shares as of December 31, 2022 (93,825 shares and 5,534,676 options to acquire shares as at December 31, 2021).

The further exercise conditions of the individual stock option plans are shown in Tables 3a and 3b.

The vesting of PSUs under LTIP 2019 is subject to the achievement of the EPS and TSR performance criteria. For further information on the determination of these performance criteria, please refer to Chapter III. sub 3.

The EPS performance criteria for achieving vesting of the PSUs from the LTIP 2019 program has been budgeted at EUR 2.20. The reported basic EPS of 3.73 EUR in fiscal year 2019 has been adjusted for the expense from share-based compensation and in particular the result from business unit transactions. The target achievement for adjusted EPS compared to budget 2019 is 205%.

The TSR (Total Shareholder Return) is based on the performance of the share price of ams-OSRAM AG compared with a peer group of its major competitors (see Chapter II. for further information). The target achievement for fiscal year 2022 is measured by the TSR in the period of the quarter before the grant (Q2 2019) and the quarter before the vesting (Q2 2022). The TSR is a multiplier to determine the final allocation. As the TSR is 50% below the peer group, the target achievement is 0%. Any impact on the valuation of the TSR from the 2020 capital increase has been adjusted. The TSR performance criteria is determined annually by an independent auditor.

In detail, the following targets for share-based compensation were set for the Management Board for the 2022 fiscal year within LTIP 2019.

Target setting ¹	TSR			
	50%	100%	150%	200%
EPS	50%	100%	150%	200%
90%	0%	50 %	75 %	100 %
100%	0%	66,67 %	100 %	100 %
120%	0%	100 %	100 %	100 %

Based on the results of fiscal year 2022, the following target range was determined:

Targets ¹	Target achievement
EPS	>120%
TSR	<50%
Overall target achievement	0%

At the time of granting, the fair value is determined based on the defined number of options granted and accounted as equity-settled plan and accrued over the respective vesting period according to IFRS 2. The number of options based on target achievement at the end of the vesting period. The following table shows the fair value at grant date. The accrued expense recognized in the respective performance period is shown in Table 3b.

Fair Value at grant date

Name (Position)	Options granted		Fair Value in EUR	
	2022	2021	2022	2021
Alexander Everke (CEO)	707,247	873,290	3,822,685	10,386,800
Ingo Bank (CFO)	295,930	365,407	1,599,508	4,346,106
Dr. Thomas Stockmeier (CTO)	273,166	337,298	1,476,467	4,011,780
Mark Hamersma (CBO)	273,166	337,298	1,476,467	4,011,780
Total	1,549,509	1,913,293	8,375,127	22,756,465

¹ The target achievement for the vesting of LTIP2019 in the fiscal year 2022 is based on the targets for the tranche granted in fiscal year 2019.

Table 3a: Equity Incentive Plans - Main conditions

Equity Incentive Plan	LTIP 2014 (2015)	SSOP 2017	LTIP 2014 (2017)	LTIP 2014 (2018)	SLTIP 2018	SSOP 2019	LTIP 2019 (2019)	LTIP 2019 (2020)	LTIP 2019 (2021)	LTIP 2019 (2022)
Performance period	30.06.2015 – 30.06.2018	24.01.2017 – 24.01.2024	30.06.2017 – 30.06.2020	30.06.2018 – 30.06.2021	11.10.2018 – 11.10.2021	05.02.2019 – 05.08.2019	30.06.2019 – 30.06.2023	30.06.2020 – 30.06.2024	30.06.2021 – 30.06.2025	30.06.2022 – 30.06.2026
Grant date	30.06.2015	24.01.2017	30.06.2017	30.06.2018	11.10.2018	05.02.2019	09.09.2019	27.08.2020	19.08.2021	22.08.2022
Vesting date	30.06.2018	1/6 each year on 24.01.	30.06.2020	30.06.2021	1/3 each year on 11.10.	05.08.2019	30.06.2023	30.06.2024	30.06.2025	30.06.2026
End of holding period	30.06.2025	24.01.2023	30.06.2027	30.06.2028	11.10.2028	05.02.2029	30.06.2029	30.06.2030	30.06.2031	30.06.2032
Exercise period	30.06.2018 – 30.06.2025	24.01.2018 – 30.06.2027	30.06.2020 – 30.06.2027	30.06.2021 – 30.06.2028	11.10.2019 – 11.10.2028	05.08.2019 – 05.02.2029	30.06.2020 – 30.06.2029	30.06.2021 – 30.06.2030	30.06.2021 – 30.06.2031	30.06.2023-30.06.2032
Strike price	0.68	18.63	0.68	0.68	29.34	9.66	0.68 – 22.69	1.00 – 11.74	1 – 16.15	1-10.75

