

AMTECH SYSTEMS INC
Form DEF 14A
January 25, 2019

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

SCHEDULE 14A

(Rule 14a-101)

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934

Filed by the Registrant R
Filed by a Party other than the Registrant o

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- R Definitive Proxy Statement
- o Definitive Additional Materials
- o 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.
- o Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

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

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):

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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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

NOTICE OF 2019 ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD ON MARCH 6, 2019

To Our Shareholders:

The 2019 Annual Meeting of Shareholders (the “Annual Meeting”) of AMTECH SYSTEMS, INC., an Arizona corporation (the “Company”), will be held at our Corporate Office at 131 South Clark Drive, Tempe, Arizona, USA, on Wednesday, March 6, 2019, at 9:00 a.m., Arizona time, for the following purposes:

1. To elect five (5) 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 our independent registered public accountants for the fiscal year ending September 30, 2019;
3. To vote on an advisory (non-binding) resolution to approve the compensation of our Named Executive Officers (as defined in the Proxy Statement);
4. To approve an amendment to our 2007 Employee Stock Incentive Plan; and
5. To transact such other business as may properly come before the meeting and to approve any postponement or adjustment thereof.

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 shareholders on Form 10-K for the fiscal year ended September 30, 2018 (the “2018 Annual Report”) 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 2018 Annual Report.

The Board of Directors has fixed the close of business on January 18, 2019 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 2018 Annual Report, which includes our audited financial statements, was mailed with this notice and Proxy Statement to all shareholders of record on or about February 4, 2019.

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 the approval of such proposals.

By Order of the Board of Directors:

Robert T. Hass, Secretary
Tempe, Arizona
January 25, 2019

IMPORTANT: IT IS IMPORTANT THAT YOUR SHARES BE REPRESENTED AND VOTED AT THIS MEETING. PLEASE VOTE YOUR SHARES PROMPTLY BY COMPLETING AND RETURNING YOUR PROXY CARD OR BY VOTING ON THE INTERNET OR BY TELEPHONE.

AMTECH SYSTEMS, INC.

PROXY STATEMENT
2019 ANNUAL MEETING OF SHAREHOLDERS

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

PROXY STATEMENT

The Board of Directors, or “Board,” of Amtech Systems, Inc., an Arizona corporation (the “Company” or “Amtech”), is soliciting proxies to be used at the 2019 Annual Meeting of Shareholders to be held on Wednesday, March 6, 2019, at 9:00 a.m., Arizona time, and any adjournment or postponement thereof (the “Annual Meeting” or “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 February 4, 2019.

Who Can Vote

Shareholders of record as of the close of business on January 18, 2019 (the “Record Date”), may vote at the Annual Meeting and at any and all adjournments or postponements of the Meeting. On the Record Date, 14,227,580 shares of our common stock, \$0.01 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 issued and outstanding shares of Common Stock as of the Record Date 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, which will be held at our Corporate Offices at 131 South Clark Drive, Tempe, Arizona, USA, on Wednesday, March 6, 2019, at 9:00 a.m., Arizona time.

How to Vote

If your shares are registered directly in your name, you may vote:

Via the Internet. Go to the website www.investorvote.com/ASYS and follow the instructions. You must specify how you want your shares voted or your Internet vote cannot be completed. Votes have to be received no later than 1:00 a.m. Eastern Standard Time the morning of the Meeting.

By Telephone. To vote by phone, call 1-800-652-VOTE (8683) toll free from the U.S. and Canada and follow the instructions. You must specify how you want your shares voted and confirm your vote at the end of the call or your telephone vote cannot be completed. Votes have to be received no later than 1:00 a.m. Eastern Standard Time the morning of the Meeting.

By Mail. Complete and sign the enclosed proxy card and mail it in the enclosed postage prepaid envelope for receipt on or before March 5, 2019. If you execute the proxy but do not specify how you want your shares voted, your shares will be voted in accordance with the recommendations of the Board set forth in the Proxy Statement.

In Person at the Annual Meeting. If you choose to vote in person at the Meeting, you must bring a government-issued proof of identification that includes a photo (such as a driver's license or passport) and either the enclosed proxy card or other verification of your ownership of shares of Common Stock as of the Record Date.

