



CORPORATE GOVERNANCE

Corporate governance represents a responsible type of management and control of companies that creates value in the long term. At SUSS MicroTec, we are guided by the German Corporate Governance Code, which is a proven standard of good corporate governance in Germany. Relevant details can be found in the following report.

Corporate Governance Report

Corporate governance has always been of great importance to SUSS MicroTec. The Management Board and Supervisory Board regard it as their obligation to ensure continuity and long-term value creation for the Company via responsible and sustainable corporate governance.

We are convinced that good and transparent corporate governance is an essential element of business success. Our goal is to reinforce the confidence that investors, financial markets, business partners, employees, and the public have put in us and to continuously enhance corporate governance within the Group. Extensive information on this topic can be found on our website.

Declaration of Compliance with the German Corporate Governance Code

SUSS MicroTec AG has complied with the recommendations of the German Corporate Governance Code (the Code), which was promulgated in 2002 and expanded in June 2009, for many years and with only a few exceptions. Also in the past fiscal year, the Management and Supervisory Boards of SUSS MicroTec AG dealt in detail with fulfilling the specifications of the Code, particularly the new requirements from June 18, 2009. Based on these

consultations, on November 3, 2009, the Management and Supervisory Boards passed the following declaration of compliance in accordance with Section 161 (1) of the German Stock Corporation Law (AktG).

SUSS MicroTec AG will comply with the recommendations of the German Corporate Governance Code in its version of June 18, 2009 with the following four exceptions and has complied with the recommendations of the Code in its version of June 6, 2008 for the period of November 7, 2008 to November 3, 2009 with three exceptions – the deductible for the directors' and officers' liability insurance (D&O insurance), the creation of committees, and the remuneration of Supervisory Board members.

+ Invitation to the Shareholders' Meeting/Proxy

The German Corporate Governance Code recommends in Section 2.3.2 that an invitation to the Shareholders' Meeting, including convention documents, be sent by electronic means to all domestic and foreign financial services providers, shareholders, and shareholder associations, insofar as all approval requirements have been met. To date, SUSS MicroTec has not met the approval requirements needed to send the convention documents by electronic means. As shares in the Company are bearer shares, it cannot be guaranteed that these requirements will be met in the future either.

+ Deductible for D&O Insurance

The German Corporate Governance Code recommends in Section 3.8 that upon concluding a directors' and officers' liability insurance policy, a deductible for the company Supervisory Board that complies with the legal requirements for board members be agreed. SUSS MicroTec AG has had D&O insurance without any body-specific deductible for the Supervisory Board for several years. In SUSS MicroTec's opinion, responsible actions of the Supervisory Board are not additionally promoted through the agreement of a corresponding deductible.

+ Creation of Committees

The German Corporate Governance Code recommends in Section 5.3 creating professionally qualified committees, depending on the specific circumstances of the company and the number of its Supervisory Board members. As the Supervisory Board of SUSS MicroTec AG now consists of three members following the resolution passed at the Shareholders' Meeting on June 19, 2008, the Company does not consider it necessary to create the corresponding committees. In particular, the Supervisory Board is of the opinion that the creation of committees would make the body's work unnecessarily difficult given the number of members.

+ Remuneration of Supervisory Board Members

In Section 5.4.6, the German Corporate Governance Code recommends a performance-based remuneration of Supervisory Board members as well as remuneration for serving on and chairing committees. The remuneration of Supervisory Board members is stipulated in Section 13 of the articles of incorporation. SUSS MicroTec AG's articles of incorporation currently do not provide for performance-based compensation of the Supervisory Board. In the Company's opinion, responsible actions of the Supervisory Board are not additionally promoted through the agreement of performance-based compensation for Supervisory Board members.

The wording of the current declaration of compliance as well as of all previous declarations regarding the Code are published on the Company's website.



