



USI Group Holdings AG  
Bleicherweg 66  
CH-8002 Zürich  
Switzerland

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

## **USI GROUP HOLDINGS AG, ZURICH**

### **Invitation to the Annual General Meeting of Shareholders**

**to be held on 27 September 2016 at 10.00 a.m.  
at the Hotel St. Gotthard, Bahnhofstrasse 87, CH-8001 Zurich**

#### **AGENDA AND PROPOSALS OF THE BOARD OF DIRECTORS**

**1 Approval of the directors' report for 2015/16 and the financial statements of the company and the group as of 31 March 2016**

The board of directors proposes that the directors' report for the company's financial year running from 1 April 2015 to 31 March 2016 ("financial year 2015/16") and the financial statements of the company and the group as of 31 March 2016 shall be approved.

**2 Appropriation of balance sheet result**

The board of directors proposes to carry forward the loss for the financial year 2015/16 of CHF 54,184,294.

*For the board of directors' proposal to make a repayment to shareholders from a reduction of share capital, see item 12.*

### **3 Reclassification of reserves**

The board of directors proposes to apply partial amounts from *Reserves from capital contributions* (as shown on the company's non-consolidated balance sheet as of 31 March 2016) of CHF 29,771,433 and of CHF 19,283,462, respectively, to reduce the accumulated deficit carried forward and to set off the negative amount of *Other legal reserves* (as also shown on that balance sheet).

### **4 Granting of discharge to the members of the board of directors and of executive management**

The board of directors proposes to grant discharge to the members of the board of directors and of executive management for the financial year 2015/16.

### **5 Votes on compensation**

#### **5.1 Binding votes on board and management compensation**

The board of directors proposes to the shareholders:

- A. to approve an aggregate maximum amount of the fixed compensation for the members of the company's board of directors for the one-year term starting at this annual general meeting and ending at the 2017 annual general meeting of CHF 150,000;
- B. to approve an aggregate maximum amount of the fixed compensation for the members of the company's executive management for the financial year running from 1 April 2016 to 31 March 2017 of CHF 1,000,000.

*The company did not pay any variable compensation to members of executive management for the financial year 2015/16, so that no vote pursuant to article 37 para. 2 of the company's articles of association is necessary.*

#### **5.2 Advisory vote on compensation report**

The board of directors proposes that the company's compensation report for the financial year 2015/16 shall be approved in an advisory vote.

## 6 Renewal of authorized share capital

The board of directors proposes to renew the company's authorized share capital, which has expired, for a period until 27 September 2018 in the unchanged amount of CHF 75,575,820.00, corresponding to 7,557,582 fully paid in registered shares with a nominal value of CHF 10.00 each, and accordingly to amend the first paragraph of article 3c of the articles of association as follows:

### "Article 3c

*<sup>1</sup>The board of directors may increase the share capital in the amount of up to CHF 75,575,820.00 until 27 September 2018 through the issuance of up to 7,557,582 fully paid additional registered shares with a nominal value of CHF 10.00 each. An increase in partial amounts is permitted."*

The rest of the article remains unchanged.

## 7 Elections regarding the board of directors

### 7.1 Election of the members of the board of directors

The board of directors proposes the re-election of each of

- Dr. Volkert Klaucke,
- Dr. Doraiswamy Srinivas, and
- David Quint,

and the election of

- Markus Müller,

each as a member of the board of directors for a tenure of one year until the 2017 annual general meeting.

*Markus Müller is a member of executive management of Scherrer & Partner Investment Management AG in Zurich and managing director of Compass Portfolio Management AG in Zug, both of which are private investment companies. Mr Müller began his banking career with Credit Suisse in 1974. In 1982, he moved to the international commodities trading department at Shearson / American Express in Geneva and in 1983, he moved to Nomura Bank in Switzerland until 1990 when he became director of Cresvale (Switzerland) Ltd, the Swiss subsidiary of a UK and Hong Kong based group specializing in Asian stocks and warrants. This company was acquired by Jefferies (Switzerland) Ltd., the Swiss entity of an American in-*

*vestment banking group, in 1995 where Mr Müller worked in the portfolio management department. Mr Müller left Jefferies in 2000 for Scherrer & Partner Investment Management AG.*

## **7.2 Election of the chairman of the board of directors**

The board of directors proposes the re-election of Dr. Volkert Klaucke as chairman of the board of directors for a tenure of one year until the 2017 annual general meeting.