If your shares are held in street name (held for your account by a broker or other nominee):

Your broker, bank or other nominee should give you instructions for voting your shares. You may vote by Internet, telephone or mail as instructed by your broker, bank or other nominee. You may also vote in person if you obtain a legal proxy from your broker, giving you the right to vote your shares at the Meeting and you bring verification of your ownership of shares of Common Stock to the Meeting.

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 five 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 our independent registered public accountants and a majority of votes cast by holders of Common Stock represented and entitled to vote at the Annual Meeting will be required to approve the amendments to our 2007 Stock Incentive Plan, as amended, as set forth in Proposal No. 4 below.

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. Because the vote is advisory, it will not be binding upon the Board. However, the Compensation and Stock Option Committee will take into account the outcome of the vote when considering future executive compensation arrangements.

Revoking Your Proxy or Changing Your Vote

You may revoke your proxy and/or change your vote at any time before the Meeting.

If your shares are registered directly in your name, you must do one of the following:

Via the Internet or by Telephone. Cast your votes again via the Internet or by telephone by following the directions above. Only the last Internet or telephone vote will be counted.

By Mail. Sign a new proxy card and submit it as instructed above, or send a notice revoking your proxy to the Secretary so that it is received on or before March 5, 2019.

In Person at the Annual Meeting. Attend the Meeting and vote in person. Presence at the Meeting will not revoke your proxy unless you specifically request that your proxy be revoked.

If your shares are held through a broker or other nominee and you would like to change your voting instructions, please follow the instructions provided by your broker.

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 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 of Annual Meeting 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. Our officers and directors 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 shareholders to ensure they have received this Proxy Statement and overseeing the return of proxy cards.

Annual Report

Our Annual Report to Shareholders for the fiscal year ended September 30, 2018 (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.

Audit Committee Report

The information contained in the “Audit Committee Report” shall not be deemed “filed” with the Securities and Exchange Commission (the “SEC”) or subject to Regulations 14A or 14C or to the liabilities of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and shall not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended (the “Securities Act”), or the Exchange Act.

PROPOSAL NO. 1 – ELECTION OF DIRECTORS

(Item No. 1 on the Proxy Card)

Number of Directors to be Elected

Our Board of Directors currently consists of five members. Each director elected will hold office for one year or until his qualified successor is duly 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 five 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 five (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 for Director

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

Robert M. Averick
 Michael Garnreiter
 Robert F. King
 Sukesh Mohan
 Jong S. Whang

Each of these nominees has agreed to be named in this Proxy Statement and to serve if elected. See below for information regarding each of the nominees.

Mr. Whang is the father of Mr. Michael Whang, our Vice President of Operations. There are no other family relationships among any of the director nominees or executive officers. Each nominee was recommended by a non-employee director.

Our Board recommends a vote FOR the election of the five nominees under Proposal No. 1. The persons appointed by the Board as proxies intend to vote for the election of each of the nominees, for a term to expire at the next annual meeting, unless you indicate otherwise on the proxy or voting instruction card. In that regard, our Board solicits authority to cumulate such votes.

If any nominee should become unavailable for any reason, which we do not anticipate, the proxy will be voted “for” any substitute nominee, or nominees, who may be selected by the Board 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 shareholdings 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 individuals nominated to serve as directors of the Company as of the date of this filing.

Name	Age	Position with the Company
Jong S. Whang	73	Executive Chairman, Chairman of the Board and Chief Executive Officer
Robert T. Hass	68	Vice President – Chief Financial Officer, Treasurer and Secretary
Robert M. Averick	52	Director
Michael Garnreiter	66	Director
Robert F. King	85	Director
Sukesh Mohan	52	Director
Michael Whang	47	Vice President of Operations and Chief Risk and Information Officer
Lisa D. Gibbs	44	Vice President and Chief Accounting Officer

Jong S. Whang has been a Director since our inception in 1981 and is one of our founders. Mr. Whang served as our Chief Executive Officer since our inception until January 2012, when Mr. Fokko Pentinga was promoted to that position. Since January 2012, Mr. Whang has served as our Executive Chairman and Chairman of the Board. In November 2018, Mr. Whang was elected to serve in the role of Chief Executive Officer when Mr. Pentinga resigned from the Company. In addition, Mr. Whang previously served as our President until March 2010, when Mr. Pentinga was promoted to that position. Mr. Whang's responsibilities include establishing the strategic vision for Amtech and assisting in the marketing effort for our solar and semiconductor equipment business and business opportunities in those industries. He has over 40 years of experience in the solar and semiconductor industries, including time spent in both processing and manufacturing of equipment systems. Mr. Whang brings extensive senior management experience and knowledge of our Company and the markets we serve to the Board of Directors. The Board of Directors believes 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. Mr. Whang is the father of Michael Whang, Amtech's Vice President of Operations.

