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Invitation to the Extraordinary Shareholders' Meeting

Dear Shareholders,

We would like to invite you to our extraordinary shareholders' meeting.

Date: **Tuesday, 1 November 2016, 10:30 am (hall opens at 09:30 am)**
Venue: **OLMA Hall 9.2, Sonnenstrasse 39, 9000 St. Gallen**

Agenda items and motions proposed by the Board of Directors

1. Combination of AFG and Looser

2. Changes in capital

The Board of Directors proposes:

- to create authorised share capital of a maximum of CHF 87,814,650.00 to be used in connection with the combination with Looser Holding AG, with the Board of Directors being entitled to increase the share capital by issuing up to 20,908,250 fully paid up registered shares with a nominal value of CHF 4.20 each;
- to reduce the existing authorised share capital pursuant to article 3a of the Articles of Association of CHF 18,670,390.20 by CHF 5,450,272.80 to CHF 13,220,117.40;
- to reduce the existing conditional share capital pursuant to article 3b of the Articles of Association of CHF 18,670,390.20 by CHF 5,450,272.80 to CHF 13,220,117.40.

The Board of Directors therefore proposes to amend the Articles of Association of the Company by adding a new article 3c and by modifying the wording of articles 3a and 3b as follows:

"Article 3c

The Board of Directors is authorised to increase the share capital at any time until 30 October 2018 by a maximum of CHF 87,814,650.00 through the issuance of no more than 20,908,250 fully paid up registered shares with a nominal value of CHF 4.20 each (authorised capital increase). Increases by way of firm underwriting and increases in partial amounts are permitted. The issue amount, the start date of the dividend entitlement and, to the extent applicable, the type of the contribution will be determined by the Board of Directors. To create treasury shares for the purposes set out in (b) or (c) of the second paragraph below, freely available reserves may be used for the increase. The subscription and acquisition of the newly created registered shares and any subsequent transfer of the newly created registered shares are subject to the restrictions on transfer and voting rights pursuant to article 5 of the Articles of Association. Those shareholders of Looser Holding AG who accept the offer will be registered in the

share register as shareholders with voting rights provided they declare that they have purchased the shares in their own name and for their own account.

The newly created registered shares will be used for (a) the public purchase and exchange offer (the Offer) by the Company for all publicly held registered shares in Looser Holding AG and the purchase of those registered shares not covered by the public purchase and exchange offer (Purchase), (b) a potential cancellation proceeding pursuant to article 137 of the Swiss Federal Financial Market Infrastructure Act (FMIA) and/or (c) a potential merger of Looser Holding AG with a group company of the Company. For these purposes, the Board of Directors is entitled to exclude the subscription rights of shareholders and allocate them to third parties, the Company, or group companies of the Company.

Subscription rights which have not been exercised shall lapse. "

" Article 3a

The Board of Directors is authorised to increase the share capital at any time until 22 April 2018 by a maximum of CHF 13,220,117.40 through the issuance of no more than 3,147,647 fully paid up registered shares with a nominal value of CHF 4.20 each (authorised capital increase). Increases in partial amounts are permitted. The exercising of contractually acquired rights of purchase as well as the acquisition of new registered shares is subject to the restrictions on registration pursuant to article 5 of the Articles of Association. The issue price, the start date of the dividend entitlement and, to the extent applicable, the type of the contribution in kind or acquisition of assets will be determined by the Board of Directors.

In addition, the Board of Directors is entitled to exclude, in whole or in part, the subscription rights of shareholders and allocate them to third parties

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

The newly created shares may be placed by one or more banks that subscribe for the shares on a fiduciary basis. Shares for which subscription rights have been granted but not exercised are at the disposal of the Board of Directors who will use them in the interest of the Company.

If and to the extent the Board of Directors has used or reserved the existing conditional capital pursuant to article 3b of the Articles of Association, this shall reduce its authorisation to increase the share capital based on para. 1 of this provision of the Articles of Association accordingly. "

" Article 3b

The Company's share capital may be increased by a maximum of CHF 13,220,117.40 through the issuance of up to 3,147,647 fully paid up registered shares with a nominal value of CHF 4.20 each (conditional capital increase). These registered shares are to be issued in case of an exercise of option rights granted in connection with convertible bonds, bonds with option rights or similar forms of financing offered by the Company or any of its subsidiaries. The holders of conversion and option rights are author-

ised to subscribe for the new shares. The Board of Directors determines the conditions for granting conversion and option rights. The subscription rights of existing shareholders are excluded.

