



# ARUNDEL

Arundel AG  
Bleicherweg 66,  
CH-8002 Zurich,  
Switzerland  
[www.arundel-ag.com](http://www.arundel-ag.com)

## ARUNDEL AG, ZURICH

### Invitation to the Annual General Meeting of Shareholders

to be held on **19 September 2017 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 2016/17 and the financial statements of the company and the group as of 31 March 2017**

The board of directors proposes that the directors' report for the company's financial year running from 1 April 2016 to 31 March 2017 ("financial year 2016/17") and the financial statements of the company and the group as of 31 March 2017 shall be approved.

**2 Appropriation of balance sheet result**

The board of directors proposes to carry forward the loss for the financial year 2016/17 of CHF 59,462,145.

*For the board of directors' proposal to make a repayment to shareholders from a reduction of share capital, see item 9.*

**3 Reclassification of reserves**

The board of directors proposes to apply a partial amount from *Reserves from capital contributions* (as shown on the company's non-consolidated balance sheet as of 31 March 2017) of CHF 82,787,853 to reduce the accumulated deficit carried forward.

#### **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 2016/17.

#### **5 Votes on compensation**

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

The board of directors proposes to the shareholders:

- A. to approve an aggregate maximum amount of the fixed remuneration 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 2018 annual general meeting of CHF 100,000;
- B. to approve an aggregate maximum amount of the fixed remuneration for the members of the company's executive management for the financial year running from 1 April 2017 to 31 March 2018 of US\$ 1,500,000.

*The company did not pay any variable remuneration to members of executive management for the financial year 2016/17, so that no vote pursuant to article 37 para. 2 of the company's articles of association is necessary.*

##### **5.2 Advisory vote on remuneration report**

The board of directors proposes that the company's remuneration report for the financial year 2016/17 shall be approved in an advisory vote.

#### **6 Elections regarding the board of directors**

##### **6.1 Election of the members of the board of directors**

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

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

- Markus Müller,

each as a member of the board of directors for a tenure of one year until the 2018 annual general meeting.

## **6.2 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 2018 annual general meeting.

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

The board of directors proposes the re-election of each of Dr. Volkert Klaucke, David Quint and Markus Müller as a member of the nomination and compensation committee of the board of directors for a tenure of one year until the 2018 annual general meeting.

## **7 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 2018 annual general meeting.

## **8 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 2018 annual general meeting.

## **9 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 143,594,058.00 by CHF 7,557,582.00 to CHF 136,036,476.00, by way of a reduction of the nominal value of each of the company's registered shares from CHF 9.50 by CHF 0.50 to CHF 9.00, 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, additional shares in satisfaction of their respective repayment entitlement. The share entitlement shall be calculated by dividing the relevant amount of the repayment entitlement by 95% of the arithmetic mean of the daily volume weighted average prices of the company's shares on the SIX Swiss Exchange during the 10 consecutive trading days ending on the last day on which the aforementioned election may be made. Fractional share 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 election is to be notified to the company between 6 December and 19 December 2017 (subject to any extension by the board of directors). The board of directors shall also determine further details and terms for the repayment, including the record date and payment/delivery dates;

*As at the date of this notice, shareholders holding an aggregate number of 10,447,101 shares of the company (including 3,748,124 shares directly or indirectly owned by directors and executive management of the company and their connected parties) 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 136,036,476.00. It is divided into 15,115,164 registered shares of CHF 9.00 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 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 13,603,644.00 through the issuance of up to 1,511,516 registered shares with a nominal value of CHF 9.00 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 54,414,594.00 through the issuance of up to 6,046,066 registered shares with a nominal value of CHF 9.00 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 68,018,238.00 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 9.00 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.arundel-ag.com](http://www.arundel-ag.com)). It is currently envisaged that the company's shares would be traded ex-repayment on the SIX Swiss Exchange as of 5 December 2017, that eligible shareholders who hold shares as of 6 December 2017 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 2018 to be determined.*

**10 Partial revision of the articles of association**

**10.1 Deletion of article 4 para. 3 (restriction of transferability)**

Article 4 para. 3 of the articles of association relates to a limit of 2% of all the company's shares recorded in the commercial register, beyond which shareholders may be refused registration as a shareholder with the right to vote.

The board of directors proposes to delete without replacement the third paragraph of article 4 of the articles of association, and to renumber the subsequent paragraphs of article 4 accordingly.

## 10.2 Amendment of article 7 (opting out of mandatory purchase offer requirement)

In order to reflect a recent change in Swiss statutory law, the board of directors proposes to amend article 7 of the articles of association (Opting out) as follows:

### **"Article 7**

*Persons acquiring shares of the company directly, indirectly or acting in concert with third parties shall be exempt from the obligation to make a public purchase offer pursuant to art. 135 of the Swiss Financial Market Infrastructure Act, irrespective of the number of voting rights conferred by the shares acquired."*

## 10.3 Deletion of articles 42 and 43 (historical transactions)

Articles 42 and 43 of the articles of association describe a historical contribution in kind and an intended acquisition of assets by the company, respectively.

The board of directors proposes to delete without replacement articles 42 and 43 of the articles of association, and to renumber article 44 accordingly.

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### **Documentation**

The directors' report, the remuneration report, the financial statements of the company and the group and the auditors' respective reports may be inspected at the registered office of Arundel 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 [rbeney@arundel-ag.com](mailto:rbeney@arundel-ag.com) from 25 August 2017. They can also be viewed on the company's website ([www.arundel-ag.com](http://www.arundel-ag.com) ; "News" section).

### **Admission**

Shareholders who are registered as shareholders with voting rights in the share register on 4 September 2017 may order the admission cards by telephone (phone number: +44 (0) 20 7766 7000 (Attn: Sian Morgan)), via e-mail to [rbeney@arundel-ag.com](mailto:rbeney@arundel-ag.com), or by mail (Arundel AG, Bleicherweg 66, CH-8002 Zurich) from 5 September 2017 until and including 11 September 2017. From 5 September 2017 until and including 19 September 2017 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, 17 August 2017

The board of directors of Arundel AG