



# Invitation to the Annual General Meeting

Tuesday, 12 April 2016  
4 p.m.  
Kongresshaus Biel

# A warm welcome

## Dear Shareholders,

We are pleased to invite you to the Annual General Meeting of Mikron Holding AG. This year – in addition to voting on approval of the Annual Report, the Financial Statements of Mikron Holding AG and the Consolidated Financial Statements of the Mikron Group – the Annual General Meeting will again have the opportunity to decide, in an advisory capacity, on the Compensation Report. Once again, the maximum total remuneration payable to the Board of Directors and Group Management will be put to the vote for approval. Elections to the Board of Directors are also to be held. All current members will be standing for re-election for a further term of office. In addition, the Board of Directors will propose that Hans-Michael Hauser also be elected to the Board.

The appended short version of the Annual Report contains a review of the 2015 financial year, which proved a very demanding period for the Mikron Group. The full Annual Report is available in English on our website. You can also order a print version from us.

Please use the appended form to register to attend the Annual General Meeting or appoint a proxy. Alternatively, you may vote electronically. The relevant information can be found on the “Registration/appointment of proxy” form.



Heinrich Spoerry  
Chairman of the Board of Directors

## Date and place

Tuesday, 12 April 2016  
Kongresshaus Biel, Zentralstrasse 60

## Program

- |                              |   |
|------------------------------|---|
| <b>3.00 p.m.</b>             | Doors open, registration and security clearance   |
| <b>4.00 p.m.</b>             | Annual General Meeting commences  |
|                              | Welcome address<br>Heinrich Spoerry, Chairman of the Board of Directors   |
|                              | 2015 financial year and outlook 2016<br>Heinrich Spoerry, Chairman of the Board of Directors<br>Bruno Cathomen, CEO Mikron Group<br>Martin Blom, CFO Mikron Group |
|                              | Questions from shareholders   |
|                              | Regular agenda items<br>Heinrich Spoerry, Chairman of the Board of Directors  |
| <b>approx.<br/>5.30 p.m.</b> | Annual General Meeting ends,<br>followed by a reception in the foyer  |

## Agenda and proposals

### 1. Annual Report 2015

#### 1.1 Management Report, Financial Statements of Mikron Holding AG and Consolidated Financial Statements 2015 of the Mikron Group; reports of the statutory auditor

##### Proposal

The Board of Directors proposes the approval of the Management Report, the Financial Statements of Mikron Holding AG and the Consolidated Financial Statements 2015 of the Mikron Group.

##### Remarks

A comprehensive review of the 2015 financial year is included in the Annual Report 2015 (available in English only), which also contains the reports of the statutory auditor, information on corporate governance, the Compensation Report and the Sustainability Report. A short version of the Annual Report is also available in German, French and Italian.

#### 1.2 Advisory vote on the Compensation Report 2015

##### Proposal

The Board of Directors proposes that the Compensation Report 2015 be approved. An advisory vote will be held in accordance with Art. 13 of the Articles of Association.

##### Remarks

The Compensation Report (pages 73 to 79 of the Annual Report 2015) outlines the principles and elements of the remuneration payable to the Board of Directors and Group Management. It details the remuneration paid in the year under review to the members of the Board of Directors and Group Management and shows their shareholdings in Mikron Holding AG.

### 2. Discharge of members of the Board of Directors and Group Management

##### Proposal

The Board of Directors proposes to discharge the members of the Board of Directors and Group Management for the 2015 financial year.

### 3. Appropriation of retained earnings, allocation and appropriation of reserves from capital contributions

(in CHF 1,000)

Profit carried forward	53,205
Excess proceeds from sale of treasury shares	20
Loss/profit for the year	-24,379
<b>Profit carried forward</b>	<b>28,846</b>

##### Proposal

The Board of Directors proposes that

- 3.1 the profit for the year ended 31 December 2015 be carried forward to new account.
- 3.2 reserves from capital contributions in the amount of CHF 0.05 per share be allocated to voluntary retained earnings, and a withholding tax-free distribution for 2015 of CHF 0.05 per share be stipulated.

##### Remarks

Mikron Holding AG's net earnings are distorted by a one-time valuation adjustment owing to Switzerland's new financial reporting legislation. The Company's strong equity ratio remains above 85%.

The Board of Directors proposes to the Annual General Meeting a withholding tax-free distribution for 2015 of CHF 0.05 per share. Based on a maximum of 16,712,744 shares, the total amount is CHF 835,637. No dividends are distributed on shares owned by Mikron Holding AG. Prior to this, reserves from capital contributions in the amount of CHF 0.05 per share with a par value of CHF 0.10 each are to be allocated to voluntary retained earnings. Provided this proposal is approved by the Annual General Meeting, the payout will be made on 18 April 2016. The final trading day on which shares will still be entitled to a distribution is 13 April 2016. Shares will be traded ex distribution from 14 April 2016.