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Furthermore, SUSS MicroTec AG voluntarily complies with the non-obligatory recommendations of the Code with the following restrictions:

- + Notwithstanding to Section 2.3.3 of the German Corporate Governance Code, the proxy cannot be reached during the Shareholders' Meeting, since this cannot be guaranteed with the legally required level of security at a justifiable financial expense.
- + Section 2.3.4 of the Code suggests that the shareholders of the Company be able to follow the Shareholders' Meeting via modern communication methods (e.g. the internet). Considering the additional costs that might arise from the use of this technology, a decision was made not to implement such measures at this time.
- + Since the Supervisory Board of SUSS MicroTec AG does not take part in the decision-making, there is no separate prearrangement of Supervisory Board meetings, notwithstanding to Section 3.6 (1) of the German Corporate Governance Code.



The Shareholders' Meeting – a Megaphone for the Shareholders

The annual Shareholders' Meeting at SUSS MicroTec is prepared with the goal of providing shareholders with all relevant information before, during, and after the meeting. The convening of the Shareholders' Meeting, along with the pending agenda items and the conditions for participation, is usually announced one-and-a-half months before the date of the meeting. All documents and information on the Shareholders' Meeting can be downloaded from the Company's website. A paper copy can also be requested from the IR department. We also try to make it easier for participants to exercise their rights. As such, shareholders can either exercise their voting right themselves at the Shareholders' Meeting or have this exercised via a proxy of their choice or a voting rights representative with instructions appointed by the Company. Instructions for exercising voting rights can be issued prior to the Shareholders' Meeting or at the meeting directly on site. We publish attendance figures and voting results from the Shareholders' Meeting on the internet immediately after the event.



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Notification of the convening of the Shareholders' Meeting has so far not been made by electronic means since the approval requirements are not yet fulfilled. SUSS MicroTec AG will follow relevant developments very closely and – if a change to the process in place until now is required – will recommend that the articles of incorporation be changed accordingly at a future Shareholders' Meeting.

Communication and Transparency

In order to guarantee the greatest extent of transparency possible and equal opportunities for all, corporate communication at SUSS MicroTec strives to inform all target groups in an equal and timely manner. The Company employs various means in order to do so. Aside from telephone conversations, conferences, road shows, and occasional company visits, we rely in particular on the corporate website to inform shareholders, institutional investors, analysts, and other interested parties about current developments at the Group. Along with obligatory publications, which are available to download in both German and English at www.suss.com/investor_relations/, it is now possible to view or download presentations from key events and Management Board interviews in video or audio format without charge. We regularly inform shareholders, analysts, members of the media, and any interested members of the public about any recurring events, for example the date of the Shareholders' Meeting or the publication dates of interim reports. This information can be found in the financial calendar published in our Annual Report and interim reports as well as on our Company's website.

Management and Supervisory Board Cooperation

As a German corporation ("AG"), SUSS MicroTec is subject to German stock corporation law and, therefore, has a dual management and control structure, which is exercised by the members of the Management and Supervisory Boards. The members of the Management Board bear joint responsibility for all management activities. They develop the Company's strategy, coordinate this with the Supervisory Board, and ensure that it is carried out. The Supervisory Board monitors and consults the

Management Board with regard to the management of the Company and appoints the members of the Management Board. Significant Management Board decisions – for example, acquisitions, divestments, and financial transactions – require its approval. The Supervisory Board of SUSS MicroTec AG is not co-determined.

The corporate management of SUSS MicroTec AG is defined by close and constructive cooperation between the Management and Supervisory Boards. Both Boards work together closely in the interest of the Company and with the common goal of increasing the enterprise value in the long run.

The Management Board informs the Supervisory Board about business policy and all relevant issues related to planning, business development, risk position, and risk management on a regular, prompt, and comprehensive basis. Deviations in business developments from the established plans and targets are explained and reasons for these are provided. As is stipulated in the German Corporate Governance Code, only one former member of the Management Board belongs to the Supervisory Board of SUSS MicroTec AG (this being Dr. Stefan Reineck). This guarantees the impartial consultation and monitoring of the Management Board.

