

ARBONIA 

Invitation to the 33rd Annual General Meeting

Dear Shareholders,

We would like to invite you to
our 33rd Annual General Meeting.

Friday, 24th April 2020

01.30 pm door opening

02.00 pm General Meeting

Würth Haus Rorschach
Carmen Würth Saal
Churerstrasse 10
9400 Rorschach

Agenda items and motions proposed by the Board of Directors

1. Approval of the management report of the Group, the financial statements and the consolidated financial statements for 2019

Proposal: The Board of Directors proposes that the management report of the Group, the financial statements and the consolidated financial statements for 2019 be approved.

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

Proposal: The Board of Directors proposes that the members of the Board of Directors who were active in the financial year 2019 and the Group Management be granted formal discharge for the financial year 2019.

3. Appropriation of the retained earnings and of the capital contribution reserves

3.1 Proposal:

The Board of Directors proposes that the retained earnings as of 31 December 2019, namely:

net profit for 2019	CHF 23'800'940
+ accumulated profit	CHF 175'458'288
retained earnings	CHF 199'259'228

be used as follows:

dividend ¹ of CHF 0.11 per registered share	CHF 7'642'057
balance carried forward to new account	CHF 191'617'171
retained earnings	CHF 199'259'228

3.2 Proposal:

The Board of Directors proposes to distribute CHF 0.11 per registered share as follows from the capital contribution reserves:

capital contribution reserves carried forward	CHF 469'402'490
– distribution ¹ of CHF 0.11 per registered share	CHF –7'642'057
capital contribution reserve	CHF 461'760'433

4. Elections

4.1 Election of the Chairman and members of the Board of Directors, as well as members of the Compensation Committee

4.1.1 Proposal: The Board of Directors proposes the election of Alexander von Witzleben as a member of the Board of Directors and as its Chairman, and as a member of the Compensation Committee.

4.1.2 Proposal: The Board of Directors proposes the election of Peter Barandun as a member of the Board of Directors and as a member of the Compensation Committee.

4.1.3 Proposal: The Board of Directors proposes the election of Peter E. Bodmer as a member of the Board of Directors.

4.1.4 Proposal: The Board of Directors proposes the election of Heinz Haller as a member of the Board of Directors and as a member of the Compensation Committee.

4.1.5 Proposal: The Board of Directors proposes the election of Markus Oppliger as a member of the Board of Directors.

4.1.6 Proposal: The Board of Directors proposes the election of Michael Pieper as a member of the Board of Directors.

4.1.7 Proposal: The Board of Directors proposes the election of Thomas Lozser as a member of the Board of Directors.

4.1.8 Proposal: The Board of Directors proposes the election of Dr. Carsten Voigtländer as a member of the Board of Directors.

4.2 Election of the independent proxy

Proposal: The Board of Directors proposes the election of Dr. iur. Roland Keller, LL.M., attorney-at-law, Raggenbass Rechtsanwälte, Amriswil, as an independent proxy until the conclusion of the next Annual General Meeting.

4.3 Election of auditors

Proposal: The Board of Directors proposes the election of KPMG AG, St. Gallen, as auditors for the financial year 2020 (to audit the annual financial statements, the consolidated financial statements and the compensation report).

5. Amendments to the Articles of Association

The first two following proposals concern authorised and conditional capital. The Articles of Association stipulate that the authorised and conditional capital may not be used cumulatively but only alternatively. This means that the conditional capital is reduced to the extent that the authorised capital is used, and vice versa. The third of the following proposals aims to achieve a more precise and flexible structure for variable compensation.

