

To the shareholders of Starrag Group Holding AG

Invitation to the 97th Annual General Meeting of Shareholders

Date: Saturday, 28 April 2018, at 10.30 a.m. (doors open at 9.30 a.m.)

Location: Stadthof Saal, Kirchstrasse 9, 9400 Rorschach

AGENDA:

1. Annual report 2017

1.1 Annual report, annual financial statements and consolidated financial statements 2017

The Board of Directors proposes that the annual report, the annual financial statements and the consolidated financial statements for 2017 be approved.

1.2 Compensation report 2017

The Board of Directors proposes that the compensation report for 2017 be approved in a non-binding advisory vote.

2. Appropriation of retained earnings / dividend from capital contribution reserve

2.1 Proposed appropriation of retained earnings:

Retained earnings from prior year	TCHF	85'545
Net income	TCHF	<u>5'852</u>
Retained earnings	TCHF	91'397
To be carried forward	TCHF	91'397

2.2 Proposed appropriation of legal reserve from capital contribution:

Legal reserve from capital contributions	TCHF	59'521
Withholding tax free distribution of CHF 1.50 per share	TCHF	<u>-5'040</u>
To be carried forward	TCHF	54'481

3. Discharge of Board of Directors

The Board of Directors proposes that the members of the Board of Directors be granted discharge.

4. Amendment to the Articles of Association: Extension of authorized capital

Proposal of the Boards of Directors:

The Board of Director proposes that the authorized capital be extended for a period of two year and section 3a (1) of the Articles of Association be amended as follows:

Section 3a (1):

The Board of Directors is empowered to increase the company's share capital by a maximum of *CHF 5'695'000* until 28 April 2020 by issuing a maximum of 670'000 fully paid registered shares with a nominal value of *CHF 8.50* each. Partial increases of share capital are permitted. Subscription and acquisition of the new registered shares and every subsequent transfer are subject to the provisions stipulated in section 5 of the Articles of Association.

5. Approval of compensation

5.1 Total compensation of the members of the Board of Directors from the Annual General Meeting 2018 to the Annual General Meeting 2019

The Board of Directors proposes an amount of CHF 1'340'000 as a maximum compensation of the Board of Directors for the period of the Annual General Meeting 2018 to the Annual General Meeting 2019.

5.2 Total compensation of the members of the Executive Board for the next financial year, i.e. 2019

The Board of Directors proposes an amount of CHF 5'100'000 as a maximum compensation of the Executive Board for the financial year 2019.

6. Elections

6.1 Elections to the Board of Directors

The Board of Directors proposes that the following persons be elected to the Board of Directors for a one-year term of office expiring at the end of the Annual General Meeting in 2019:

- 6.1.1 Walter Fust
- 6.1.2 Prof. Dr. Christian Belz
- 6.1.3 Adrian Stürm
- 6.1.4 Dr. Erich Bohli
- 6.1.5 Michael Hauser
- 6.1.6 Daniel Frutig

Michael Hauser (1961, Swiss and German) will be proposed to the Board of Directors of Starrag Group Holding AG at the Annual Meeting on 28 April 2018.

He has served as the CEO of Tornos SA in Moutier, Switzerland since 2011 and as a director of Schlatter Industries AG in Schlieren since 2017. From 2008 to 2010, he served on the Executive Board of Georg Fischer AG as head of its GF AgieCharmilles corporate group. From 2000 to 2008, he was a member of the Executive Board of Agie Charmilles Group and in charge of its Milling Division. From 1996 to 2000, he headed the Milling Systems Division of Mikron Technology

Group headquartered in Biel, Switzerland. He is active in CECIMO, the European association representing the common interests of the machine tool industries, having served as a delegate (since 2015), board member (2012-2017) and president (2009-2010). He is a Council member of SWISSMEM, the association of Swiss mechanical and electrical engineering industries, and has been a member of its specialist group Machine tools and manufacturing technology since 2005. Michael Hauser holds a business administration degree from the University of Mannheim. He has never held an executive position with Starrag Group and he does not have significant business relationships with the Group.

In addition, the previous members of the Board of Directors will be available for re-election.

6.2 Election of the Chairman of the Board of Directors

The Board of Directors proposes that Daniel Frutig be elected Chairman of the Board of Directors for a one-year term of office expiring at the end of the Annual General Meeting in 2019.

6.3 Election of Compensation Committee members

The Board of Directors proposes the following directors be elected individually to the Compensation Committee:

6.3.1 Walter Fust

6.3.2 Dr. Erich Bohli

for a one-year term of office expiring at the end of the Annual General Meeting in 2019.

6.4 Election of auditors

The Board of Directors proposes that PricewaterhouseCoopers AG, St. Gallen, be elected as statutory auditor for the 2018 financial year.

6.5 Election of independent proxy

The Board of Directors proposes the election of Jürg Jakob, attorney-at-law, Rohner Thurnherr Wiget & Partner, Rosenbergstr. 42b, 9000 St. Gallen, as independent proxy for a term of office expiring at the end of the Annual General Meeting in 2019.

7. Miscellaneous

Annual report

The printed annual report for 2017 can be ordered with the enclosed registration card. The annual report includes the management report (page 44), the remuneration report with the report of the statutory auditors (page 74), the consolidated financial statements with the report of the statutory auditors (page 87) and the annual financial statements (individual company accounts) with the report of the statutory auditors (page 116).

These documents may be inspected by shareholders at the company's headquarters in Rorschacherberg and have been published online at www.starrag.com.

Right to vote

Shareholders who are on record in the share register with voting rights on 3 April 2018 are entitled to exercise their voting rights. The registration of shares for voting purposes does not affect the tradeability of such shares. All shareholders registered with voting rights on 3 April 2018 will automatically receive by mail the invitation to the Annual General Meeting. They may then order their admission card at any time by 23 April 2018, at the latest, from the Share Office of the Company by means of the enclosed reply form.

Representation / proxy

Shareholders who cannot attend the Annual General Meeting in person are requested to appoint another shareholder or the independent proxy Jürg Jakob, attorney-at-law, Rohner Thurnherr Wiget & Partner, Rosenbergstr. 42b, 9000 St. Gallen, as their representative. The enclosed proxy and voting instruction form must be used to appoint a representative.

Alternatively, you have the possibility to authorize and instruct the independent representative electronically. If you wish to do so, please log in with your shareholder number and the password on the website <https://ip.computershare.ch/starrag>. The shareholder number and the password is printed on the registration form to the Annual General Meeting. After electronic transmission of your authorization and instructions to the independent representative, you cannot exercise your voting rights any more personally at the Annual General Meeting.

All shareholders are cordially invited to refreshments after the Annual General Meeting.

9404 Rorschacherberg, 5 April 2018

The Board of Directors