## Agenda and proposals

### 4. Elections relating to the Board of Directors

#### 4.1 Members of the Board of Directors

The one-year term of office of the entire Board of Directors expires at the Annual General Meeting 2016. All members of the Board of Directors will be standing for re-election. The Board of Directors proposes to the Annual General Meeting that a further member be elected.

##### Proposal

The Board of Directors proposes that the following be elected for a term of one year until the conclusion of the Annual General Meeting 2017:

- 4.1.1 Heinrich Spoerry, Swiss (born in 1951)
- 4.1.2 Eduard Rikli, Swiss (born in 1951)
- 4.1.3 Patrick Kilchmann, Swiss (born in 1958)
- 4.1.4 Andreas Casutt, Swiss (born in 1963)
- 4.1.5 Hans-Michael Hauser, German (born in 1970)

##### Remarks

For more information on current members of the Board of Directors standing for re-election, please see the Annual Report 2015, Corporate Governance section, page 59.

The Board of Directors proposes that Hans-Michael Hauser also be elected for a term of one year until the conclusion of the Annual General Meeting 2017.

Hans-Michael Hauser holds several Master's degrees: in physics and mathematics from the University of Stuttgart and engineering from the École Centrale Paris. He has also taken an MBA in the USA to augment his existing qualifications.

Hans-Michael Hauser worked for the Boston Consulting Group (BCG) as Partner and Managing Director in Munich and Zurich from 1995 to 2015, playing a significant role in establishing and expanding BCG's consultancy business in the industrial and technology segment. Since March 2015, Hans-Michael Hauser has been helping companies to develop and launch digital business models through ML Insights AG, the company he founded himself.

Hans-Michael Hauser has acquired specific experience in technology and innovation management, automation technology and hardware and software development projects. With his experience and knowledge, Hans-Michael Hauser makes the ideal complement to the Mikron-relevant background of the Board of Directors.

#### 4.2 Chairman of the Board of Directors

##### Proposal

The Board of Directors proposes the election of Heinrich Spoerry as Chairman of the Board of Directors for a term of one year until the conclusion of the Annual General Meeting 2017.

#### 4.3 Members of the Remuneration Committee

The one-year term of office of the members of the Remuneration Committee expires at the Annual General Meeting 2016. Patrick Kilchmann will be standing for re-election. As Eduard Rikli will be assuming other tasks on the Board of Directors, he is to be replaced by Andreas Casutt.

##### Proposal

The Board of Directors proposes the election of the following as members of the Remuneration Committee for a term of one year until the conclusion of the Annual General Meeting 2017:

- 4.3.1 Patrick Kilchmann, Swiss (born in 1958)
- 4.3.2 Andreas Casutt, Swiss (born in 1963)

### 5. Approval of the total future remuneration payable to the Board of Directors and Group Management

#### 5.1 Remuneration payable to the Board of Directors

##### Proposal

The Board of Directors proposes the approval of the total remuneration payable to the members of the Board of Directors for the period up to the next Annual General Meeting of maximum CHF 390,000.

##### Remarks

The proposed total amount of maximum CHF 390,000 is for the remuneration of five members of the Board of Directors. The total sum contains the basic fee, including remuneration for work in the committees of the Board of Directors, lump-sum compensation for expenses, as well as all social insurance contributions, and is paid out as a fixed fee.

The remuneration effectively paid will be disclosed in the Compensation Report for the 2016 financial year and be the subject of the related advisory vote to be held at the Annual General Meeting in 2017. With due consideration for the impact of the strong Swiss franc on the Mikron Group, the Board of Directors took a one-time reduction of almost 15% on its remuneration for the previous period.

#### 5.2 Remuneration payable to Group Management

##### Proposal

The Board of Directors proposes that the following be approved as remuneration payable to Group Management:

- 5.2.1 The total fixed and performance-related remuneration which may be paid to Group Management during the 2017 financial year of maximum CHF 2.1 million
- 5.2.2 The allocation of 10,000 shares for the current financial year 2016, which, valued at the price on 9 March 2016, corresponds to a value of CHF 60,600.

##### Remarks

The proposed total amount of maximum CHF 2.1 million is for the remuneration of three members of Group Management. It includes maximum remuneration for the CEO of approximately CHF 0.8 million.

Compared to the total remuneration approved for 2016 by the Annual General Meeting, this represents an increase of CHF 0.3 million or 17% and reflects the fact that the maximum variable remuneration has been factored in.

The total amount is expected to comprise the following amounts for the respective remuneration components:

- Basic remuneration: CHF 1.1 million, which is unchanged compared with the amount for 2016 approved by the Annual General Meeting. The Board of Directors will stipulate the actual remuneration for 2017 at the end of 2016.
- Variable remuneration: CHF 0.6 million, subject to maximum attainment of targets by all members of Group Management.
- Pension and supplementary benefits, lump-sum compensation for expenses, as well as employer contributions to social insurance: CHF 0.4 million. The amount of the effective obligations depends, among other factors, on the basic and variable remuneration effectively paid, on the age structure of the members of Group Management and on the insurance contributions.

