

# Invitation to the 36th Annual General Meeting

**ARBONIA** 



Dear Shareholders,

We are pleased to invite you to our  
36th Annual General Meeting.

Date: **Friday, 21 April 2023, 2.00 p.m.**  
**(doors open: 1.30 p.m.)**

Venue: **Würth Haus Rorschach, Carmen Würth Saal,  
Churerstrasse 10, 9400 Rorschach**



#### **Catering**

Following the Annual General Meeting, we invite the attending shareholders to join us for refreshments.

#### **Arrival**

##### **by car**

coming from Chur: exit Rheineck  
coming from Zurich: exit Kreuzlingen / Arbon / Rorschach  
then drive towards Rorschach.

Please note that only a limited number of parking spaces is available.

##### **by public transport**

Rorschach train station (2 minutes walkway)

# Agenda items and voting items proposed by the Board of Directors

## 1. Approval of the management report, the financial statements and the consolidated financial statements for 2022:

**Proposal:** The Board of Directors proposes that the management report, the financial statements and the consolidated financial statements for 2022 be approved.

**Justification:** *The management report, the financial statements and the consolidated financial statements were prepared in accordance with the applicable accounting standards and the Swiss Code of Obligations. The audit reports were issued without reservations. The Board of Directors is also of the opinion that neither the management report, nor the financial statements, nor the consolidated financial statements contain any elements that require special emphasis with regard to the vote.*

## 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 2022 be granted discharge for the financial year 2022.

**Justification:** *The Board of Directors is not aware of any facts that would make it necessary to refuse the discharge.*

## 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 31.12.2022, namely:

Profit for the year 2022	CHF	47'292'783
+ Profit carried forward	CHF	195'409'264
Retained earnings	CHF	242'702'047

be used as follows:

Dividend <sup>1</sup> of CHF 0.15 per registered share for the financial year 2022	CHF	10'420'986
Balance carried forward to new account	CHF	232'281'061
Retained earnings	CHF	242'702'047

**Justification:** *The retained earnings make it possible to continue the company's consistent dividend policy and fulfil the expectations of the shareholders. The Board of Directors therefore proposes the payment of a dividend of CHF 0.15 per share.*

### 3.2 Proposal:

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

Reserves carried forward from capital contribution	CHF	442'787'878
– Distribution <sup>2</sup> of CHF 0.15 per registered share for the financial year 2022	CHF	–10'420'986
Capital contribution reserves	CHF	432'366'892

**Justification:** *In addition to the dividend payment, the Board of Directors proposes, also in view of the continuity of the payments, a tax-efficient distribution from the capital contribution reserves in the same amount per share as the dividend, i.e. CHF 0.15.*

## 4. Elections

### 4.1 Election of the Chairman and the members of the Board of Directors, as well as the 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.

**Justification:** *The Board of Directors works efficiently and effectively in its current composition. It has a balanced composition with regard to the shareholder base, the experience of its members and other aspects relevant to the composition of the Board of Directors. Therefore, the Board of Directors proposes the re-election of all of its members. Mr. Alexander von Witzleben leads the Board of Directors in an excellent and prudent manner. The Board of Directors therefore proposes him for re-election. The Board of Directors is further convinced that the Compensation Committee is well-balanced and ideally reflects the views of all stakeholders, with the persons proposed for re-election.*

### 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 Attorneys at Law, Bahnhofstrasse 9, 8580 Amriswil, as independent proxy until the conclusion of the next Annual General Meeting.

**Justification:** *The independent proxy has performed his work in an impeccable manner over several years. The Board of Directors therefore proposes his re-election.*

### 4.3 Election of auditors

**Proposal:** The Board of Directors proposes the election of KPMG AG, St. Gallen, as auditors for the financial year 2023 (to audit the annual financial statements, the consolidated financial statements and the compensation report).

