

AMTECH SYSTEMS INC
Form DEF 14A
January 23, 2012

DEFINITIVE PROXY STATEMENT

SCHEDULE 14A

(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934 (Amendment No. ___)

Filed by the Registrant R

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Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Under Rule 14a-12

AMTECH SYSTEMS, INC.

(Name of Registrant as Specified in its Charter)

N/A

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

R No fee required.

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(1) Title of each class of securities to which transaction applies:

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(3) Filing Party:

(4) Date Filed:

AMTECH SYSTEMS, INC.
131 SOUTH CLARK DRIVE
TEMPE, ARIZONA 85281

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD ON MARCH 15, 2012

To Our Shareholders:

The 2012 Annual Meeting of Shareholders of AMTECH SYSTEMS, INC., an Arizona corporation (the “Company”), will be held at the Hilton Phoenix Airport Hotel, 2435 South 47th Street, Phoenix, Arizona, USA, on Thursday, March 15, 2012, at 9:00 a.m., Arizona time, for the following purposes:

1. To elect seven (7) directors to serve for one-year terms or until their successors are elected and qualified;
2. To ratify the appointment of Mayer Hoffman McCann P.C. as the Company’s independent registered public accountants for the fiscal year ending September 30, 2012;
3. To hold an advisory vote approving the compensation of the Company’s named executive officers;
4. To hold an advisory vote on the frequency of the vote on the compensation of the Company’s named executive officers; and
5. To transact such other business as may properly come before the meeting or its adjournment.

The foregoing items of business are more fully described in the Proxy Statement accompanying this notice. The Company is presently aware of no other business to come before the Annual Meeting.

Important Notice Regarding the Availability of
Proxy Materials for the Meeting

The proxy statement and annual report to security holders are also available at <http://www.amtechsystems.com/proxy.htm>. The materials available on this website include this notice, the proxy statement, the proxy card and our annual report on Form 10-K.

The Board of Directors has fixed the close of business on January 18, 2012 as the record date (the “Record Date”) for the determination of shareholders who hold the Company’s common stock who are entitled to notice of, and to vote at, the Annual Meeting or any postponement or adjournment thereof. Shareholders are reminded that their shares of the Company’s common stock can be voted at the annual meeting only if they are present at the Annual Meeting in person or by valid proxy. A copy of the Company’s 2011 Annual Report, which includes our audited financial statements, was mailed with this Notice and Proxy Statement to all shareholders of record on the Record Date.

Management of the Company cordially invites you to attend the Annual Meeting. Your attention is directed to the attached Proxy Statement for a discussion of the foregoing proposals and the reasons why the Board of Directors encourages you to vote FOR approval of such proposals.

By Order of the Board of Directors:

Bradley C. Anderson, Secretary

Tempe, Arizona

January 23, 2012

IMPORTANT: IT IS IMPORTANT THAT YOUR SHARES BE REPRESENTED AT THIS MEETING. PLEASE COMPLETE, DATE, SIGN AND PROMPTLY MAIL THE ENCLOSED PROXY CARD IN THE ACCOMPANYING ENVELOPE, WHICH REQUIRES NO POSTAGE IF MAILED IN THE UNITED STATES.

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AMTECH SYSTEMS, INC.
131 SOUTH CLARK DRIVE
TEMPE, ARIZONA 85281

PROXY STATEMENT

The Board of Directors of Amtech Systems, Inc., an Arizona corporation (the “Company”), is soliciting proxies to be used at the 2012 Annual Meeting of Shareholders of the Company to be held on Thursday, March 15, 2012, at 9:00 a.m., Arizona time, and any adjournment or postponement thereof (the “Annual Meeting”). A copy of the Notice of the Meeting accompanies this Proxy Statement. This Proxy Statement and the accompanying form of proxy will be mailed to all shareholders entitled to vote at the Annual Meeting beginning January 26, 2012.

Who Can Vote

Shareholders of record as of the close of business on January 18, 2012 (the “Record Date”), may vote at the Annual Meeting and at any and all adjournments or postponements of the meeting. On the Record Date, 9,478,457 shares of the Company’s common stock, \$.01 par value (“Common Stock”) were issued and outstanding.

