

ARBONIA 

Invitation to the 35th Annual General Meeting

Friday, 22 April 2022, 2:00 pm

Arbonia AG
Corporate Center
Amriswilerstrasse 50
9320 Arbon

Dear Shareholders,

Due to the COVID-19 pandemic and for the protection of your health, we are forced to hold the 35th Annual General Meeting as well with a very small group of people. Arbonia AG has therefore decided that **physical attendance is not possible. We therefore invite you to again exercise your voting rights exclusively via the independent proxy.**

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 2021

Proposal: The Board of Directors proposes that the Management Report of the Group, the Financial Statements and the Consolidated Financial Statements for 2021 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 and members of Group Management active during the financial year 2021 be granted formal discharge for the financial year 2021.

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 2021, namely:

net profit for 2021	CHF	9 843 791
+ accumulated profit	CHF	195 936 873
retained earnings	CHF	205 780 664

be used as follows:

Dividend ¹ of CHF 0.15 per registered share for the financial year 2021	CHF	10 420 986
balance carried forward to new account	CHF	195 359 678
retained earnings	CHF	205 780 664

3.2 Proposal:

The Board of Directors proposes to distribute CHF 0.15 per registered share as follows from the capital contribution reserves:

capital contribution reserves carried forward	CHF	453 159 426
– distribution ² of CHF 0.15 per registered share for the financial year 2021	CHF	– 10 420 986
capital contribution reserves	CHF	442 738 440

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 2022 (to audit the Annual Financial Statements, the Consolidated Financial Statements and the Compensation Report).

5. Amendments to the Articles of Association

The motions in 5.1 and 5.2 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 motions proposed in 5.3 to 5.6 concern the introduction of the office of Executive Chairman of the Board of Directors.

5.1 Authorised capital

Proposal: The Board of Directors proposes to create authorised capital at a maximum amount of CHF 29 148 000, whereby 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 22 April 2024, to increase the company's share capital by a maximum of CHF 29 148 000 by issuing up to 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.

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 Art. 3b of the Articles of Association, its authorisation to increase the share capital based on para. 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, whereby it should be entitled to increase the share capital by issuing up to 6 940 000 fully paid-up

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

² None of the shares held by Arbonia AG or one of its subsidiaries entitle their holders to receive distributions.

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 increase). 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 this provision in the Articles of Association is reduced.

5.3 Delegation of management

The change to Art. 15 para. 2 of the Articles of Association aims to stipulate that the Chairman of the Board of Directors may take charge of management.

Proposal: The Board of Directors proposes to recast Art. 15 para. 2 of the Articles of Association as follows:

"[...]"

The Board of Directors may transfer management or parts thereof and representation of the company subject to Art. 16 of these Articles of Association to one or more natural persons, members of the Board of Directors, or third parties, who do not need to be shareholders. If the Chairman takes charge of the management as determined by the Board of Directors, the Chairman shall only remain a member of the Board of Directors and shall not be a member of Group Management. The Board of Directors shall enact the by-laws and arrange for the relevant contractual relationships.

5.4 Compensation of the Board of Directors

The change to Art. 22 para. 1 of the Articles of Association aims to stipulate the compensation structure for the Executive Chairman of the Board of Directors. While the other members of the Board of Directors receive fixed compensation alone, the compensation of the Executive Chairman of the Board of Directors is made up of a fixed component and a variable component, as is the case with the members of Group Management.

The change to Art. 22 para. 3 of the Articles of Association will extend the leave of absence regulations for the members of Group Management to the Executive Chairman of the Board of Directors.

Proposal: The Board of Directors proposes to recast Art. 22 para. 1 and 3 of the Articles of Association as follows:

Members of the Board of Directors receive fixed compensation. If members of the Board of Directors take on management tasks in the manner of a member of Group Management – for example, the Chairman doing so when taking charge of the management – they shall normally receive additional variable compensation, which depends on certain success criteria. The fixed compensation and variable compensation can include a cash portion and a portion in temporarily blocked shares pursuant to the share-based payment programme.

"[...]"

In individual cases, the Board of Directors can provide for the deduction of replacement income being waived during any leave of absence of members of Group Management, or members of the Board of Directors entrusted with management tasks in the manner of a member of Group Management, and/or for a pro rata portion of the variable compensation being paid out along with the basic salary. The Board of Directors can also provide for compensation for post-contractual non-competition clauses provided this involves compensation for the economic value of the abstention from competition and this does not exceed the amount of one fixed annual salary of the relevant members of Group Management or of the Board of Directors for the entire duration of the competition ban.

"[...]"

5.5 Variable compensation

The change to Art. 24 para. 1 preamble of the Articles of Association removes the restriction that applies variable compensation solely to members of Group Management. This removal is required as the compensation for the Executive Chairman of the Board of Directors is composed of a fixed component and a variable component, as is the case with a member of Group Management.

Proposal: The Board of Directors proposes to recast Art. 24 para. 1 preamble of the Articles of Association as follows:

The variable compensation depends on the company results. The success criteria must be determined by the Board of Directors at the request of the Compensation Committee taking the position and responsibility of the recipient into account. They include corporate and/or personal goals. The variable compensation is determined on the basis of the following principles:

"[...]"

