

INVITATION TO THE ORDINARY ANNUAL GENERAL MEETING

**TUESDAY
16 APRIL 2019
4:00 P.M.**

Culture and Convention Centre Lucerne
Europaplatz 1, 6005 Lucerne
Doors open at 3:00 p.m.

komax

The invitation to the Annual General Meeting on 16 April 2019 is also available in German. The original German-language version is the only binding version.

Enclosures

- Agenda for the Annual General Meeting
- Registration form / power of attorney (with instruction sheet on the reverse) and login details for ordering admission tickets electronically as well as issuing power of attorney for voting representation instructing the independent proxy on the exercising of voting rights
- Short report for the 2018 financial year
- Compensation Report 2018 with Auditor's Report
- Reply envelope

The detailed Annual Report comprising

- Review of 2018
 - 2018 Financial Statements of Komax Holding AG with Auditor's Report and recommendations
 - 2018 Consolidated Financial Statements with Auditor's Report and recommendations
 - 2018 Compensation Report with Auditor's Report
- can be found at www.komaxgroup.com/annual-report.

DEAR SHAREHOLDER

The Komax Group again witnessed strong growth in 2018 – with regard to both order intake and revenues – and was able to use this growth to further expand its leading market position. Since Group profit after taxes also increased sharply, the Board of Directors is proposing to the Annual General Meeting that the dividend be increased to CHF 7.00.

As in past years, Komax outstripped growth in the market in 2018. Order intake increased by 10.4% to CHF 496.7 million (2017: CHF 449.7 million), while revenues rose by 17.4% to CHF 479.7 million (2017: CHF 408.5 million). The growth in revenues comprises a very high level of internal growth (+13.9%), acquisition-driven growth (+1.7%), and the positive impact of foreign currencies (+1.8%). Growth remained high throughout the year. Order intake dipped slightly towards the end of the year and was consequently higher in the first six months (first half 2018: CHF 256.0 million, second half 2018: CHF 240.7 million). Given the extremely strong order backlog, this did not impact revenues, which were marginally higher in the second half of the year (first half 2018: CHF 236.9 million, second half 2018: CHF 242.8 million). The book-to-bill ratio was 1.04 at the end of 2018.

Increasing profitability

Komax not only posted strong growth in 2018, it also secured a sharp rise in profitability. Operating profit (EBIT) was up 22.1% to CHF 67.3 million (2017: CHF 55.1 million) and the EBIT margin increased from 13.5% to 14.0%. This increase is notable in that the impact of foreign currencies was significantly lower than in the previous year. Whereas in 2017 positive foreign currency effects pushed up the EBIT margin by 1.0 percentage points, in 2018 the rise amounted to only 0.2 percentage points. The impact was substantially more positive in the first six months of the year, at +1.3 percentage points.

Komax also increased Group profit after taxes (EAT), which was up 23.0% to CHF 51.8 million (2017: CHF 42.1 million) despite a financial result of CHF –5.2 million (2017: CHF –0.8 million). More than 50% of this financial result is attributable to unrealized book losses on currencies of emerging markets (including Brazil and Turkey) in which Komax has production operations.

Attractive dividend yield

Based on the pleasing result for 2018, the Board of Directors is proposing to the Annual General Meeting a dividend increase from CHF 6.50 to CHF 7.00 per share. This corresponds to a payout ratio of 52.0%. Despite the currently very high level of investment in planned capacity expansion, Komax is achieving its strategic target of a payout ratio of 50%–60%. Of the CHF 7.00 per share, CHF 0.80 will be distributed from capital contribution reserves and will therefore be tax-free for natural persons domiciled in Switzerland who hold the shares as part of their private assets. The dividend yield (calculated on the basis of the 2018 year-end closing price of the Komax share) amounts to an attractive 3.0%.