Robert T. Hass has been our Chief Financial Officer since November 2016 and, prior to that, served as Interim Chief Financial Officer since April 2016. Mr. Hass previously served as our Chief Financial Officer from June 1992 to April 2006, Chief Accounting Officer from April 2006 to June 2013 and as a Director from February 1996 to March 2006. Since July 2013, he has served as our Vice President. Prior to joining Amtech, Mr. Hass held various senior management roles in finance. 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.

Robert M. Averick has been a Director since January 2016. Mr. Averick has over 15 years of experience as a small-capitalization, value-driven public equity portfolio manager. His previous work experience includes positions of increasing responsibility within structured finance, strategic planning and consulting. Mr. Averick received an undergraduate degree in Economics from The University of Virginia and a Masters in Business Administration in Finance from The University of Pennsylvania, The Wharton School of Business. Mr. Averick and certain entities to which his employer provides investment management services currently own in excess of 17% of Amtech's outstanding shares. He previously served on our Board during 2005 and 2006. Mr. Averick also serves on the board of directors of Gulf Island Fabrication, Inc., a publicly-traded fabricator of complex steel structures, modules and marine vessels. Mr. Averick serves as Chairman of our Compensation and Stock Option Committee and as a member of our Audit and Technology Strategy Committees. Mr. Averick's experience in finance and strategy planning allows him to provide valuable advice to the Board of Directors and the Committees on which he serves.

Michael Garnreiter has been a Director since February 2007. He is the Chairman of our Audit Committee and serves as a member of our Compensation and Stock Option, Nominating and Governance and Technology Strategy Committees. Mr. Garnreiter is our designated financial expert on the Audit Committee. He retired in December 2015 as Vice President of Finance and Treasurer of Shamrock Foods, a privately-held manufacturer and distributor of foods and food-related products. From January 2010 until August 2012, Mr. Garnreiter was a managing director of Fenix Financial Forensics, a Phoenix-based litigation and 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. 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. Mr. Garnreiter serves on the boards of directors of Axon Enterprise, Inc. (as Chairman), a publicly-traded manufacturer of non-lethal protection devices, Knight-Swift Transportation Holdings Inc., a publicly-traded nationwide truckload transportation company, and Banner Health, a multi-state health care delivery system. 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.

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 with respect to our overall business. Mr. King serves as Chairman of our Nominating and Governance Committee and also provides the Board with technical and financial advice as a member of our Audit, Compensation and Stock Option, and Technology Strategy Committees.

Sukesh Mohan has been a Director since April 2015. He is currently Vice President and Co-Founder of El Camino Technologies, LLC, a software services company that manages online content for leading internet companies. Prior to this, Mr. Mohan was Director of Product Management, Etch Products Division, of Applied Materials, Inc. ("Applied"), a global leader in semiconductor and solar equipment. He held various product management and marketing positions at Applied from 1995 to 2009. From 1989 to 1995, Mr. Mohan was the International Marketing Manager for Amtech, responsible for market development in Asia and India. He received his MBA from the University of Pittsburgh and graduated from the Indian Institute of Technology with a Bachelor of Technology. Mr. Mohan's experience will allow him to advise the Board of Directors with respect to strategic direction, product roadmaps and business development. Mr. Mohan serves as Chairman of our Technology and Strategy Committee and also serves as a member of our Audit, Compensation and Stock Option, and Nominating and Governance Committees.

Michael Whang joined the Company in April 2004 as Director of Information Technology and Risk Management. In May 2016, Michael Whang was promoted to Chief Risk Officer and Chief Information Officer. His responsibilities at Amtech included roles in corporate strategy and operations, compliance, and M&A due diligence and post-acquisition activity, culminating in operational oversight of the USA Operations. He was promoted to Vice President of Operations (Principal Operating Officer) on January 4, 2018. Prior to joining Amtech, Michael Whang served in various information technology management roles at several technology corporations. Michael Whang is the son of Jong S. Whang, Amtech's founder and Executive Chairman.

