

AMTECH SYSTEMS INC  
Form DEF 14A  
December 21, 2010

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

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Soliciting Material Under Rule

Confidential, For Use of the  
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14a-12

Definitive Proxy Statement

Definitive Additional Materials

Amtech Systems, Inc.

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(Name of Registrant as Specified In Its Charter)  
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(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

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No fee required.

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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:

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4) Date Filed:

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

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NOTICE OF ANNUAL MEETING OF SHAREHOLDERS  
TO BE HELD ON JANUARY 20, 2011

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To Our Shareholders:

The 2011 Annual Meeting of Shareholders of AMTECH SYSTEMS, INC., an Arizona corporation (the "Company"), will be held at the Phoenix Airport Marriott Hotel, 1101 North 44th Street, Phoenix, Arizona 85008 USA, on Thursday, January 20, 2011, at 9:00 a.m., Arizona time, for the following purposes:

1. To elect six (6) 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, 2011; and
3. 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 December 14, 2010 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 2010 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  
December 21, 2010

**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.**



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

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PROXY STATEMENT

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The Board of Directors of Amtech Systems, Inc., an Arizona corporation (the “Company”), is soliciting proxies to be used at the 2011 Annual Meeting of Shareholders of the Company to be held on Thursday, January 20, 2011, 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 December 21, 2010.

Who Can Vote

Shareholders of record as of the close of business on December 14, 2010 (the “Record Date”), may vote at the Annual Meeting and at any and all adjournments or postponements of the meeting. On the Record Date, 9,386,306 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.

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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 six 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.

#### 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.
- 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, 2010 (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 currently consists of six 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 six 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 six (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  
Jeong Mo Hwang  
Robert F. King  
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 six 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.



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### 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	65	Chief Executive Officer and Director
Fokko Pentinga	55	President
Bradley C. Anderson	49	Vice President – Finance, Chief Financial Officer, Treasurer and Secretary
Robert T. Hass	60	Chief Accounting Officer
Michael Garnreiter	58	Director
Alfred W. Giese	72	Director
Egbert J. G. Goudena	60	Director
Jeong Mo Hwang	57	Director
Robert F. King	77	Director

Jong S. Whang has been our Chief Executive Officer and a Director since our inception in 1981, and was one of our founders. Mr. Whang also 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 that industry. He has 35 years of experience in the semiconductor industry, 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. 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.

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.

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.

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 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. Wegastraat in The Hague. Mr. Goudena's experience in research and technology allow him to advise the Board of Directors with respect to the Company's research and development activities, which are a key component of the Company's business.

Jeong Mo Hwang, Ph.D. has been a director since June 2009. 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 allows him to provide the Board of Directors with insight in to the technological aspects of the Company's business, including research and development.

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 with financial advice as a member of the Company's Audit Committee.

#### 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, Jeong Mo Hwang and Robert F. King.

Our Board of Directors held seven (7) meetings during fiscal year 2010. 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 2009.

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. These committees are comprised as follows:

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

Compensation and Stock Option – Alfred W. Giese (Chairman), Jeong Mo Hwang and Robert F. King

Nominating and Governance – Michael Garnreiter (Chairman), Egbert J. G. Goudena and Jeong Mo Hwang

Technology Strategy - Robert F. King (Chairman), Alfred W. Giese, Egbert J. G. Goudena, Jeong Mo Hwang and Jong S. Whang

The Audit Committee held four (4) meetings during fiscal year 2010. 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 Committee has a written charter, a copy of which is available on the Company's website at [www.amtechsystems.com](http://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 four (4) meetings during fiscal year 2010. 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](http://www.amtechsystems.com).

The Nominating and Governance Committee held two (2) meetings during fiscal year 2010. 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 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, other than as required by Rule 14a-11 of the Securities Exchange Act of 1934, as amended, 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](http://www.amtechsystems.com).

The Technology Strategy Committee held four (4) meetings during fiscal year 2010. The Technology Strategy Committee assists the Board of Directors in understanding and evaluating the Company's technology strategy.