In the 2009 reporting year, there were again no consultancy agreements or other service or labor contracts between the members of the Supervisory Board and the Company. In the 2009 reporting year, the Supervisory Board concluded a cooperative agreement with Thin Materials AG. At this time, their Chief Executive Officer Dr. Franz Richter was simultaneously Chairman of the Supervisory Board of SUSS MicroTec AG. In his capacity as chairman of the Supervisory Board of SUSS MicroTec AG, Dr. Richter abstained from votes on the contract. Otherwise, there were no conflicts of interest of members of the Management and Supervisory Boards, which must immediately be disclosed to the Supervisory Board and be made known at the Shareholders' Meeting.

Changes in the Management and Supervisory Boards

Effective February 1, 2009, Frank P. Averdung was appointed to the Company's Management Board as SUSS MicroTec AG's Chief Executive Officer. The former managing director of Carl Zeiss SMS GmbH (SMS – Semiconductor Metrology Systems) in Jena, Germany, takes on the functions of sales, marketing, production, work safety, research and development, patents, quality control, and Group strategy.

Christian Schubert, who assumed a seat on the Management Board on an interim basis on October 2, 2008, remained in the Management Board of the Company until the end of his contract on May 31, 2009. During that time, he dedicated his efforts particularly to the further optimization of purchasing and procurement as well as materials handling.

As had been announced prior to the Shareholders' Meeting on March 26, 2009, Dr. Franz Richter stepped down from his position as Chairman of the Supervisory Board of SUSS MicroTec AG at the conclusion of the Shareholders' Meeting on June 24, 2009. He did so of his own volition ahead of schedule. The reason for this decision was the avoidance of potential conflicts of interest, which might have arisen from his function as Chief Executive Officer of Thin Materials AG and Chairman of the Supervisory Board of SUSS MicroTec AG, after both companies entered into a cooperative agreement in the past fiscal year, although SUSS MicroTec did not rule out additional cooperative agreements in the area of thin wafer handling. Mr. Sebastian Reppgather was elected by the Shareholders' Meeting to the Company's Supervisory Board as his successor for the remainder of his original term.



Remuneration Report

Transparent and comprehensible representation of the Management Board remuneration has been a major element of good corporate governance at SUSS MicroTec for years. With the German Act on the Appropriateness of Management Board Compensation (VorstAG), which took effect on August 5, 2009, legislators have established new requirements for determining Management Board remuneration. The goal of the legislators is to link Management Board remuneration to sustainable and long-term-oriented corporate management. This goal is consistent with the principles on which Management Board remuneration at SUSS MicroTec is based. At various times since the summer of 2009 and particularly in its meeting on November 3, 2009, the Supervisory Board has dealt extensively with the new law and in particular with linking Management Board remuneration to sustainable corporate management. An external remuneration specialist was also consulted. After extensive consultations, the Supervisory Board adapted the Management Board remuneration system as of January 1, 2010 to the new law.

The overall compensation of members of the Management Board consists of remuneration components both independent of performance as well as based on performance. The components independent of performance consist of the base salary and fringe benefits in the form of a company car and subsidies for health insurance and unsolicited retirement insurance. The amount of fixed pay

is determined first and foremost by the roles and responsibilities assigned. In addition, employer pension commitments (retirement, disability, and widow's pension) in the form of direct insurance have been made to the members of the Management Board (endowment insurance). No other benefits of monetary value were granted.

The performance-based remuneration components of the Management Board are split into a variable remuneration, which is based on goals set individually, and a stock-based compensation geared toward the long-term success of the Company consisting of stock options. The Supervisory Board is responsible for setting the individual remuneration of Management Board members. The Supervisory Board plenum determines and monitors the compensation system for the Management Board on a regular basis and finalizes the Management Board contracts.

