
DDM Holding AG - Invitation to the 2019 AGM

It is our pleasure to invite all shareholders of DDM Holding AG, Baar (the **Company**), to the annual general shareholders' meeting (the **Annual General Shareholders' Meeting**) which will take place on Tuesday, 18 June 2019 at 9:00 am CEST at the premises of Parkhotel Zug, Industriestrasse 14, 6302 Zug, Switzerland. The doors will open at 8:30 am CEST.

A. Agenda and Proposals

1. Approval of the Annual Report, the Statutory Financial Statements and the Consolidated Financial Statements 2018

The Board of Directors proposes to approve the annual report, the statutory financial statements and the consolidated financial statements 2018.

2. Appropriation of Available Earnings 2018

	EUR	CHF
Net profit for the year	1'418'407	1'642'462
Retained profit carried forward	600'297	693'871
Amount at the disposal of the shareholders	2'018'704	2'336'333
Proposal		
Allocation to statutory retained earnings	70'920	82'123
To be carried forward	1'947'784	2'254'210

The Board of Directors proposes to the Annual General Shareholders' Meeting to allocate 5 percent of the net profit for the year to statutory retained earnings and to carry forward the remainder of the profit.

3. Discharge of the Members of the Board of Directors and of the Members of the Executive Management

The Board of Directors proposes to grant discharge to all members of the Board of Directors and the Company's executive management committee (the **Executive Management**) for the business year 2018.

4. Elections

4.1. Re-Elections of current Board Members

The Board of Directors proposes to re-elect the following current members of the Board of Directors, each for a term of one year ending after completion of the next annual general shareholders' meeting:

- Torgny Hellström
- Erik Fällström

Explanation: All re-elections are held individually. The curricula vitae of the current members of the Board of Directors are available in the 2018 annual report and also on the Company's website under <http://ddm-group.ch/investors/corporate-governance>.

4.2. Election of a new Board Member

The Board of Directors proposes to elect the following new member of the Board of Directors, for a term of one year ending after completion of the next annual general shareholders' meeting:

- Joachim Cato

Explanation: The election is held individually. The curricula vitae Joachim Cato is available on the Company's website under <http://ddm-group.ch/investors/corporate-governance>.

4.3. Re-Election of the Chairman

The Board of Directors proposes to re-elect Torgny Hellström as chairman of the Board of Directors for a term of one year ending after completion of the next annual general shareholders' meeting.

4.4. Re-Election of the Members of the Remuneration Committee

The Board of Directors proposes to re-elect Torgny Hellström and Erik Fällström as members of the remuneration committee for a term of one year ending after completion of the next annual general shareholders' meeting.

Explanation: Both elections are held individually.

4.5. Election of the Independent Proxy

The Board of Directors proposes to elect the law firm Bratschi AG (CHE-114.281.308), Zurich, Switzerland, as independent proxy for a term of one year ending after completion of the next annual general shareholders' meeting.

4.6. Re-Election of the Statutory Auditors

The Board of Directors proposes to re-elect PricewaterhouseCoopers AG (CHE-434.873.063), Luzern, as the statutory auditors for the business year 2019.

5. Consultative Vote on the Compensation Report 2018

The Board of Directors proposes to approve, on a consultative basis, the compensation report for the business year 2018. The compensation report provides details on the compensation paid for the business year 2018 and compares these figures with the compensation figures for the business year 2017.

Explanation: In line with Swiss best practice, the Board of Directors is seeking shareholders' approval of the compensation report 2018 on a consultative basis.

6. Votes on the Compensation of the Members of the Board of Directors and the Executive Management

6.1. 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 2020 annual general shareholders' meeting

The Board of Directors proposes to approve the maximum aggregate amount of CHF 1'000'000 as fixed compensation for the members of the Board of Directors for the period until the end of the 2020 annual general shareholders' meeting.

Explanation: The above proposal is based on the remuneration of the members of the Board of Directors as well as remuneration for their services rendered in board committees and remuneration for potential consulting services provided. The actual compensation paid to each member of the Board of Directors during a business year is disclosed in the respective compensation report governing such business year and is made available (together with the accompanying audit report) to the shareholders in accordance with the applicable Swiss law.