#### Board Leadership Structure

Our Chief Executive Officer, Mr. Whang, as the Chairman of the Board, serves as the leader of our Board of Directors. We believe that combining the roles of Chairman and Chief Executive Officer facilitates the flow of information between management and the Board of Directors, while maintaining an appropriate balance between independent oversight of management and efficiency of the operation of the Board of Directors. Mr. Whang also possesses detailed and in-depth knowledge of the opportunities and challenges facing the Company and its business. His combined role enables decisive leadership, ensures clear accountability, and enhances the Company's ability to communicate its message and strategy clearly and consistently to the Company's shareholders, employees and customers. We also believe that consideration of the Company's strategic alternatives is enhanced when such alternatives are presented by the person who is the most knowledgeable about the Company and its industry and who is also responsible for executing such strategies. 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 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. 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 the 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	Option	All	Total
	Earned or Paid in Cash (\$)	Awards (\$) (1)	other Comp. (\$)	
Jong S. Whang (2)	-	-	-	-
Michael Garnreiter	54,800	19,215	0	74,015
Alfred W. Giese	68,175	19,215	0	87,390
Egbert J.G. Goudena	33,211	43,087	0	76,298
Brian L. Hoekstra (3)	10,225	87,283	0	97,508
Jeong Mo Hwang	61,375	19,215	0	80,590
Robert F. King	74,800	19,215	0	94,015

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- (1) Amounts represent the aggregate grant date fair value computed in accordance with FASB ASC Topic 718. For a 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 for the year ended September 30, 2010.
- (2) Directors who are full-time employees of our company receive no additional compensation for serving as directors.
- (3) Mr. Hoekstra resigned from the Board of Directors effective December 22, 2009. The board unanimously approved the immediate vesting of Mr. Hoekstra's stock options and established an exercise period of 24 months from that date. The fair value of the previously unvested options at December 22, 2009 was calculated in accordance with FASB ASC Topic 718.

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 Strategy Committee meeting attended telephonically. In addition to meeting fees, members of the Technology Strategy Committee 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, 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 5,000 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 set at the fair market value of common stock on the date of grant. Each option has a term of ten years and becomes exercisable in three equal installments commencing on the first anniversary of the date of grant and continuing for the two successive anniversaries thereafter. 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. Furthermore, 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 receives an annual retainer of \$6,000. 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 \$3,000.

#### Compensation Committee Interlocks and Insider Participation

The Compensation and Stock Option Committee is presently comprised of Messrs. Alfred W. Giese, Jeong Mo Hwang and Robert F. King who are not officers or employees 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 DISCUSSION AND ANALYSIS

This section discusses the principles underlying our executive compensation policies and decisions. It provides qualitative information regarding the manner in which compensation is earned by our executive officers and directors. The following discussion and analysis of compensation arrangements should be read together with the compensation tables and related disclosures set forth below. This discussion contains forward-looking statements that are based on our current plans, considerations, expectations and determinations regarding future compensation programs. Actual compensation programs that we adopt may differ materially from currently planned programs as summarized in this discussion. In addition, we address the compensation paid or awarded during fiscal year 2010 to our chief executive officer (principal executive officer), chief financial officer (principal financial officer), our president and our only other executive officer serving during fiscal year 2010. Such persons are referred to herein as our “named executive officers”.

We believe that the compensation of our executive officers should facilitate the achievement of annual corporate goals as well as the performance of long-term business objectives. It is the responsibility of the compensation committee of our board of directors to administer our compensation practices to ensure that they are competitive and include incentives which are designed to appropriately drive corporate performance. Our Compensation and Stock Option Committee, or Compensation Committee, reviews and approves all of our compensation policies, relating to executive officer salaries, bonuses and equity incentive compensation.

#### Objectives of Our Executive Compensation Programs

Our compensation programs for our named executive officers are designed to achieve the following objectives:

- attract and retain talented and experienced executives in our industry;
- motivate and reward executives whose knowledge, skills and performance are critical to our success;
- align the interests of our executives and shareholders by rewarding executives when shareholder value increases; and
- 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.