Table 3b: Equity Incentive Plans - Information regarding the reported fiscal year 2022

Alexander Everke (CEO)	LTIP 2014 (2015)	SSOP 2017	LTIP 2014 (2017)	LTIP 2014 (2018)	SLTIP 2018	SSOP 2019	LTIP 2019 (2019)	LTIP 2019 (2020)	LTIP 2019 (2021)	LTIP 2019 (2022)	Total
Stock options outstanding at 1.1	0	631,219	25,694	18,895	0	123,205	284,846	714,339	873,290	0	2,671,488
Stock options awarded	0	0	0	0	0	0	0	0	0	707,247	707,247
Anti Dilution measure	0	0	0	0	0	0	0	0	0	0	0
Stock options lost	0	0	0	0	0	0	176,605	0	0	0	-176,605
Stock options expired	0	0	0	0	0	0	0	0	0	0	0
Stock options exercised	0	0	0	0	0	0	0	0	0	0	0
Stock options outstanding at 31.12.	0	631,219	25,694	18,895	0	123,205	108,241	714,339	873,290	707,247	3,202,130
Thereof exercisable at 31.12.	0	517,084	25,694	18,895	0	123,205	54,124	135,724	82,963	0	957,689
Expense in fiscal year (EUR)	0	607,166	0	0	0	0	687,362	2,186,340	4,131,713	358,414	7,970,994

Table 3b: Equity Incentive Plans – Information regarding the reported fiscal year 2022 (continued)

Ingo Bank (CFO)	LTIP 2014 (2015)	SSOP 2017	LTIP 2014 (2017)	LTIP 2014 (2018)	SLTIP 2018	SSOP 2019	LTIP 2019 (2019)	LTIP 2019 (2020)	LTIP 2019 (2021)	LTIP 2019 (2022)	Total
Stock options outstanding at 1.1	0	0	0	0	0	0	0	294,223	365,407	0	659,630
Stock options awarded	0	0	0	0	0	0	0	0	0	295,630	295,630
Anti Dilution measure	0	0	0	0	0	0	0	0	0	0	0
Stock options lost	0	0	0	0	0	0	0	0	0	0	0
Stock options expired	0	0	0	0	0	0	0	0	0	0	0
Stock options exercised	0	0	0	0	0	0	0	0	0	0	0
Stock options outstanding at 31.12.	0	0	0	0	0	0	0	294,223	365,407	295,930	955,560
Thereof exercisable at 31.12.	0	0	0	0	0	0	0	55,902	34,714	0	90,616
Expense in fiscal year (EUR)	0	0	0	0	0	0	0	900,513	1,728,815	149,970	2,779,298

Dr. Thomas Stockmeier (CTO)	LTIP 2014 (2015)	SSOP 2017	LTIP 2014 (2017)	LTIP 2014 (2018)	SLTIP 2018	SSOP 2019	LTIP 2019 (2019)	LTIP 2019 (2020)	LTIP 2019 (2021)	LTIP 2019 (2022)	Total
Stock options outstanding at 1.1	45,807	421,225	15,123	12,599	0	72,559	108,447	271,964	337,298	0	1,285,022
Stock options awarded	0	0	0	0	0	0	0	0	0	273,166	273,166
Anti Dilution measure	0	0	0	0	0	0	0	0	0	0	0
Stock options lost	0	0	0	0	0	0	-67,238	0	0	0	-67,238
Stock options expired	0	0	0	0	0	0	0	0	0	0	0
Stock options exercised	0	0	0	0	0	0	0	0	0	0	0
Stock options outstanding at 31.12.	45,807	421,225	15,123	12,599	0	72,559	41,209	271,964	337,298	273,166	1,490,950
Thereof exercisable at 31.12.	45,807	334,950	15,123	12,599	0	72,559	20,607	51,674	32,044	0	595,513
Expense in fiscal year (EUR)	0	340,311	0	0	0	0	261,691	832,386	1,595,825	138,433	3,168,647

Table 3b: Equity Incentive Plans – Information regarding the reported fiscal year 2022 (continued)