5.1 Authorised capital

Proposal: The Board of Directors proposes to create authorised capital at a maximum amount of CHF 29 148 000, where it should be entitled to increase the share capital by issuing up to 6 940 000 fully paid-up registered shares with a nominal value of CHF 4.20 as far as the conditional capital requested under agenda item 5.2 was not used or reserved. Accordingly, the Board of Directors proposes to recast Art. 3a of the Articles of Association as follows:

"The Board of Directors is authorised, at any time until the 24 April 2022, to increase the company's share capital by a maximum of CHF 29 148 000 by issuing a maximum of 6 940 000 fully paid-up registered shares of a par value of CHF 4.20 each (authorised capital increase). Increases in partial amounts are permitted. The exercise of contractually acquired subscription rights and the acquisition of new registered shares are subject to the restrictions on entry into the share register according to Art. 5 of the Articles of Association. The issue price, the date of the dividend entitlement and, where appropriate, the nature of the contribution in kind or acquisition of assets are determined by the Board of Directors.

The Board of Directors is also entitled to exclude, in whole or in part, the subscription right of shareholders in favour of third parties

- for investment by strategic partners; or
- for the acquisition of companies, shares in companies or investments or for the financing or refinancing of such transactions; or
- for the repayment of existing loans; or
- for the rapid and flexible provision of shareholders' equity that would be difficult to achieve without the exclusion of subscription rights; or
- for other important reasons within the meaning of Art. 652b para. 2 of the Swiss Code of Obligations.

¹ None of the shares held by Arbonia AG or one of its subsidiaries entitle their holders to receive distributions.

The new shares may be placed by one or more banks that subscribe to the shares in trust. Shares for which subscription rights are granted but not exercised are available to the Board of Directors, which will use them in the interests of the company.

If and to the extent that the Board of Directors has used or reserved the conditional capital existing in accordance with Article 3b of the Articles of Association, its authorisation to increase the share capital based on paragraph 1 of this provision of the Articles of Association shall be reduced accordingly."

5.2 Conditional capital

Proposal: The Board of Directors proposes to create conditional capital at a maximum amount of CHF 29 148 000, where it should be entitled to increase the share capital by issuing up to 6 940 000 fully paid-up registered shares with a nominal value of CHF 4.20 as far as the authorised capital requested under agenda item 5.1 was not used. Accordingly, the Board of Directors proposes to recast Art. 3b of the Articles of Association as follows:

"The company's share capital may be increased by a maximum amount of CHF 29 148 000 by issuing up to 6 940 000 fully paid-up registered shares with a nominal value of CHF 4.20 each (conditional capital). These registered shares are to be issued upon exercise of option rights granted in conjunction with convertible bonds, bonds with option rights or similar forms of financing of the company or one of its subsidiaries. The holders of conversion and option rights are authorised to acquire new shares. The Board of Directors stipulates the conditions for granting conversion and option rights. Shareholders' subscription rights are excluded.

The Board of Directors can limit or withdraw the right to advance subscription of existing shareholders when issuing convertible bonds, bonds with option rights or similar forms of financing if such instruments

- are issued on the national or international capital markets; or
- are issued as private placements with one or more strategic investors or to one or more financial investors; or
- are in connection with the financing or refinancing of the acquisition of companies, shares in companies or investments or new investment projects of the company; or
- in connection with the repayment of existing loans.

If the right to advance subscription of the shareholders is limited or excluded, the following applies to the issue of convertible bonds, bonds with option rights or similar forms of financing:

- The instruments must be issued at the relevant market conditions; placement through banks acting as fiduciaries is permitted;
- The term for exercising conversion rights may not exceed 10 years from the date of issue of the bonds;
- New shares are issued at the current conditions for the financial instrument in question;
- The exercise price for the new shares must at least correspond to the market conditions at the time the conversion and option rights are granted.

The acquisition of registered shares through the exercise of conversion or option rights and each subsequent transfer of the registered shares that have been acquired through the exercise of conversion or option rights under this article, are subject to the registration requirements of Art. 5 of the Articles of Association.

If and insofar as the Board of Directors has exercised the power granted by the General Meeting to increase the authorised capital pursuant to Art. 3a of the Articles of Association, the conditional capital pursuant to para. 1 of the present provision in the Articles of Association is reduced."

