

# REMUNERATION REPORT AMS-OSRAM AG

for the fiscal year 2021

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## 1. Introduction

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

Based on the general principles determined in these policies, the remuneration report summarizes the principles used to determine the remuneration of the members of the Management Board for fiscal year 2021 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 2021 is presented on an individual basis.

The remuneration report for fiscal year 2021 is based on the requirements of § 78c Austrian Stock Corporation Law, respective rules of the Suisse stock exchange and additional best practice standards for remuneration disclosure. In addition, it considers comments and recommendations received from shareholders at the Annual General Meeting on 2 June 2021 in the context of the vote on the report for fiscal year 2020. In particular, compared to last year's disclosure, the following changes in the remuneration report for fiscal year 2021 have been implemented:

- More extensive disclosure on the remuneration system, its elements and the processes which are applied in determining executive remuneration (including Peer Group information);
- More detailed explanations on the targets for the annual variable compensation for Management Board members, including a comprehensive break down of the targets set for the last fiscal year. The targets for future reporting periods will include growth, profitability and/or cash-flow figures and selective strategic targets. A more detailed publication was considered but deemed not practicable because it would exceed ams OSRAM's financial guidance practices;
- Additional details on the current stock-based long-term incentive plan (LTIP 2019), information about vesting/forfeiture of stock-based remuneration in the reporting period, and decisions of the Supervisory Board about changes to be implemented in the forthcoming new LTIP plan;
- Clarifications on the non-use of stock-based remuneration for Supervisory Board members.

## 2. 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 total remuneration of the members of the Management Board is corresponding with the performance of the company and with customary remuneration in comparable positions in the worldwide semiconductor and technology industry, and that it supports the business strategy and long-term development of the company.

To prepare decisions in this field, the Supervisory Board established a Remuneration Committee consisting of the Chairperson of the Board, his deputy and up to one further member of the Supervisory Board. This committee is responsible for the passing of resolutions regarding conclusion, amendment and termination of employment contracts with Management Board members, and especially 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 of 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. On the basis of this evaluation, the committee recommends adjustments to the Management Board remuneration system or policy. It also sets the 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 set 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. 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 and 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 breakthrough 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 remain with the company in the long term.

**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 AG 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. below benchmark, and customary 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 whether the remuneration is at a competitive level, the Remuneration Committee looks at the 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 semiconductors and optical component markets. The resulting peer group is a balanced mix of companies offering semiconductors and optical solutions and consisted in fiscal year 2021 of the following companies: Analog Devices Inc., Broadcom Inc., Cirrus Logic Inc., Elmos Inc., Infineon Technologies AG, Maxim Integrated Products Ltd., Melexis Technologies NV, NXP Semiconductors N.V., O2Micro International Inc., ON-Semiconductors Corp., Qorvo Inc., Renesas Electronic Corp., STMicroelectronics N.V., Texas Instruments Inc. and TDK Corp. This group is regularly updated based on of independent expert advice. In this context, structural changes by M&A transactions, delisting etc. affecting peer companies are considered. As a result, OSRAM Licht AG, Dialog Semiconductor plc. and Cypress Semiconductor Corp. have recently been eliminated from the peer group.

Further, to prepare decisions, the Remuneration Committee considers the Management Board's remuneration relative to the remuneration of relevant parts of the ams OSRAM group workforce (vertical comparison). For this endeavor, data of Austrian, German and Suisse employees are analyzed, and this analysis is provided to the Remuneration Committee once a year.

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 and the remuneration

policy adopted by the Annual General Meeting in June 2020. When retaining these experts, established independence requirements for remuneration consultants are strictly observed.

### 3. Key remuneration elements for the Management Board

According to the remuneration policy approved by the Annual General Meeting on 2 June 2021, the remuneration system for the Management Board generally consists of three main elements:

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

As to the targeted weighing of these elements, the fixed base remuneration

(together with other contributions in kind) shall account for app. 10-30% or the overall remuneration, whereas the variable components (short term variable remuneration and fair value of long-term remuneration at grant date) are targeted to reach app. 70-90% or the overall remuneration. A comparably moderate base compensation and the 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.

