

Articles of Incorporation Mikron Holding AG

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I. Company, domicile, purpose

Art. 1 Company, domicile

Under the company name of MIKRON HOLDING AG, MIKRON HOLDING SA, MIKRON HOLDING LTD., MIKRON HOLDING INC. there exists a corporation domiciled in Biel, Switzerland.

Art. 2 Purpose

The purpose of the Company is to invest in local and foreign businesses in the metal and machining industry as well as in other enterprises that are directly or indirectly connected with this industry.

The Company may take all measures and conduct all business suitable to foster the Company's purpose.

II. Share capital and shares

Art. 3 Share capital

The Company's share capital amounts to CHF 1,671,274.40 and is fully paid in.

Structure It is divided into 16,712,744 registered shares at a par value of CHF 0.10 each.

Conversion of shares By resolution of the General Meeting with a two-thirds majority of the represented voting shares, bearer shares may be converted into registered shares, or registered shares may be converted into bearer shares.

Shares and transfer of shares A share register for the registered shares is kept containing the names and full addresses of shareholders and beneficiaries. The Company is to be informed of changes of address. Notifications by the Company are made to the last known address.

Only the person recorded in the share register is deemed to be a shareholder vis-à-vis the Company.

The Board of Directors is empowered to refuse registration in the share register or to rescind registrations in the share register retroactively to the date of registration if the applicant has made false statements regarding his person or his entitlement to the shares or if, in the capacity of fiduciary, he has failed to make statements or has made false statements regarding the person he is acting on behalf of.

The Company can opt not to print or deliver share certificates and it may choose to invalidate share certificates that are delivered to the Company without replacement.

The shareholder may transfer uncertificated shares and the associated uncertificated rights by assignment only. An assignment shall only be deemed valid if the Company is duly informed.

Notification of an assignment may be provided by the Company to the bank managing the account into which the shareholder had the assigned shares booked.

The uncertificated shares and the ensuing rights shall be transferred with the help of the bank managing the account into which the shareholder had the assigned shares booked. They may only be pledged in favor of this bank, in which case no notification to the Company is necessary.

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Art. 3^{bis} Conditional capital I

The Company's share capital will increase by a maximum amount of CHF 12,079.90 through the issuance of a maximum of 120,799 fully subscribed and paid-in registered shares at a par value of CHF 0.10 each by exercising options and conversion rights granted to their holders in connection with the Company's bonds or similar instruments and/or by exercising options allocated to shareholders and/or the Board of Directors and the Company's executive management.

The number of registered shares set aside to secure management options is limited to a maximum of 50,000 registered shares. Shareholders will not have subscription rights to said shares.

The purchase of registered shares by exercising options and conversion rights, and the further transfer of registered shares are subject to the transfer limitations as per article 3 paragraph 6 of the Articles of Incorporation.

Shareholders' preemptive subscription rights for bonds with option and conversion rights in respect of a maximum of 120,799 registered shares can be limited or excluded by decision of the Board of Directors if these bonds are to be used to finance the purchase of companies, parts of companies or interests in companies, or if they serve the Company's new investment plans.

Insofar as preemptive subscription rights are excluded, first, bonds are to be placed with the public at market conditions; second, the exercise period for options is to be set at a maximum of five years and for conversion rights at a maximum of ten years following the date of issuance; and third, the exercise price for the new shares is to be set no less favorably than the market conditions prevailing at the time of the bond's issue.

Art. 3ter Conditional capital II

The Company's share capital will increase by a maximum of CHF 50,000.00 through the issuance of a maximum of 500,000 fully subscribed and paid-in registered shares at a par value of CHF 0.10 each by exercising options and conversion rights granted to their holders in connection with the Company's new bonds or similar instruments and/or by exercising options allocated to shareholders and/or the Board of Directors and the Company's executive management.

The purchase of registered shares by exercising options and conversion rights and the further transfer of registered shares are subject to the transfer limitations as per article 3 paragraph 6 of the Articles of Incorporation.