Lisa D. Gibbs joined Amtech in September 2016 as Corporate Controller and was promoted to Vice President and Chief Accounting Officer (Principal Accounting Officer) on January 4, 2018. Prior to joining Amtech, Ms. Gibbs was a partner in a private consulting firm where she assisted clients with a variety of accounting and finance needs. From 2002 to 2014, Ms. Gibbs was the Vice President of Internal Audit for Insight Enterprises, Inc, a Fortune 500 publicly-traded information technology company. Ms. Gibbs began her career in public accounting with Arthur Andersen LLP. She is a Certified Public Accountant in the State of Arizona.

Information About Board and Committee Meetings

Information concerning our Board and the four committees maintained by our Board is set forth below. Pursuant to NASDAQ and SEC rules, during fiscal 2018 the majority of our directors were not employees of the Company and were "independent" within the meaning of the NASDAQ Listing Rules and SEC standards. Importantly, all members of the Audit, Compensation and Stock Option, and Nominating and Governance Committees are independent. Currently, our independent directors are Robert M. Averick, Michael Garnreiter, Robert F. King and Sukesh Mohan.

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."

Our Board of Directors held three (3) meetings during fiscal year 2018. No director attended less than 75% of the aggregate of all Board meetings held while he served as such director and 75% of all committee meetings on which he served as a committee member. Our Board has the authority under our Amended and Restated Bylaws, as amended, 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 our next annual meeting or until their successors are elected and qualified. We do not have a formal policy with respect to members of the Board attending our annual meetings. All of Board members attended the 2018 annual meeting.

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 these committees as of January 25, 2019, are as follows:

Audit – Michael Garnreiter (Chairman), Robert M. Averick, Robert F. King, and Sukesh Mohan

Compensation and Stock Option – Robert M. Averick (Chairman), Michael Garnreiter, Robert F. King, and Sukesh Mohan

Nominating and Governance – Robert F. King (Chairman), Michael Garnreiter, and Sukesh Mohan

Technology Strategy – Sukesh Mohan (Chairman), Robert M. Averick, Michael Garnreiter, Robert F. King, and Jong S. Whang

The Audit Committee held four (4) meetings during fiscal year 2018. The Audit Committee assists the Board of Directors in fulfilling its oversight responsibilities with respect to the independent auditors and members of financial management, and our financial affairs, including financial statements and audits, the adequacy and effectiveness of the internal accounting controls and systems, compliance with legal and regulatory requirements, and the retention and termination of the independent registered public accounting firm. The Audit Committee has a written charter, a copy of which is available on our 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 NASDAQ Listing Rules and SEC standards, 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 2018. The Compensation and Stock Option Committee makes recommendations concerning officer compensation, benefit programs and retirement plans. Each member of the Compensation and Stock Option Committee is an “independent director” as defined in the NASDAQ Listing Rules and SEC standards. The Compensation and Stock Option Committee has a written charter, a copy of which is available on our website at www.amtechsystems.com.

The Nominating and Governance Committee held two (2) meetings during fiscal year 2018. 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 prospective Board members’ background. The Nominating and Governance Committee also reviews whether a prospective nominee will meet our independence standards and any other director or committee membership requirements imposed by law, regulation or stock exchange rules. The Nominating and Governance Committee will consider, but is not required to approve, director nominations made by our shareholders, provided a written recommendation is received by us 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 also develops and recommends corporate governance guidelines to the Board and provides oversight with respect to ethical conduct. Each member of the Nominating and Governance Committee is an “independent director” as defined in the NASDAQ Listing Rules and SEC standards. The Nominating and Governance Committee has a written charter, a copy of which is available on our website at www.amtechsystems.com.

The Technology Strategy Committee held one (1) meeting during fiscal year 2018. The Technology Strategy Committee assists the Board of Directors in understanding and evaluating our technology strategy and evaluating potential acquisitions of new technology.