What Constitutes a Quorum

The presence, in person or by proxy, of the holders of a majority of the voting power of the outstanding shares of Common Stock entitled to vote is necessary to constitute a quorum at the Annual Meeting. Abstentions and broker non-votes are included in the number of shares present at the meeting for purposes of determining a quorum. A broker “non-vote” occurs when a nominee holding shares for a beneficial owner does not vote on a particular proposal because the nominee does not have discretionary voting power for that particular item and has not received instructions from the beneficial owner.

How to Attend the Meeting

If you are a shareholder of record, which means you hold your shares in your name, you may attend the meeting. If you own shares in the name of a bank, broker or other holder of record (“street name”), you will need to ask your broker or bank for a copy of the proxy they received from us. You will need to bring the proxy with you to the Annual Meeting.

How to Vote

If you are a shareholder of record, you may vote by mail or in person. To vote by mail, sign, date and return your proxy card in the enclosed postage-paid envelope. All valid proxies received before the Annual Meeting, and not properly revoked, will be exercised. If you sign and return your proxy card, but do not give voting instructions and authority to vote is not specifically withheld, the shares represented by that proxy will be voted as recommended by our Board of Directors. If you have specified a choice with respect to any matter to be acted upon, the shares will be voted in accordance with the specifications so made. The accompanying form of proxy solicited by the Board of Directors confers discretionary authority to cumulate votes with respect to the election of directors. Unless you have specified on the proxy card how you want your shares voted with respect to the election of directors, the proxy agents intend to cumulatively vote all of the shares covered by the proxies solicited by this Proxy Statement in favor of the number of nominees named in this Proxy Statement as they may, in their discretion, determine is required to elect the maximum number of nominees named in this Proxy Statement.

All shareholders may vote in person at the Annual Meeting (unless they are street name holders without a legal proxy). If your shares are held in street name, you will receive instructions from the holder of record that you must follow in order for your shares to be validly voted.

We are not aware of any other matters to be presented at the Annual Meeting, except those described in this Proxy Statement. However,

if any other matters not described in this Proxy Statement are properly presented at the Annual Meeting, the proxies will use their own judgment to determine how to vote your shares. If the Annual Meeting is adjourned, your Common Stock may be voted by the proxies on the new meeting date as well, unless you have revoked your proxy prior to that time.

What are the Voting Rights of Holders of Common Stock

Except as set forth below with respect to the ability to cumulate votes for directors, the holders of Common Stock will be entitled to one vote per share of Common Stock.

What Vote is Required to Approve Each Item

If a quorum is present, the seven nominees who receive a plurality of the votes cast at the Annual Meeting will be elected. Broker non-votes and votes that are withheld will have no effect on the results of the vote for the election of directors. If a quorum is present, a majority of votes cast by holders of Common Stock represented and entitled to vote at the Annual Meeting will constitute a ratification of the appointment of Mayer Hoffman McCann P.C. as the Company's independent registered public accountants.

Approval of the advisory vote on the compensation of our named executive officers requires the affirmative vote of a majority of the shares of common stock present or represented at the Annual Meeting and entitled to vote. With respect to the advisory vote on the frequency of the vote on the compensation of our named executive officers, the option of one year, two years or three years that receives the highest number of votes cast by stockholders present or represented at the Annual Meeting and entitled to vote will be the frequency for the advisory vote on executive compensation. Because both votes are advisory, they will not be binding upon the Board of Directors. However, the Compensation and Stock Option Committee will take into account the outcome of the votes when considering future executive compensation arrangements and when considering the frequency of the advisory vote on named executive officer compensation.

Changing Your Vote

You may revoke your proxy at any time before it is exercised in one of three ways:

- By delivering to our offices, to the attention of our Corporate Secretary prior to the vote at the Annual Meeting, a written instrument of revocation bearing a date later than that of the proxy;
- By duly executing and delivering to our offices, to the attention of our Corporate Secretary prior to the vote at the Annual Meeting, a proxy for the same shares bearing a later date.; or
- By voting by ballot at the Annual Meeting, provided that the shareholder notifies our Corporate Secretary at the Annual Meeting of his or her intention to vote in person at any time prior to the voting of the proxy.

