

# Invitation

## to the 116<sup>th</sup> Annual General Meeting of the Shareholders



Wednesday, April 17, 2019  
10:00 am (doors open at 09:00 am)  
Stadtsaal, Weiherstrasse 2, 4800 Zofingen

# Zofingen, March 2019

This is a translation of the original German version.  
In case of any discrepancy, the German version shall prevail.

# Agenda Items and Motions by the Board of Directors

## 1. Approval of the Annual Report, the Annual Financial Statements, and the Consolidated Group Financial Statements for the 2018 Financial Year

The Board of Directors proposes that the Annual Report, the Annual Financial Statements and the Consolidated Group Financial Statements for the financial year 2018 be approved.

## 2. Approval of the Appropriation of the Retained Earnings and Distribution from Capital Contribution Reserves

The Board of Directors proposes that the retained earnings for the financial year 2018 be appropriated as follows:

in CHF	2018
Balance brought forward	–
Profit in the year 2018	9 436 387
Statutory retained earnings	9 436 387
Appropriation of retained earnings to free reserves	–9 436 387
<b>Balance to be carried forward</b>	<b>–</b>

The Board of Directors proposes to pay out CHF 2.60 per registered share from the capital contribution reserves.

in CHF	2018
Capital contribution reserves as of December 31, 2017	103 290 961
Payout in 2018	–9 964 416
Additional capital contribution reserves from Capital Increase	15 556 382
<b>Capital contribution reserves as of December 31, 2018</b>	<b>108 882 927</b>
Distribution of CHF 2.60 per registered share on 4 110 269 entitled shares*	–10 686 699
<b>Capital contribution reserves carried forward</b>	<b>98 196 228</b>

\* Treasury shares held by the Company are not entitled for distribution. The total amount of distribution of CHF 10,686,699 has been calculated on the basis of number of shares entitled for distribution on the day of the approval of the motion by the Board of Directors on March 1, 2019. The number of shares entitled for distribution will change up to the Annual General Meeting on April 17, 2019. With effect per March 13, 2019, 43,251 shares were issued out of conditional share capital of Siegfried Holding AG pursuant to Article 3<sup>bis</sup> of the Articles of Incorporation, thereby increasing the number of registered shares to 4,300,000.

### 3. Discharge of the Members of the Board of Directors

The Board of Directors proposes to grant discharge to the members of the Board of Directors for the financial year 2018.

### 4. Changes to the Share Capital Structure

#### 4.1. Increase of Nominal Share Value through conversion of Capital Contribution Reserves

##### A. Comments

Siegfried Holding AG currently has a share capital of CHF 8,600,000, divided into 4,300,000 shares with a nominal value of CHF 2.00 each. In addition, and taking into account the distribution from capital contribution reserves proposed to the Annual General Meeting (agenda item 2), the Company has reserves from capital contributions of around CHF 114 million.

In the light of the current revision efforts of the corporate tax law in Switzerland, it is unclear whether and to what extent the Company will be in a position to pay back capital contribution reserves to the shareholders without being subject to withholding tax in the future. The conversion of existing capital contribution reserves into share capital would enable the Company to continue to make distributions to its shareholders free of withholding tax by way of annual partial repayments of the par value. The share capital increase would be implemented exclusively by increasing the nominal value of the issued registered shares from CHF 2.00 today by CHF 25.00 to CHF 27.00 per share. As the capital increase will be paid-in from capital contribution reserves, the shareholders would not be subject to any contribution or other payment obligations. The number of shares would remain unchanged, so that there will be no dilutive effect on the existing shareholders.

The increase of the nominal share value through conversion of capital contribution reserves affects directly and primarily the interests of the shareholders. Therefore, the Board of Directors would like to give the Annual General Meeting the opportunity to decide on this agenda item.

The increase of the nominal share value through conversion of capital contribution reserves requires a two-thirds majority of the votes present and votes represented.

