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# Minutes

of the Annual General Shareholders' Meeting of

## **DDM Holding AG**

with its registered seat in **Baar** (the **Company**)

held on 31 May 2017 at the Offices of Walder Wyss Ltd, Seefeldstrasse 123, 8008 Zurich, Switzerland, at 09:00 am CEST

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### **Formal Matters**

Chairman:	Kent Hansson
Secretary:	Dr. Urs Gnos, attorney at law
Voting teller:	Boris Räber, attorney at law
Independent proxy:	Dr. Florian S. Jörg, attorney at law
Statutory auditors:	PwC AG, Luzern, represented by Norbert Kühnis

The Chairman opens the annual general shareholders' meeting at 09:00 CEST and welcomes the shareholders. He in particular welcomes Stefan Walder, notary from the Zürich-Riesbach notary's office who is responsible for taking the minutes and drawing up a public deed relating to the resolutions on agenda items 1.1-1.5 and agenda item 5.2. He further points out that Stefan Walder is authorized to make editorial changes and additions of formal nature to the documents concerning the application for entry in the register of commerce autonomously and without convening a general meeting. The Chairman further welcomes Dr. Florian S. Jörg, appointed by the last extraordinary general shareholders' meeting as independent proxy, and the statutory auditors PricewaterhouseCoopers AG, represented by Norbert Kühnis.

The Chairman appoints Dr. Urs Gnos as secretary and Boris Räber as voting teller. He notes that the notice convening the annual general shareholders' meeting was published in the Swiss Official Gazette of Commerce, via press release and on the website of the Company on 10 May 2017. The Chairman declares that the annual general shareholders' meeting has been validly convened in accordance with statutory and legal requirements.

The Chairman states that the agenda items and the proposals of the board of directors were duly stated in the invitation and that no requests have been received from shareholders for the inclusion of items on the agenda.

Following administrative remarks on the presence of the members of the board of directors and the voting procedure, the Chairman notes that the attending shareholders and the independent proxy represent together a total of 7,508,286 votes and a nominal value of CHF 7,508,286.00, representing 55% of the registered shares with voting rights. The shareholders represent 7,139,286 votes and the independent proxy represents 369,000 votes. The absolute majority corresponds to 3,754,144 votes.

The Chairman notes that the resolutions on agenda items 1.1-1.4 require a qualified majority of at least two-thirds of the voting rights represented and an absolute majority of the nominal value of shares represented. The qualified majority of two thirds of the votes represented corresponds to 5,005,525 votes.

Following further administrative remarks, the Chairman declares that the annual general shareholders' meeting has been duly constituted and has a quorum regarding the scheduled agenda items. No objections are raised against these findings.

The Chairman proceeds to the agenda of the annual general shareholders meeting.

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### **Agenda Item 1: Revision of the Articles of Association**

The Chairman states that the board of directors proposes to approve a general revision of the articles of association. He notes that the full text of the proposed revised articles of association of the Company was attached as an annex to the invitation to the annual general shareholders' meeting and was and is available on the Company's website.

The Chairman explains that the proposed general revision of the Company's articles of association serves the purpose of reflecting recent changes in Swiss corporate law as well as aligning the articles of association with current best practice. He also explains that in addition to the general revision of the articles of association, the Company's purpose, authorized share capital and conditional share capital are proposed to be amended. He further notes that resolutions on these amendments require a qualified majority of at least two-thirds of the voting rights represented and an absolute majority of the nominal value of the shares represented, whereas the general revision requires an absolute majority.

The Chairman states that the annual general shareholders' meeting will first vote on the amendments to the Company's purpose, authorized share capital and separately on two articles concerning the conditional share capital, before entering into a detailed consultation on the proposed generally revised articles of association.

No objections are raised to this procedure.

#### **Agenda Item 1.1: Amendment of the Corporate Purpose**

The Chairman explains that article 2 of the proposed revised articles of association regarding the purpose of the Company corresponds to article 2 of the current articles of association. He further explains that new subparagraphs on real estate and intellectual property rights and on direct and indirect financing are proposed. He states that other amendments to the wording are intended to align the article with current best practice.

No discussion is requested.

As proposed by the board of directors, the annual general shareholders' meeting unanimously (without any against-votes or abstentions) approves the amendment of the corporate purpose.