#### 3.1 Fixed base remuneration

The fixed base remuneration of the members of the Management Board is a non-performance related compensation that is 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 base remuneration reflects the professional experience and the area of

responsibility of the individual member of the Management Board. The Supervisory Board decided to establish a moderate level of base remuneration compared to 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.

#### 3.2. 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 financial year. At the beginning of each fiscal year, on behalf of the Supervisory Board, its 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 (e.g. M&A

activities). Further, the targets take into account 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 is determined to use ESG performance indicators as part of the annual targets for members of the Management Board. A comprehensive ESG strategy for the combined ams OSRAM group will be determined during fiscal 2022. The Supervisory Board decided to support this process by including an initial ESG-related target in the remuneration system for fiscal 2022.

### 3.3 Long-term remuneration

The long-term remuneration 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 the framework of differently designed 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

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

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

Further information is available in chapter 4.

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 2021, 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 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 three different types of options, of which the first two of them are applicable to Management Board members:

#### **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.

#### **Restricted Share Units (RSUs/not to be granted to Management Board members):**

RSUs are subject to the achievement of a performance hurdle in accordance with the

performance criteria under ams OSRAM Profit Sharing Program. Over a four-year period, each year one quarter of the total tranche of RSUs becomes exercisable. Each granted RSU entitles the participants to purchase one share of the Company at an exercise price of EUR 1.00.

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.

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

All granted options must be exercised within ten years after grant.

Considering comments received from shareholders and in view of the overall

development of corporate governance standards for equity-based compensation plans, the LTIP Committee of the Supervisory Board already started preparations for a new LTIP scheme for ams OSRAM. This scheme will take into account the material growth of the company since 2019 which is coming with an increased number of senior managers and a different structure of businesses. As a basis for further detailing out the new plan conditions, the Supervisory Board decided in its meeting on 3 February 2022 that instruments under the new plan shall have a minimum vesting period for at least three years. Further, for shares

### 3.4 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 Salaried 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

resulting from exercised options a holding period of up to two years applies, ending at the fifth anniversary of the grant date. However, as an exception from this holding period, such shares may be sold earlier to cover tax and social security contributions. The performance criteria to be met under the new plan shall also comprise a relative criterion, so performance of ams OSRAM group compared to peer companies of its industry.

Further information on all existing LTIP plans is available in Note 4 to the Annual Financial Statements.

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 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 capped at 200% of the annual remuneration of the last financial 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 Corporate Staff and Self-Employment Provision Act (BMSVG), ams OSRAM AG 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 compa-

nable structural changes of the Company. However, equity-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.

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 equity-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.

#### 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 enter into 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 legislations involved.

## 4. Remuneration of the Management Board for Fiscal Year 2021

### 4.1 Setting of targets

At its meetings on 29. April 2022, the Remuneration Committee established the amounts of short-term variable remuneration (performance bonus) on behalf of the Supervisory Board.

When setting the targets for fiscal year 2021 the Remuneration Committee specifically considered the transformation of the company in connection with the full integration of OSRAM that was expected to be implemented during this period. Therefore, the annual targets for the Management Board put a high emphasis on cash pres-

ervation and a reasonable indebtedness of the company. Consequently, the targets for fiscal year 2021 were focused on structural portfolio measures, significant cash generation and improvements in the company's financial position. This also reflected the achievement of key commitments to shareholders for fiscal year 2021 which create the basis for future profitable growth of the OSRAM group.