How Votes are Counted

Inspectors of election will be appointed for the Annual Meeting. The inspectors of election will determine whether or not a quorum is present and will tabulate votes cast by proxy or in person at the Annual Meeting. If you have returned valid proxy instructions or attend the Annual Meeting in person, your Common Stock will be counted for the purpose of determining whether there is a quorum. Abstentions and broker non-votes will be included in the determination of the number of shares represented for a quorum. Generally, broker non-votes occur when a beneficial owner does not provide instructions to their broker with respect to a matter on which the broker is not permitted to vote without instructions from the beneficial owner. In tabulating the voting result for any particular proposal, shares that constitute broker non-votes are not considered entitled to vote or votes cast on that proposal. Accordingly, broker non-votes will not affect the outcome of any matter being voted on at the meeting, assuming that a quorum is obtained.

Costs of this Proxy Solicitation

We will pay the costs of preparing and mailing the Notice and Proxy Statement, including the charges and expenses of brokerage firms, banks and others who forward solicitation material to beneficial owners of the Common Stock. We will solicit proxies by mail. Officers and directors of the Company may also solicit proxies personally, or by telephone or facsimile, without additional compensation. We have not retained any outside party to assist in the solicitation of proxies; however, we have retained Computershare Trust Company,

N.A. and Broadridge Financial Solutions, Inc. to provide certain administrative services in connection with the proposals in this Proxy Statement, including coordinating the distribution of proxy materials to beneficial owners of Common Stock, contacting stockholders to ensure they have received this Proxy Statement and overseeing the return of proxy cards.

Annual Report

The Company's Annual Report to Shareholders for the fiscal year ended September 30, 2011 (the "Annual Report") has been mailed concurrently with the mailing of the Notice of Annual Meeting and Proxy Statement to all shareholders entitled to notice of, and to vote at, the Annual Meeting. The Annual Report is not incorporated into this Proxy Statement, and is not considered proxy-soliciting material.

The information contained in the "Report of Compensation and Stock Option Committee" and "Audit Committee Report" shall not be deemed "filed" with the Securities and Exchange Commission or subject to Regulations 14A or 14C or to the liabilities of Section 18 of the Securities Exchange Act of 1934, and shall not be deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934.

PROPOSAL NO. 1 – ELECTION OF DIRECTORS

Number of Directors to be Elected

Our Board of Directors will consist of seven members. Each director elected will hold office for one year or until his successor is elected and qualified. If any director resigns, or otherwise is unable to complete his term in office, our Board may elect another director for the remainder of the resigning director's term.

Vote Required

The seven nominees receiving the highest number of votes cast at the Annual Meeting will be elected. There is cumulative voting in the election of directors. This means that each holder of Common Stock present at the Annual Meeting, either in person or by proxy, will have an aggregate number of votes in the election of directors equal to seven (the number of persons nominated for election as directors) multiplied by the number of shares of Common Stock held by such shareholder on the Record Date. The resulting aggregate number of votes may be cast by the shareholder for the election of any single nominee, or the shareholder may distribute such votes among any number or all of the nominees. In order to exercise cumulative voting, the voting shareholder must complete the proxy card and indicate cumulative voting in accordance with the instructions included on the proxy card.

Nominees of the Board

Our Board of Directors is responsible for supervision of the overall affairs of the Company. Our Board has nominated the following individuals to serve on our Board of Directors for the following year:

Michael Garnreiter

Alfred W. Giese

Egbert J. G. Goudena

SooKap Hahn

Robert F. King

Fokko Pentinga

Jong S. Whang

Each of these nominees currently serves on our Board of Directors, and has agreed to be named in this Proxy Statement and to serve if elected. See below for information regarding each of the nominees.

There are no family relationships among any of the Company's directors or executive officers.

Our Board of Directors recommends a vote FOR the election of the seven nominees under Proposal No. 1. Our Board of Directors intends to vote its proxies for the election of the nominees, for a term to expire at the next Annual Meeting. In that regard, our Board of Directors solicits authority to cumulate such votes.