#### **Agenda Item 1.2: Amendment of the Authorized Share Capital**

The Chairman explains that the article 3<sup>bis</sup> of the proposed revised articles of association regarding the authorized share capital corresponds to article 3a of the current articles of association. He further states that the proposed article

3<sup>bis</sup> authorizes the board of directors to increase the share capital up to CHF 6,780,223.00 until 31 May 2019 and to restrict or deny pre-emptive subscription rights of shareholders or to allocate such rights to third parties in the extent of up to CHF 3,390,111.00 in specific cases. The Chairman concludes that the amendment serves the purpose of maintaining an adequate flexibility for the board of directors to resolve on capital increases if deemed to be in the best interest of the Company. He states that other amendments to the wording are intended to align the article with current best practice.

No discussion is requested.

As proposed by the board of directors, the annual general shareholders' meeting unanimously (without any against-votes or abstentions) approves the amendment of the authorized share capital.

### **Agenda Item 1.3: New Conditional Share Capital**

The Chairman explains that the article 3<sup>ter</sup> of the proposed revised articles of association regarding the additional newly created conditional share capital serves the purpose of providing the necessary flexibility for the board of directors to resolve on capital increases in connection with the issue of bonds or similar debt instruments if deemed to be in the best interest of the Company.

Upon Andreas Tuczka's question, the Chairman explains that unlike the authorized share capital (new article 3<sup>bis</sup>) the new conditional capital is not limited in time.

No discussion is requested.

As proposed by the board of directors, the annual general shareholders' meeting unanimously (without any against-votes or abstentions) votes in favor of the new conditional share capital.

### **Agenda Item 1.4: Amendment of the Conditional Share Capital**

The Chairman explains that the article 3<sup>quater</sup> of the proposed revised articles of association regarding the conditional share capital corresponds to article 3b of the current articles of association and remains unchanged in substance. He

states that other amendments to the wording are intended to align the article with current best practice.

No discussion is requested.

As proposed by the board of directors, the annual general shareholders' meeting unanimously (without any against-votes or abstentions) approves the amendment of the conditional share capital.

### **Agenda Item 1.5: General Revision of the Articles of Association**

The Chairman explains the board of directors proposes to approve a general revision of the Company's articles of association, it being understood that the general revision shall not comprise the approved amendment of the corporate purpose (new article 2), the authorized share capital (new article 3<sup>bis</sup>) and the conditional share capital (new article 3<sup>ter</sup> and article 3<sup>quater</sup>).

The Chairmen explains that, in this regard, he will enter into a detailed consultation on the proposed revised articles of association, outlining the proposed material changes article by article, before taking a single vote on the approval of the proposed revised articles of association. He further points out that the German version of the articles is the binding one, the English version merely being a translation.

As announced, the Chairman proceeds to the detailed and individual consultation on the proposed revised articles by outlining the material changes article by article. He also states that two articles of the present articles of associations will be deleted, namely the article on universal meetings and the article on business report. In connection with the deletion of the article on universal meetings, Andreas Tuczka asks what a universal meeting is. The Chairman explains that a universal meeting is a meeting attended by every single shareholder. He further states that it is virtually impossible to hold a universal meeting in a publicly listed company and that this possibility is provided for under Swiss company law anyway which is why the board of directors proposes a deletion of this article.

No discussion is requested.

After the individual discussion of the new articles of association, the annual general shareholders' meeting unanimously (without any against-votes or abstentions) approves the revised articles of association of the Company.

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**Agenda Item 2: Approval of the Annual Report, the Statutory Financial Statements and the Consolidated Financial Statements 2016**

The Chairman informs the annual general shareholders' meeting that the annual report, the statutory financial statements and the consolidated financial statements 2016 have been published on 31 March 2017 and made available on the Company's website. They have also been available for inspection at the headquarters of the Company.

The Chairman further explains that PwC AG, Luzern, acted as the Company's statutory auditors of for the business year 2016 and has audited the accounting and the statutory financial statements 2016 as well as the consolidated financial statements 2016 and has issued its auditor's report as set out in the annual report. Upon request of the Chairman, PwC AG, Luzern, represented by Norbert Kühnis, confirms that it has no additions to its auditors' report and that it proposes to approve the annual report, the statutory financial statements and the consolidated financial statements 2016. It also confirms that an internal control system exists which has been designed for the preparation of the financial statements.

The Chairman states that the board of directors proposes to approve the annual report, the statutory financial statements and the consolidated financial statements 2016.

No discussion is requested.

As proposed by the board of directors, the annual general shareholders' meeting unanimously (without any against-votes or abstentions) approves the annual report, the statutory financial statements and the consolidated financial statements 2016.