In detail, the following annual performance bonus targets were set for the Management Board for fiscal year 2021:

Targets and target values <sup>1</sup>	0%	100%	150%	200%	Weighting of target
Consolidated Free Cash Flow <sup>2</sup>	100.0 €	156.0 €	200.0 €	250.0 €	50%
Net debt	1,900 €	1,699 €	1,550 €	1,400 €	20%
Preservation of acquired goodwill (target amount at FY end) <sup>3</sup>	2,868 €	2,934 €	2,967 €	2,999 €	10%
Divestment transactions executed <sup>4</sup>	None	Two	Three	Four	20%

Based on the results of fiscal year 2021, the following target achievement was determined:

Targets	Figure at end of measurement period	Target achievement	Weighting of target
Consolidated Free Cash Flow <sup>2</sup>	482 €	200%	50%
Net debt	1,406 €	198%	20%
Preservation of acquired goodwill (target amount at FY end) <sup>3</sup>	2,992 €	188%	10%
Divestment transactions executed <sup>4</sup>	4	200%	20%
Overall target achievement		<b>198%</b>	

<sup>1</sup>All values in mio. €

<sup>2</sup>Excluding investments in OSRAM share purchases and proceeds from OSRAM divestments.

<sup>3</sup>Without considering new goodwill or de-consolidation effects other than goodwill impairments, FX effects to be neutralized.

<sup>4</sup>Divestments of businesses of Business Unit DI promoted with binding agreements to be signed until April 2022 latest.

### 4.2 Total remuneration for Management Board members for Fiscal Year 2021

Members of the Management Board in fiscal year 2021 received the following remuneration:

Table 1. Total remuneration accrued

In kEUR	Fixed remuneration								Variable remuneration <sup>3</sup>		Total remuneration	
	Base Salary		Other benefits <sup>1</sup>		Severance benefits <sup>2</sup>		Total		Performance Bonus		2021	2020
Name (Position)	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020		
Alexander Everke (CEO)	1,035	697	27	27	0	300	1,362	1,024	2,053	1,470	3,415	2,494
Ingo Bank (CFO) <sup>4</sup>	650	434	1,666 <sup>5</sup>	11	124	108	2,440	553	1,289	1,066	3,729	1,619
Michael Wachsler (CFO) <sup>2</sup>	-	155	-	99	-	-	-	254	-	-	-	254
Thomas Stockmeier (CTO)	600	400	10	12	0	493	610	905	1,190	840	1,800	1,745
Mark Hamersma (CBO)	600	400	29	14	0	405	629	819	1,190	840	1,819	1,659
<b>Total</b>	<b>2,855</b>	<b>2,086</b>	<b>1,732</b>	<b>64</b>	<b>124</b>	<b>1,306</b>	<b>5,041</b>	<b>3,301</b>	<b>5,722</b>	<b>4,216</b>	<b>10,763</b>	<b>7,771</b>

Table 2. Total remuneration paid

In kEUR	Fixed remuneration								Variable remuneration <sup>3</sup>		Total remuneration	
	Base Salary		Other benefits <sup>1</sup>		Severance benefits <sup>2</sup>		Total		Performance Bonus		2021	2020
Name (Position)	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020		
Alexander Everke (CEO)	1,035	698	0	0	0	0	1,062	698	1,101	1,388	2,163	2,086
Ingo Bank (CFO) <sup>4</sup>	650	433	1,645	0	0	0	2,295	433	682	0	2,977	433
Michael Wachsler (CFO) <sup>2</sup>	-	155	-	0	-	2,734	-	2,889	-	908	-	3,797
Thomas Stockmeier (CTO)	600	400	0	0	0	0	659	400	629	793	1,288	1,193
Mark Hamersma (CBO)	600	400	0	0	0	0	629	400	629	793	1,258	1,193
<b>Total</b>	<b>2,855</b>	<b>2,086</b>	<b>1,645</b>	<b>0</b>	<b>0</b>	<b>2,734</b>	<b>4,645</b>	<b>4,820</b>	<b>3,041</b>	<b>3,882</b>	<b>7,686</b>	<b>8,702</b>

<sup>1</sup>The position of other benefits comprises the provision an upper-middle class passenger car for business and private purposes or 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. The other benefits are recognized at their taxable value.

<sup>2</sup>Michael Wachsler resigned from the Management Board effective 30 April 2020. As a former member of the Management Board and Chief Financial Officer, he received payouts of 3,797 million € in fiscal year 2020, thereof 2,734 million € as severance benefits. In fiscal year 2021, Mr. Wachsler received no remuneration as member of the Management Board.

