

# Invitation to the 34<sup>th</sup> Ordinary Shareholders' Meeting

**Date: Tuesday, April 7, 2020, 3.00 pm (door opens at 2.00 pm)**

**Place: Seedamm Plaza, Seedammstrasse 3, 8808 Pfäffikon / SZ**

## Agenda and Proposals of the Board of Directors:

**1. Annual Report, Annual Accounts and Consolidated Accounts 2019, Auditors' Report**

*Proposal of the Board:* Approval of the Annual Report, the Annual Accounts and the Consolidated Accounts 2019.

**2. Appropriation of Available Retained Earnings and Payout from Capital Contribution Reserve**

**a) Appropriation of Available Retained Earnings**

	in CHF
Carried forward from previous year	201'944'854
Net profit 2019	14'379'684
Available retained earnings	216'324'538

***Proposal of the Board of Directors:***

- Payment of a dividend of CHF 1.10 per share with a nominal value of CHF 0.10 each (total 11'870'912 shares eligible for dividend) <sup>1</sup>	(13'058'003)
- Balance to be carried forward	203'266'535

**b) Allocation from the Legal Reserves (Capital Contribution Reserve) to the Free Reserve and Payout (Withholding Tax free)**

	in CHF
Carried forward from previous year	55'032'468
New shares issued based on employee participation plans	23'791'891
Available capital contribution reserve	78'824'359

***Proposal of the Board of Directors:***

- Allocation from the legal reserves (capital contribution reserve) to the free reserve and payout of CHF 1.10 per share with a nominal value of CHF 0.10 each (total 11'870'912 shares eligible for payout) <sup>1</sup>	(13'058'003)
- Balance to be carried forward within the capital contribution reserve	65'766'356



<sup>1</sup> This number is based on the outstanding share capital at December 31, 2019. The number of shares eligible for dividend and payout may change due to the repurchase or sale of treasury shares and the issuance of up to 90'477 new shares from the conditional share capital reserved for employee participation plans.

*Comment:* According to Swiss tax legislation direct contributions from the shareholders that are booked into capital contribution reserves may be paid out without being subject to Swiss withholding tax (similar to repayments of share capital). This legislation is retroactively applicable for capital contributions made since 1997. The Board proposes to take advantage of these beneficial regulations. The payout may not exceed 50% of the total payout and requires the allocation of the current capital contribution reserve in the amount of the payout (CHF 13'058'003) to the free reserve.

### **3. Discharge of the Members of the Board of Directors and of the Management Board**

*Proposal of the Board:* Grant of discharge to the Members of the Board of Directors and of the Management Board for their activities in the business year 2019.

### **4. Elections**

#### **4.1. Re-election of Members of the Board of Directors**

*Proposal of the Board:* Re-election of the following current members of the Board of Directors for a one-year term:

- a. Dr. Lukas Braunschweiler
- b. Dr. Oliver Fetzer
- c. Heinrich Fischer
- d. Lars Holmqvist
- e. Dr. Karen Huebscher
- f. Dr. Christa Kreuzburg
- g. Dr. Daniel R. Marshak

#### **4.2. Re-election of the Chairman of the Board of Directors**

*Proposal of the Board:* Re-election of Dr. Lukas Braunschweiler as Chairman of the Board of Directors for a one-year term.

#### **4.3. Re-election of members of the Compensation Committee**

*Proposal of the Board:* Re-election of the following current members of the Compensation Committee for a one-year term:

- a. Dr. Oliver Fetzer
- b. Dr. Christa Kreuzburg
- c. Dr. Daniel R. Marshak

#### **4.4. Re-election of the Auditors**

*Proposal of the Board:* Re-election of Ernst & Young AG, Zurich, as auditors for the business year 2020.

#### **4.5. Re-election of the Independent Voting Proxy**

*Proposal of the Board:* Re-election of Proxy Voting Services GmbH, Zurich, as independent voting proxy until the end of the 35<sup>th</sup> Ordinary Shareholders' Meeting of Tecan Group Ltd. in 2021.

*Comment:* All re-elections are conducted in separate ballots.



## 5. Compensation

### 5.1. Advisory Vote on the Compensation Report 2019

*Proposal of the Board:* Approval, on an advisory (non-binding) basis, of the Compensation Report 2019.

*Comments:* Article 18 para. 2 of Tecan's Articles of Incorporation provides that the Board of Directors shall annually submit to the General Meeting of Shareholders the Compensation Report for a retrospective non-binding approval.