For Management Board contracts concluded after November 11, 2008, a compensation payment has been earmarked in case a member of the Management Board steps down prematurely and without significant cause. This is limited to no more than two years of compensation including fringe benefits (severance package cap) and compensates for no more than the remaining term of the employment contract. The Management Board contracts do not include approval for benefits arising from the premature termination of the Management Board function as a result of a change of control.

SUSS MicroTec AG paid the following remuneration to the members of the Management Board in the 2009 fiscal year:

Remuneration of the Management Board in 2009

Member of the Management Board	Base salary in €*	Variable remuneration for 2008 in €	Stock options number	Other payments in €**	Expenses for retirement benefits in €
Frank Averdung ^a	237,127.00	0.00	67,500	5,910.30	2,148.00
Michael Knopp	210,852.00	53,018.93	67,500	6,447.60	2,148.00
Christian Schubert ^b	111,144.78	20,000.00	–	–	–

* Included in the base salary are allowances for health insurance and a company car with personal use option.

** Allowance for voluntary retirement fund

a) Member of the Management Board since February 1, 2009

b) Member of the Management Board until May 31, 2009

Remuneration of the Supervisory Board in 2009

Supervisory Board	Remuneration acc. to Section 13 (1) of the articles of incorporation in €	Meeting attendance payment acc. to Section 13 (2) of the articles of incorporation in €	Reimbursement of expenses plus 19% VAT less 30% directors' taxes, etc. (Section 13 (3) of the articles of incorporation) in €
Dr. Franz Richter (Chairman of the Supervisory Board until June 24, 2009)	22,500.00	6,000.00	5,415.00 VAT less 1,298.00 D&O insurance = 4,117.00
Dr. Stefan Reineck (Chairman of the Supervisory Board since June 24, 2009)	42,500.00	13,500.00	8,976.34 plus 12,345.50 VAT less 1,947.00 D&O insurance = 19,374.84
Jan Teichert (Deputy Chairman of the Supervisory Board since June 24, 2009)	37,500.00	13,500.00	9,690.00 VAT less 1,082.00 D&O insurance = 8,608.00
Sebastian Reppgather (Member of the Supervisory Board since June 24, 2009)	17,500.00	7,500.00	4,050.00 plus 7,912.50 director's tax less 433.00 D&O insurance = -4,295.50

The remuneration of the Supervisory Board is set out in Section 13 of the articles of incorporation of SUSS MicroTec AG. In addition to the reimbursement of their expenses and meeting attendance compensation of € 1,500.00 per meeting, each member of the Supervisory Board also receives a fixed remuneration based on the responsibilities and duties of the member. According to this, the Chairman of the Supervisory Board receives € 45,000.00, the Deputy Chairman receives € 40,000.00, and a regular member of the Supervisory Board receives € 35,000.00 per fiscal year as fixed compensation.

In the 2009 fiscal year, neither the previous nor the current members of the Supervisory Board received any remuneration or benefits for personal services, particularly consultation and placement services.



Disclosure of Securities Transactions in 2009

Date of the transaction	Buyer/seller	Function/status	Type and place of transaction	Quantity number	Price in €	Total volume in €
06/25/09	Dr. Stefan Reineck	Chairman of the Supervisory Board	Purchase on the Frankfurt Stock Exchange	3,000	2.80	8,400.00
03/03/09	Frank Averdung	Chief Executive Officer	Purchase on XETRA	15,000	1.20	18,000.00
02/20/09	Frank Averdung	Chief Executive Officer	Purchase on XETRA	2,500	1.10	2,750.00

Directors' Dealings

In accordance with Section 15a of the German Securities Trading Law (WpHG), the members of the Management and Supervisory Boards are legally obligated to disclose the acquisition or sale of SUSS MicroTec AG shares or their corresponding financial instruments provided that the value of the transactions that a member of the Company and persons associated with him/her has carried out within the calendar year amounts to or exceeds € 5,000.