Changes in the Board of Directors

After 14 years on the Board of Directors, the last five of which as Vice-Chairman, Daniel Hirschi has decided not to stand for re-election at the 2019 Annual General Meeting. The Board of Directors and Executive Committee wish to thank him most sincerely for his many years of commitment to Komax. The Board of Directors is proposing to the Annual General Meeting that Dr. Mariel Hoch be appointed as a new member of the Board.

We would be pleased to welcome you at the Annual General Meeting on 16 April 2019 at the Culture and Congress Centre Lucerne (KKL).

Komax Holding AG
On behalf of the Board of Directors



Dr. Beat Kälin
Chairman

Dierikon, 13 March 2019

ORDINARY ANNUAL GENERAL MEETING OF KOMAX HOLDING AG

Agenda and proposals of the Board of Directors

1. Approval of the Annual Report as well as the financial statements of Komax Holding AG and consolidated financial statements for the 2018 financial year

The Board of Directors proposes approval.

As auditor to Komax Holding AG, PricewaterhouseCoopers AG, Basel, recommends in its reports to the Annual General Meeting that the consolidated financial statements and annual financial statements of Komax Holding AG be ratified without reservation.

2. Discharge of the Board of Directors and Executive Committee

The Board of Directors proposes that the activities of its members as well as the activities of the members of the Executive Committee in the 2018 financial year be ratified (in a single vote for all members of the Board of Directors and the Executive Committee).

3. Appropriation of profit for the 2018 financial year and distribution from capital contribution reserves and dividends

The Board of Directors proposes to the Annual General Meeting the following appropriation of profit, payout from capital contribution reserves, and dividend:

in CHF

Balance carried forward from the previous year	550 809
Profit after taxes	37 480 320
Transfer from capital contribution reserves	3 078 008
Total available for distribution	41 109 137
Payout from capital contribution reserves of CHF 0.80 per registered share which is not subject to withholding tax ¹	3 078 008
Dividend of CHF 6.20 gross per registered share ¹	23 854 562
Allocation to free reserves	13 500 000
Profit carried forward	676 567
Total	41 109 137

¹ The stated amount covers the requirement for the payout from capital reserves for all registered shares outstanding. Registered shares which will be issued after 1 January 2019 upon exercise of options are also entitled to the payout from capital reserves. Therefore, the stated amount may be subject to change.

If the proposal is accepted, a distribution of CHF 7.00 per dividend-bearing share will be paid out on Wednesday, 24 April 2019. Of this amount, CHF 0.80 will be distributed from capital contribution reserves. Distributions from the capital contribution reserves are tax-free for natural persons living in Switzerland who hold shares as part of their private assets.

4. Elections

4.1 Election of new Board member

The Board of Directors proposes the first-time election of Dr. Mariel Hoch to the Board of Directors of Komax Holding AG for a period of office extending until the conclusion of the next ordinary Annual General Meeting. Dr. Mariel Hoch, born 1973, obtained a PhD (Dr. iur.) from the University of Zurich and was admitted to the Zurich Bar in 2005. She has been with law firm Bär & Karrer AG in Zurich since 2002, and became a Partner in 2012. Dr. Mariel Hoch specializes in M&A transactions and advises listed companies on corporate and regulatory matters. She is a member of the Boards of Directors of SIG Combibloc Group AG (since 2018), Comet Holding AG (since 2016), and MEXAB AG (since 2014).

4.2 Re-elections to the Board of Directors

The Board of Directors proposes individual votes for the re-election of

- Dr. Beat Kälin as Chairman of the Board of Directors
- David Dean as member of the Board of Directors
- Dr. Andreas Häberli as member of the Board of Directors
- Kurt Haerri as member of the Board of Directors
- Prof. Dr. Roland Siegwart as member of the Board of Directors

for a period of office extending until the conclusion of the next ordinary Annual General Meeting.

4.3 Elections to the Remuneration Committee

The Board of Directors proposes individual votes for the re-election of

- Dr. Andreas Häberli as member of the Remuneration Committee
- Dr. Beat Kälin as member of the Remuneration Committee
- Prof. Dr. Roland Siegwart as member of the Remuneration Committee

for a period of office extending until the conclusion of the next ordinary Annual General Meeting.