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**Agenda Item 3: Appropriation of Available Earnings 2016**

The Chairman explains that the statutory financial statements for the business year 2016 show a profit for the year in the amount of CHF 209,108.00, or EUR

191,723.00, and a retained loss carried forward in the amount of CHF 354,626.00, or EUR 354,311.00, resulting in an accumulated net loss of CHF 145,518.00, or EUR 162,588.00. He states that the board of directors proposes to carry forward the net loss.

No discussion is requested.

The annual general shareholders' meeting unanimously (without any against-votes or abstentions) approves the proposal of the board of directors regarding the appropriation of available earnings (net loss carry forward).

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**Agenda Item 4: Discharge of the Members of the Board of Directors and of the Members of the Executive Management**

The Chairman states that the board of directors proposes that discharge be granted to all members of the board of directors and of the executive management for their activities in the business year 2016.

No discussion is requested.

As proposed by the board of directors, the annual general shareholders' meeting unanimously grants discharge to all members of the board of directors and of the executive management for their activities in the business year 2016. The Chairman notes that he himself and the independent proxy, who may represent any shareholder who wants to be represented but who today exclusively represents members of the executive management, abstained from the vote.

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**Agenda Item 5: Elections**

The Chairman explains that under agenda item 5 a number of elections will be held by the annual general shareholders' meeting.

**Agenda Item 5.1: Re-Elections of the current Board Members**

The Chairman explains that the annual general shareholders' meeting will carry out the re-elections individually for each current board member standing up for re-election. He notes that Dovile Burgiene does not stand for re-election as

board member. For his own re-election as member of the board of directors, the Chairman temporarily hands over to Manuel Vogel.

No discussion is requested.

As proposed by the board of directors, the annual general shareholder's meeting individually and unanimously (without any against-votes or abstentions) re-elects the members of the board of directors standing up for re-election for a term of one year ending after completion of the next annual general shareholders' meeting.

The Chairman concludes that the annual general shareholders' meeting has approved the proposals of the board of directors and has re-elected the members of the board of directors standing up for re-election. All those re-elected have confirmed their acceptance of the re-election. The Chairman thanks the annual general shareholders' meeting for the trust placed in the board of directors.

## **Agenda Item 5.2: Election of New Board Members**

The Chairman states that board of directors proposes to elect Erik Fällström and Andreas Tuczka as new members of the board of directors, each in a separate election and each for a term of one year ending after completion of the next annual general shareholders' meeting. The Chairman explains that the CV's of the proposed new members are available on the Company's website and were included in the invitation.

No discussion is requested.

As proposed by the board of directors, the annual general shareholder's meeting individually and unanimously (without any against-votes or abstentions) elects Erik Fällström and Andreas Tuczka as new members of the board of directors for a term of one year ending after completion of the next annual general shareholders' meeting.

The Chairman concludes that the annual general shareholders' meeting has approved the proposals of the board of directors and elected Erik Fällström and Andreas Tuczka as new members of the board of directors. Both have previously confirmed acceptance of their election.

### **Agenda Item 5.3: Re-Election of the Chairman**

For the re-election of the Chairman as chairman of the board of directors and as member of the remuneration committee under the subsequent agenda item, the Chairman hands over to Manuel Vogel.

Manuel Vogel explains that the board of directors proposes to re-elect Kent Hansson as chairman of the board of directors of the Company for a term of one year ending after completion of the next annual general shareholders' meeting.

No discussion is requested.

As proposed by the board of directors, the annual general shareholder's meeting unanimously (without any against-votes or abstentions) re-elects Kent Hansson as chairman of the board of directors of the Company for a term of one year ending after completion of the next annual general shareholders' meeting. Kent Hansson has confirmed his acceptance of the re-election.

### **Agenda Item 5.4: Election of Members of the Remuneration Committee**

Manuel Vogel states that the board of directors proposes to re-elect Kent Hansson and Torgny Hellström as members of the remuneration committee for a term of one year until the next annual general shareholders' meeting.

No discussion is requested.

As proposed by the board of directors, the annual general shareholders' meeting individually and unanimously (without any against-votes or abstentions) re-elects Kent Hansson and Torgny Hellström as members of the remuneration committee for a term of one year until the next annual general shareholders' meeting.

The re-elections were held individually and both Kent Hansson and Torgny Hellström have confirmed acceptance of their re-election. Manuel Vogel hands over to the Chairman.

### **Agenda Item 5.5: Re-Election of the Independent Proxy**

The Chairman explains that at the last extraordinary general shareholders' meeting, Dr. Florian S. Jörg was elected as independent proxy for a term starting immediately after the extraordinary general shareholders' meeting and ending after this annual general shareholders' meeting. He states that the board of directors proposes to re-elect Dr. Florian S. Jörg as independent proxy for a term of one year ending after completion of the next annual general shareholders' meeting.