##### B. Motion of the Board of Directors

The Board of Directors proposes to the Annual General Meeting an ordinary increase of the share capital of the Company from currently CHF 8,600,000, divided into 4,300,000 shares with a nominal value of CHF 2.00 each, to CHF 116,100,000, divided into 4,300,000 shares with a nominal value of CHF 27.00 each, in accordance with the following terms:

1. Nominal amount of the share capital increase: CHF 107,500,000.
2. Form of contribution: The contribution will be made fully and exclusively by converting capital contribution reserves in the amount of CHF 107,500,000. As a result, the registered shares of the Company will continue to be fully paid-in.
3. Nominal value increase without issuance of new shares: The nominal value of the existing registered shares will be increased from CHF 2.00 by CHF 25.00 to CHF 27.00 per share. No new shares will be issued.
4. Subscription rights: There will be no subscription rights.
5. Dividend entitlement: Unchanged.
6. Transfer restrictions: Unchanged in accordance with Article 5 of the Articles of Association.
7. Transfer of assets: None.
8. Special advantages: None.

## 4.2. Conditional Share Capital

### A. Comments

According to Article 3<sup>bis</sup> of the Articles of Association, Siegfried Holding AG currently has conditional share capital of CHF 120,000, divided into 60,000 registered shares with a nominal value of CHF 2.00 each. The conditional capital is reserved for the issuance of shares to the Board of Directors and employees under the employee participation programs of Siegfried Holding AG and its group companies. The increase of the number of registered shares of the conditional share capital to 215,000 shares as proposed by the Board of Directors will provide for sufficient conditional share capital to serve the employee participation programs over the next several years. The 215,000 registered shares of conditional share capital represent 5% of the current share capital of Siegfried Holding AG.

If the Annual General Meeting approves the increase of the nominal share value from currently CHF 2.00 to CHF 27.00 per share, as per agenda item 4.1., the 215,000 shares correspond to a conditional share capital of CHF 5,805,000, divided into 215,000 shares with a nominal value of CHF 27.00 each. If the Annual General Meeting rejects the increase of the nominal share value, the 215,000 shares correspond to a conditional share capital of CHF 430,000, divided into 215,000 shares with a nominal value of CHF 2.00 each.

The creation of conditional share capital requires a two-thirds majority of the votes present and votes represented.

### B. Motion of the Board of Directors

The Board of Directors proposes to the Annual General Meeting to create conditional capital for the issuance of shares to the Board of Directors and employees of Siegfried Holding AG and its group companies under the

employee participation programs of a total of 215,000 shares by amending the first sentence of Article 3<sup>bis</sup> para 1 of the Articles of Incorporation.

In case of approval of the increase of the nominal share value under agenda item 4.1., the first sentence of Article 3<sup>bis</sup> para 1 will state as follows:

#### Article 3<sup>bis</sup> – Conditional Capital

<sup>1</sup> The Company's share capital pursuant to Article 3 may be increased by a maximum of CHF 5'805'000 by an issue of a maximum of 215'000 registered shares with a nominal value of CHF 27.00 each, to be fully paid in, with such shares to be issued to members of the Board of Directors and/or employees of the Company and/or its group companies.

In case of rejection of the increase of the nominal share value under agenda item 4.1., the first sentence of Article 3<sup>bis</sup> para 1 will state as follows:

#### Article 3<sup>bis</sup> – Conditional Capital

<sup>1</sup> The Company's share capital pursuant to Article 3 may be increased by a maximum of CHF 430'000 by an issue of a maximum of 215'000 registered shares with a nominal value of CHF 2.00 each, to be fully paid in, with such shares to be issued to members of the Board of Directors and/or employees of the Company and/or its group companies.

The remainder of Article 3<sup>bis</sup> para 1 and Article 3<sup>bis</sup> para 2 of the Articles of Incorporation remain unchanged.