<sup>3</sup>The variable compensation depicts the amounts accrued (table 1) or paid (table 2) for the respective financial period.

<sup>4</sup>Ingo Bank serves as member of the Management Board since 1 May 2020.

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

### 4.3 Long-term remuneration

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 1,913,293 options (2020 1,552,490 options) to acquire shares in ams-OSRAM AG were granted to members of the Management Board. All of these options were granted from the LTIP 2019, thereof 1,186,243 PSUs and 727,050 SPSUs (2020: 962,546 PSUs and 589,944 SPSUs). The strike price for PSUs is EUR 1.00 (2020: EUR 1.00) and for SPSUs EUR 16.15 (2020: EUR 11.74). Please refer to Note 4 to the financial statements for the 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 any anti-dilution measures.

In the reporting period, under LTIP 2019 195,154 stock options for current members of the Management Board vested, thereof 47,667 stock options (SPSUs) granted in 2019, and 147,487 stock options (SPSUs) granted in 2020. For PSUs under LTIP 2019, the vesting period was still running.

In addition, 294,106 stock options for current members of the Management Board of former or other LTIP programs vested in fiscal 2021 as follows:

- 44,648 options which were granted in 2018 under the LTIP 2014 plan, vested due to the achievement of the performance criteria EPS growth which was 345% (a minimum of 10% EPS growth is required for any vesting);
- 240,699 options which were granted in 2017 under SSOP 2017 vested due to time vesting;
- 8,759 options which were granted in 2018 under SLIP 2018 vested due to time vesting.

At the same time, 44,644 stock options lapsed because the relative TSR target for options under LTIP 2014 that were granted in 2018 was not met.

The directors of the Company held 93,825 shares and options to acquire 5,534,676 shares as at 31 December 2021 (93,825 shares and options to acquire 3,666,027 shares as at 31 December 2020).

Related parties of the members of the Management Board held 4,750 shares and no options to purchase shares of ams-OSRAM AG as of 31 December 2021 and 4,750 shares and no options as of 31 December 2020.

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

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 2021 (2021)
Performance period	30.06.2015 -	24.01.2017 -	30.06.2017 -	30.06.2018 -	11.10.2018 -	05.02.2019 -	30.06.2019 -	30.06.2020 -	30.06.2021 -
Award 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
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
End of holding period	30.06.2025	24.01.2025	30.06.2027	30.06.2028	11.10.2028	05.02.2029	30.06.2029	30.06.2030	30.06.2031
Exercise period	30.06.2018 -	24.01.2018 -	30.06.2020 -	30.06.2021 -	11.10.2019 -	05.08.2019 -	30.06.2020 -	30.06.2021 -	30.06.2021 -
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

Table 3b: Equity Incentive Plans – Information regarding the reported financial year 2021

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 2021 (2021)	Total
Stock options outstanding at 1.1	0	631.219	25.694	37.788	0	123.205	284.846	714.339	0	1.817.091
Stock options awarded	0	0	0	0	0	0	0	0	873.290	873.290
Anti Dilution measure	0	0	0	0	0	0	0	0	0	0
Stock options lost	0	0	0	-18.893	0	0	0	0	0	-18.893
Stock options expired	0	0	0	0	0	0	0	0	0	0
Stock options exercised	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	284.846	714.339	873.290	2.671.488
Thereof exercisable at 31.12.	0	501.948	25.694	18.895	0	123.205	18.290	54.124	48.231	790.387

Table 3b: Equity Incentive Plans – Information regarding the reported financial year 2021 (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 2021 (2021)	Total
Stock options outstanding at 1.1	0	0	0	0	0	0	0	294.223	0	294.223
Stock options awarded	0	0	0	0	0	0	0	0	365.407	365.407
Anti Dilution measure	0	0	0	0	0	0	0	0	0	0
Stock options lost	0	0	0	0	0	0	0	0	0	0
Stock options expired	0	0	0	0	0	0	0	0	0	0
Stock options exercised	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	659.630
Thereof exercisable at 31.12.	0	0	0	0	0	0	0	27.951	0	27.951