The Compensation Report 2019 is presented in the Annual Report 2019. The Compensation Report 2019 covers the compensation paid, promised or granted during the business year 2019.

### 5.2. Approval of maximum total amount of compensation of the Board of Directors from the Ordinary Shareholders Meeting 2020 to the Ordinary Shareholders Meeting 2021

*Proposal of the Board:* Approval of the maximum total amount of compensation that can be paid, promised or granted to the Board of Directors for the period from the Ordinary Shareholders Meeting 2020 until the Ordinary Shareholders Meeting 2021 in an amount not to exceed CHF 1'450'000.

*Comments:* Under the Ordinance Against Excessive Compensation in Listed Stock Companies and Art. 18 of Tecan's Articles of Incorporation, the shareholders must prospectively approve the compensation of the Board of Directors. Consequently, the proposal described in this Agenda Item No. 5.2 gives shareholders the opportunity to cast a binding vote to approve the maximum total amount of compensation that can be paid, promised or granted to the Board of Directors for the period from the Ordinary Shareholders Meeting 2020 until the Ordinary Shareholders Meeting 2021.

The compensation for the Board of Directors currently consists of compensation in cash and in shares. Details on the compensation structure for the Board of Directors as well as historic pay-out data can be found in the Compensation Report.

### 5.3. Approval of the maximum total amount of compensation of the Management Board for the Business Year 2021

Under the Ordinance Against Excessive Compensation in Listed Stock Companies and Art. 18 of Tecan's Articles of Incorporation, the requirement to obtain shareholder approval prospectively of the compensation of the Management Board is effective for compensation for the business year 2021. Consequently, the proposal described in this Agenda Item No. 5.3 gives shareholders the opportunity to cast a binding vote to approve the maximum total amount of compensation that can be paid, promised or granted to the Management Board for the business year 2021.

*Proposal of the Board:* Approval of the maximum total amount of compensation that can be paid, promised or granted to the members of the Management Board for the business year 2021 in an amount not to exceed **CHF 18'500'000**, including fixed compensation, short term incentive compensation, as long term incentive benefits and in equity and other forms of compensation.

*Comments:* This amount corresponds to the amount approved by the 2019 Annual Ordinary Shareholders Meeting for the Business Year 2020.

## 6. Amendment of Articles of Incorporation

### Renewal of Authorized Share Capital

*Proposal of the Board:* Renewal of the authorization of the Board of Directors to increase the share capital in accordance with art. 3c of the Articles of Incorporation until April 17, 2022 by a maximum amount of CHF 230'000 by issuing a maximum of 2'300'000 fully paid up registered shares with a par value of CHF 0.10 each, corresponding to 19.4% of the share capital, while the pre-emptive rights can only be excluded under certain conditions and in any event by not more than 1'150'000 shares and/or CHF 115'000 nominal value, which corresponds to 9.7% of the share capital.



The Board of Directors proposes to replace the previous art. 3c of the Articles of Incorporation as follows, whereby this amendment of the Articles of Incorporation will only become effective upon its registration in the commercial registry:

**Previous Text**

Art. 3c

The Board of Directors is authorized to increase the share capital at any time up to April 17, 2020, by an amount not exceeding CHF 115'000 through the issue of up to 1'150'000 registered shares, payable in full, each with a nominal value of CHF 0.10 by granting the pre-emptive rights of the shareholders.

The Board of Directors is authorized to increase the share capital at any time (and independently from the time of an increase of the share capital pursuant to art. 3c para. 1) up to April 17, 2020, by an amount not exceeding CHF 115'000 through the issue of up to 1'150'000 registered shares, payable in full, each with a nominal value of CHF 0.10 while the pre-emption rights of the shareholders may be restricted, excluded and allocated to third parties by decision of the Board of Directors, if the new shares will be used (1) to pay for the acquisition of companies, parts of companies or holdings (2) to finance or re-finance the acquisition of companies, parts of companies or holdings or (3) for an international placement of shares. Shares, for which pre-emption rights were granted, but which were not exercised, shall be used by the Board of Directors in the interest of the company.

In both instances the following shall apply: Increases by partial amounts are permitted. The issue amount, the dividend entitlement, the type of contributions and any possible acquisition of assets will be determined by the Board of Directors. The new registered shares are subject to the restrictions specified in art. 5 of the Articles of Incorporation.

**New Text (changes underlined)**

Art. 3c

The Board of Directors is authorized to increase the share capital at any time up to April 17, 2022, by an amount not exceeding CHF 115'000 through the issue of up to 1'150'000 registered shares, payable in full, each with a nominal value of CHF 0.10 by granting the pre-emptive rights of the shareholders.