Andreas Tuczka raises the questions whom the independent proxy may represent and whom he is representing at this annual general shareholders' meeting. The Chairman explains that the independent proxy may represent any shareholder who wants to be represented and that today Dr. Florian S. Jörg is representing 369,000 votes, namely those of the CEO and CFO of the Company.

No discussion is requested.

As proposed by the board of directors, the annual general shareholders' meeting unanimously (without any against-votes or abstentions) re-elects Dr. Florian S. Jörg as independent proxy for a term of one year ending after completion of the next annual general shareholders' meeting. The Chairman notes that Dr. Florian S. Jörg has confirmed acceptance of the election.

### **Agenda Item 5.6: Re-Election of the Statutory Auditors**

The Chairman states that the board of directors proposes to re-elect PwC AG, Luzern, as the statutory auditors for the business year 2017. He confirms that PwC AG fulfills all independence requirements, is registered as a federally-supervised audit firm and thus qualifies as statutory auditors.

No further discussion is requested.

As proposed by the board of directors, the annual general shareholders' meeting unanimously (without any against-votes or abstentions) re-elects PwC AG, Luzern, as the statutory auditors for the business year 2017. The Chairman notes that PwC AG, Luzern, has confirmed acceptance of the election.

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**Agenda Item 6: Consultative Vote on the Compensation Report 2016**

The Chairman explains that following the implementation of the Swiss Ordinance against Excessive Compensation in Listed Stock Companies and in line with the Company's corporate governance approach, the annual general shareholders' meeting has the opportunity to approve the compensation report for the business year 2016 on a consultative basis. The compensation report is available on the Company's website.

No discussion is requested.

As proposed by the board of directors, the annual general shareholders' meeting unanimously (without any against-votes or abstentions) approves the compensation report for the business year 2016 on a consultative basis.

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**Agenda Item 7: Votes on the Compensation of the Members of the Board of Directors and the Executive Management**

The Chairman explains that agenda item 7 is split into two different parts. First, the annual general shareholders' meeting votes on the compensation for the members of the board of directors. Thereafter, a vote on the compensation of the members of the executive management is taken.

**Agenda Item 7.1: Compensation of the Members of the Board of Directors for the Business Year 2016**

The Chairman states that the board of directors proposes to approve the aggregate amount of CHF 900,000.00 as fixed compensation for the members of the board of directors for the business year 2016. He explains that the proposal is based on board and committee fees remaining at the same level as in 2015 and that it consists of the remuneration of the members of the board of directors for their services rendered in committees and remuneration for consulting services provided.

The Chairman further states that the actual compensation paid to each member of the board of directors for the business year 2016 is disclosed in the respective compensation report and was made available (together with the accompanying audit report) to the shareholders in accordance with the applicable Swiss law.

No discussion is requested.

As proposed by the board of directors, the annual general shareholders' meeting unanimously (without any against-votes or abstentions) approves the aggregate amount of CHF 900,000.00 as fixed compensation for the members of the board of directors for the business year 2016.

### **Agenda Item 7.2: Compensation of the Members of the Executive Management for the Business Year 2016**

The Chairman explains that the resolution on the compensation of the members of the executive management for the business year 2016 is once again divided into two items. First, the general shareholders' meeting votes on the approval of the aggregate amount of fixed compensation. Thereafter, a vote on the approval of the aggregate amount of variable compensation is taken.

The Chairman further states that the actual compensation paid to each member of the executive management for the business year 2016 is disclosed in the respective compensation report and was made available (together with the accompanying audit report) to the shareholders in accordance with the applicable Swiss law.

#### **Agenda Item 7.2.1: Approval of the Aggregate Amount of Fixed Compensation**

The Chairman states that the board of directors proposes to approve the aggregate amount of CHF 750,000.00 as fixed compensation for the members of the executive management for the business year 2016.

No discussion is requested.

As proposed by the board of directors, the annual general shareholders' meeting unanimously (without any against-votes or abstentions) approves the aggregate amount of CHF 750,000.00 as fixed compensation for the members of the executive management for the business year 2016.

### **Agenda Item 7.2.2: Approval of the Aggregate Amount of Variable Compensation**

The Chairman states that the board of directors proposes to approve the aggregate amount of CHF 500,000.00 as variable compensation for the executive management regarding their performance for the business year 2016. The Chairman explains that the variable compensation of members of the executive management consists of cash remuneration only and is determined taking into consideration the duties and responsibility of the recipients, performance of the Company and the individual member.

No discussion is requested.