## **7.3 Election of the members of the nomination and compensation committee**

The board of directors proposes the re-election of each of Dr. Volkert Klaucke and David Quint and the election of Markus Müller as a member of the nomination and compensation committee of the board of directors for a tenure of one year until the 2017 annual general meeting.

## **8 Election of the auditor**

The board of directors proposes the re-election of PricewaterhouseCoopers AG, Zurich, as auditor of the company for a tenure of one year until the 2017 annual general meeting.

## **9 Election of the independent proxy**

The board of directors proposes the re-election of Dr. Roger Groner as independent proxy of the company for a tenure of one year until the end of the 2017 annual general meeting.

## **10 Advisory vote on acquisition of RP&C International, Inc.**

The board of directors proposes to the shareholders to approve, in an advisory vote, the acquisition of the entire issued share capital of RP&C International, Inc. in exchange for 1,978,195 shares of the company (sourced from existing shares, which are held in treasury by the company or made available to it by existing shareholders in discharge of existing financial obligations) and USD 1,400,000 in the form of a promissory note.

## 11 Partial revision of the articles of association (change of name and purpose)

In connection with the acquisition of RP&C International, Inc. as described under agenda item 10, the board of directors proposes a partial revision of the company's articles of association to provide for an expansion of the company's corporate purpose clause and a change of the company's name to "Arundel AG".

Accordingly, the board of directors proposes:

- to amend article 1 of the articles of association to read as follows:

### "Article 1

*Under the company name*

*Arundel AG*

*a corporation exists according to art. 620 ff. of the Swiss Code of Obligations (CO) having its seat in Zurich. The duration of the company is unlimited."*

- to amend article 2 of the articles of association to read as follows:

### "Article 2

*<sup>1</sup>The purpose of the company is to participate directly or indirectly in domestic or foreign enterprises of any kind. The company is empowered to engage in business and to enter into agreements which are appropriate to promote the purpose of the company or are directly or indirectly within the scope of its activities.*

*<sup>2</sup>It may also undertake financing for itself or on behalf of other parties, as well as enter into promise agreements and provide guarantees in favour of associated companies and third parties. It may acquire, hold and sell real estate."*

## 12 Reduction of share capital and repayment of nominal value of shares

The board of directors proposes:

1. to reduce the company's share capital from CHF 151,151,640.00 by CHF 7,557,582.00 to CHF 143,594,058.00, by way of a reduction of the nominal value of each of the company's registered shares from CHF 10.00 by CHF 0.50 to CHF 9.50, and to repay to the shareholders CHF 0.50 per share;
2. to offer each shareholder, at his election, to receive the repayment in cash or in additional shares of the company (sourced from treasury shares). Shareholders may elect to receive, in respect of all or part of the shares held by them, one additional share per CHF 8.50 of their respective repayment entitlement. Fractional entitlements shall be ignored. Shareholders of the company

will receive the repayment in cash unless they notify the company, in accordance with instructions to be issued by the board of directors, that they wish to receive the repayment in additional shares. The board of directors shall also determine further details and terms for the repayment, including record and payment/delivery dates;

*As at the date of this notice, shareholders holding an aggregate number of 10,906,396 shares of the company (including 38,629 shares directly or indirectly owned by directors of the company) have elected to receive their repayment (if approved by the annual general meeting) in shares.*

3. to declare, as a result of the special audit report prepared in accordance with art. 732 para. 2 of the Swiss Code of Obligations ("CO"), that the claims of the creditors are fully covered notwithstanding the reduction of the share capital;
4. upon consummation of the capital reduction, to amend the first paragraph of article 3 of the articles of association as follows:

**"Article 3**

*<sup>1</sup>The company's share capital is CHF 143,594,058.00. It is divided into 15,115,164 registered shares of CHF 9.50 par value each. The share capital is fully paid in."*