If any nominee should become unavailable for any reason, which our Board of Directors does not anticipate, the proxy will be voted "for" any substitute nominee, or nominees, who may be selected by our Board of Directors prior to, or at, the Annual Meeting, or, if no substitute is selected by the Board prior to or at the Annual Meeting, for a motion to reduce the present membership of the Board to the number of nominees available. The information concerning the nominees and their share holdings in the Company has been furnished by them to the Company.

Information Concerning Directors and Executive Officers

The following table sets forth information regarding the executive officers and directors of Amtech. The subsequent paragraphs contain biographical data for each executive officer and director.

Name	Age	Position with the Company
Jong S. Whang	66	Executive Chairman and Director
Fokko Pentinga	56	President, Chief Executive Officer and Director*
Bradley C. Anderson	50	Executive Vice President – Finance, Chief Financial Officer, Treasurer and Secretary
Robert T. Hass	61	Vice President and Chief Accounting Officer
Jeong Mo Hwang	59	Vice President and Chief Technology Officer
Michael Garnreiter	59	Director
Alfred W. Giese	73	Director
Egbert J. G. Goudena	62	Director
SooKap Hahn	63	Director
Robert F. King	78	Director

* On September 29, 2011 Fokko Pentinga was promoted to Chief Executive Officer. Previous Chief Executive Officer and Chairman of the Board, Jong S. Whang, has been elected Executive Chairman and will retain his current position as Chairman of the Board. These changes were effective January 1, 2012.

Jong S. Whang has been a Director since our inception in 1981, and Mr. Whang was one of our founders. Mr. Whang served as our Chief Executive Officer since our inception until January 1, 2012 when Mr. Pentinga was promoted to that position. Effective as of January 1, 2012, Mr. Whang serves as our Executive Chairman and Chairman of the Board. Also, Mr. Whang had served as our President until March 2010 when Mr. Pentinga was promoted to that position. Mr. Whang's responsibilities include the sales and marketing effort for our solar and semiconductor equipment business and the development of new products and business opportunities in those industries. He has 36 years of experience in the solar and semiconductor industries, including time spent in both processing and manufacturing of equipment components and systems. From 1973 until 1979, he was employed by Siltronics, Inc., initially as a technician working with chemical vapor deposition, and later as manager of the quartz fabrication plant with responsibility of providing technical marketing support. From 1979 until 1981, he was employed by U.S. Quartz, Inc. as manufacturing manager. In 1981, he left U.S. Quartz to form Amtech. Mr. Whang brings extensive senior management experience and knowledge of our Company and the markets we serve to the Board of Directors. Mr. Whang is also uniquely positioned to provide the Board of Directors with in-depth and timely information about Company operations and with insight as to his strategic vision for the Company.

Fokko Pentinga has been our President since March 2010. Retaining the position of President, effective January 1, 2012, Mr. Pentinga also serves as our Chief Executive Officer. From December of 2008 until his promotion to President in March 2010, Mr. Pentinga served as Managing Director of Amtech Europe, which is comprised of the Company's two European subsidiaries, Tempres Systems ("Tempres") in Vaassen, the Netherlands, and R2D Automation ("R2D") near Montpellier, France. During that time Mr. Pentinga also served as General Manager of Tempres (a position he held for 15 years) and President of R2D (a position he held for two years). Mr. Pentinga has over 30 years of experience in the semiconductor and solar industries. The Board of Directors expects to benefit significantly from Mr. Pentinga's participation due to his extensive experience in the company and in the markets we serve.

Bradley C. Anderson joined us as Vice President-Finance, Chief Financial Officer, Treasurer and Secretary in April 2006. Prior to that, Mr. Anderson spent several years in a consulting role implementing the internal control requirements of the Sarbanes-Oxley Act for a broad range of publicly held companies. From 1996 to 2002, Mr. Anderson served as Vice President-Finance and then as Chief Financial Officer of Zila, Inc., an international provider of healthcare technology and products. Mr. Anderson began his career with Deloitte (formerly Deloitte & Touche) where he worked for over 11 years. He graduated from Brigham Young University with a Bachelor of Science in Accounting. Mr. Anderson is a Certified Public Accountant.