In the last fiscal year, three transactions were reported to SUSS MicroTec AG.

All dealings were published on the Company's website.



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Stock Option Plans

SUSS MicroTec AG views the issue of stock option plans as an important element of employee participation in the success of the Company as well as an opportunity to ensure that the executives are committed to the Company over the long term. The Company currently has three stock option plans. In each case, the options can be issued to members of the Management Board, members of management of associated companies within the meaning of Section 15 et seq German Stock Corporation Law (AktG), and to executives of SUSS MicroTec AG and companies associated with it within the meaning of Section 15 et seq AktG.

Stock Option Plan of 2002

From the Stock Option Plan of 2002 passed during the Shareholders' Meeting of June 14, 2002, 20,050 options were issued at the beginning of the 2009 fiscal year (of which 0 were issued to members of the Management Board). In the 2009 fiscal year, a total of 0 subscription rights were exercised. In the year under review, 4,500 options from the Stock Option Plan of 2002 expired. At the end of the fiscal year, a total of 15,550 options from the Stock Option Plan of 2002 were still outstanding. Of them, 15,550 options can be exercised at an exercise price of € 3.44 until the expiration date of August 2010, provided one of the performance goals described below is met: (i) the stock exchange price of the SUSS MicroTec share has increased by an average of 7.5% per annum during the period between issuing and exercising the options and the stock exchange price of the Company has developed the same as or better than the NEMAX or its successor index TecDAX during this period, or (ii) the stock exchange price of the SUSS MicroTec share has increased by an average of 10% per annum during the period between issuing and exercising the options. The stock exchange price on the issuance date to be used to determine the performance goals is € 4.91.

Stock Option Plan of 2005

At the beginning of the 2009 fiscal year, there were a total of 567,600 options outstanding under the Stock Option Plan of 2005 passed by the Shareholders' Meeting on June 21, 2005. In the 2009 reporting year, a total of 0 options were issued to members of the Management Board. A total of 163,700 options from the Stock Option Plan of 2005 expired in the 2009 fiscal year. No options from this plan were exercised in the 2009 fiscal year. The number of options still outstanding at the end of the fiscal year amounted to 403,900, of which 70,000 overall were held by members of the Management Board. The issued options can be exercised upon expiration of a two-year waiting period, provided one of the performance goals described below is met: (i) the stock exchange price of the SUSS MicroTec share has increased by an average of 7.5% per annum during the period between issuing and exercising the options and the stock exchange price of the Company has developed the same as or better than the TecDAX during this period, or (ii) the stock exchange price of the SUSS MicroTec share has increased by an average of 10% per annum during the period between issuing and exercising the options. The exercise and/or subscription prices amount to € 4.95 for 81,500 options issued on August 31, 2005, € 7.35 for 103,000 options issued on June 8, 2006, and € 8.39 for 189,400 options issued on May 23, 2007, and € 8.42 for 30,000 options issued on August 22, 2007.

Stock Option Plan of 2008

From the Stock Option Plan of 2008 passed during the Shareholders' Meeting of June 19, 2008, 0 options were issued at the beginning of the 2009 fiscal year (of which 0 were issued to members of the Management Board). In the 2009 fiscal year, a total of 438,250 subscription rights were issued. In the year under review, 2,500 options from the Stock Option Plan of 2008 expired. At the end of the 2009 fiscal year, a total of 435,750 options from the Stock Option Plan of 2009 were still outstanding. The issued options can be exercised upon expiration of a two-year waiting period, provided that the following performance goals are met: (i) the stock exchange price of the SUSS MicroTec share has increased by at least 0.625% per full calendar month during the period between the issue date and the first day on which the stock option is exercised and the stock exchange price of the SUSS MicroTec share has developed the same as or better than the TecDAX during this period in percentage, or (ii) the stock exchange price of the SUSS MicroTec share has increased by at least 0.833% per full calendar month during the period between the issue date and the first day on which the stock option is exercised. In addition to the performance goals (i) and (ii), for exercise periods within the first 36 months of the term of the stock options, the stock exchange price of the SUSS MicroTec share must reach € 5.00 at least once during the term until the first day of the exercise period; for exercise period; between the 37th month and the 48th month it must reach € 5.75 at least once during the term, and for exercise periods between the 49th month and the 60th month it must reach € 6.60 at least once during the term. The exercise and/or subscription prices amount to € 1.30 for 438,250 options issued on April 14, 2009.