**Justification:** *The auditors have performed their duties impeccably over several years. The Board of Directors therefore proposes their re-election.*

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

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

## 5. Amendments to the Articles of Association

### 5.1 Capital band - Art. 3a of the Articles of Association

**Proposal 1:** The Board of Directors proposes to adapt Art. 3a of the Articles of Association to the attached version excluding the expressions in square brackets designated as alternatives.

**Proposal 2 (extension of the lower limit of the capital band):** The Board of Directors proposes, in the event that proposal 1 is adopted, that the lower limit of the capital band be extended to -10%, i.e., as indicated as an alternative in square brackets in the attachment.

**Justification:** Art. 3a of the Articles of Association contained authorised capital. This expires on 22 April 2024 and can no longer be extended under the new company law, which came into force on 1 January 2023. The new company law provides for a capital band instead of an authorised capital. The proposed capital band pursuant to amended Article 3a of the Articles of Association authorizes the Board of Directors to increase the share capital during a period until 20 April 2028 by issuing a maximum of 13,800,000 (approximately 20%) fully paid registered shares with a par value of CHF 4.20 each in one or several steps to a maximum of CHF 349,747,620.60 (upper limit of the capital band) and to reduce it in one or several steps to not less than CHF 277,297,620.60 (lower limit of the capital band), either by cancelling a maximum of 3,450,000 registered shares at a par value of CHF 4.20 each or by reducing the par value of the registered shares to not less than CHF 3.992. In this respect, the Board of Directors is authorised to increase the share capital by a maximum of 20% and to reduce it by a maximum of 5% within the capital band. The authorization to increase the share capital in the capital band is reduced to the extent that the conditional capital proposed under agenda item 5.2 is used or reserved. Thus, the authorization of the Board of Directors to increase the capital is limited to 20%.

The creation of the capital band proposed by the Board of Directors will give the Board of Directors, as in the past with the authorised capital, an instrument that enables it, among other things, to finance investment projects quickly and as inexpensively as possible by taking advantage of favourable market circumstances. In the case of acquisitions to expand the business, there is also the possibility of allocating part of the risk of the acquisition to the sellers. It also enables various other projects for which a limited number of shares must be available to the Board of Directors at short notice.

This includes the participation of a strategic partner, for example, in order to benefit from its know-how and to incentivize him in the interest of the company. It may also be necessary to underpin or support financial instruments with shares issued from the capital band. In certain situations, employee participation cannot be created through financial instruments but derive from the capital band. In all these situations, the exclusion of subscription rights has to be possible. It also has to be possible to exclude subscription rights for regulatory reasons. The exclusion of subscription rights is only possible in respect of 6,900,000 registered shares (approximately 10%) during the term of the capital band. However, this number will be reduced to the extent that the priority subscription rights are excluded in the event that the conditional capital proposed under agenda item 5.2 is utilized. Thus, the exclusion of subscription rights and priority subscription rights is limited to 10%.

In addition to the increase of the capital, the proposed capital band offers the Board of Directors the possibility to make limited share buybacks to cancel shares and thereby, if necessary, to make distributions other than dividends. When implementing a capital reduction through the capital band, the Board of Directors will pay strict attention to the equal treatment of shareholders and the careful exercise of rights.

*The Board of Directors is of the opinion that the creation of a capital band in accordance with the proposed Art. 3a of the Articles of Association is in the interest of the company. In particular, it creates the flexibility that is necessary and justifiable to enable the company to act quickly in extraordinary opportunities and situations.*

*The proposed alternative of an extended reduction option of up to 10% takes into account the fact that the company is authorised to acquire up to 10% of its own shares in any case. The cancellation of shares in the context of a capital reduction is then only the logical consequence and serves as means for adjustment. It enables the Board of Directors to carry out announced share buybacks on a second line, while ensuring equal treatment of shareholders. This would not be possible for the Board of Directors if it did not have the possibility to reduce the share capital. It would only be possible to a limited extent if the alternative were not approved. Buybacks would then be less targeted and less transparent. Beyond the 5%, they would be associated with the risk that the shares would suddenly have to be sold as an emergency measure to avoid subsequent taxation.*

### 5.2 Conditional capital for financing - Art. 3b of the Articles of Association

**Proposal:** The Board of Directors proposes to amend Art. 3b of the Articles of Association conform the attached version.