Robert T. Hass has been our Chief Accounting Officer, Assistant Treasurer and Assistant Secretary since April 2006. Prior to that, he served as our Vice President - Finance, Chief Financial Officer, Treasurer and Secretary from June 1992 to April 2006, and as Director from February 1996 to March 2006. From 1991 until May 1992, he operated a financial consulting practice. From 1985 to 1991, Mr. Hass was Director of Accounting Services and then Controller for Lifeshares Group, Inc., and from 1988 to 1991, was Controller and Chief Accounting Officer of some of Lifeshares' subsidiaries. From 1984 to 1985, he was Vice President - Finance and Treasurer of The Victorio Company. From 1977 to 1984, he served in various capacities including Vice President, Chief Financial Officer and Treasurer of Altamil Corporation, then a public diversified manufacturing company. From 1972 to 1977, he was an auditor with Ernst & Ernst, now known as Ernst & Young. He has a Bachelor of Science degree in Accounting from Indiana University. Mr. Hass is a Certified Public Accountant.

Jeong Mo Hwang, Ph.D. has been the Vice President and Chief Technology Officer of the Company since April 2011. Dr. Hwang was a Director from June 2009 until he resigned in April 2011. Dr. Hwang most recently served as Director of Process Engineering in charge of magnetic memory process technology development for Magsil Corp. from 2009 to 2010. He received a Ph.D. in electrical engineering from Arizona State University where his graduate research related to modeling high-level light illumination effects on solar cell efficiency. He has over 20 years of solar and semiconductor technology experience. From 2008 to 2009, Dr. Hwang was a senior manager in charge of NOR flash periphery device development for Spansion Inc. He was Director of Process Engineering for Simtek Corp. from 2005 to 2008, managing the development of non-volatile SRAM products. From 2000 to 2004, he was VP of Research and Development for Dongbu-Anam Semiconductor Inc. and led the development teams for standard CMOS logic processes as well as other specialty technologies. Prior to 2000, Dr. Hwang held engineering, and technology leadership positions with leading semiconductor companies, LG Semicon Co., Texas Instruments and Westinghouse. Dr. Hwang also has a Masters of Science degree in Electrical Engineering from Korea Advanced Institute of Science and Technology and a Bachelors degree in Electronics Engineering from Pusan National University in Korea. Dr. Hwang's engineering expertise allowed him to provide the Board of Directors with insight into the technological aspects of the Company's business, including research and development.

Michael Garnreiter has been a Director since February 2007. He is currently a managing director of Fenix Financial Forensics, a Phoenix-based financial consulting firm. From August 2006 until January 2010, he was a managing member of Rising Sun Restaurant Group LLC and from December 2008 until December 2009, he was president of New Era Restaurants, LLC, both of which are privately held restaurant operating companies. Mr. Garnreiter serves on the boards of directors of Taser International, a manufacturer of non-lethal protection devices, Knight Transportation Company, a nationwide truckload transportation company, and IA Global, Inc., an Asian business processes outsourcing company. From 2002 to 2006, Mr. Garnreiter was CFO of Main Street Restaurant Group, a publicly traded restaurant operating company, and from 1976 to 2002, he was a senior audit partner of Arthur Andersen LLP. He graduated from California State University Long Beach with a Bachelor of Science in Accounting and Business Administration. Mr. Garnreiter is a Certified Public Accountant and Certified Fraud Examiner. Mr. Garnreiter's financial background and expertise allows him to provide valuable advice to the Board of Directors and to the Company's Audit Committee as well as the Company's Nominating and Governance Committee.