6.2. Compensation of the Members of the Executive Management for the Business Year 2019

6.2.1. Approval of the Maximum Aggregate Amount of Variable Compensation

The Board of Directors proposes to approve the maximum aggregate amount of CHF 2'400'000 as variable compensation for the Executive Management regarding their performance during the business year 2019 (i.e. from 1 January 2019 until 31 December 2019).

Explanation:

- (a) The actual compensation earned by the members of the Executive Management during a business year will be disclosed in the respective compensation report governing such business year and will be made available (together with the accompanying audit report) to the shareholders in accordance with applicable Swiss law.
- (b) The variable compensation of members of the Executive Management could consist of cash remuneration and share options granted under a share option plan implemented by the Board in accordance with article 3^{quater} of the Company's articles of association and is subject to the approval of the maximum aggregate amount of variable compensation by the Annual General Shareholders' Meeting and is determined taking into consideration the duties and responsibilities of the recipients, performance of the Company and the individual member.
- (c) For further details on the Company's Board and Executive Remuneration, please refer to the compensation report, available in the DDM Holding AG annual report (pages 36 to 40) under <http://ddm-group.ch/investors>.

6.3. Maximum Aggregate Amount of Fixed Compensation of the Members of the Executive Management during the Business Year 2020

The Board of Directors proposes to approve the maximum aggregate amount of CHF 2'000'000 as fixed compensation for the members of the Executive Management for the business year 2020 (i.e. from 1 January 2020 until 31 December 2020).

7. Vote on the Compensation for Aldridge EDC Speciality Finance Ltd (AEDC)

7.1. Compensation for AEDC for Business Development Services during the Business Year 2018

The Board of Directors proposes to approve the compensation of AEDC for business development services provided by AEDC to the Company during the business year 2018 amounting to EUR 503'049.

Explanation:

AEDC a company related to Demeter Finance S.à r.l. (**Demeter Finance**) being the largest shareholder in the Company, whose shares are ultimately held by trusts attributable to Erik Fällström and Andreas Tuczka, entered into an agreement with the Company where AEDC provides business development services for identified projects. Business development services from AEDC to the Company during the business year 2018 amounted to EUR 503'049. In relation to this total amount, EUR 135'164 has been recognized to consultancy expenses and EUR 367'885 has been capitalized as prepayments as part of ongoing transactions.

8. Vote on the Compensation for DDM Group Finance Sarl

DDM Group Finance Sarl, owner of 10'742'647 shares in DDM Holding AG (corresponding to 79,22% of the shares outstanding) proposes to the AGM to approve a compensation of up to EUR 4'500'000 for DDM Group Finance Sarl for services to be provided between 1 April 2019 and the end of the next annual shareholders' meeting in the year 2020, under a asset management contract with DDM Holding AG which DDM Group Finance Sarl and the Company are in the process of negotiation.

Explanation:

The reason the AGM is requested by DDM Group Finance Sarl to approve the compensation under the asset management contract currently being negotiated is that DDM Group Finance Sarl (former Demeter Finance Sarl) is the largest shareholder in DDM Holding AG, whose shares are ultimately held by trusts attributable to Erik Fällström and Andreas Tuczka. It is currently intended that DDM Group Finance Sarl will consult and provide advice to DDM Holding AG and its group entities regarding:

- Opportunities in the European NPL market and other agreed jurisdictions;
- The current management and servicing of DDM Holdings AG's assets;
- The quarterly reporting of the collections;
- The corporate governance and incentive structures of the collection agencies.

It is currently intended that the compensation shall be the higher of 750'000 EUR or 0,25% of the estimated remaining collections (the sum of all undiscounted future projected cash collections from acquired portfolios) ((the "ERC") on a quarterly basis in arrear (and therefore 1% of the ERC on an annual basis), but in any case not more than EUR 4'500'000.

9. New Authorized Share Capital

The Board of Directors proposes to approve a new Authorized Share Capital (Art. 3^{bis} paragraph 1) as follows:

Art. 3bis Genehmigtes Aktienkapital

1 Der Verwaltungsrat ist ermächtigt jederzeit bis zum 31. Mai 2021 das Aktienkapital im Maximalbetrag von CHF 6'780'223.00 durch Ausgabe von höchstens 6'780'223 voll zu liberierenden Namenaktien mit einem Nennwert von je CHF 1.00 zu erhöhen. Erhöhungen in Teilbeträgen sind gestattet.