The Board of Directors is authorized to increase the share capital at any time (and independently from the time of an increase of the share capital pursuant to art. 3c para. 1) up to April 17, 2022, by an amount not exceeding CHF 115'000 through the issue of up to 1'150'000 registered shares, payable in full, each with a nominal value of CHF 0.10 while the pre-emption rights of the shareholders may be restricted, excluded and allocated to third parties by decision of the Board of Directors, if the new shares will be used (1) to pay for the acquisition of companies, parts of companies or holdings (2) to finance or re-finance the acquisition of companies, parts of companies or holdings or (3) for an international placement of shares. Shares, for which pre-emption rights were granted, but which were not exercised, shall be used by the Board of Directors in the interest of the company.

In both instances the following shall apply: Increases by partial amounts are permitted. The issue amount, the dividend entitlement, the type of contributions and any possible acquisition of assets will be determined by the Board of Directors. The new registered shares are subject to the restrictions specified in art. 5 of the Articles of Incorporation.



As long as the Company has authorized capital as per art. 3c and if and to the extent the Board of Directors increases the share capital to issue conversion rights, options, bonds or similar instruments for the purpose of creation of share capital pursuant to art. 3b of the Articles of Incorporation (conditional capital increase), the right of the Board of Directors to increase the share capital pursuant to art. 3c para 1 of the Articles of Incorporation (authorized capital increase by granting pre-emptive rights) as well as the right of the Board of Directors to increase the share capital pursuant to art. 3c para 2 of the Articles of Incorporation (authorized capital increase by excluding pre-emptive rights) will be reduced by the amount of the aforementioned conditional capital increase in proportion to the maximum amounts per art. 3c para 1 and art. 3c para 2.

As long as the Company has authorized capital as per art. 3c and if and to the extent the Board of Directors increases the share capital to issue conversion rights, options, bonds or similar instruments for the purpose of creation of share capital pursuant to art. 3b of the Articles of Incorporation (conditional capital increase), the right of the Board of Directors to increase the share capital pursuant to art. 3c para 1 of the Articles of Incorporation (authorized capital increase by granting pre-emptive rights) as well as the right of the Board of Directors to increase the share capital pursuant to art. 3c para 2 of the Articles of Incorporation (authorized capital increase by excluding pre-emptive rights) will be reduced by the amount of the aforementioned conditional capital increase in proportion to the maximum amounts per art. 3c para 1 and art. 3c para 2.

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### **Documentation**

The current Articles of Incorporation, the Business Report 2019, consisting of the Annual Report of the Board of Directors, the Annual Financial Statements, and the Consolidated Financial Statements, as well as the Reports of the Auditors and the Compensation Report are available for inspection by the shareholders as of March 17, 2020 at the Company's registered office at Seestrasse 103, CH-8708 Männedorf. Upon request, a shareholder may receive a copy of these documents from the Company. As of March 17, 2020 at the latest, the Business Report 2019 may be downloaded from the Company's website, [www.tecan.com](http://www.tecan.com).

### **Admission to the Meeting and Voting Rights**

Shareholders returning the application card by April 02, 2020 at the latest will be sent the admission cards and the voting material.

Any shareholder of record as of March 27, 2020, 5.00 pm, is entitled to vote at the meeting. Until April 08, 2020, the share register of the Company will be closed for any registrations.



### **Representation and Power of Attorney**

Shareholders who are not able to attend the meeting may be represented as follows:

- by an empowered person: The power of attorney (in the lower part of the admission card) must be completed and handed over to the representative.
- by the independent voting representative, Proxy Voting Services GmbH, Grossmünsterplatz 1, Postfach 173, CH-8024 Zurich. The application card is sufficient for granting the power of attorney (it is not necessary to request the admission card).

Instructions to the independent voting representative may be given by using the instruction form on the back of the application card. Pursuant to art. 11 of the Ordinance Against Excessive Compensation in Listed Stock Companies as of January 1, 2014 proxy voting by a member of the company or by a depositary is prohibited. You may also submit your voting instructions to the independent proxy in the internet under [www.sherpany.com/tecan](http://www.sherpany.com/tecan). For the registration with Sherpany, please refer to the document enclosed and follow the steps in the registration instruction.

Männedorf, March 16, 2020

For the Board of Directors of Tecan Group Ltd.

Dr. Lukas Braunschweiler

Chairman