**Justification:** The Board of Directors adapts the previous provision on conditional capital for financing via financial instruments, such as convertible bonds and bonds with warrants, to the new company law. This is essentially done by enabling the exercise via electronic means. This will increase the efficiency of the process. The Board of Directors also requests an increase in the scope of possible financial instruments to 20% of the current share capital. However, priority subscription rights can only be restricted or excluded until 10%. Both the 20% and the 10% are linked to the authority to increase the share capital and the authority to exclude priority rights under the capital band. This has the effect of limiting the overall authority of the Board of Directors to the aforementioned 20% where it concerns the authority to create additional shares and 10% where it concerns the authority to do so without granting subscription rights to shareholders. Thus, the Board of Directors is granted extensive powers to choose financing instruments, but these are controlled by the aforementioned upper limits. This combines flexibility for the company with protection for the shareholders in an ideal way.

### 5.3 Conditional capital for participation plans - Art. 3c of the Articles of Association

**Proposal:** The Board of Directors proposes to include Art. 3c of the Articles of Association conform the attached version.

**Justification:** The Board of Directors proposes to make available approximately 3% of conditional capital for the participation of employees and members of the Board of Directors. The company did not have a provision to this effect and it has therefore been difficult for it to implement its share participation plan, which serves as an incentive scheme, not the least because market purchases are difficult for the company to make. The proposed conditional capital therefore safeguards the company's current compensation model and makes it easier for the company to hire suitable employees and motivate them, especially in an environment where competition for talent is very tight. The conditional capital for participation plans is linked to Art. 3a para. 4 letter k of the Articles of Association, so that it is ensured that the maximum number of shares available for employee participation does not exceed 2,100,000 shares or approximately 3%.

#### 5.4 Form of notices to shareholders - Art. 10 para. 2 and Art. 33 of the Articles of Association

**Proposal:** The Board of Directors proposes to add an additional sentence to Art. 10 para. 2 of the Articles of Association and to reword Art. 33 of the Articles of Association conform the attached version.

**Justification:** *The proposed provisions make it possible to notify shareholders by electronic means, namely e-mail. However, this possibility only exists if the shareholder has his/her e-mail address entered in the share register. In this respect, the shareholder can decide for himself/herself whether a communication to him/her can be made by e-mail or not. The possibility of electronic communication increases efficiency and reduces costs for the company.*

#### 5.5 Purely virtual General Meeting - Art. 10 para. 6 of the Articles of Association

**Proposal:** The Board of Directors proposes to insert a new Art. 10 para. 6 into the Articles of Association as indicated in the attached version.

**Justification:** *The proposed provision makes it possible to hold General Meetings purely virtually. This can reduce costs and, above all, make it possible to convene extraordinary general meetings at shorter notice, because there is no need to reserve a location way in advance. However, the Board of Directors will only use this option once it has been demonstrated that such General Meetings can be held without any problems. The Board of Directors will also be very cautious in its use of virtual general meetings, as it acknowledges the value of physical general meetings, especially where it concerns the annual general meeting.*

#### 5.6 Mandates outside the Group - Art. 29 of the Articles of Association

**Proposal:** The Board of Directors proposes to amend the existing Art. 29 of the Articles of Association conform the attached version.