The Board of Directors may exclude the preferential subscription rights 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 by way of private placements with one or more strategic investors or to one or more financial investors; or
- relate to the financing or refinancing of the acquisition of companies, shares or interests in companies or new investment projects of the Company; or
- relate to the repayment of existing loans.

If the preferential subscription rights of the shareholders are 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, it being understood that a placement through banks acting as fiduciaries shall be permitted;
- the term for exercising conversion rights may not exceed 10 years from the issue date of the bonds;
- new shares are issued at the relevant 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 pursuant to this article is subject to the registration restrictions pursuant to article 5 of the Articles of Association.

If and to the extent the Board of Directors has exercised the power granted by the General Meeting to perform an authorised capital increase pursuant to article 3a of the Articles of Association, the conditional capital pursuant to para. 1 of this provision of the Articles of Association will be reduced accordingly."

3. Change of company name

Proposal: The Board of Directors proposes that, upon the condition that the Company acquires more than 50 percent of the shares in Looser Holding AG and with effect from the time of such acquisition, the company name be changed from "AFG Arbonia-Forster-Holding AG" to "Arbonia AG". The Board of Directors therefore proposes to amend article 1 of the Articles of Association as follows upon the condition that the Company acquires more than 50 percent of the shares in Looser Holding AG and with effect as of such acquisition:

"Article 1

There is a joint stock company under Swiss law with the company name

Arbonia AG

with its registered office in Arbon TG (Switzerland)."

4 Removal of the age limit for directors

Proposal: The Board of Directors proposes that the age limit pursuant to article 14 para. 2 of the Articles of Association, according to which persons who have reached the age of 70 cannot be elected or re-elected as members of the Board of Directors, be deleted. Accordingly, the Board of Directors proposes that article 14 of the Articles of Association be amended as follows and article 13 para. 10 of the Articles of Association be deleted without substitution:

" Article 14

The Board of Directors consists of three or more members. The General Meeting elects the members of the Board of Directors individually every year for a period of one year in each case. The term of office of the members of the Board of Directors shall end with the conclusion of the next ordinary General Meeting. Resignation prior to the end of the term and removal are reserved.

The General Meeting elects a member of the Board of Directors annually as chairman of the Board of Directors for a term of one year. The term of office shall end with the conclusion of the next ordinary General Meeting. Resignation prior to the end of the term and removal are reserved. Re-election is possible.

If the office of chairman is vacant, the Board of Directors appoints a new chairman from amongst the existing members of the Board of Directors for the remaining term of office.

Otherwise, the Board of Directors constitutes itself. It can appoint a vice-chairman from amongst its members as well as any delegate, and designates the secretary, who does not have to be a member of the Board of Directors."

5. Elections to the Board of Directors

5.1 Proposal: The Board of Directors proposes the election of Dr. Rudolf Huber as a member of the Board of Directors upon the condition that the Company acquires more than 50 percent of the shares in Looser Holding AG and with effect as of such acquisition.

5.2 Proposal: The Board of Directors proposes the election of Thomas Lozser as a member of the Board of Directors upon the condition that the Company acquires more than 50 percent of the shares in Looser Holding AG and with effect as of such acquisition.

6. Increase in the maximum total compensation of the members of the Board of Directors for the year 2016/2017

Proposal: The Board of Directors proposes to increase the maximum total compensation for the members of the Board of Directors of CHF 960,000 for the term of office from the Annual General Meeting 2016 to the Annual General Meeting 2017 by CHF 100,000 to a total amount of CHF 1,060,000, upon the condition that the Company acquires more than 50 percent of the shares in Looser Holding AG and with effect as of such acquisition.

7 Increase in the maximum total compensation of the members of the Group Management for the financial year 2017

Proposal: The Board of Directors proposes to increase the maximum total amount of CHF 4,600,000 for the fixed and variable compensation of the members of the Group Management for the financial year 2017 by CHF 400,000 to a total amount of CHF 5,000,000.

Miscellaneous

Entry tickets

The shareholders with voting rights as recorded in the share register will receive a registration form along with the invitation to the extraordinary shareholders' meeting. After returning the registration form to the Company (SIX SAG AG, AFG Arbonia-Forster-Holding AG, P.O. Box, CH-4609 Olten), the respective shareholders will receive their admission cards (dispatch of admission cards starting from 21 October 2016). The prompt return of registration forms will facilitate the preparations for the extraordinary shareholders' meeting.