Art. 3bis Authorized Share Capital

1 The Board of Directors shall be authorized to increase the share capital in an amount not to exceed CHF 6,780,223.00 through the issuance of up to 6,780,223 fully paid-in registered shares with a nominal value of CHF 1.00 per share by not later than 31 May 2021. Increases in partial amounts shall be

permitted.

2 Der Verwaltungsrat ist ferner (einschliesslich im Falle eines öffentlichen Angebots für Aktien der Gesellschaft) ermächtigt, das Bezugsrecht der Aktionäre bei der Ausgabe von Namenaktien aus dem genehmigten Aktienkapital gemäss Art. 3bis Abs. 1 im Umfang von bis zu CHF 3'390'111.00 durch Ausgabe von bis zu 3'390'111 Namenaktien mit einem Nennwert von je CHF 1.00 zu beschränken oder aufzuheben oder Dritten zuzuweisen, im Falle der Verwendung der Aktien:

- (a) für die Übernahme von Unternehmen, Unternehmensteilen oder Beteiligungen oder für neue Investitionsvorhaben oder für die Finanzierung oder Refinanzierung solcher Transaktionen;
- (b) für Zwecke der Beteiligung strategischer Partner oder zum Zwecke der Erweiterung des Aktionärskreises in bestimmten Investorenmärkten oder im Zusammenhang mit der Kotierung der Aktien an inländischen oder an ausländischen Börsen, inklusive im Zusammenhang mit der Gewährung einer Mehrzuteilungsoption an ein Bankenkonsortium; oder
- (c) für Beteiligungen von Mitarbeitern oder Verwaltungsräten der Gesellschaft oder von Konzerngesellschaften.

3 Zeichnung und Erwerb der neuen Aktien sowie jede nachfolgende Übertragung der Aktien unterliegen den Bestimmungen gemäss Art. 5 der Statuten.

4 Der Verwaltungsrat legt den Ausgabebetrag, die Art der Einlagen, den Zeitpunkt der Ausgabe der neuen Aktien, die Bedingungen der Bezugsrechtsausübung und den Beginn der Dividendenberechtigung fest. Dabei kann der Verwaltungsrat neue Aktien mittels Festübernahme durch eine Bank, ein Bankenkonsortium oder einen Dritten und anschliessendem Angebot an die bisherigen Aktionäre ausgeben. Nicht ausgeübte Bezugsrechte kann der Verwaltungsrat verfallen lassen, oder er kann diese bzw. Aktien, für welche Bezugsrechte eingeräumt, aber nicht ausgeübt werden, zu Marktkonditionen platzieren oder anderweitig im Interesse der Gesellschaft

2 The Board of Directors is further authorized (including in case of a public offer for shares of the Company) to restrict or deny the pre-emptive subscription rights of shareholders or allocate such rights to third parties in case of issuance of registered shares out of the authorized share capital set forth in Art. 3bis para. 1 in the extent of up to CHF 3,390,111.00 through the issuance of up to 3,390,111 registered shares with a nominal value of CHF 1.00 per share, if the shares are to be used:

- (a) for the acquisition of enterprises, parts of enterprises, or participations, or for new investments, or for the financing or refinancing of such transactions;
- (b) for the purpose of the participation of a strategic partner or for the purpose of broadening the shareholder constituency in certain investor markets or in connection with a listing of the shares on domestic or foreign stock exchanges, including in connection with the grant of an over-allotment option to a consortium of banks; or
- (c) for the participation of employees or members of the Board of Directors of the Company or of group companies.

3 The subscription and acquisition of the new shares, as well as each subsequent transfer of the shares, shall be subject to the provisions of Art. 5 of the Articles of Association.

4 The Board of Directors shall determine the issue price, the type of payment, the date of issue of new shares, the conditions for the exercise of the pre-emptive subscription rights, and the beginning date for dividend entitlement. In this regard, the Board of Directors may issue new shares by means of a firm underwriting through a banking institution, a syndicate or another third party and a subsequent offer of these shares to the current shareholders. The Board of Directors may permit pre-emptive subscription rights that have not been exercised to expire or it may place these rights and shares to which pre-emptive subscription rights have been

verwenden.

granted but not exercised, at market conditions or use them for other purposes in the interest of the Company.