**Justification:** *The Board of Directors proposes the adjustment of the number of mandates conform the attached articles of association. It has become apparent that this amendment in the number of mandates is necessary so as to enable a competent composition of the Board of Directors. In addition, the Board of Directors proposes to adapt the description of the mandates in accordance with the revised law, which is no longer based on the entry in the commercial register, but rather on whether the company has an economic purpose.*

#### 5.7 Formal adjustments due to the new company law and clean-up corrections

**Proposal:** The Board of Directors proposes that the following articles of the Articles of Association be adapted to the attached version, with the following justifications:

- Art. 4 para. 1: Clarification that uncertificated securities are not ledger-based securities.
- Art. 5 paras. 1 to 3: Adaptation to the revised law and editorial change from share register to share ledger.
- Art. 8: Adaptation to the revised law.
- Art. 9 para. 3 and 4: Adaptation to the revised law conform the version designated as ALTERNATIVE 1.
- Art. 10 paras. 3 to 5: Adaptation to the revised law.
- Art. 11 paras. 4 and 5 (newly inserted): Adaptation to the revised law.

- Art. 12 para. 5: Adaption to the revised law.
- Art. 13: Adaptation to the revised law.
- Art. 16: Adaptation to the revised law.
- Art. 18 paras. 2 and 3 (newly inserted or replacing): Adaptation to the revised law.
- Art. 22 para. 4 (split off from para. 3 and amending): Adaptation to the revised law.
- Art. 28: Adaptation to the revised law.
- Art. 30 para. 2: Adaption to the revised law.

**Justification:** *The provisions that came into force with the new company law have the consequence that the current Articles of Association of the company partly are inconsistent with the new law or are incomplete. The Board of Directors is of the opinion that the Articles of Association should be adapted to the new law in order to avoid contradictions to the current law and legal uncertainties. Furthermore, the Articles of Association should also be adjusted from an editorial point of view on this occasion. The Board of Directors is therefore of the opinion that both the adaptation of the Articles of Association to the new company law and the implementation of editorial corrections and clarifications are in the interest of the company.*

#### 5.8 Change in shareholdings resp. voting rights for agenda items or proposals – Art. 9 para. 4 of the Articles of Association

**Proposal:** The Board of Directors proposes, in the event that the proposal under agenda item 5.7 is adopted, that in Art. 9 para. 4, ALTERNATIVE 1 as stated in the attachment to be replaced by ALTERNATIVE 2, i.e. that the right to place items on the agenda or to propose voting items is granted to shareholders holding at least 0.5% of the share capital or voting rights and not representing a nominal value of shares in the amount of CHF 1,000,000.

**Justification:** *The new law is based on a percentage of 0.5%, which means that the right to add items to the agenda and to propose voting items is adapted to changes in capital in a flexible manner. This is not the case under the current solution of CHF 1,000,000 that stems from the former laws in this respect. This amount is currently below the 0.5%. However, this can be changed rapidly, e.g. in the case of a reduction of the capital for the purpose of tax-efficient distribution. The CHF 1,000,000 is below the 0.5% threshold due to the capital being increased substantially in 2015 and 2016. The Board of Directors is of the opinion that an adjustment to the 0.5% stipulated in the law would take due and long-term account of the interests of the shareholders to include justified concerns while avoiding an excessive amount of requests.*

## 6. Votes on compensation for 2022 and 2023

### 6.1 Consultative vote on the compensation report for the financial year 2022

**Proposal:** The Board of Directors proposes to approve the compensation report for the financial year 2022 in terms of a non-binding consultative vote.

**Justification:** *The purpose of the compensation report is to provide shareholders with information on the compensation scheme, policies and practices in respect of the members of the Board of Directors and the members of the Group Management. The Board of Directors is of the opinion that the compensation report 2022 has been prepared in accordance with the applicable accounting standards as well as the applicable provisions of the Swiss Code of Obligations. The compensation report has also been audited by the company's auditors, who provided an unqualified audit opinion. The Board of Directors is furthermore of the opinion that there are no specific facts contained in the compensation report that require in-depth discussion. Therefore, the Board of Directors submits the above-mentioned proposal to the General Meeting.*

### 6.2 Approval of the total compensation of the members of the Board of Directors for the year of office 2022 / 2023

**Proposal:** The Board of Directors proposes to retrospectively approve the total amount of CHF 2,165,000 (including social security benefits, withholding taxes and other deductions) of the compensation of the members of the Board of Directors for the term of office 2022 / 2023, i.e. from the Annual General Meeting 2022 to the Annual General Meeting 2023, as approved by the Board of Directors.