Shareholders who request to be registered in the share register after the dispatch of the invitation to the extraordinary shareholders' meeting but before 20 October 2016, 5:00 pm, will receive the invitation to the extraordinary shareholders' meeting and the registration form after 21 October 2016. They can obtain the voting materials by handing in their registration form at the shares office in OLMA Hall 9.2 on the day of the extraordinary shareholders' meeting. No entries into the share register will be made as from 20 October 2016, 5:00 pm, until and including 1 November 2016. Shareholders who acquire their shares after 20 October 2016, 5:00 pm, are not entitled to vote with the shares they have acquired. Shareholders who dispose of their shares before the extraordinary shareholders' meeting are no longer entitled to vote with the shares that have been disposed of.

Granting powers of proxy

Shareholders who cannot attend the extraordinary shareholders' meeting in person have the option to instruct the independent proxy, Dr. iur. Roland Keller, attorney-at-law, Raggenbass Rechtsanwälte, Bahnhofstrasse 9, 8580 Amriswil, or another proxy to be nominated by them, to submit a vote on their behalf.

Electronic remote voting (e-voting)

Shareholders represented by the independent proxy can grant the power of proxy and issue instructions electronically from 11 October 2016 at www.afg.ch/en/company/annual-general-meeting. The relevant logon details will be sent to the shareholders together with the invitation. Electronic participation is possible until **30 October 2016, 11.59 pm**. If voting is carried out using more than one method (in person at the extraordinary shareholders' meeting, by written proxy or by e-voting), the shareholder's last declaration of intent shall be decisive.

Yours faithfully,

AFG Arbonia-Forster-Holding AG



Alexander von Witzleben
Chairman of the Board of Directors

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This publication contains information for the shareholders of AFG Arbonia-Forster-Holding AG in connection with the resolutions to be taken at the extraordinary shareholders' meeting on 1 November 2016 and constitutes neither an offer to sell nor a solicitation to buy securities. Furthermore, this publication does not constitute a prospectus within the meaning of article 652a and/or 1156 of the Swiss Code of Obligations or a listing prospectus within the meaning of the listing rules of the SIX Swiss Exchange. The public purchase and exchange offer (the "**Public Tender Offer**") for all publicly held shares in Looser Holding AG, to which a part of this publication refers, will be made solely by means of, and on the basis of, the published offer prospectus (including any amendments thereto, if any). An investment decision regarding the acceptance of the Public Tender Offer should only be made on the basis of the offer prospectus. The offer prospectus is available free of charge on the website www.afg.ch/en/servicenavigation/publications.

Diese Publikation dient ausschliesslich der Orientierung der Aktionärinnen und Aktionäre der AFG Arbonia-Forster-Holding AG im Hinblick auf die an der ausserordentlichen Generalversammlung vom 1. November 2016 zu fassenden Beschlüsse und stellt weder ein Angebot zum Verkauf noch eine Aufforderung zum Kauf von Wertpapieren dar. Ferner gilt diese Publikation nicht als Emissionsprospekt im Sinne von Art. 652a und/oder 1156 OR oder als Kotierungsprospekt im Sinne des Kotierungsreglements der SIX Swiss Exchange. Das öffentliche Kauf- und Tauschangebot (das "**öffentliche Angebot**") in Bezug auf sämtliche sich im Publikum befindenden Aktien der Looser Holding AG, auf welches sich ein Teil dieser Publikation bezieht, erfolgt ausschliesslich durch und auf Basis des veröffentlichten Angebotsprospekts (einschließlich etwaiger Nachträge dazu). Eine Anlageentscheidung hinsichtlich der Annahme des öffentlichen Angebots sollte nur auf der Grundlage des Angebotsprospekts erfolgen. Der Angebotsprospekt ist auf der Website www.afg.ch/de/servicenavigation/publikationen kostenfrei erhältlich.

This publication is directed only at persons in the United Kingdom who (i) have professional experience in matters relating to investments falling within article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**"), (ii) are persons falling within article 49(2)(a) to (d) («high net worth companies, unincorporated associations, etc.») of the Order or (iii) to whom it may otherwise lawfully be communicated (all such persons together being referred to as "Relevant Persons"). This publication must not be acted on or relied on by persons who are not Relevant Persons. Any investment or investment activity to which this publication relates is available only to Relevant Persons and will be engaged in only with Relevant Persons.

This publication does not constitute an "offer of securities to the public" (within the meaning of Directive 2003/71/EC of the European Union (the "**Prospectus Directive**") of the securities to be issued in connection with the public purchase and exchange offer for all publicly held shares in Looser Holding AG in any member state of the European Economic Area (the "**EEA**"). Any offers of securities to persons in the EEA will be made pursuant to an exemption under the Prospectus Directive, as implemented in member states of the EEA, from the requirement to produce a prospectus for offers of securities.

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