Explanation: The proposed creation of a new Authorized Share Capital as per this new art. 3^{bis} of the Company's articles of association (Authorized Share Capital) is a replacement of the currently existing, equivalent mandate in the same amount of CHF 6'780'223.00 under the current art. 3^{bis} which will expire on 31 May 2019 and 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.

B. Documentation

The 2018 annual report, consisting of the full business review, the consolidated financial statements, the statutory financial statements, the compensation report and the respective reports of the statutory auditors, as well as the proposed new articles of association, are available for inspection by the shareholders at the Company's headquarters (Schochenmühlestrasse 4, 6340 Baar, Switzerland) or on the Company's website under <http://ddm-group.ch/investors>. Printed copies will be distributed to shareholders of record upon request.

C. Participation and Voting Rights

Shareholders registered with voting rights in the share register as of the close of business on 5 June 2019, will be authorized to participate and to vote at the Annual General Shareholders' Meeting. From close of business on 5 June 2019 up to and including 18 June 2019, no entries will be made in the share register which would create a right to vote at the Annual General Shareholders' Meeting. Shareholders who sell part or all of their shares before the Annual General Shareholders' Meeting are no longer entitled to vote to that extent. Such shareholders are required to exchange their admission card and voting material to reflect the change in their shareholding.

Shareholders who wish to participate or be represented at the Annual General Shareholders' Meeting may either download the registration form via our website <http://ddm-group.ch/investors> or request a physical copy by e-mail to ddm@computershare.ch. The registration form should be completed and returned by mail or e-mail to the following address: Computershare Schweiz AG, General meetings, P.O. Box, 4601 Olten, Switzerland; e-mail: ddm@computershare.ch as soon as possible but in any case no later than 14 June 2019. Upon receipt of their registration form shareholders will be provided with

an admission card and voting material (including proxy form) for the Annual General Shareholders' Meeting.

Shareholders (i) whose shares are registered in accordance with the Articles of Association of the Company in a securities register in accordance with the Swedish Financial Instruments Accounts Act (1998:1479) or otherwise in accordance with Swedish law and (ii) who hold such shares through a nominee must, in order to be entitled to attend and vote (in person, representation by proxy or by the Independent Proxy) at the Annual General Shareholders' Meeting, temporarily register the shares in their own name. For the shares to be re-registered in time, such shareholders should instruct the nominee that manages the shares well in advance of 5 June 2019 for temporary re-registration, so called voting registration. After such shares have been registered in the shareholder's own name, the shareholder shall follow the instructions as set out above in this section.

D. Representation

Shareholders who do not intend to participate personally at the Annual General Shareholders' Meeting may participate and vote at the meeting through the representation of:

- the independent proxy, or
- a third person who need not be a shareholder;

Mr. Florian S. Jörg, attorney-at-law, c/o Bratschi AG, Zürich, Switzerland, has been elected at the ordinary general shareholders' meeting held on 23 May 2018 as the independent proxy of the Company and will thus serve as independent proxy for the Annual General Shareholders' Meeting.

Shareholders opting to be represented by the independent proxy shall submit the original of the completed and signed power of attorney (incorporated in the voting material) with voting instructions to Computershare Schweiz AG, General meetings, P.O. Box, 4601 Olten, Switzerland, by no later than 14 June 2019. Shareholders may also vote by issuing electronic proxy and voting instructions to the independent proxy by voting through the online proxy voting platform <https://ip.computershare.ch/ddm> until 17 June 2019, 11:59 am CEST. Further details can be found on the Company's website <http://ddm-group.ch/investors>.

To the extent that a shareholder opts to be represented by the independent proxy but does not give the independent proxy specific voting instructions, the independent proxy will vote as proposed by the Board of Directors.

If shareholders opt to be represented by a third person, their completed and signed original power of attorney (incorporated in the voting material) as well as

their admission card and voting material should be sent directly to the address of their designated representative.

E. Shares and votes

As of the date hereof, the share capital of the Company amounts to CHF 13'560'447.00, divided into 13'560'447 fully paid-in registered shares with a nominal value of CHF 1.00 each and thus a total of CHF 13'560'447.00. As of the same date, the Company does not directly or indirectly hold treasury shares.

DDM Holding AG

28 May 2019

for the Board of Directors,

Torgny Hellström

Chairman