Board Leadership Structure

Mr. Whang currently serves as the Executive Chairman of our Board of Directors (“Chairman”) and assumed the role of Chief Executive Officer (“CEO”) immediately following Mr. Pentinga’s resignation in November 2018. We do not have a policy regarding the combination or separation of the Chairman and CEO roles. Our Nominating and Governance Committee retains flexibility for the Board to determine whether those roles should be combined or separated in light of prevailing circumstances. In light of our ongoing restructuring efforts in 2018 and 2019, the Board has determined it is in the best interests of the Company to combine these roles in order to facilitate Mr. Whang’s efforts to develop and explore all strategies for our Solar segment. Historically, the Board had determined that separating the roles of Chairman and CEO would enable Mr. Whang to focus on the strategic direction of the Company and external growth opportunities while Mr. Pentinga, serving in the role of CEO, focused on our operations to transform and sustain innovation within the Company.

The Board has not designated a lead independent 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 independent director at this time.

Board’s Role in Risk Oversight

Our 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. 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 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. The Technology Strategy Committee focuses on the management of risks associated with emerging and competing technologies within the markets we serve.

While the committees of our Board 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, and do, provide periodic reports to the full Board regarding the risk considerations within each committee’s area of expertise. Periodic reports are provided to the Board or the appropriate committee by the executive management team on areas of material risk, including operational, financial, legal, regulatory and strategic risks. In addition, the general management and operating leadership of each of our divisions and subsidiaries review, with the full Board, their individual assessment of business risks and their approach to manage those risks. The Board relies upon these reports, and its discussions relating to such reports, to enable it to understand our strategies for the identification, management and mitigation of risks. This enables the Board and its committees to coordinate its risk oversight role. The Board’s approach to risk oversight does not directly affect the leadership structure of our Board of Directors, as described above.

DIRECTOR COMPENSATION

The following table shows the total dollar value of all fees earned and paid in cash to all directors in fiscal 2018 and the grant date fair value of stock awards to directors made in fiscal 2018.

Name	Fees Earned or Paid in Cash (1)	Option Awards (2) (3)	All Other Comp. (4)	Total
Jong S. Whang	\$—	\$—	\$—	\$—
Fokko Pentinga (5)	\$—	\$—	\$—	\$—
Paul van der Wansem (6)	\$—	\$—	\$—	\$—
Robert M. Averick	\$37,000	\$25,228	\$8,000	\$70,228
Michael Garnreiter	\$53,000	\$25,228	\$8,000	\$86,228
Robert F. King	\$38,500	\$25,228	\$8,000	\$71,728
Sukesh Mohan	\$38,000	\$25,228	\$8,000	\$71,228

Directors who are full-time employees of the Company receive no additional compensation for serving as directors.
 (1) Directors who are not independent within the meaning of the NASDAQ Listing Standards and SEC Rules received no additional compensation for serving as directors after March 9, 2016.

Amounts represent the aggregate grant date fair value computed in accordance with FASB ASC Topic 718.

(2) For a description of the assumptions made when calculating such grant date fair value, refer to Note 8 of the consolidated financial statements included in our Annual Report on Form 10-K for the fiscal year ended September 30, 2018 filed with the SEC on December 7, 2018.

(3) As of September 30, 2018, Messrs. Averick, Garnreiter, King and Mohan each held 6,000 unvested stock options.

(4) Consists of a discretionary bonus paid in December 2017.

(5) Mr. Pentinga resigned from the Board effective December 6, 2018.

(6) Mr. van der Wansem resigned from the Board effective March 14, 2018.

Non-employee, independent directors receive the following compensation:

- an annual retainer of \$18,000 (an increase from \$8,000 in fiscal 2017);
- 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 Strategy Committee meeting attended telephonically.

In addition, the director serving as the Chairman of the Audit Committee receives an annual retainer of \$15,000. The director serving as the Chairman of the Technology Strategy Committee, the director serving as the Chairman of the Compensation and Stock Option Committee, as well as the director serving as the Chairman of the Nominating and Governance Committee each receive an annual retainer of \$6,000. In addition to meeting fees, members of Board committees receive compensation for time spent on work assigned by the committee. The rate of compensation for the work assignments is \$100 per hour.

In addition to the cash payments listed above, under our Non-Employee Directors Stock Option Plan, each non-employee director currently receives a grant of options to purchase 6,000 shares of common stock, or such other number

of shares as may be determined by the Board, when first elected or appointed to the Board, and 6,000 shares of common stock, or such other number of shares as may be determined by the Board, upon each re-election to the Board at our annual meeting of shareholders or at such other time as may be determined by the Board. The exercise price of the options is equal to the closing price of our common stock the previous trading day before the date of grant. Each option has a term of ten years and becomes exercisable on the six-month anniversary of the date of the grant, or such other date as determined by the Board. In the event of disability (as defined in the plan) or death of an outside director, all options remain exercisable for a period of 30 days following the date such person ceased to be a director, or such other date as may be determined by the Board, but only to the extent such options were exercisable on the date the director ceased to be a director.

