



# Invitation to the Annual General Meeting

Tuesday, 25 April 2017  
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. In addition, 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.

The appended short version of the Annual Report contains a review of the 2016 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, 25 April 2017  
Kongresshaus Biel, Zentralstrasse 60

## Program

- 3.00 p.m.** Doors open, registration and security clearance
- 4.00 p.m.** Annual General Meeting commences
- Welcome address  
Heinrich Spoerry, Chairman of the Board of Directors
- 2016 financial year and outlook 2017  
Heinrich Spoerry, Chairman of the Board of Directors  
Bruno Cathomen, CEO Mikron Group  
Martin Blom, CFO Mikron Group
- Questions from shareholders
- Regular agenda items  
Heinrich Spoerry, Chairman of the Board of Directors
- approx. 5.30 p.m.** Annual General Meeting ends,  
followed by a reception in the foyer

# Agenda and proposals

## 1. Annual Report 2016

### 1.1 Management Report, Financial Statements of Mikron Holding AG and Consolidated Financial Statements 2016 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 2016 of the Mikron Group.

#### Remarks

A comprehensive review of the 2016 financial year is included in the Annual Report 2016 (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 2016

#### Proposal

The Board of Directors proposes that the Compensation Report 2016 be approved. An advisory vote will be held in accordance with Art. 13 of the Articles of Association.

#### Remarks

The Compensation Report (pages 74 to 77 of the Annual Report 2016) 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 2016 financial year.

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

in CHF 1'000

Profit carried forward	28,846
Excess proceeds from sale of treasury shares	2
Loss/profit for the year	1,861
<b>Profit carried forward</b>	<b>30,709</b>

#### Proposal

The Board of Directors proposes that

- 3.1 the retained earnings for the year ended 31 December 2016 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 2016 of CHF 0.05 per share be stipulated.

#### Remarks

The Board of Directors proposes to the Annual General Meeting a withholding tax-free distribution for 2016 of CHF 0.05 per share. Based on a maximum of 16,712,744 shares, the total amount is CHF 835,637. No distribution is made 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 2 May 2017. The final trading day on which shares will still be entitled to a distribution is 26 April 2017. Shares will be traded ex distribution from 27 April 2017.

# 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 2017. All members of the Board of Directors will be standing for re-election.

#### 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 2018:

- 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 2016, Corporate Governance section, page 59.

### 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 2018.

### 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 2017. The Board of Directors intends to reappoint Patrick Kilchmann as Chairman of the Remuneration Committee, provided he is re-elected by the Annual General Meeting.

#### 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 2018:

- 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 unchanged from the previous one-year period, and is intended to remunerate 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 2017 financial year and be the subject of the related advisory vote to be held at the Annual General Meeting in 2018.

## 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 2018 financial year of maximum CHF 2.1 million.
- 5.2.2 The allocation of 10,000 shares for the current financial year 2017, which, valued at the price on 17 March 2017, corresponds to a value of CHF 59,900.

### 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. The amount is the same as the overall remuneration approved by the Annual General Meeting for 2017.

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

- Basic remuneration: CHF 1.1 million. The Board of Directors will stipulate the actual remuneration for 2018 at the end of 2017.
- Variable remuneration: CHF 0.6 million, subject to maximum attainment of targets by all members of Group Management.
- Pension and supplementary benefits, 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 2018 and be the subject of the related advisory vote to be held at the Annual General Meeting in 2019.

## 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 2018.

## 7. Election of the statutory auditor

### Proposal

The Board of Directors proposes the re-election of PricewaterhouseCoopers AG, Berne, as statutory auditor for the 2017 financial year.

## Organizational information

### Annual Report

The Annual Report (Review of Operations, Financial Report of Mikron Holding AG and of the Mikron Group) as well as the auditor's reports for 2016 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 2017 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 19 April 2017 are entitled to vote. No entries will be made in the share register from 20 to 25 April 2017.

### 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 7 April 2017 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 21 April 2017. 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 2017

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