The remuneration effectively paid will be disclosed in the Compensation Report for 2017 and be the subject of the related advisory vote to be held at the Annual General Meeting in 2018.

### 6. Election of the independent proxy

##### Proposal

The Board of Directors proposes the re-election of Urs Lanz, notary and advocate from Nidau, as the independent proxy until the conclusion of the Annual General Meeting 2017.

### 7. Election of the statutory auditor

##### Proposal

The Board of Directors proposes the re-election of PricewaterhouseCoopers AG, Berne, as statutory auditor for the 2016 financial year.

## Agenda and proposals

### 8. Transfer of delisting competence

#### Proposal

Veraison SICAV proposes that the delisting competence be transferred from the Board of Directors to the General Meeting and that the decision on a delisting from the Swiss Exchange be subject to the quorum according to Art. 704 para. 1 of the Swiss Code of Obligations (CO).

The Board of Directors proposes that the proposal from Veraison SICAV be approved.

If the proposal is approved, the Articles of Association will be amended as follows (amendments in italics):

#### Art. 7 Authorities

The General Meeting is the supreme corporate body of the Company. It has the following non-transferable powers:

(para. 1 to 6 remain unchanged)

*7. The delisting of shares from the Swiss Exchange.*

#### Art. 14 Quorums

A resolution of the General Meeting passed by at least two thirds of the represented share votes and the absolute majority of the represented shares par value is required for:

(para. 1 and 2 remain unchanged)

*3. the delisting of shares from the Swiss Exchange;*

(The current para. 3 of this Article will become the new para. 4 and remains unchanged.)

#### Remarks

Veraison SICAV believes in the future of Mikron as a listed company and is of the opinion that delisting or going private would not be in the interests of public shareholders.

Under Switzerland's prevailing company law, delisting does not fall within the authority of the shareholders. Delistings (as well as listings) are governed by listing rules. These non-sovereign rules are self-regulated by SIX Swiss Exchange (SIX). The revised Directive Delisting (DD) applies. SIX merely verifies the legality of the application and may stipulate the last day of trading. The period between the delisting announcement and the last day of trading may be no less than three and no more than 12 months. When deciding on the delisting, SIX takes into account the free float and trading volume of the company in question. It is no longer a requirement to ensure off-exchange trading.

The General Meeting is authorized to pass resolutions only regarding issues which are reserved to the General Meeting by law or by the Articles of Association. Switzerland's stock exchange legislation does not address the question of authority either. What is more, where the Articles of Association do not provide for shareholder co-determination, decisions rest with the Board of Directors. Given that the absence of exchange trading may prove detrimental to shareholders, Veraison SICAV would like to extend the General Meeting's authority to include making decisions on the far-reaching question of delisting by defining this as a non-transferable power of the General Meeting. In order to reflect the magnitude of a decision of this nature, any such resolution would also have to satisfy a higher quorum in that it must be passed by at least two thirds of the represented share votes and the absolute majority of the represented shares' par value.

The Board of Directors also believes in the future of Mikron as a listed company, and appreciates the advantages that listing brings for the company. The Board of Directors also supports the proposal because delisting would primarily affect shareholders. It therefore makes sense to transfer this authority to the General Meeting and, by subjecting it to a higher decision-making quorum, to introduce an element of minority protection.

## Organizational information

### Annual Report

The Annual Report (Management Report, Financial Report of Mikron Holding AG and of the Mikron Group) as well as the auditor's reports for 2015 are available for inspection at the company's administrative offices at Güterstrasse 20, 4900 Langenthal, Switzerland.

The Annual Report can be ordered using the registration form and is available on Mikron's website, [www.mikron.com](http://www.mikron.com), as a PDF file. Copies will also be on display at the Annual General Meeting. The invitation to the 2016 Annual General Meeting can also be viewed on Mikron's website.

### Right to vote

Those shareholders of Mikron Holding AG entered in the share register as "with voting rights" up to and including 6 April 2016 are entitled to vote. No entries will be made in the share register from 7 to 12 April 2016.

### Admission cards and appointment of proxy

With the enclosed document "Registration/appointment of proxy", shareholders can order admission cards, or may opt to be represented. Admission cards will be sent out from 30 March 2016 onwards. Shareholders are asked to send this document, together with the instruction form if required, as quickly as possible to ShareCommServices AG, Europastrasse 29, CH-8152 Glattbrugg. Shareholders also have the option of registering or appointing the independent proxy online until 4 p.m. on 8 April 2016. Information regarding the online platform and your personal access data can be found in the "Registration/appointment of proxy" document. In accordance with the law and the Articles of Association, shareholders who do not wish to attend the Annual General Meeting in person may opt to be represented as follows:

- by a person appointed by the shareholder, or
- by the independent proxy, Mr. Urs Lanz, notary and advocate, Hauptstrasse 54, 2560 Nidau, Switzerland.

### Other information

The Annual General Meeting will be held in German. Shareholders attending the Annual General Meeting are also invited to a reception immediately after the meeting.

Biel, March 2016

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