Mark Hamersma (CBO)	LTIP 2014 (2015)	SSOP 2017	LTIP 2014 (2017)	LTIP 2014 (2018)	SLTIP 2018	SSOP 2019	LTIP 2019 (2019)	LTIP 2019 (2020)	LTIP 2019 (2021)	LTIP 2019 (2022)	Total
Stock options outstanding at 1.1	0	135,383	5,076	13,154	26,308	20,906	108,447	271,964	337,298	0	918,536
Stock options awarded	0	0	0	0	0	0	0	0	0	273,166	273,166
Anti Dilution measure	0	0	0	0	0	0	0	0	0	0	0
Stock options lost	0	0	0	0	0	0	-67,238	0	0	0	-67,238
Stock options expired	0	0	0	0	0	0	0	0	0	0	0
Stock options exercised	0	0	0	0	0	0	0	0	0	0	0
Stock options outstanding at 31.12.	0	135,383	5,076	13,154	26,308	20,906	41,209	271,964	337,298	273,166	1,124,464
Thereof exercisable at 31.12.	0	113,189	5,076	13,154	26,308	20,906	20,607	51,674	32,044	0	282,958
Expense in fiscal year (EUR)	0	160,188	0	0	0	0	261,691	832,386	1,595,825	138,433	2,988,524

4. Change in remuneration of the Management Board compared to the workforce

Comparison of the remuneration is possible starting as of fiscal year 2021, as the Group was subject to a significant structural change due to the Osram acquisition in fiscal year 2020.

For the presentation of the average remuneration of the employees, the average number of employees worldwide is used based on full-time equivalents.

In the fiscal year 2022, these comprised 23,322 employees (2021: 26,130).

The following table shows the annual change of base remuneration of the members of the Management Board compared to the change of the average base remuneration of employees worldwide.

The average base remuneration of the Management Board and employees is defined by wages and salaries (excluding special payments, bonus and share-based compensation).

Table 4: Comparison of average base remuneration of Management Board and employees

In kEUR	2022	2021	Change in %
Alexander Everke (CEO)	1,035	1,035	0.0%
Ingo Bank (CFO)	650	650	0.0%
Dr. Thomas Stockmeier (CTO)	600	600	0.0%
Mark Hamersma (CBO)	600	600	0.0%
Employees	39	36	9.1%
Net result – adjusted in mio. EUR	124	272	-54.4%
Basic adjusted earnings per share (in EUR)	0.47	1.05	-54.4%

Table 5: Average base remuneration of the Management Board in relation to the average base remuneration of the employees

	2022	2021	Change in %
CEO in relation to employees	26.5x	28.8x	-7.7%
Management Board (on average) in relation to employees	18.5x	20.0x	-7.7%

The following table provides an overview of the total remuneration granted to the Management Board and the average total remuneration of employees worldwide. The average total remuneration of employees includes base compensation, special payments, bonus and share-based compensation.

Table 6: Comparison of total remuneration of the Management Board and average total remuneration of employees

In kEUR	2022	2021	Change in %
Management Board	12,835	33,219	-61.4%
Employees	65	49	33.4%

Table 7: Average total remuneration of the Management Board in relation to the average total remuneration of the employees

	2022	2021	Change in %
CEO in relation to employees	82.7x	275.6x	-70.0%
Management Board (on average) in relation to employees	49.1x	169.5x	-71.0%

V. Supervisory Board remuneration

1. Principles for the remuneration of the Supervisory Board

The compensation of the Supervisory Board is based on the respective remuneration approved by the Annual General meeting on June 2, 2021. The remuneration is commensurate with the performance of the company and designed to promote the long-term development and business strategy of ams OSRAM. Moreover, the remuneration policy takes into account the size as well as the development of the business of the ams OSRAM group. It appropriately reflects the responsibility and scope of activities of each individual member of the Supervisory Board. Furthermore, it represents a market-conform and attractive remuneration in order to attract and retain qualified members for the Supervisory Board. It provides sufficient incentives for members of the Supervisory Board to act in accordance with the long-term development and business strategy of ams OSRAM. In addition, it facilitates a professionally and personally balanced composition of the board, especially regarding diversity and internationality of the body.

The remuneration of the Supervisory Board generally consists of a uniform base remuneration. In view of the extended scope of activities and the higher level of responsibility, the Chairperson of the Supervisory Board, the Deputy Chairperson, and the chairpersons of committees are granted a higher base remuneration than ordinary members of the Supervisory Board.