Alfred W. Giese has been a Director since April 2007. Since 2001, Mr. Giese has been the Senior Partner of IBC, International Business Consultants where, between 2001 and 2006, he focused on sales and marketing for Aviza Technology Corporation, a semiconductor equipment manufacturer. He also assembled and managed a sales and marketing team for Epion Corporation, a high-technology equipment company which was acquired by TEL (Tokyo Electron Ltd.). From 1998 to 2001, he was the Vice President, Sales for Silicon Valley Group, or SVG, with responsibility for both Asia and Europe. From 1988 to 1998, Mr. Giese held positions of Vice President of Sales with Thermco Systems, Corp. and SVG, both semiconductor equipment companies. Prior to 1988, he held various sales positions for Thermco. For several years during that time, he served on the Board of Directors of Thermco's joint venture company in Japan. Mr. Giese has a degree in International Business from the Industriehochschule in Essen, Germany. Due to Mr. Giese's extensive sales and marketing experience, specifically in the areas of technology relevant to the Company, Mr. Giese is able to provide the Board of Directors with valuable advice in those areas. Mr. Giese also provides the Board of Directors with financial advice as a member of the Company's Audit Committee.

Egbert J. G. Goudena has been a Director since December 2009. Since 1987, Mr. Goudena has been the operations manager of the research labs of the Delft Institute of Microsystems and Nanoelectronics (DIMES) of the Delft University of Technology in The Netherlands. His responsibilities include managing the logistics and infrastructure of the research labs including prototyping and small-scale production. DIMES was established in 1987 and is a strong international center of excellence providing experimental research in many technology areas, including solar cells. In 2008, Mr. Goudena co-founded ISZGRO Diodes, a company that was formed to deliver logistics services to technology companies and to produce extreme ultraviolet (EUV) detectors. Mr. Goudena received a Bachelor of Engineering degree in Chemical Technology from the H.T.S. Wegstraat in The Hague. Mr. Goudena's experience in research and

technology allows him to advise the Board of Directors with respect to the Company's research and development activities, which are key components of the Company's business strategies.

SooKap Hahn, Ph.D. has been a Director since April 2011. Since 1997, Dr. Hahn has managed SKW Associates, Inc. which provides standard characterization products for the chemical-mechanical polishing process used in the semiconductor manufacturing industry. In 1995 and 1996, he was a technical advisor for the Ministry of Science and Technology in Brazil. He was a distinguished guest professor at Helsinki University in 1986 and at Universidade de Sao Paulo in Sao Paulo, Brazil in 1994 and 1995. Dr. Hahn brings more than 30 years of semiconductor experience to Amtech's Board. He obtained his M.S. and Ph.D. degrees in Materials Science and Engineering from Stanford University in 1975 and 1978, respectively, and in 1991 joined Stanford University's faculty as a consulting professor. His career also includes senior management positions at Siltec Corporation and LG Siltron (a Korean wafer manufacturing company). In 1994, he started a high technology consulting company and has been carrying out various high technology transfer projects between the USA and Pacific Rim countries. He has organized more than 25 national and international technical symposia on CMP, Defect Engineering, Materials Characterization, Wafers, SOI (Silicon-On-Insulator) and Wafer Cleaning. Dr. Hahn's international experience in the semiconductor industry allows him to provide advice to the Board of Directors in a wide range of technical areas.

Robert F. King has been a Director since May 2003. Since 1989, Mr. King has been President of King Associates, which provides consulting services to equipment companies serving the solar, semiconductor and flat panel display industries. From 1968 to 1988, Mr. King was employed at Varian Associates, where he served in various marketing positions, including Vice President of Marketing for the Semiconductor Equipment Division. Mr. King also served on the Board of Directors of Varian's joint venture semiconductor equipment companies located in Korea and Japan. Mr. King has significant experience in advising companies in the solar and semiconductor industries, which allows him to advise the Board of Directors with respect to the Company's overall business. Mr. King also provides the Board of Directors with technical and financial advice as a member of the Company's Audit and Technology Strategy Committees.

Information About Board and Committee Meetings

Information concerning our Board of Directors and the four committees maintained by our Board is set forth below. A majority of the Board of Directors, as well as the Company's Board committees, consist of Directors who are not employees of the Company and who are "independent" within the meaning of the listing standards of the NASDAQ Stock Market. Currently, the Company's independent directors are Michael Garnreiter, Alfred W. Giese, Egbert J. G. Goudena, Robert F. King and SooKap Hahn.