### 4.3. Authorized Share Capital

#### A. Comments

Siegfried Holding AG currently has no authorized share capital. Authorized share capital allows the Company to flexibly and quickly seize acquisition or investment opportunities or to execute capital increases to optimize the shareholder structure. The Board of Directors therefore proposes to the Annual General Meeting the creation of authorized share capital in the amount of 215,000 registered shares. This corresponds to 5% of the current share capital of Siegfried Holding AG. The Board of Directors will be authorized to withdraw or restrict the subscription rights of shareholders for the reasons stated in the Articles of Incorporation and to allocate them to individual shareholders or third parties. The authorized share capital will be available to the Company for two years, i.e. until April 16, 2021.

If the Annual General Meeting approves the nominal value increase from currently CHF 2.00 to CHF 27.00 per share, as per agenda item 4.1., the 215,000 shares correspond to an authorized share capital of CHF 5,805,000, divided into 215,000 shares of CHF 27.00 nominal value each. If the Annual General Meeting rejects the nominal value increase, the 215,000 shares correspond to an authorized share capital of CHF 430,000, divided into 215,000 shares of CHF 2.00 nominal value each.

The creation of authorized share capital requires a two-thirds majority of the votes present and votes represented.

## B. Motion of the Board of Directors

The Board of Directors proposes to the Annual General Meeting to create authorized share capital in the amount of 215,000 shares by a new Article 3<sup>ter</sup> of the Articles of Incorporation.

In case of approval of the increase of the nominal share value under agenda item 4.1., new Article 3<sup>ter</sup> para 1 of the Articles of Incorporation will state as follows:

### Article 3<sup>ter</sup> – Authorized Capital

<sup>1</sup> The Board of Directors is authorized to increase the share capital set forth in Article 3 of these Articles of Incorporation by a maximum of CHF 5'805'000 by issuing a maximum of 215'000 registered shares with a nominal value of CHF 27.00 each, to be fully paid in, at any time until April 16, 2021. Share capital increases in partial amounts are permitted.

In case of rejection of the increase of the nominal share value under agenda item 4.1., new Article 3<sup>ter</sup> para 1 of the Articles of Incorporation will state as follows:

### Article 3<sup>ter</sup> – Authorized Capital

<sup>1</sup> The Board of Directors is authorized to increase the share capital set forth in Article 3 of these Articles of Incorporation by a maximum of CHF 430'000 by issuing a maximum of 215'000 registered shares with a nominal value of CHF 2.00 each, to be fully paid in, at any time until April 16, 2021. Share capital increases in partial amounts are permitted.

Any further terms and conditions of the authorized capital are independent of the nominal value of the shares. New Article 3<sup>ter</sup> para 2 through para 4 of the Articles of Incorporation will state as follows:

<sup>2</sup> Subscription to and acquisition of the new shares as well as any subsequent transfer of the shares are subject to the restrictions set forth in Article 5 of these Articles of Incorporation.

<sup>3</sup> The Board of Directors shall determine the issue price, the type of contribution, the date of issue, the conditions governing the exercise of subscription rights and the commencement of the dividend entitlement. The Board of Directors may issue new shares which are underwritten by a bank or another third party and subsequently offered to the existing shareholders. The Board of Directors is authorized to restrict or to prohibit trading in the subscription rights to the new shares. In the event of subscription rights not being exercised, the Board of Directors may, at its discretion, either allow such rights to expire without compensation, or place them or the shares to which they are entitled either at a market price or in some other manner in furtherance of the interests of the Company.

<sup>4</sup> The Board of Directors is empowered to withdraw or restrict shareholders' subscription rights and to allocate such rights to individual shareholders or third parties in the event:

- a) of the new shares being used to acquire companies, parts thereof or equity participations, or for the financing or refinancing of such transactions, or for the financing of new investment projects undertaken by the Company.
- b) of the new shares being used either for the extension of the shareholder base in conjunction with the listing of shares on a Swiss stock exchange or for investments by strategic partners.
- c) of the new shares being placed nationally and internationally at market conditions for the purpose of raising equity in a swift and flexible manner that would be difficult to arrange or only at significantly less favorable conditions if the subscription rights to the new shares were not restricted or withdrawn.

