

To the shareholders of Starrag Group Holding AG

## Invitation to the 98th Annual General Meeting of Shareholders

**Date:** Friday, 26 April 2019, at 5.00 p.m. (doors open at 4.00 p.m.)

**Location:** Stadthof Saal, Kirchstrasse 9, 9400 Rorschach

### AGENDA:

#### 1. Annual report 2018

##### 1.1 Management report, annual financial statements and consolidated financial statements 2018

The Board of Directors proposes that the annual report, the annual financial statements and the consolidated financial statements for 2018 be approved.

##### 1.2 Compensation report 2018

The Board of Directors proposes that the compensation report for 2018 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	91'397
Net income	TCHF	<u>2'035</u>
Retained earnings	TCHF	93'432
<b>To be carried forward</b>	<b>TCHF</b>	<b>93'432</b>

##### 2.2 Proposed appropriation of legal reserve from capital contribution:

Legal reserve from capital contributions	TCHF	54'481
Withholding tax free distribution of <b>CHF 1.00</b> per share	TCHF	<u>-3'360</u>
<b>To be carried forward</b>	<b>TCHF</b>	<b>51'121</b>

#### 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 (partial revision § 3a, 9, 13, 17d)**

In the spirit of “Good Corporate Governance”, the Board of Directors wishes to strengthen shareholders’ participation rights, further restrict the number of third-party mandates for members of the Board of Directors and the Executive Board, set upper limits for variable compensation for members of the Board of Directors and the Executive Board in the Articles of Association and formally amend the individual items of the Articles of Association. The Board of Directors proposes a corresponding amendment to the Articles of Association in a uniform resolution. The wording of the proposed amendments can be found in the appendix to the invitation.

#### **5. Approval of compensation**

##### **5.1 Total compensation of the members of the Board of Directors from the Annual General Meeting 2019 to the Annual General Meeting 2020**

The Board of Directors proposes an amount of CHF 1'070'000 as a maximum compensation of the Board of Directors for the period of the Annual General Meeting 2019 to the Annual General Meeting 2020.

*Explanation: In addition to the fixed compensation, the proposed amount includes a maximum variable compensation of CHF 625'000 (limit of CHF 125'000 per member of the Board of Directors), which in the best case scenario would be paid if the medium-term earnings targets were exceeded. The Starrag compensation system is described in the Compensation Report on page 80 of the Annual Report 2018.*

##### **5.2 Total compensation of the members of the Executive Board for the next financial year, i.e. 2020**

The Board of Directors proposes an amount of CHF 5'100'000 as a maximum compensation of the Executive Board for the financial year 2020.

*Explanation: In addition to the fixed compensation, the proposed amount includes a maximum variable compensation of CHF 2'500'000 (the variable bonus for members of the Executive Board is limited to 150% of the fixed compensation), which would be paid in the best case if the medium-term earnings targets were exceeded. The Starrag compensation system is described in the Compensation Report on page 80 of the Annual Report 2018.*

#### **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 2020:

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

## **6.2 Election of the Chairman of the Board of Directors**

The Board of Directors proposes that Walter Fust 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 2020.

## **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 2020.

## **6.4 Election of auditors**

The Board of Directors proposes that PricewaterhouseCoopers AG, St. Gallen, be elected as statutory auditor for the 2019 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 2020.

## **7. Miscellaneous**

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### **Annual report**

The printed annual report for 2018 can be ordered with the enclosed registration card. The annual report includes the management report (page 50), the remuneration report with the report of the statutory auditors (page 80), the consolidated financial statements with the report of the statutory auditors (page 95) and the annual financial statements (individual company accounts) with the report of the statutory auditors (page 122).

These documents may be inspected by shareholders at the company's headquarters in Rorschacherberg and have been published online at [www.starrag.com](http://www.starrag.com).

### **Right to vote**

Shareholders who are on record in the share register with voting rights on 29 March 2019 are entitled to exercise their voting rights. The registration of shares for voting purposes does not affect the tradability of such shares. All shareholders registered with voting rights on 29 March 2019 will automatically receive by mail the invitation to the Annual General Meeting. They may then order their admission card at any time by 19 April 2019, 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, 2 April 2019

The Board of Directors