5.3 Additional variable compensation in special situations

Proposal: The Board of Directors proposes that an additional paragraph be added to Art. 24 of the Articles of Association to allow the Board of Directors to award additional variable compensation in extraordinary situations. Accordingly, the Board of Directors proposes to amend Art. 24 of the Articles of Association with the following additional paragraph:

"In deviation from the above regulations, the Board of Directors is exceptionally permitted in special situations to deviate from the time of target setting and target assessment, from the lower threshold and from the maximum variable compensation. In these special situations, the Board of Directors sets the corporate and/or personal objectives that must be related to the special situation at the time it chooses and determines the relevant time for measuring the objectives. The Board of Directors also determines the maximum amount of additional variable compensation, i.e. in excess of Section 3 - this may in no case exceed twice the annual salary, consisting of fixed and maximum variable compensation."

6. Votes on compensation

6.1 Consultative vote on the compensation report for the financial year 2019

Proposal: The Board of Directors proposes that the compensation report for the financial year 2019 be approved by means of a non-binding consultative voting process.

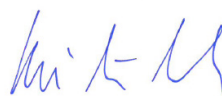
6.2 Approval of the total compensation of the members of the Board of Directors for the year of office 2019/2020

Proposal: The Board of Directors proposes to approve the total sum of CHF 963 000 of the compensation for members of the Board of Directors for the year of office 2019/2020 retrospectively, i.e. from the Annual General Meeting in 2019 to the Annual General Meeting in 2020.

6.3 Approval of the total compensation of the members of Group Management for the financial year 2019

Proposal: The Board of Directors proposes to approve the total sum of CHF 5 468 000 for the fixed and variable compensation of the members of Group Management for the financial year 2019 retrospectively.

Kind regards
Arbonia AG



Alexander von Witzleben
Chairman of the Board of Directors

Miscellaneous

Annual Report

The annual report (management report of the group, financial statements and consolidated financial statements), the compensation report and the auditors' reports for 2019 have been available for viewing by shareholders at the company's headquarter since 25 February 2020 or can be downloaded at www.arbonia.com under "Investors". Each shareholder can also request delivery of the documents (tel.: +41 71 447 45 53; fax: +41 71 447 45 88; e-mail: media@arbonia.com).

Admission cards

The shareholders with voting rights as recorded in the share register will receive a registration form along with the invitation to the Annual General Meeting. On returning the registration form to the company (Arbonia AG, c/o Devigus Shareholder Services, Birkenstrasse 47, 6343 Rotkreuz, Switzerland) the shareholders will receive their admission cards (dispatch of admission cards starting from 15 April 2020). The prompt return of registration forms will facilitate preparatory work for the Annual General Meeting. **Please note the additional information on the coronavirus (COVID-19) and give your instructions to the independent proxy.**

Shareholders who register in the share register after the sending of the invitation to the Annual General Meeting but before 14 April 2020, 5.00 pm will be sent the invitation to the Annual General Meeting and the registration form after 15 April 2020. They can obtain the voting materials by handing in their registration forms at the shares office in the Carmen Würth Saal on the day of the Annual General Meeting. **However, you are asked to give your instructions to the independent proxy instead.**

During the period from 14 April 2020, 5.00 pm up to and including 24 April 2020 no entries in the share register shall be made. Shareholders who acquire their shares after the 14 April 2020, 5.00 pm are not entitled to vote with the shares they have acquired. Shareholders who dispose their shares before the Annual General Meeting are no longer entitled to vote with the shares that they have disposed.

Granting powers of proxy

Shareholders who cannot personally attend the Annual General Meeting have the opportunity to give instructions for voting through the independent proxy, Dr. iur. Roland Keller, attorney-at-law, of Raggenbass Rechtsanwälte, Bahnhofstrasse 9, 8580 Amriswil.

Electronic remote voting (e-voting)

Shareholders represented can issue their power of attorney and voting instructions to the independent proxy electronically from 2 April 2020 6.00 am, under www.arbonia.com/en/company/annual-general-meeting. The access details required for that purpose will be delivered to the shareholders together with their invitations. Electronic participation is possible up until **22 April 2020, 11.59 pm**. If voting is carried out using various methods, the shareholder's last declaration of intent shall apply.