  

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 2021 (2021)	Total
Stock options outstanding at 1.1	45.807	421.225	15.123	25.197	0	72.559	108.447	271.964	0	960.322
Stock options awarded	0	0	0	0	0	0	0	0	0	0
Anti Dilution measure	0	0	0	0	0	0	0	0	0	0
Stock options lost	0	0	0	-12.598	0	0	0	0	0	-12.598
Stock options expired	0	0	0	0	0	0	0	0	0	0
Stock options exercised	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	108.447	271.964	337.298	947.724
Thereof exercisable at 31.12.	45.807	334.950	15.123	12.599	0	72.559	20.607	25.837	0	527.482

Table 3b: Equity Incentive Plans – Information regarding the reported financial year 2021 (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 2021 (2021)	Total
Stock options outstanding at 1.1	0	135.383	18.792	12.591	26.308	20.906	108.447	271.964	0	594.391
Stock options awarded	0	0	0	0	0	0	0	0	337.298	337.298
Anti Dilution measure	0	0	0	0	0	0	0	0	0	0
Stock options lost	0	0	-13.153	0	0	0	0	0	0	0
Stock options expired	0	0	0	0	0	0	0	0	0	-13.153
Stock options exercised	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	108.447	271.964	337.298	918.536
Thereof exercisable at 31.12.	0	97.653	5.076	13.154	26.308	20.906	20.607	25.837	0	584.569

## 5. Remuneration of the Supervisory Board

### 5.1 Principles for the remuneration of the Supervisory Board

The compensation of the Supervisory Board is based on the remuneration policy for the Supervisory Board of ams OSRAM AG as approved by the Annual General meeting on 2 June 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 AG. 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 AG. 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 stock-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.

## 5.2 Total Remuneration of the Supervisory Board

In fiscal year 2021, the remuneration of the company's Supervisory Board amounted to EUR 600 thousand (2020: EUR 658 thousand). All remunerations were or are paid directly by the company. None of the members of the Supervisory Board supplied consulting services in the year under review (2020: EUR 0). The remuneration for the Supervisory Board members presented shows the amounts actually paid during the fiscal year (as resolved by the Annual General

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 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 2020 or 2019.

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

Meeting on June 2, 2021). The remuneration for fiscal year 2022 will be determined in the Annual General Meeting on June 24, 2022.

Persons related to the Supervisory Board members held 135.0000 shares and 414 options to purchase shares of ams-OSRAM AG as of December 31, 2021 (135,000 shares and 553 options as of December 31, 2020).

Table 4. Total remuneration of the Supervisory Board members

in kEUR Name (Position)	Base remuneration		Other benefits <sup>3</sup>		Total remuneration	
	2021	2020	2021	2020	2021	2020
Mag. Hans Jörg Kaltenbrunner (Chairman)	125	125	0	6	125	131
Dipl.-Kfm. Michael Grimm (Deputy Chairman)	105	105	0	2	105	107
Mag. Brigitte Ederer (Board Member since July 2, 2021)	0	0	0	0	0	0
Dr. Margarete Haase (Board Member since July 2, 2021)	0	0	0	0	0	0
Dr. Monika Henzinger (Board Member)	85	85	0	0	85	85
Brian Krzanich (Board Member) <sup>1 2</sup>	100	100	0	0	100	100
Kin Wah Loh (Board Member) <sup>1</sup>	100	100	0	0	100	100
Yen Yen Tan (Board Member)	85	85	0	0	85	85
<b>Total</b>	<b>600</b>	<b>600</b>	<b>0</b>	<b>8</b>	<b>600</b>	<b>608</b>

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

<sup>2</sup> In 2019, the company concluded a consultant contract with Brian Krzanich for possible strategic advisory which was terminated effective June 30, 2020. In fiscal years 2020 and 2021, Mr. Krzanich received no compensation under this contract.

<sup>3</sup> For fiscal 2021, reimbursements of cost incurred by Supervisory Board members are no longer reported under "other benefits" because they do not constitute remuneration to Supervisory Board members.