Our Board of Directors held eight (8) meetings during fiscal year 2011. No director attended less than 75% of the aggregate of all Board meetings held while he served as such director and all committee meetings on which he served as a committee member. Our Board has the authority under the Company's Bylaws to increase or decrease the size of our Board and to fill vacancies, and the directors chosen to fill such vacancies will hold office until the Company's next annual meeting or until their successors are elected and qualified. The Company does not have a formal policy with respect to members of the Board of Directors attending the annual meeting. Each of the members of the Company's Board of Directors attended the annual meeting for fiscal year 2011.

The Audit Committee, the Compensation and Stock Option Committee, the Nominating and Governance Committee and the Technology Strategy Committee are the standing committees of our Board of Directors. The members of the committees are as follows:

Audit – Michael Garnreiter (Chairman), Alfred W. Giese and Robert F. King

Compensation and Stock Option – Alfred W. Giese (Chairman), Robert F. King and SooKap Hahn

Nominating and Governance – Michael Garnreiter (Chairman), Egbert J. G. Goudena and SooKap Hahn

Technology Strategy – Robert F. King (Chairman), Michael Garnreiter, Alfred W. Giese, Egbert J. G. Goudena, SooKap Hahn, Fokko Pentinga and Jong S. Whang

The Audit Committee held four (4) meetings during fiscal year 2011. The Audit Committee is responsible for maintaining communication between the Board of Directors, the independent auditors and members of financial management with respect to the Company's financial affairs in general, including financial statements and audits, the adequacy and effectiveness of the internal accounting controls and systems and the retention and termination of the independent auditors. The Audit Committee also develops and recommends corporate governance guidelines to the

Board and provides oversight with respect to corporate governance and ethical conduct. The Audit

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Committee has a written charter, a copy of which is available on the Company's website at www.amtechsystems.com. The Audit Committee is composed of outside directors who are not officers or employees of the Company or its subsidiaries. In the opinion of our Board, and as "independent" is defined under the listing rules of the NASDAQ Stock Market, these directors are independent of management and free of any relationship that would interfere with their exercise of independent judgment as members of this committee. Additionally, each member of the Audit Committee is financially literate, and one of the Audit Committee members, Michael Garnreiter, has financial management expertise as required by NASDAQ's rules and meets the SEC's definition of an "audit committee financial expert." The Compensation and Stock Option Committee held three (3) meetings during fiscal year 2011. The Compensation and Stock Option Committee makes recommendations concerning officer compensation, employee benefit programs and retirement plans. The Compensation and Stock Option Committee has a written charter, a copy of which is available on the Company's website at www.amtechsystems.com.

The Nominating and Governance Committee held three (3) meetings during fiscal year 2011. The Nominating and Governance Committee identifies and approves individuals qualified to serve as members of our Board and also evaluates the Board's performance. In evaluating a prospective nominee, the Nominating and Governance Committee takes several factors into consideration, including such individual's integrity, business skills, experience and judgment. The evaluation of director nominees by the Nominating and Governance Committee also takes into account the diversity of board members' background. The Nominating and Governance Committee also reviews whether a prospective nominee will meet the Company's independence standards and any other director or committee membership requirements imposed by law, regulation or stock exchange rules. The Nominating and Governance Committee approved the nomination of the candidates reflected in Proposal 1. The Nominating and Governance Committee will consider, but is not required to approve, director nominations made by shareholders for any annual meeting of the Company, provided a written recommendation is received by the Company no later than the date shareholder proposals must be submitted for consideration prior to such annual meeting and all other applicable requirements have been satisfied. The Nominating and Governance Committee is comprised of independent members of the Board. The Nominating and Governance Committee has a written charter, a copy of which is available on the Company's website at www.amtechsystems.com.

The Technology Strategy Committee held three (3) meetings during fiscal year 2011. The Technology Strategy Committee assists the Board of Directors in understanding and evaluating the Company's technology strategy and evaluating potential acquisitions of new technology.

