

# Invitation to the 32<sup>nd</sup> Ordinary Shareholders' Meeting

**Date: Tuesday, April 17, 2018, 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 2017, Auditors' Report

*Proposal of the Board:* Approval of the Annual Report, the Annual Accounts and the Consolidated Accounts 2017.

### 2 Resolution on the Allocation of Profits

	in CHF
Carried forward from previous year	227'088'542
Net Profit 2017	4'316'408
Available retained earnings	231'404'950

#### ***Proposal of the Board:***

- |  |              |
|--|--------------|
| - Payment of a dividend of CHF 2.00 per share with a nominal value of CHF 0.10 each (total 11'664'872 shares eligible for dividend) <sup>1</sup> | (23'329'744) |
| - Balance to be carried forward  | 208'075'206  |

<sup>1</sup> These numbers are based on the outstanding share capital at December 31, 2017. The number of shares eligible for dividend may change due to the repurchase or sale of treasury shares and the issuance of up to 81'502 new shares from the conditional share capital reserved for employee participation plans.

### 3 Discharge of the Members of the Board of Directors and Members of the Executive Committee

*Proposal of the Board:* Grant of discharge to the Members of the Board of Directors and the Members of the Executive Committee for their activities in the business year 2017.



## **4 Re-elections of Auditors / Independent Voting Proxy**

### **4.1 Re-election of the Auditors**

*Proposal of the Board:* Re-election of Ernst & Young AG, Zurich, as auditors for the business year 2018.

### **4.2 Re-election of the Independent Voting Proxy**

*Proposal of the Board:* Re-election of Proxy Voting Services GmbH, Zürich, as independent voting proxy until the end of the 33<sup>rd</sup> Ordinary Shareholders' Meeting of Tecan Group Ltd. in 2019.

## **5 Compensation**

### **5.1 Advisory Vote on the Compensation Report 2017**

*Proposal of the Board:* Approval, on an advisory (non-binding) basis, of the Compensation Report 2017.

*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 2017 is presented in the Annual Report 2017. The Compensation Report 2017 covers the compensation paid, promised or granted during the business year 2017.

### **5.2 the Approval of maximum total amount of compensation of the Board of Directors from Ordinary Shareholders Meeting 2018 to the Ordinary Shareholders Meeting 2019**

*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 2018 until the Ordinary Shareholders Meeting 2019 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 requirement to obtain shareholder approval prospectively of the compensation of the Board of Directors is effective for compensation for the period from the Ordinary Shareholders Meeting 2018 until the Ordinary Shareholders Meeting 2019. 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 2018 until the Ordinary Shareholders Meeting 2019.

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 maximum total amount of compensation of the Management Board for the Business Year 2019**

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 2019. Consequently, the proposals 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 2019.

*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 2019 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:* The current compensation scheme consists of (a) a fixed and short term element and (b) of a long term incentive element.

- a) The fixed compensation consists of fixed compensation elements in cash and in kind. The short term incentive is a bonus in cash under Tecan's Variable Pay Regulation, the pay out of which will depend on the performance in the respective business year. Details on the bonus scheme and historical pay-out data can be found in the Compensation Report. It is currently anticipated that the maximum amount for this fixed and short term element would be around CHF 6'800'000 for 2019.
- b) The long term incentive currently consists of an initial grant in 2019 of shares that are blocked for three years and involve the right to receive additional shares that may vest later subject to the achievement of three year economic value targets of Tecan as per Tecan's Performance Share Matching Plan. A description of the Performance Share Matching Plan and the historic amounts of grants and vesting can be found in the Compensation Report. It is currently anticipated that the maximum amount of this long term incentive element for 2019 would be around CHF 11'700'000.

The sum of these two anticipated amounts is a maximum amount of CHF 18'500'000, which is the proposal from the Board of Directors for the Business Year 2019. This corresponds to the amount approved by the 2017 Annual Ordinary Shareholders Meeting for the Business Year 2018.

## 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, 2020 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 19.7% 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 9.9% 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 13, 2018, by an amount not exceeding CHF 220'000.-- through the issue of up to 2'200'000 registered shares, payable in full, each with a nominal value of CHF 0.10. Increase by underwriting as well as partial increases 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

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 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 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.

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 of the Articles of Incorporation (authorized capital increase) will be reduced by the amount of the aforementioned conditional capital increase.

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.



## **7 Elections**

### **7.1 Election of Members of the Board of Directors**

#### **7.1.1 Re-election of 5 current 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. Heinrich Fischer
- b. Dr. Oliver Fetzter
- c. Lars Holmqvist
- d. Dr. Karen Huebscher
- e. Dr. Christa Kreuzburg

#### **7.1.2. Election of 2 new members of the Board of Directors**

*Proposal of the Board:* Election of 2 new members of the Board of Directors (resumes are attached) for a term of one year each.