As proposed by the board of directors, the annual general shareholders' meeting unanimously (without any against-votes or abstentions) approves the aggregate amount of variable compensation of CHF 500,000.00 for the executive management regarding their performance for the business year 2016.

### **Agenda Item 7.3: Compensation for the Members of the Board of Directors for the period from 1 January 2017 until the Annual General Shareholders' Meeting**

The Chairman states that the board of directors proposes to approve the maximum aggregate amount of CHF 375,000.00 as compensation for the members of the board of directors for the period from 1 January 2017 until this annual general shareholders' meeting. He explains that the proposal consists of the remuneration of the members of the board of directors for their services rendered in committees and remuneration for consulting services provided.

No discussion is requested.

As proposed by the board of directors, the annual general shareholders' meeting unanimously (without any against-votes or abstentions) approves the maximum aggregate amount of CHF 375,000.00 as compensation for the members of the board of directors for the period from 1 January 2017 until this annual general shareholders' meeting.

#### **Agenda Item 7.4: Compensation of the Members of the Executive Management for the Business Year 2017**

The Chairman explains that the resolution on the compensation of the members of the executive management for the business year 2017 is once again divided into two items. First, the general shareholders' meeting votes on the approval of the maximum aggregate amount of fixed compensation. Thereafter, a vote on the approval of the maximum aggregate amount of variable compensation is taken.

##### **Agenda Item 7.4.1: Approval of the Maximum Aggregate Amount of Fixed Compensation**

The Chairman states that the board of directors proposes to approve the maximum aggregate amount of CHF 750,000.00 as fixed compensation for the members of the executive management for the business year 2017.

No discussion is requested.

As proposed by the board of directors, the annual general shareholders' meeting unanimously (without any against-votes or abstentions) approves the maximum aggregate amount of CHF 750,000.00 as fixed compensation for the members of the executive management for the business year 2017.

##### **Agenda Item 7.4.2: Approval of the Maximum Aggregate Amount of Variable Compensation**

The Chairman states that the board of directors proposes to approve the maximum aggregate amount of CHF 900,000.00 as variable compensation for the members of the executive management regarding their performance for the business year 2017. The Chairman explains that the variable compensation of members of the executive management consists of cash remuneration only and is determined taking into consideration the duties and responsibility of the recipients, performance of the Company and the individual member.

No discussion is requested.

As proposed by the board of directors, the annual general shareholders' meeting unanimously (without any against-votes or abstentions) approves the

maximum aggregate amount of CHF 900,000.00 as variable compensation for the members of the executive management for the business year 2017.

**Agenda Item 7.5: Compensation for the Members of the Board of Directors for the period from the end of this Annual General Shareholders' Meeting until the end of the 2018 annual general shareholders' meeting**

The Chairman states that the board of directors proposes to approve the maximum aggregate amount of CHF 950,000.00 as fixed compensation for the members of the board of directors for the period from the end of this annual general shareholders' meeting until the end of the 2018 annual general shareholders' meeting. He explains that the increase of CHF 50,000.00 compared to the compensation for the business year 2016 is due to the increased number of members of the board of directors. He further states the proposal consists of the remuneration of the members of the board of directors for their services rendered in committees and remuneration for consulting services provided.

No discussion is requested.

As proposed by the board of directors, the annual general shareholders' meeting unanimously (without any against-votes or abstentions) approves the maximum aggregate amount of CHF 950,000.00 as fixed compensation for the members of the board of directors for the period from the end of this annual general shareholders' meeting until the end of the 2018 annual general shareholders' meeting.

**Agenda Item 7.6: Maximum Aggregate Amount of Fixed Compensation of the Members of the Executive Management for the Business Year 2018**

The Chairman states that the board of directors proposes to approve the maximum aggregate amount of CHF 800,000.00 as fixed compensation for the members of the executive management for the business year 2018.

Andreas Tuczka asks why the annual general shareholders' meeting is also voting on the approval of the compensations paid for the business year 2016. The Chairman explains that this procedure is due to changes in Swiss law, in particular the Ordinance Against Excessive Remuneration in Listed Companies.

No discussion is requested.

As proposed by the board of directors, the annual general shareholders' meeting unanimously (without any against-votes or abstentions) approves the maximum aggregate amount of CHF 800,000.00 as fixed compensation for the members of the executive management for the business year 2018.

There being no other issues to be discussed and no objections raised to the conduct of the annual general shareholders' meeting, the Chairman closes the annual general shareholders' meeting at 10:01 am CEST.

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**Signatures**

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**Kent Hansson**

Chairman

**Dr. Urs Gnos**

Secretary