Board Leadership Structure

Effective January 1, 2012, our Executive Chairman of the Board, Mr. Whang, serves as the leader of our Board of Directors, while Mr. Pentinga serves as the Company's Chief Executive Officer (CEO). The Company does not have a policy regarding the combination or separation of the Chairman and CEO roles. The Company's Nominating and Governance Committee retains flexibility for the Board to determine whether those roles should be combined or separated in light of prevailing circumstances. We believe that separating the roles of Chairman and Chief Executive Officer at this time will allow Mr. Whang to increase his focus on external growth opportunities while Mr. Pentinga takes over the role of Chief Executive Officer to focus on the Company's operations to transform and sustain innovation within the Company. We believe this will enhance the ability of each to discharge their duties effectively. For these reasons, we believe our Board leadership structure is appropriate for our Company and is in the best interest of the Company and its shareholders.

The Board of Directors has not designated a lead director at this time. We believe that our committee chairmen have the opportunity to call and plan executive sessions collaboratively and, between meetings of the full Board of Directors, communicate with management and one another directly. Accordingly, we do not believe there is a need to designate a lead director at this time.

Board's Role in Risk Oversight

The Company's Board of Directors is actively engaged in the oversight of risks that could affect the Company, with key aspects of such oversight being conducted through the committees of the Board of Directors. The Audit Committee focuses on financial risks, primarily those that could arise from our accounting and financial reporting processes, and also oversees compliance-related legal and regulatory exposure. The Nominating and Governance Committee focuses on the management of risks associated with corporate governance matters, including board

organization, membership and structure; management development; and appropriate approval and

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oversight mechanisms. The Compensation and Stock Option Committee focuses on the management of risks arising from our compensation policies and programs and, in particular, our executive compensation programs and policies. While the committees of our Board of Directors are focused on the above specific areas of risk, the full Board of Directors retains responsibility for the general oversight of risk. Committee chairs are expected to provide periodic reports to the full Board of Directors regarding the risk considerations within each committee's area of expertise. In addition, periodic reports are provided to the Board of Directors or the appropriate committee by the executive management team on areas of material risk to the Company, including operational, financial, legal, regulatory and strategic risks. In addition, at the annual management and Board planning meeting (usually in September), the general management and operating leadership of the Company's divisions and subsidiaries also review, with the full Board, their individual assessment of business risks and their approach to manage those risks. The Board of Directors relies upon these reports and its discussions relating to such reports and risk generally to enable it to understand the Company's risk identification, risk management and risk mitigation strategies. This enables the Board of Directors and its committees to coordinate its risk oversight role. The Board of Directors' approach to risk oversight does not directly affect the leadership structure of our Board of Directors, as described above.

DIRECTOR COMPENSATION

Name	Fees Earned or Paid in Cash (\$)	Option Awards (\$ (1))	All other Comp. (\$)	Total (\$)
Jong S. Whang (2)	—	—	—	—
Fokko Pentinga (2)	—	—	—	—
Michael Garnreiter	76,413	53,834	—	130,247
Alfred W. Giese	81,000	53,834	—	134,834
Egbert J.G. Goudena	47,750	53,834	—	101,584
SooKap Hahn	21,055	75,965	—	97,020
Jeong Mo Hwang (3)	93,250	53,834	—	147,084
Robert F. King	95,088	53,834	—	148,922

Amounts represent the aggregate grant date fair value computed in accordance with FASB ASC Topic 718. For a (1) description of the assumptions made by the Company when calculating such grant date fair value, refer to Note 1 to the Company's consolidated financial statements as set forth in the Company's Form 10-K filed November 17, 2011.

(2) Directors who are full-time employees of our Company receive no additional compensation for serving as directors.

Dr. Hwang resigned from the Board of Directors effective April 20, 2011. Option awards granted while he was a (3) director will continue to vest under the normal vesting schedule per the Non-Employee Directors Stock Option Plan.

Directors who are full-time employees of our Company receive no additional compensation for serving as directors. Non-employee directors receive an annual retainer of \$16,000, fees of \$2,000 per Board meeting attended in person, \$750 per board meeting attended telephonically, \$1,250 per Audit Committee meeting attended in person, \$750 per Audit Committee meeting attended telephonically, \$750 per Compensation and Stock Option Committee or Nominating and Governance Committee or Technology Strategy Committee meeting attended in person, and \$500 per Compensation and Stock Option Committee or Nominating and Governance Committee or Technology Stra