- a. Dr. Lukas Braunschweiler
- b. Dr. Daniel R. Marshak

### **7.2 Election of members of the Compensation Committee**

#### **7.2.1. Re-election of 2 current members of the Compensation Committee**

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

- a. Dr. Oliver Fetzter (re-election)
- b. Dr. Christa Kreuzburg (re-election)

#### **7.2.2. Election of a new member of the Compensation Committee**

*Proposal of the Board:* Election of Dr. Daniel R. Marshak as member of the Compensation Committee for a one-year term

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

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

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

\*\*\*\*\*

## **Documentation**

The current Articles of Incorporation, the Business Report 2017, 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 27, 2018 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 27, 2018 at the latest, the Business Report 2017 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 12, 2018 at the latest will be sent the admission cards and the voting material.

Any shareholder of record as of April 6, 2018, 5.00 pm, is entitled to vote at the meeting. Until April 18, 2018, 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 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 26, 2018

For the Board of Directors of Tecan Group Ltd.

Rolf Classon

Chairman



## Dr. Lukas Braunschweiler

1956, Swiss citizen

### Education

Federal Institute of Technology, Zürich (ETH Zürich)

- Dr. Sc. Nat. ETH
- Master degree in Chemistry

### Professional background

2011 – March 2018	Sonova Holding AG, Switzerland CEO
2009 – 2011	RUAG Holding AG, Switzerland Appointed as CEO in December 2008
2002 – 2009	Dionex Corporation, USA (NASDAQ: DNEQ) President and CEO, Member of the Board of Directors
1995 – 2002	Mettler-Toledo International, Inc. USA/Switzerland Member of the Group Executive Board, Executive Officer and Group Vice President of Mettler-Toledo International, Inc. President of Mettler-Toledo Inc. (US Operations)
	Additional positions at Mettler-Toledo International Head of the Global Division Laboratory Head of the Global Division Industrial & Retail
1992 – 1995	Landys & Gyr AG (today Siemens AG), Switzerland Senior Member of the Management Board and Executive Vice President of Landis & Gyr Europe AG; Responsible for the utilities market segment in Europe
1991 – 1992	Saurer Group Holding AG, Switzerland Senior Member of the Executive Board Responsible for divesting the telematics and industrial products business
1988 – 1991	Huber + Suhner AG, Switzerland Member of the Executive Board and Head of the Special Materials and Plastics Division
1985 – 1988	Wild Leitz Heerbrugg AG (today Leica Geosystems), Switzerland Member of the Special Products Division Management Project Manager for “optoelectronic surveying systems” in defense applications
1982 – 1985	Federal Institute of Technology, Zürich, Switzerland Assistant at Laboratory for Physical Chemistry and PhD graduate of Professor Dr. Richard R. Ernst, management of a pharma and life sciences industry oriented R&D project for nuclear magnetic and electron spin resonance spectroscopy

### Activities in governing and supervisory bodies

2011 - present	Member of the Board of Directors of Schweiter Technology Group
----------------	--



## Dr. Daniel R. Marshak

1957, US-American citizen

### Education

- The Rockefeller University, New York, USA  
Ph.D in Biochemistry and Cell Biology
- Harvard University, Cambridge, USA  
Bachelor in Biochemical Sciences

### Professional background

2014 – present	Consultancy for various companies in the Life Sciences, BioPharmaceutical, and Diagnostics industry
2006 – 2014	PerkinElmer, Inc., USA (NYSE: PKI) In his last role as Senior Vice President and Chief Scientific Officer, he was responsible for all science and technology as well as research and development activities and also led several acquisitions during that time.  Additional positions at PerkinElmer: President, Emerging Diagnostics, Waltham, USA and Shanghai, China President, Greater China, Shanghai, China
2000 – 2006	Cambrex Corporation, USA (NYSE: CBM) Vice President and Chief Technology Officer, Biotechnology Vice President Research and Development, Biosciences
1994 – 2000	Osiris Therapeutics, Inc. (OTC: OSIR) Sr. Vice President and Chief Scientific Officer Sr. Vice President, Research and Development and Chief Technology Officer
1986 – 1995	Cold Spring Harbor Laboratory, USA Sr. Staff Investigator

### Activities in governing and supervisory bodies

2016 – present	Upside Biotechnologies, Ltd Member of the Board of Directors
2014 – present	InVivo Therapeutics Corp (NASDAQ: NVIV) Member of the Board of Directors

### Academic Appointments

1995 – 2006	Johns Hopkins University School of Medicine, USA Adjunct Associate Professor
1987 – 1995	State University of New York at Stony Brook, USA Assistant Professor
1984 – 1986	National Institutes of Health, USA Staff Fellow
1983 – 1984	Vanderbilt University School of Medicine, USA Research Associate
1981 – 1984	Howard Hughes Medical Institute, USA Associate