#### Determining Executive Compensation

Our Compensation and Stock Option Committee establishes our general compensation policies and specific compensation for each of our executive officers, and administers our stock option program. Our Compensation and Stock Option Committee is responsible for developing, administering and interpreting the compensation program for executive officers and other key employees. Our Compensation and Stock Option Committee was appointed by our board of directors, and consists entirely of independent, outside directors who are “non-employee directors” for purposes of Rule 16b-3 under the Exchange Act.

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 and Stock Option Committee’s objective is to make the compensation packages of our executive officers sufficient to attract and retain persons of exceptional quality and to provide effective incentives to motivate and reward our executives for achieving our financial and strategic goals, which are essential to our long-term success and growth in shareholder value.

## Elements of Our Executive Compensation Programs

Our executive compensation package for the fiscal year ended September 30, 2010 consisted of three main components: base salary, incentive cash bonuses and equity incentives. We believe it is important that the interests of our executives are aligned with those of our shareholders; therefore, equity incentive compensation, in the form of stock options and restricted stock grants, constitutes a significant portion of our total executive compensation.

Within the context of the overall objectives of our compensation programs, we determined the specific amounts of compensation to be paid to each of our executives in fiscal year 2010 based on a number of factors including:

- the roles and responsibilities of our executives;
- the individual experience and skills of our executives;
- the amounts of compensation being paid to our other executives;
- our executives' historical compensation at our company;
- the overall benefits package provided to our executives; and
- our understanding of the amount of compensation generally paid by similarly situated companies to their executives with similar roles and responsibilities.

## Annual Cash Compensation

### Base Compensation

Our Compensation and Stock Option Committee's approach is to offer executives salaries competitive with those of other executives in the industry in which we operate. To that end, our Compensation and Stock Option Committee periodically evaluates the competitiveness of base salaries based on information drawn from a variety of sources, including published and proprietary survey data and our own experience recruiting and retaining executives, although complete information is not easily obtainable. Our base salary levels are intended to be consistent with competitive practice and level of responsibility, with salary increases reflecting competitive trends, our overall financial performance and the performance of the individual executive. Salaries are adjusted to reflect individual roles and performance and may be increased at other times if a change in the scope of the officer's responsibilities justifies such consideration or in order to maintain salary equity among executive officers. We believe that a competitive base salary is a necessary element of any compensation program designed to attract and retain talented and experienced executives. We also believe that attractive base salaries can serve as an effective reward for the executives' overall performance.

During fiscal 2009 the executive officers volunteered to reduce their base salaries by 10% which was agreed to by our Compensation and Stock Option Committee. Effective April 1, 2009, base salaries for our chief executive officer, our chief financial officer and our chief accounting officer decreased 10% from their then current levels. In December 2009, which is in the first quarter of fiscal 2010, upon the recommendation of the Compensation and Stock Option Committee, the Board of Directors approved an increase of the base salary paid to the Company's executive officers to restore such base salaries to the levels paid prior to the voluntary reduction. On March 11, 2010, Mr. Fokko Pentinga was appointed President of the Company and his annual salary was increased to \$282,090 reflecting the additional duties related to the position of President and as an officer of the Company.

### Cash bonuses

In addition to base salary, our executives are eligible to receive annual cash incentive bonuses comprised of (i) discretionary cash bonuses determined by the Compensation and Stock Option Committee and (ii) bonuses earned under the Company's non-equity incentive bonus plan.

The primary objectives of our discretionary bonuses and incentive bonus plan are to provide an incentive for superior work, to motivate our executives toward even higher achievement and business results, to tie our executives' goals and interests to ours and our shareholders' and to enable us to attract and retain highly qualified





individuals. After the close of each fiscal year, our Compensation and Stock Option Committee reviews our actual financial performance against the incentive bonus plan performance criteria for each executive in determining year-end incentive bonuses, if any. In addition, our Compensation and Stock Option Committee may recommend discretionary bonuses for particular contribution to the goals of the company or where incentive bonuses do not adequately reflect the executive's contributions during the year due to circumstances beyond the executive's control.