Supervisory Board members do not receive any form or variable or share-based compensation for their services. The Annual General Meeting may resolve that the members of the Supervisory Board receive an attendance fee for attending meetings of the Supervisory Board or a committee. The Annual General Meeting may also resolve the granting of a special remuneration for extraordinary activities of one of its members that go beyond the general duties expected from members of the Supervisory Board.

The company enters into D&O insurance contracts for members of the Supervisory Board. The employee representatives on the Supervisory Board perform their functions on an honorary basis in accordance with section 110 (3) of the Austrian Labour Constitution Act (ArbVG) and do not receive any remuneration. Each member of the Supervisory Board, including the employee representatives on the Supervisory

Board, is entitled to reimbursement of reasonable cash expenses. Employee representatives have not received any reimbursement for cash expenses for fiscal year 2022 or 2021.

No loans or similar commitments are granted to members of the Supervisory Board.

2. Total remuneration of the Supervisory Board

The remuneration for the members of the Supervisory Board was determined by the Annual General Meeting on June 2, 2021 with the following basic remuneration: Chairperson EUR 150 thousand, Deputy Chairperson EUR 125 thousand, each additional member of the Supervisory Board EUR 90 thousand. In addition, the chairperson of a Supervisory Board committee is remunerated with an additional EUR 20 thousand, although the chairperson of the Supervisory Board and her deputy are not granted such additional remuneration. The remuneration is due to the members of the Supervisory Board for one year of their activities on the Board, whereby the period begins with the election by the Annual General Meeting. If a member joins or leaves the Supervisory Board during the year, remuneration is paid pro rata temporis. Supervisory Board compensation is paid annually after the Annual General Meeting. This compensation arrangement applies unless the Annual General Meeting adopts a different resolution. The Annual General Meeting on June 23, 2023 is not planned to pass a resolution to this respect.

In fiscal year 2022, the remuneration of the Supervisory Board amounted to kEUR 855 (2021: kEUR 600). All remuneration was paid directly by the company. None of the members of the Supervisory Board provided consulting services in the year under review (2021: EUR 0). The remuneration for the Supervisory Board members presented shows the amounts actually paid during the fiscal year.

Members of the Supervisory Board held no shares and 414 options to purchase shares of ams-OSRAM AG as of December 31, 2022 (135,000 shares and 414 options to purchase shares as of December 31, 2021).

Table 8. Total remuneration of the Supervisory Board members

in kEUR Name (Position)	Base remuneration		Other benefits ³		Total remuneration	
	2022	2021	2022	2021	2022	2021
Dr. Margarete Haase (Chairwoman since June 24, 2022) ²	90	-	-	-	90	-
Dr. Wolfgang Leitner (Deputy Chairman since June 24, 2022) ²	-	-	-	-	-	-
Mag. Hans Jörg Kaltenbrunner (Chairman until June 24, 2022) ²	150	125	-	-	150	125
Dipl.-Kfm. Michael Grimm (Deputy Chairman until June 24, 2022) ²	125	105	-	-	125	105
Mag. Brigitte Ederer (Board Member)	90	-	-	-	90	-
Dr. Monika Henzinger (Board Member)	90	85	-	-	90	85
Brian Krzanich (Board Member) ¹	110	100	-	-	110	100
Kin Wah Loh (Board Member) ¹	110	100	-	-	110	100
Yen Yen Tan (Board Member)	90	85	-	-	90	85
Andreas Gerstenmayer (Board member since June 24, 2022)	-	-	-	-	-	-
Total	855	600	-	-	855	600

¹ Brian Krzanich (as Chairman of the Nomination Committee) and Kin Wah Loh (as Chairman of the Technology Committee) received a higher base remuneration.

² The Supervisory Board mandates of Hans Jörg Kaltenbrunner (Chairman) and Michael Grimm (Deputy Chairman) expired at the end of the Annual General Meeting on July 24, 2022. Dr. Margarete Haase (Chairwoman, previously member), Dr. Wolfgang Leitner (Deputy Chairman) and Andreas Gerstenmayer (member and Chairman of the Audit Committee) were appointed as their successors by the Annual General Meeting on July 24, 2022.

³ Reimbursements of cost incurred by Supervisory Board members are not reported under "other benefits" because they do not constitute remuneration to Supervisory Board members.