Compensation Committee Interlocks and Insider Participation

The Compensation and Stock Option Committee is presently comprised of Messrs. Robert M. Averick (Chairman), Michael Garnreiter, Robert F. King and Sukesh Mohan who are neither current officers, current employees nor former officers of the Company. No interlocking relationship exists, or in the past fiscal year has existed, between any member of the Compensation and Stock Option Committee and any member of any other company's board of directors or compensation committee.

EXECUTIVE COMPENSATION

Compensation Philosophy

Our Compensation and Stock Option Committee is charged with the evaluation of the compensation of our executive officers and to assure that they are compensated effectively in a manner consistent with our compensation strategy and resources, competitive practice, and the requirements of the appropriate regulatory bodies.

Our Compensation and Stock Option Committee establishes our general compensation policies and specific compensation for each of our executive officers, and administers our stock incentive program. In addition, our Compensation and Stock Option Committee is responsible for developing, administering and interpreting the compensation program for our named executive officers and other key employees. Our Compensation and Stock Option Committee may delegate some or all of its responsibilities to one or more subcommittees whenever necessary to comply with any statutory or regulatory requirements or otherwise deemed appropriate by our Compensation and Stock Option Committee. Our Compensation and Stock Option Committee has the authority to retain consultants and other advisors to assist with its duties and has sole authority to approve the fees and other retention terms of such consultants and advisors.

Our compensation philosophy has the following basic objectives: (i) attract and retain talented and experienced executives in our industry, (ii) motivate and reward executives whose knowledge, skills and performance are critical to our success, (iii) align the interests of our executives and shareholders by rewarding executives when shareholder value increases; and (iv) motivate our executives to manage our business to meet our short-term and long-term corporate goals and business objectives, and reward them for meeting these objectives. We use a mix of short-term compensation in the form of base salaries and cash incentive bonuses and long-term compensation in the form of equity incentive compensation to provide a total compensation structure that is designed to encourage our executives to achieve these objectives. We review other public reports and consider the compensation paid to executives at similarly situated companies, both within and outside of our industry, when determining and evaluating our compensation philosophy and compensation levels. Our performance, including, but not limited to, earnings, revenue growth, cash flow, and continuous improvement initiatives, is a significant part of our evaluation and compensation levels.

For our 2019 compensation programs, the Compensation and Stock Option Committee has changed the metrics used in the cash incentive bonus program to a return-on-invested-capital metric. In prior years, the metrics consisted of revenue, gross margin, operating profit and bookings. Also, the equity incentive plan will have defined goals and objectives; the achievement of which will result in the issuance of restricted stock units to executives rather than stock options.

SUMMARY COMPENSATION TABLE

The following table sets forth information regarding compensation for services rendered to Amtech during the fiscal years ended September 30, 2018, 2017 and 2016 by our named executive officers.

Name and Principal Position	Year	Salary (\$)	Bonus (\$) (1)	Option Awards (\$) (2)	Non-Equity Incentive Plan Compensation (\$) (3)	All Other Compensation (\$)	Total (\$)
Jong S. Whang, Executive Chairman, Director and Chief Executive Officer	2018	200,000	—	—	80,000	46,014 (4)	326,014
	2017	200,000	54,400	—	205,600	37,631 (5)	497,631
	2016	268,462	—	151,720	—	35,226 (6)	455,408
Fokko Pentinga * former Chief Executive Officer and Director	2018	340,429	—	—	122,100	53,318 (7)	515,847
	2017	324,719	—	—	260,000	58,599 (8)	643,318
	2016	379,599	—	151,720	—	49,653 (9)	580,972
Robert T. Hass ** Chief Financial Officer	2018	201,635	—	—	61,875	10,350 (10)	273,860
	2017	231,500	—	27,096	159,000	8,250 (11)	425,846
	2016	167,221	—	15,172	—	6,689 (12)	189,082

* Mr. Pentinga resigned as Chief Executive Officer and Director effective December 6, 2018.