Under our non-equity incentive bonus plan, participants can earn a target bonus equal to a specified percentage of their base salary by achieving 100% of pre-defined performance objectives. The participant's bonus calculation is based upon achieving performance objectives established in each of the following categories: (i) bookings; (ii) revenue; (iii) gross margin; and (iv) operating profit. Objectives established for participants in these categories may be either at the corporate level, the operating division level or both. In addition, individual performance objectives may be established for certain participants. In order to be eligible for a bonus with respect to any of the above performance categories, the participant must achieve not less than 80% (90% in the case of gross margin) of the applicable performance objective. At these minimum levels, 20% of the bonus for the category is eligible for payment. The bonus calculation percentage with respect to any performance category increases by 4% (8% with respect to gross margin) for each 1% improvement in performance over the minimum level up to 100%, and by 1% (10% with respect to gross margin) for each 1% improvement in performance over 100%, up to a maximum of 150% (200% with respect to gross margin) of the participant's target bonus.

Mr. Whang's target bonus for fiscal 2010 was 60% of his base salary, or \$210,000; Mr. Pentinga's target bonus for fiscal 2010 was 50% of his base salary, or \$141,000; Mr. Anderson's target bonus was 50% of base salary, or \$122,500; Mr. Hass' target bonus was 25% of base salary, or \$37,000. The bonus of the four executive officers was calculated solely upon the basis of performance objectives at the corporate level. If fiscal 2010 performance was equivalent to 80% (90% with respect to gross margin) of performance objectives in all corporate performance categories, Mr. Whang's bonus calculation would be \$42,000, Mr. Pentinga's bonus calculation would be \$28,200, Mr. Anderson's bonus calculation would be \$24,500, and Mr. Hass' bonus calculation would be \$7,400. If fiscal 2010 performance was 150% (110% with respect to gross margin) of performance objectives in all corporate performance categories, Mr. Whang's bonus calculation would be \$315,000, Mr. Pentinga's bonus calculation would be \$211,569, Mr. Anderson's bonus calculation would be \$183,750, and Mr. Hass' bonus calculation would be \$55,500.

Notwithstanding the calculation of any bonus amount under the fiscal 2010 bonus plan, (i) no bonuses would have been payable based on achievement of corporate level objectives if consolidated operating profit was less than 3%; (ii) no bonuses would have been payable based on achievement of divisional level objectives if division operating profit (before corporate expense allocation) was less than 5%; and (iii) all bonus payments were subject to the discretionary approval of our Compensation and Stock Option Committee.

For fiscal 2010, the Compensation and Stock Option Committee awarded the following bonuses pursuant to the non-equity incentive bonus plan: Mr. Whang - \$315,000; Mr. Pentinga - \$211,568; Mr. Anderson - \$183,750; and Mr. Hass - \$55,500. Our Compensation and Stock Option Committee also awarded a discretionary bonus to Mr. Whang in the amount of \$105,000, to Mr. Pentinga in the amount of \$170,523, to Mr. Anderson in the amount of \$56,250, and to Mr. Hass in the amount \$18,500. Such discretionary bonuses were awarded primarily due to leading the Company to record-breaking operating results that significantly exceeded the 150% maximum limitation imposed by the non-equity incentive bonus plan and, particularly relating to Mr. Pentinga, the fast ramp-up of operations to accommodate the tremendous increase in sales volume.

#### Equity incentive compensation

From time to time, we grant stock options and shares of restricted stock in order to provide certain of our executives with a competitive total compensation package, and to reward them for their contribution to the long-term price performance of the common stock. These equity incentive awards are in the form of stock options and restricted stock grants to align the interests of our executives with our shareholders by providing our executives with strong incentives to increase shareholder value. Our board of directors does not apply a rigid formula in allocating stock options or restricted stock to our executives as a group or to any particular executive. Instead, our board of directors exercises its judgment and discretion and considers, among other things, the executive's past

performance and contributions, and the executive's anticipated future contributions and responsibilities, competitive factors, the non-equity compensation received by the executive and the total number of options and shares of restricted stock to be granted to all participants during the year.

Our Compensation and Stock Option Committee has discretion to determine the vesting schedule of the stock options and restricted period of the restricted stock granted under our 1998 Stock Option Plan and our 2007 Employee Stock Incentive Plan. The vesting period and restricted period provide added incentive for the executive to continue his or her employment with us.