4.4 Re-election of the independent proxy

The Board of Directors proposes that Thomas Tschümperlin, lawyer and notary, Lucerne, be re-elected independent proxy until the conclusion of the next ordinary Annual General Meeting.

Thomas Tschümperlin, born 1956, has been a partner of the law firm of Fellmann Tschümperlin Lötscher AG in Lucerne since 1985. He advises clients primarily on legal issues related to inheritance law, commercial and company law, real estate transactions, and brand and copyright law. Neither Thomas Tschümperlin nor his law/notary offices maintain any close relationships with management bodies or significant shareholders of Komax Holding AG. They also do not cultivate any significant commercial relationships with Komax Holding AG that go beyond the mandate of acting as independent proxy.

4.5 Re-election of the external auditors

The Board of Directors proposes that PricewaterhouseCoopers AG, Basel, be appointed auditors for a period of one year.

PricewaterhouseCoopers AG, Basel, have been statutory auditors to Komax Holding AG and auditors of the Komax Group's consolidated financial statements since 1994. PricewaterhouseCoopers AG, Basel, have confirmed to the Board of Directors of Komax Holding AG that they have the required independence to carry out such a mandate.

5. Compensation

5.1 Advisory vote on the Compensation Report for the 2018 financial year

The Board of Directors proposes that the Compensation Report for the 2018 financial year be approved in a non-binding advisory vote.

Notes on the proposal

The Compensation Report provides an overview of the compensation principles and programs applicable to the Board of Directors and the Executive Committee of Komax, as well as details related to the compensation awarded to these two bodies for the 2018 financial year. The vote on the Compensation Report 2018 is consultative and is conducted in line with the recommendations of the "Swiss Code of Best Practice for Corporate Governance."

The Compensation Report can be found as a separate chapter in the 2018 Annual Report and online at www.komaxgroup.com/annual-report.

5.2 Approval of the total compensation payable to the Board of Directors for the 2020 financial year

The Board of Directors proposes that the total compensation payable to the Board of Directors for the 2020 financial year, amounting to a maximum of CHF 1 100 000, be approved.

Notes on the proposal

The proposed amount of compensation payable for the 2020 financial year includes the basic annual fee, attendance fees, and share-based compensation (incl. compensation for work on both committees of the Board of Directors). It is based on a body size of six members, and breaks down as follows:

in CHF	
Basic annual fee and attendance fees in cash ¹	900 000
Share-based compensation ²	200 000
Total³	1 100 000

¹ Contains flat-rate expenses and employer contributions to social insurance amounting to around CHF 65 000. This amount entitles members of the Board of Directors to draw the maximum insured pension benefits in the future.

² Market value at time of allocation. This figure does not take into consideration changes to the share price during the lock-in period.

³ The proposed total compensation amounts do not fully utilize the limits specified in the Articles of Association.

The compensation actually awarded, including the non-binding breakdown of individual compensation components listed in the table above, will be disclosed in the 2020 Compensation Report and submitted to shareholders at the 2021 Annual General Meeting for an advisory vote. The amount of compensation payable to the Board of Directors will be approved in accordance with Section 13 of the Articles of Association and in compliance with the Ordinance against Excessive Remuneration in Listed Companies Limited by Shares (ERCO). The principles of compensation are set out in Section 25 of the Articles of Association. You will also find further details in the 2018 Compensation Report.

5.3 Approval of the total compensation payable to the Executive Committee for the 2020 financial year

The Board of Directors proposes that the total compensation payable to the Executive Committee, amounting to a maximum of CHF 4 230 000 for the 2020 financial year, be approved.

Notes on the proposal

The proposed maximum amount of compensation payable for the 2020 financial year breaks down as follows:

in CHF	
Fixed compensation in cash	1 700 000
Variable compensation (cash bonus) ¹	1 150 000
Performance Share Units (PSUs) ²	950 000
Social benefits ³	350 000
Other payments ⁴	80 000
Total⁵	4 230 000

¹ Maximum variable compensation at maximum performance achievement level.