** Mr. Hass was appointed Interim Chief Financial Officer effective April 1, 2016, and later was appointed Chief Financial Officer effective November 10, 2016.

(1) Represents discretionary cash bonus awarded on November 16, 2017. No discretionary cash bonuses were awarded for fiscal 2016 or fiscal 2018.

(2) Amounts represent the aggregate grant date fair value calculated in accordance with FASB ASC Topic 718. For a description of the assumptions made when calculating such grant date fair value, refer to Note 8 of the consolidated financial statements included in our Annual Report on Form 10-K for fiscal 2018.

(3) Non-Equity Incentive Plan Compensation represents bonuses earned by executives under the 2017 and 2018 cash incentive plans. The cash incentive plan compensation for fiscal 2017 was paid to the named executive officers prior to December 31, 2017. The cash incentive plan compensation for fiscal 2018 was paid to the named executive officers prior to December 31, 2018.

(4) Amount represents a car allowance of \$18,000, \$10,809 of life insurance premiums paid by the Company for which Mr. Whang's spouse is the beneficiary, a Company match of \$15,455 under the 401(k) plan and a discretionary contribution to his health reimbursement account. We consider the cost of the car allowance and life insurance premiums to be perquisites.

(5) Amount represents a car allowance of \$18,000, \$10,809 of life insurance premiums paid by the Company for which Mr. Whang's spouse is the beneficiary, a discretionary contribution to his health reimbursement account and Company match under the 401(k) plan. We consider the cost of the car allowance and life insurance premiums to be perquisites.

(6) Amount represents a car allowance of \$18,692, \$10,809 of life insurance premiums paid by the Company for which Mr. Whang's spouse is the beneficiary, a discretionary contribution to his health reimbursement account and Company match under the 401(k) plan. We consider the cost of the car allowance and life insurance premiums to be perquisites.

(7) Amount represents a car allowance of \$34,988, Company contribution under the 2018 Netherlands pension plan of \$17,906 and Company-paid tax preparation fees. We consider the cost of the car allowance and Company-paid tax preparation fees to be perquisites.

(8) Amount represents a car allowance of \$32,951, Company contribution under the 2017 Netherlands pension plan of \$16,689, value received for spousal travel expenses and Company-paid tax preparation fees. We consider the cost of the car allowance, value received for spousal travel expenses and Company-paid tax preparation fees to be perquisites.

(9) Amount represents a car allowance of \$32,888, Company contribution under the 2016 Netherlands pension plan of \$16,175 and Company-paid tax preparation fees. We consider the cost of the car allowance and Company-paid tax preparation fees to be perquisites.

(10) Amount represents a car allowance, discretionary contribution to Mr. Hass' health reimbursement account and travel incentive payments. We consider the cost of the car allowance, which did not exceed \$10,000, to be a perquisite.

(11) Amount represents a car allowance and discretionary contribution to Mr. Hass' health reimbursement account. We consider the cost of the car allowance, which did not exceed \$10,000, to be a perquisite.

(12) Amount represents a car allowance, discretionary contribution to Mr. Hass' health reimbursement account and travel incentive payments. We consider the cost of the car allowance, which did not exceed \$10,000, to be a perquisite.

OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END

The following table sets forth information regarding grants of plan-based option awards held by our named executive officers as of September 30, 2018:

Name	Option Awards				Stock Awards	
	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Options Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock that have Not Vested (#)	Market Value of Shares or Units of Stock that have Not Vested (\$)
Jong S. Whang	10,000	—	\$6.15	11/20/2019		
	10,000	—	\$10.64	8/6/2020		
	36,667	—	\$7.98	12/15/2021		
	12,500	—	\$2.95	12/11/2022		
	50,000	—	\$7.01	12/12/2023		
	37,500	12,500	(1)\$9.98	11/19/2024		
	25,000	25,000	(2)\$5.25	11/17/2025		
Fokko Pentinga	10,000	—	\$6.15	11/20/2019		
	6,667	—	\$10.64	8/6/2020		
	85,000	—	\$7.98	12/15/2021		
	12,500	—	\$2.95	12/11/2022		
	50,000	—	\$7.01	12/12/2023		
	37,500	12,500	(1)\$9.98	11/19/2024		
	25,000	25,000	(2)\$5.25	11/17/2025		