## 5. Approval of Remuneration of the Members of the Board of Directors and the Executive Management

### 5.1. Remuneration of the Board of Directors

#### A. Comments

Remuneration for members of the Board of Directors for their term of office until the conclusion of the next ordinary General Shareholders' Meeting comprises a fixed base remuneration, an individual functional remuneration and a lump sum compensation for expenses. The total remuneration for the 7 members of the Board of Directors for the 2019/2020 term of office amounts to a maximum of CHF 1,750,000, incl. employer's social security insurance contributions (previous year: CHF 1,500,000 for 6 members). It will be paid in form of a cash payment in the amount of CHF 600,000 and the remainder will be paid in the form of shares of Siegfried Holding AG (not exceeding a total of 3,600 shares). The shares will remain blocked for a period of three years.

#### B. Motions of the Board of Directors

The Board of Directors proposes that the total maximum remuneration for the Board of Directors for the 2019/2020 term of office in the amount of CHF 1,750,000 be approved.

### 5.2. Remuneration of the Executive Committee

#### A. Comments

Remuneration for members of the Executive Committee consists of fixed remuneration in cash, short-term performance-based remuneration in cash, and long-term performance-based remuneration in the form of Performance Share Units („PSUs“), which entitle the members of the Executive Committee to receive shares of Siegfried Holding AG. The Annual General Meeting of the Shareholders will vote separately on the approval of each of these remuneration elements.

The fixed remuneration in cash of the Executive Committee that is to be prospectively approved by the Annual General Meeting of the Shareholders for the financial year 2020 amounts to a maximum of CHF 3,200,000 in total, incl. employer's social security insurance contributions (previous year: CHF 3,300,000).

The short-term performance-based remuneration in cash of the Executive Committee that is to be retrospectively approved by the Annual General Meeting of the Shareholders for the financial year 2018 amounts to CHF 1,049,158 in total, incl. employer's social security insurance contributions (previous year: CHF 1,463,526). The amount proposed has been calculated based on the effective target achievement of the corporate, functional and individual targets of each member of the Executive Committee that were set by the Board of Directors for the financial year 2018.



The long-term performance-based remuneration of the Executive Committee in the form of PSUs that is to be approved by the Annual General Meeting of the Shareholders for the current financial year 2019 amounts to a maximum of CHF 2,000,000 in total, incl. employer's social security insurance contributions (previous year: CHF 3,410,000). It was granted in the form of 9,191 PSUs, the total fair value of which as of the date of allocation on March 8, 2019 was determined by external experts by means of an established valuation methodology. The PSUs granted in the current financial year relate to the three-year performance period comprising the financial years 2019 through 2021. The 9,191 PSUs entitle the members of the Executive Committee to receive up to 9,191 shares of Siegfried Holding AG in case of a 100% target achievement, and up to 18,382 shares in case of a maximum target achievement upon expiration of the vesting period. The value of the shares to be allocated to the members of the Executive Committee upon expiration of the vesting period will depend on the share price at the time they are allocated in 2022.

## B. Motions of the Board of Directors

5.2.1. The Board of Directors proposes that the fixed remuneration in cash of the members of the Executive Committee for the financial year 2020 in the total amount of maximum CHF 3,200,000 be approved.

5.2.2. The Board of Directors proposes that the short-term performance-based remuneration in cash of the members of the Executive Committee for the financial year 2018 in the total amount of CHF 1,049,158 be approved.

5.2.3. The Board of Directors proposes that the long-term performance-based remuneration of the members of the Executive Committee for the current financial year 2019 in the form of Performance Share Units in the total amount of maximum CHF 2,000,000 be approved.

## 6. Elections concerning the Board of Directors

### 6.1. Reelection of the Members of the Board of Directors

The Board of Directors proposes that Ms. Ulla Schmidt and Messrs. Colin Bond, Prof. Dr. Wolfram Carius, Dr. Andreas Casutt, Reto Garzetti and Dr. Martin Schmid be reelected to the Board of Directors for a term of office of one year. Voting shall take place for each person separately.

### 6.2. Election to the Board of Directors

The Board of Directors proposes to elect Dr. Rudolf Hanko to the Board of Directors of the Company for a one year term.