5. upon consummation of the capital reduction, to amend the first paragraph, respectively, of article 3a, of article 3b and (if the board of directors' proposal under agenda item 6 has been approved by the shareholders) of article 3c of the articles of association as follows:

**"Article 3a**

*<sup>1</sup>The share capital may be increased by a maximum amount of CHF 14,359,402.00 through the issuance of up to 1,511,516 registered shares with a nominal value of CHF 9.50 each, which shall be fully paid in, in connection with the exercise of option rights granted to members of the board of directors, management and advisors of the company or its subsidiaries."*

**"Article 3b**

*<sup>1</sup>The share capital may be increased by a maximum amount of CHF 57,437,627.00 through the issuance of up to 6,046,066 registered shares with a nominal value of CHF 9.50 each, which shall be fully paid in, in connection with the exercise of conversion or option rights which will be or have been granted to bondholders or other creditors of the company or its subsidiaries."*

**"Article 3c**

*<sup>1</sup>The board of directors may increase the company's share capital in the amount of up to CHF 71,797,029.00 until 27 September 2018 through the*

*issuance of up to 7,557,582 fully paid in additional registered shares with a nominal value of CHF 9.50 each. An increase in partial amounts is permitted."*

The rest of the articles 3a, 3b and 3c remain unchanged.

*The reduction of the share capital can only be accomplished after publication of the notices to creditors in accordance with art. 733 CO. Such notices will be published after the annual general meeting in the Swiss Official Commercial Gazette. The creditors may file their claims and demand payment or security within two months after the date of the third and last publication. The share capital may be reduced only after the two month period has expired and all claims filed have been satisfied or secured. The repayment of the nominal value to the shareholders is not subject to Swiss withholding tax.*

*Further details and terms for the share capital repayment, if approved by the annual general meeting, will be published on the company's website ([www.usigroupholdings.ch](http://www.usigroupholdings.ch)). It is currently envisaged that the company's shares would be traded ex-repayment on the SIX Swiss Stock Exchange as of 9 December 2016, that eligible shareholders who hold shares as of 12 December 2016 would be able to make their elections during an election period starting on that date, and that payments and deliveries of shares would be made on a date in January 2017 to be determined.*

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## **Documentation**

The directors' report, the compensation report, the financial statements of the company and the group and the auditors' respective reports may be inspected at the registered office of USI Group Holdings AG at Bleicherweg 66, CH-8002 Zurich (Switzerland), or ordered by mail (to be sent to the aforementioned address), by telephone (phone number: +41 (0)44 280 50 68) or via e-mail to [ralph.beney@usigroupholdings.ch](mailto:ralph.beney@usigroupholdings.ch) from 1 September 2016. They can also be viewed on the company's website ([www.usigroupholdings.ch](http://www.usigroupholdings.ch); "News" section).

## **Admission**

Shareholders who are registered as shareholders with voting rights in the share register on 12 September 2016 may order the admission cards by telephone (phone number: +44 (0) 20 7766 7000 (Attn: Sian Morgan)), via e-mail to [ralph.beney@usigroupholdings.ch](mailto:ralph.beney@usigroupholdings.ch), or by mail (USI Group Holdings AG, Bleicherweg 66, CH-8002 Zurich) from 13 September 2016 until and including 19 September 2016. From 13 September 2016 until and including 27 September 2016 no entries of registered shares into the share register will be made.

## Representation

Shareholders who do not attend the annual general meeting in person can be represented as follows:

- by another person (who does not need to be a shareholder), upon presentation of a proxy in writing; or
- by the independent proxy, Dr. Roger Groner, attorney at law, Tödistrasse 52, CH-8002 Zurich (phone number: +41 (0)44 283 29 24).

A proxy form for the giving of proxies and voting instructions to the independent proxy, or to another person, will be included with each admission card ordered from the company (see above). Shareholders wishing to give a proxy to the independent proxy in electronic form are kindly requested to say so when ordering the admission card, and to provide an e-mail address. They will then be sent an electronic proxy form, with instructions how to proceed. Proxies to persons other than the independent proxy cannot be given in electronic form, but only in writing.

Zurich, 2 September 2016

The board of directors of USI Group Holdings AG