5.6 Additional amount

The change to Art. 27 of the Articles of Association defines the principle that the additional amount is always based on the total compensation amount for Group Management, regardless of whether the person who is newly appointed or promoted for management purposes is a member of the Board of Directors or of Group Management.

Additionally, the change to Art. 27 of the Articles of Association aims to increase the percentage that is used to calculate the additional amount – based on the total compensation already approved for Group Management for the period involved – on a case-by-case basis. This is required

because reducing Group Management to three members has substantially reduced the total compensation amount for the members of Group Management.

Proposal: The Board of Directors proposes to recast Art. 27 of the Articles of Association as follows:

For the compensation of members of Group Management or members of the Board of Directors who take on new management tasks in the manner of a member of Group Management, who are – in case of prospective approval – newly appointed or promoted after the approval of the maximum total compensation for Group Management or for the Board of Directors, an additional amount is available for every period for which the General Meeting has already approved the compensation of Group Management or of the Board of Directors, if the compensation already approved for the period involved is insufficient. This additional amount may not exceed 80 % for the person who takes charge of the management and 40 % each for every other person entrusted with management tasks of the approved total compensation for Group Management for the period involved.

6. Votes on compensation

6.1 Consultative vote on the Compensation Report for the financial year 2021

Proposal: The Board of Directors proposes that the Compensation Report for financial year 2021 be approved by means of a non-binding consultative voting process.

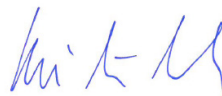
6.2 Approval of the total compensation of the members of the Board of Directors for the year of office 2021 / 2022

Proposal: The Board of Directors proposes to approve the total sum of CHF 959 000 (incl. social security benefits, withholding taxes, and other deductions) of the compensation of the members of the Board of Directors for the year of office 2021 / 2022 retrospectively, i.e., from the Annual General Meeting in 2021 to the Annual General Meeting in 2022, as finally approved by the Board of Directors.

6.3 Approval of the total compensation of the members of Group Management for the financial year 2021

Proposal: The Board of Directors proposes to retrospectively approve the total sum of CHF 7 843 000 for the fixed and variable compensation of the members of Group Management for the financial year 2021, which has already been paid out to them in cash or, if paid out in shares, has been finally approved for payment by the Board of Directors (incl. social security benefits, withholding taxes, and other deductions).

Kind regards
Arbonia AG



Alexander von Witzleben
Chairman of the Board of Directors

³ The special compensations are included in the variable compensation.

Documents and instructions for the exercise of voting rights

Annual report

The Annual Report (Management Report of the Group, Financial Statements and Consolidated Financial Statements), the Compensation Report and the Auditors' Reports for 2021 have been available for viewing by shareholders at the company's headquarter since 1 March 2022 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; e-mail: media@arbonia.com).

Instructions for the exercise of voting rights

Due to the COVID-19 pandemic and for the protection of your health, we are forced to hold the 35th Annual General Meeting as well with a very small group of people. Arbonia AG has therefore decided that shareholders can once again exercise their voting rights exclusively via the independent proxy, Dr. iur. Roland Keller, attorney-at-law, Raggenbass Rechtsanwälte, Bahnhofstrasse 9, 8580 Amriswil, and that physical attendance is not possible. Therefore, you can only submit your power of attorney and instructions for exercising your voting rights in writing or electronically as follows:

Written granting of power of attorney and instructions for the independent proxy

The shareholders with voting rights as recorded in the share register will receive a power of attorney form along with the invitation to the General Meeting. This form must be completed, signed, and returned to the company (Arbonia AG, c/o Devigus Shareholder Services, Birkenstrasse 47, 6343 Rotkreuz, Switzerland) using the enclosed reply envelope. The prompt return of power of attorney forms will facilitate preparations for the General Meeting.

Electronic granting of power of attorney and instructions for the independent proxy

Shareholders may exercise their voting rights electronically by issuing their power of attorney and instructions to the independent proxy electronically at www.arbonia.com/annual-general-meeting, starting at 7:00 am on 31 March 2022. The required access data can be found on the power of attorney form enclosed with the invitation.

The electronic granting of power of attorney and issuing of instructions is possible until **20 April 2022, 11:59 pm**. If the granting of power of attorney and issuing of instructions is carried out via more than one method (written and electronically), the shareholder's last declaration of intent shall apply.

Book closing

Shareholders who are entered in the share register after dispatch of the invitation to the General Meeting but before 5:00 pm on 12 April 2022 will be sent the invitation to the General Meeting and the power of attorney form after 12 April 2022.

In the period from 12 April 2022, 5:00 pm, up to and including 22 April 2022, no entries shall be made in the share register. Shareholders who acquire their shares after 5:00 pm on 12 April 2022 are not entitled to vote with the shares they have acquired. Shareholders who dispose of their shares before the General Meeting are no longer entitled to vote with the shares that they have disposed of.

Do you have any questions?

We value the perspectives and contribution of our shareholders. As physical attendance is again not possible this year due to the COVID-19 pandemic, we ask our shareholders to send us their questions in writing (Arbonia AG, Investor Relations, Amriswilerstrasse 50, 9320 Arbon, Switzerland, ir@arbonia.com), so that we can address them outside of the General Meeting.