² The allocation of PSUs is calculated on the basis of a fixed allocation amount and the share price at the point of allocation. This figure assumes maximum performance achievement, under which the target number of originally allocated PSUs is multiplied by a payout factor of 150%. The payout factor depends on the average development of the RONCE over three years. This figure does not take into consideration changes to the share price during the vesting period.

³ Contains mandatory employer contributions to social insurance as well as contributions to occupational benefits (BVG). This amount entitles members of the Executive Committee to draw the maximum insured pension benefits in the future.

⁴ Expenditure compensation for members of the Executive Committee seconded abroad, e.g. tax equalization payments and housing.

⁵ The proposed total compensation amounts do not fully utilize the limits specified in the Articles of Association.

The compensation actually awarded, including the non-binding breakdown of individual compensation components listed in the table on page 6, will be disclosed in the 2020 Compensation Report and submitted to shareholders at the 2021 Annual General Meeting for an advisory vote. The amount of compensation payable to the Executive Committee will be approved in accordance with Section 13 of the Articles of Association and in compliance with ERCO. The principles of compensation are set out in Section 25 of the Articles of Association. You will also find further details in the 2018 Compensation Report.

Further information

Documents

The 2018 Annual Report (including the 2018 Compensation Report) and the 2018 Auditor's Reports, the minutes of the last Annual General Meeting, and the proposals of the Board of Directors are available for inspection by shareholders at the registered office of the company in Dierikon from 14 March 2019. The Annual Report (including Compensation Report) can also be found at www.komaxgroup.com/annual-report and ordered online.

Voting entitlement and admission tickets

All shareholders entered in the share register at 5:00 p.m. on 9 April 2019 are entitled to vote in respect of the number of shares registered in their name at that time. Shareholders who were entered in the share register as at 8 March 2019 will receive the registration and subscription slip for admission tickets, a short version of the Annual Report, and the Compensation Report. They are requested to sign the registration slip and return it by 9 April 2019 at the latest. The admission ticket and ballot documentation will be forwarded by mail following completion of the registration process (dispatched from 1 April 2019). Shareholders who acquire shares later and whose registration application is received by the Komax Holding AG share register no later than 5:00 p.m. on 9 April 2019 will receive their invitation subsequently, or may pick up the voting material from the front desk of the Annual General Meeting. Shareholders who dispose of their shares before the Annual General Meeting are no longer entitled to vote. In the event of a partial sale or purchase of additional shares, the entry ticket received should be exchanged at the front desk on the date of the Annual General Meeting.

Representation and power of attorney

Shareholders who wish to be represented at the meeting are requested to sign the power of attorney on the registration slip and return it. The representative may be another holder of registered shares or an individual who is independent of the company. Based on Art. 30 para. 1 of ERCO, the Board of Directors has appointed the lawyer Thomas Tschümperlin, Fellmann Tschümperlin Lötscher AG, Löwenstrasse 3, P.O. Box 6770, 6000 Lucerne 6, Switzerland, as that independent person. In conjunction with the power of attorney, shareholders may issue instructions on how voting should be carried out by the independent proxy. Please note that family members who are not shareholders themselves may not exercise representation rights.

If no instructions are issued with respect to the proposals contained in the invitation and/or no general instructions are issued, the independent proxy will exercise the relevant votes on the corresponding resolution in favor of the proposal of the Board of Directors.

Issue power of attorney and voting instructions or order admission tickets electronically

Shareholders can order admission tickets, issue power of attorney for voting representation, and instruct the independent proxy on the exercising of voting rights electronically at www.netvote.ch/komax. Login details will be sent to shareholders together with the written documentation for the Annual General Meeting. Electronic instructions may be issued no later than 12:00 a.m. (CEST) on 12 April 2019.

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