In fiscal 2010, we granted options to purchase a total of 165,499 shares of common stock, of which options to purchase a total of 65,667 shares were granted to our named executive officers, representing 40% of all options granted in fiscal 2010. In fiscal 2010, we granted 40,751 shares of restricted stock, of which 32,833 shares of restricted stock were granted to our named executive officers. The number of stock options and shares of restricted stock granted to each executive is set forth in the "Grants of Plan-Based Awards" table below. The aggregate grant date fair value (calculated in accordance with FASB ASC Topic 718) with respect to such grants for each individual named executive officer is set forth in the column "Option Awards" and "Stock Awards" in the "Summary Compensation Table." The exercise price of each stock option granted under our plan is based on the fair market value of our common stock on the grant date.

#### Benefits

All of our executive officers are eligible for benefits offered to employees generally, including life, health, disability and dental insurance and our 401(k) plan. Consistent with our compensation philosophy is our intent to maintain our current benefits for our executive officers. Our Compensation and Stock Option Committee, in its discretion, may revise the executive officers' benefits if it deems it advisable.

#### Severance and change in control arrangements

Our chief executive officer has an employment agreement that provides various benefits triggered by such employment-related actions as termination without cause, resignation with good reason and/or termination without cause following a change in control. See "Employment Agreement with Chief Executive Officer" below for a description of such provisions. Additionally, our president, chief financial officer and chief accounting officer have agreements that provide for severance payments and change of control payments. See "Change of Control and Severance Agreement with President," "Change of Control Agreement with Chief Financial Officer" and "Change of Control and Severance Agreement with Chief Accounting Officer" below for a description of such provisions. Each of the employment agreements and change in control agreements has been amended to ensure compliance with Section 409A of the Internal Revenue Code.

In setting the terms of and determining whether to approve these severance and change in control arrangements, our Compensation Committee or board of directors, as applicable, recognized that executives often face challenges securing new employment following a termination of their existing employment and that distractions created by uncertain job security may have a detrimental impact on their performance. None of these benefits are triggered by a change in control unless our named executive officer's employment is terminated without cause following such change in control.

#### Effect of accounting treatment on compensation decisions

In the review and establishment of our compensation programs, we consider the anticipated accounting and tax implications to us and our executives. For example, we may utilize restricted stock as forms of equity compensation incentives in response to changes in the accounting treatment of equity awards. While we consider the applicable accounting and tax treatment, these factors alone are not determinative, and we also consider the cash and non-cash impact of the programs and whether a program is consistent with our overall compensation philosophy and objectives.

Compensation Committee Report

REPORT OF COMPENSATION AND STOCK OPTION COMMITTEE

The Compensation and Stock Option Committee, which is composed entirely of independent, outside directors, establishes the general compensation policies of the Company, and specific compensation for each executive officer of the Company, and administers the Company's stock option program.

The Compensation and Stock Option Committee has reviewed and discussed the Compensation Discussion and Analysis included above with management and based on such review and discussions the Compensation and Option Committee has recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this Proxy Statement.

RESPECTFULLY SUBMITTED,

Alfred W. Giese, Chairman  
 Jeong Mo Hwang  
 Robert King

SUMMARY COMPENSATION TABLE

The following table sets forth information regarding compensation for services rendered to Amtech during the fiscal years ended September 30, 2010, 2009 and 2008 by our named executive officers who received annual compensation exceeding \$100,000 during such period.

SUMMARY COMPENSATION TABLE

Name and Principal Position	Year	Salary (\$)	Bonus (\$) (1)	Stock	Option	Non-Equity	All Other	Total (\$)
				Awards (\$) (2)	Awards (\$) (2)	Incentive Plan Compensation (\$) (3)	Compensation (\$) (6)	
Jong S. Whang, Chief Executive Officer and Director (4)	2010	339,231	105,000	114,700	142,875	315,000	33,196 (5)	1,050,002
	2009	315,539	95,000	190,000	137,418	-	23,502 (6)	761,459
	2008	272,788	-	147,900	261,021	200,000	20,404 (7)	902,113
Fokko Pentinga	2010	247,509	170,523	66,213	82,442			