Accounting and Annual Audit

SUSS MicroTec prepares its consolidated financial statements and interim reports in accordance with the International Financial Reporting Standards (IFRS) as are applied in the European Union for listed companies. The individual financial statements of SUSS MicroTec AG are prepared according to the provisions of the German Commercial Code (HGB).

On June 24, 2009, the Shareholders' Meeting appointed KPMG AG Wirtschaftsprüfungsgesellschaft from Munich, Germany as auditors and Group auditors of SUSS MicroTec AG for the 2009 fiscal year. The auditor has demonstrated its impartiality to the Supervisory Board in a declaration of impartiality. Furthermore, the auditor agreed to inform the Supervisory Board of all material findings and circumstances that arise while conducting the audit.

Ownership of Shares and Subscription Rights

	Number of shares on 12/31/2009	Change from 12/31/2008	Number of stock options on 12/31/2009	Change from 12/31/2008
Supervisory Board				
Dr. Stefan Reineck	9,600	–	40,000	–
Jan Teichert	0	–	0	–
Sebastian Repegather*	0	–	0	–
Management Board				
Frank Averdung**	27,500	+27,500	67,500	+67,500
Michael Knopp	22,500	–	97,500	+67,500
Christian Schubert***	0	–	0	–

* Supervisory Board member since June 24, 2009

** Member of the Management Board since February 1, 2009

*** Member of the Management Board until May 31, 2009

Company Bodies

Members of the Management Board of SUSS MicroTec AG and their mandates:

Frank Averdung

+ VDMA Productronic Association, Frankfurt am Main, Germany (Vice Chairman)

Michael Knopp

-

Christian Schubert

-

Members of the Supervisory Board of SUSS MicroTec AG and their mandates:

Dr. Franz Richter

Chief Executive Officer of Thin Materials AG, Munich, Germany

- + Siltronic AG, Munich, Germany (Member of the Supervisory Board)
- + Replisaurus Technologies, Inc., Kista, Sweden (Chairman of the Board of Directors)
- + EpiSpeed AG, Zug, Switzerland (Member of the Advisory Board)
- + SEMI industry association, San José, California, USA (Member of the International Board of Directors)

Dr. Stefan Reineck

Career board representative and partner of RMC Dr. Reineck Management & Consulting GmbH, Kirchartd, Germany

- + AttoCube Systems AG, Munich, Germany (Chairman of the Supervisory Board)
- + NanoScape AG, Munich, Germany (Chairman of the Supervisory Board)
- + Aleo solar Aktiengesellschaft, Prenzlau, Germany (Member of the Supervisory Board)
- + TF Instruments Inc. Monmouth Junction, New Jersey, USA (Member of the Board)
- + Phoseon Technology Inc., Hillsboro, Oregon, USA (Member of the Board)
- + Johanna Solar Technology GmbH, Brandenburg an der Havel, Germany (Chairman of the Advisory Board)*

Jan Teichert

Chief Financial Officer of Einhell Germany AG

Sebastian Reppegather

Investment Director at Fidiam S.A., Lugano, Switzerland

- + Sterling Strategic Value Limited, Tortola, British Virgin Islands (Member of the Board of Directors)
- + IED Beteiligungs-GmbH, Frankfurt am Main, Germany (Member of the Board)

* until 10/31/2009