Dr. Rudolf Hanko (\*1955) was CEO of the Siegfried Group from May 1, 2009, to December 31, 2018. Previously, he held various management positions in the chemical-pharmaceutical industry, most recently as Head of the business

unit Exclusive Synthesis & Amino Acids at Evonik Industries AG (Germany). Prior to joining Evonik Industries AG, Rudolf Hanko was Head of Chemical Research in the pharmaceutical division of Bayer AG and subsequently General Manager of the fine chemicals division. Rudolf Hanko received his Ph.D. in chemistry from the University of Göttingen and completed post-doctoral studies at the Max Planck Institute for coal research in Mülheim, Germany. Rudolf Hanko is a German citizen.

### 6.3. Reelection of the Chairman of the Board of Directors

The Board of Directors proposes that Dr. Andreas Casutt be reelected as Chairman of the Board of Directors for a term of office of one year (subject to his reelection to the Board of Directors pursuant to agenda item 6.1.).

### 6.4. Reelection of Members of the Remuneration Committee

The Board of Directors proposes that Ms. Ulla Schmidt, Mr. Reto Garzetti and Dr. Martin Schmid (subject to their reelection to the Board of Directors pursuant to agenda item 6.1.) be reelected to the Remuneration Committee for a term of office of one year. Voting shall take place for each person separately.

## 7. Election of the Independent Voting Proxy

The Board of Directors proposes to elect BDO AG, Entfelderstr. 1, 5001 Aarau, as independent voting proxy for a term of one year.

## 8. Election of External Auditors

The Board of Directors proposes to elect PricewaterhouseCoopers AG, Basel, as external auditors for a term of one year.

Siegfried Holding AG  
Chairman of the Board of Directors  
Dr. Andreas Casutt

Following conclusion of the  
General Shareholders' Meeting,  
an apéro riche will be served.

# Administrative Information

## Documents

The 2018 Annual Report (incl. Remuneration Report) and the Auditor's Reports were distributed to the shareholders together with the present invitation and are available at the registered office of the Company. They can also be downloaded from the internet at [www.siegfried.ch](http://www.siegfried.ch).

## Admission

The Board of Directors has defined the following cut-off date of the share register: Wednesday, April 10, 2019. All communications regarding changes to shareholdings must have arrived at the Share Registry by this time.

If you would like to attend the General Shareholders' Meeting in person or through a representative, please register with the registration form enclosed with this invitation (the date of receipt of the registration form), or electronically via <https://siegfried.shapp.ch> no later than Tuesday, April 16, 2019.

The admission and voting card also enclosed with this invitation has to be presented at the entrance to the General Shareholders' Meeting.

## Sale of Shares

In the event that shares are sold prior to the Annual Shareholders' Meeting, the access passes already issued and the respective voting material will be null and void. They are to be returned to Siegfried Holding AG, Share Registry, c/o Nimbus AG, Ziegelbrückstrasse 82, 8866 Ziegelbrücke or,

in the event of a partial sale, exchanged at the information counter at the General Shareholders' Meeting.

## Representation and Proxy Voting

Shareholders who are not able to participate in person at the General Shareholders' Meeting can be represented as follows:

- a) By any duly authorized person: In order to be represented by another person, the proxy on the admission and voting card enclosed with this invitation must be filled out and handed over to the person attending the General Shareholders' Meeting on his/her behalf.
- b) By BDO AG, Aarau, as independent voting proxy: In order to grant proxy powers and issue instructions to the independent voting proxy, please fill out the registration form enclosed with this invitation, or electronically on the AGM-platform, <https://siegfried.shapp.ch>.

By signing and returning the registration form without issuing specific voting instructions to the independent voting proxy, the independent voting proxy will vote in favor of the motions of the Board of Directors. This will also apply for any additional motions that were not included in the invitation.

Proxy voting by banks or corporate bodies of the Company is not permitted.

**expect  
more**

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[www.siegfried.ch](http://www.siegfried.ch)