Shareholders' subscription rights are excluded in respect of registered shares securing management options.

Shareholders' preemptive subscription rights for options and conversion rights in respect of a maximum of 500,000 registered shares can be limited or excluded by decision of the Board of Directors if these bonds are to be used to finance the purchase of companies, parts of companies or interests in companies.

Insofar as preemptive subscription rights are excluded, first, bonds are to be placed with the public at market conditions; second, the exercise period for options is to be set at a maximum of five years and for conversion rights at a maximum of ten years following the date of issuance; and third, the exercise price for the new shares is to be set no less favorably than the market conditions prevailing at the time of the bond's issue.

Art. 4 Subscription rights

Shareholders are entitled to subscription rights for newly issued shares commensurate with their present holdings as long as the resolution on the capital increase decision does not stipulate otherwise. The terms of the assertion of subscription rights and the terms of issue for the new shares to be placed are defined by the Board of Directors, unless mandatory legislation requires them to be defined by the General Meeting of Shareholders, and published in the „Swiss Official Gazette of Commerce“.

III. Governing bodies of the company

A. The General Meeting of Shareholders

Art. 5 Powers

The General Meeting has the following, non-transferable powers:

1. Adoption and amendment of the Articles of Incorporation;
2. Election and dismissal of members of the Board of Directors, the Statutory Auditor and the Group Auditor;
3. Approval of the Annual Report and the consolidated financial statement;
4. Approval of the annual financial statement as well as the resolution on the appropriation of the available profit, in particular, the declaration of dividends;
5. Passing resolutions on matters which by law or under the Articles of Incorporation are reserved to the General Meeting.

Art. 6 Rights and duties of convening a General Meeting

The General Meeting is convened by the Board of Directors or, if necessary, by the Statutory Auditor.

The ordinary General Meeting is convened annually and within six months of the close of the financial year; extraordinary General Meetings are convened as and when required.

One or more shareholders together holding at least one tenth of the share capital may demand the convening of a General Meeting in writing, stating the items on the agenda and the motions.

Art. 7 Convening the meeting

The invitation to the General Meeting has to occur at least twenty days prior to the day of the meeting by one-time publication in the „Swiss Official Gazette of Commerce“ as well as by letter to all shareholder's addresses listed in the share register.

The invitation shall state the items on the agenda as well as the motions of the Board of Directors and of the shareholders who have requested the holding of a General Meeting or placement of an item on the agenda. No resolutions may be passed on motions concerning items which have not been duly announced; excepted are motions for the convening of an extraordinary General Meeting or the conduct of a special audit.

No prior announcement is requested for motions within the scope of items on the agenda or for discussions held without the passing of resolutions.

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Art. 8

The Annual Report, the Statutory Auditor's report, the consolidated accounts and the consolidated financial statement must be made available to shareholders for inspection at the Company's domicile no later than twenty days prior to the General Meeting. Reference to the fact that these documents are available for inspection and to shareholders' right to demand delivery of such documents must be made in the invitation to the General Meeting.

Art. 9 Participation

A shareholder may, by written proxy, be represented by another shareholder.

Art. 10 Chair

The Chairman of the Board of Directors chairs the General Meeting. If he is unable to do so, the vice chairman or another member will stand in for him.

Tellers The Chair proposes one or more tellers, which will be designated by the General Meeting in an open ballot.

Ballot and election procedures Votes and elections are generally held by open ballot; however, if the Chair or the General Meeting so rules, they are held by paper ballot. The right to hold a ballot by electronic means is reserved.

Minutes The Chair designates the Recording Secretary and ensures that minutes are taken. The minutes contain the data required under article 702 paragraph 2 of the Swiss Code of Obligations. The minutes are to be signed by the Chair, the Recording Secretary and the teller or tellers.

Art. 11 Votes

Barring legal restrictions, each share is entitled to one vote.

Quorum The General Meeting constitutes a quorum regardless of the number of shareholders present or votes represented.