**Justification:** *The proposed amount has increased compared to the previous year with the remuneration for the office of executive Chairman of the Board of Directors held by Mr. Alexander von Witzleben, which he has held since 22 April 2022 in addition to the office of Chairman. The remuneration of the Board of Directors has proven to be appropriate in comparison to peer companies.*

### 6.3 Approval of the total compensation of the members of the Group Management for the financial year 2022

**Proposal:** The Board of Directors proposes to retrospectively approve the total amount of CHF 3'147'000 of the fixed and variable compensation of the members of Group Management for the financial year 2022, which, if in cash, has already been paid to them or, if in shares, has been approved for payment by the Board of Directors (incl. social security benefits, withholding taxes and other deductions).

**Justification:** *The proposed amount has been reduced compared to the previous year. This reduction is due in particular to the fact that no compensation was paid in accordance with Article 23 and Article 24 para. 2 of the Articles of Association and that the variable compensation was lower overall for the year under review. The remuneration of the members of the Group Management has proven to be appropriate in comparison to peer companies.*

Kind regards  
Arbonia AG



Alexander von Witzleben  
Executive Chairman of the Board of Directors

# 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 2022 have been available for viewing by shareholders at the company's headquarter since 28 February 2023 or can be downloaded at [www.arbonia.com](http://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](mailto:media@arbonia.com)).

## **Admission cards**

The shareholders with voting rights as recorded in the share register will receive a registration form along with the invitation to the Annual General Meeting. On returning the registration form to the company (Arbonia AG, c/o Devigus Shareholder Services, Birkenstrasse 47, 6343 Rotkreuz, Switzerland) the shareholders will receive their admission cards (dispatch of admission cards starting from 12 April 2023). The prompt return of registration forms will facilitate preparatory work for the Annual General Meeting.

Shareholders who register in the share register after the sending of the invitation to the Annual General Meeting but before 11 April 2023, 5.00 pm will be sent the invitation to the Annual General Meeting and the registration form after 12 April 2023. They can obtain the voting materials by handing in their registration forms at the shares office in the Carmen Würth Saal on the day of the Annual General Meeting.

## **Book closing**

During the period from 11 April 2023, 5.00 pm, up to and including 21 April 2023 no entries in the share register shall be made. Shareholders who acquire their shares after the 11 April 2023, 5.00 pm are not entitled to vote with the shares they have acquired. Shareholders who dispose their shares before the Annual General Meeting are no longer entitled to vote with the shares that they have disposed.

## **Granting powers of proxy**

Shareholders who cannot personally attend the Annual General Meeting have the opportunity to give instructions for voting through the independent proxy, Dr. iur. Roland Keller, attorney-at-law, Raggenbass Rechtsanwälte, Bahnhofstrasse 9, 8580 Amriswil, or another proxy to be nominated by them, and to issue voting instructions.

## **Electronic remote voting (e-voting)**

Shareholders represented can issue their power of attorney and voting instructions to the independent proxy as well as power of attorney to a third party electronically from 30 March 2023, 7.00 am, under [www.arbonia.com/annual-general-meeting](http://www.arbonia.com/annual-general-meeting). The access details required for that purpose will be delivered to the shareholders together with their invitations. Electronic participation is possible up until **19 April 2023, 11.59 pm**. If voting is carried out using various methods (in person at the Annual General Meeting, by means of a written proxy or by e-voting), the shareholder's last declaration of intent shall apply.

**Arbonia AG**

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