Resolution and elections Provided the law or the Articles of Incorporation do not stipulate otherwise, the General Meeting passes its resolutions and elects by an absolute majority of the votes represented.

B. The Board of Directors

Art. 12 Composition and term of office

The Board of Directors is made up of at least five and a maximum of nine members who are elected by the General Meeting for three-year terms. Members may be re-elected.

Art. 13 Organization

The Board of Directors elects a Chairman from among its members and one or more Vice-Chairmen for the term of one year.

It also designates a Secretary, who does not need to be a member of the Board of Directors.

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Art. 14 Resolutions

The Board of Directors constitutes a quorum if at least half of its members are present.

Resolutions by the Board of Directors are passed by a majority of votes. The Chairman has the casting vote.

A record of discussions and resolutions is kept in the minutes, which need to be signed by the Chairman and the Secretary.

In the case of resolutions passed by way of circulation, article 716 of the Swiss Code of Obligations applies.

Art. 15 Tasks

The Board of Directors is responsible for the ultimate direction of the Company's business and for the supervision of its management. It represents the Company externally and is responsible for all matters that are not assigned to some other body of the Company by law, or under the Articles of Incorporation or regulations.

Art. 16 Authority, delegation and representation

In organizational regulations, the Board of Directors has the right to delegate the management of the entire Company or parts thereof and the representation of the Company to one or more persons, members of the Board of Directors (delegates) or third parties who do not have to be shareholders (senior executives, authorized signatories, officers).

The organizational regulations govern the management of the Company, define the necessary positions, describe the incumbents' tasks, and outline, in particular, reporting procedures.

Art. 17 Compensation for the Board of Directors

For its activities, the Board of Directors receives adequate compensation, which it determines itself.

C. Statutory Auditors and Group Auditors

Art. 18 Election

Every year, the General Meeting elects a natural person or legal entity to the position of Statutory Auditor.

The Statutory Auditor must fulfill the professional, statutory requirements. The General Meeting also elects a Group Auditor, who also must fulfill the statutory professional requirements. The same natural person or legal entity may be elected to the position of Statutory Auditor and Group Auditor. The Statutory Auditor and the Group Auditor must comply with the rights and duties defined by law.

IV. Annual financial statement and appropriation of profit

Art. 19 Business year

The business year begins on January 1 and ends on December 31.

Art. 20 Annual financial statement

The annual financial statement is composed of the statement of income, the balance sheet and the notes, and is prepared in accordance with the provisions of the Swiss Code of Obligations, especially articles 662a ff and 958 ff, as well as generally accepted commercial principles and the practices customarily followed by the industry. The same principles and practices are valid for the consolidated financial statement.

Art. 21 Appropriation of profit

Barring legal regulations governing the appropriation of profit (especially articles 671 ff of the Swiss Code of Obligations), the available profit shall be at the disposal of the General Meeting.

The dividend may only be set after the mandatory allocations to the statutory reserves have been deducted.

V. Publication

Art. 22

Notices by the Company are to be published in the „Swiss Official Gazette of Commerce“. Article 696 section 2 of the Swiss Code of Obligations remains reserved.

VI. Contribution in kind

Art. 23

Under the capital increase on February 22, 1995, the Company acquired participation certificates in Union Sächsische Werkzeugmaschinen GmbH, Chemnitz (Ger.) from Dörries-Scharmann AG, Mönchengladbach (Ger.) for a total par value of DEM 250,000 and at a price of DEM 7,000,000.00. This price was settled by allocation to the payer in kind of 70,000 fully paid-in registered shares of the Company at a par value of CHF 50.00 each and at an issue price of CHF 100.00 per share.

Final clause

These Articles of Incorporation were adopted by the Board of Directors on April 30, 2007, and replace those of April 19, 2005.

The Chair of the General Meeting of Shareholders
and Chairman of the Board of Directors:



Johann Niklaus Schneider-Ammann

Imprint

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In case of contradiction between the English and German version the German version shall prevail.

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