

Invitation to the Annual  
Shareholder Meeting  
April 22, 2015

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# Invitation to the Annual Shareholder Meeting

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Dear Shareholder,

The Board of Directors of COMET Holding AG cordially invites you to attend the company's 66th Annual Shareholder Meeting.

Date: **April 22, 2015 at 10:00 a.m.**

Location: Stade de Suisse Business Center,  
Bern-Wankdorf, Switzerland

Room: Papiermühlestrasse entrance, Champions Lounge

The agenda for the meeting is presented beginning on page 10ff. The complete annual report, including the compensation report and auditor's reports, will be delivered to you on request. It is also published on the Internet at [www.comet-group.com](http://www.comet-group.com). The key financial results for fiscal year 2014 are presented from page 6ff.

The enclosed registration form can be used to register for the Shareholder Meeting and/or to order the printed annual report. The annual report will be sent to you once your order is received by SIX SAG AG, the company assisting us with holding the Shareholder Meeting. After registration you will receive your admission card, voting card and a location map, in time before the Shareholder Meeting. For organizational reasons, we ask that you **register by April 13, 2015**.

As a new option this year for the Shareholder Meeting of the COMET Group, you may also cast your votes online. To do so, please register on the eComm online portal. Instructions for this are provided on a separate sheet. Voting over the Internet is possible from March 20, 2015 at 8:00 a.m. CET to April 20, 2015 at 11:59 p.m. CEST. After creating your shareholder account on the portal, you will receive information about future Shareholder Meetings by e-mail.

Shareholders are entitled to vote if their name appears in the Company's share register as of ten days before the Shareholder Meeting, that is, as of April 12, 2015.

For the Board of Directors

A handwritten signature in dark ink, appearing to read 'H. Hess', written in a cursive style.

Hans Hess, Chairman

## To Our Shareholders

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Ronald Fehlmann, CEO, and Hans Hess, Chairman of the Board.

In 2014 the COMET Group achieved record sales of CHF 287.9 million, with sales growth of 17.2% in local currencies. Net income rose by 63.3% to CHF 26.3 million. These results put the Group in a stronger position than ever.

The COMET Group delivered further organic growth in 2014. Consolidated net sales rose from CHF 249.6 million to CHF 287.9 million, surpassing the strong prior year by 15.3%, or 17.2% in local currencies. EBITDA operating earnings improved by 10.5% to CHF 39.8 million despite current strategic investment in future growth. The EBITDA margin was 13.8% (2013: 14.4%). Net income rose strongly, by 63.3% to a new total of CHF 26.3 million, and earnings per share grew 60% to CHF 34.07. Free cash flow was CHF 18.5 million (2013: CHF 10.7 million). The equity ratio increased to a very good 65.0%. Net debt fell to CHF 2.0 million. These results place the COMET Group on a stronger footing than ever.

### **Strategy succeeds – Growth in all three segments**

The consistent execution of the Group's strategy continued to bring rich rewards in 2014. The intensified marketing of existing products and technologies and the swifter development of high-growth business segments proved effective as the Group achieved growth in all regions and operating segments. The strongest advance in sales was made in the Plasma Control Technologies (PCT) segment, which leveraged its investment of the prior years and expanded its business with major customers in the US semiconductor market. Overall, the segment's sales rose 29.7% to an unprecedented CHF 105.8 million (2013: CHF 81.5 million).

With sales of CHF 124.7 million, X-Ray Systems (IXS) also grew by a robust 10.9% (2013: CHF 112.5 million). X-Ray & ebeam Technologies (XET) successfully broadened its customer base and pushed up sales to CHF 74.1 million (2013: CHF 68.7 million). An appreciable contribution to this came from the recently launched ebeam business, which boasted the highest growth rate in the Group. The Group as a whole grew in every region – most notably in the USA, which now accounted for 36% of sales, the largest single regional share (Asia: 35.1%, Europe: 24.8%).

#### **Significant gains in profitability and company value**

The high sales and the continued strategic work to improve operating efficiency led to tangible profit growth. EBITDA earnings of the COMET Group increased from CHF 36.0 million to CHF 39.8 million. The largest contributor was the PCT segment, where earnings grew from CHF 10.7 million to CHF 18.3 million. IXS segment earnings rose slightly to CHF 16.1 million (2013: CHF 16.0 million). XET likewise remained solidly profitable (despite current investment in developing the ebeam business), generating EBITDA of CHF 7.3 million (2013: CHF 11.2 million). Besides the high sales, the Group benefited from positive tax effects of loss carryforwards in the USA. Net income of the Group rose markedly to CHF 26.3 million (2013: CHF 16.1 million). COMET also raised its economic profit severalfold and significantly boosted the value of the Group. Return on capital employed went from 10.8% to 15.6%, with capital costs of 9%.

#### **COMET Group more robust than ever**

The steady focus on global marketing of innovative products and technologies made the COMET Group even stronger than before. Critical headway was achieved in all core dimensions of Group strategy. The relationships with key accounts were deepened and new growth-

driving projects started in, e.g., the semiconductor industry, security inspection and non-destructive testing. As well, new customers were acquired and design wins laid important foundations for future growth. Process efficiency continued to be improved. The product portfolio was bolstered with innovative solutions such as the new line of intuitive FeinFocus computed tomography systems, portable Smart Evo x-ray modules for pipeline inspection, and the sophisticated SmartCon vacuum capacitor. The Group also made extensive progress in its emerging businesses: In radio frequency (RF) generators, COMET developed new solutions for future use by the semiconductor industry. In the ebeam activities, development of the business is on track. The rollout of this technology with Tetra Pak was initiated with the delivery of the first ebeam-equipped beverage packaging systems to Japan. In Flamatt the unit began to implement a scalable manufacturing concept that in the medium term will allow the production of larger series of ebeam equipment. To expand market access for ebeam in Europe and North America, the business unit launched a collaboration with two system integration companies.

#### **Demanding environment – Good prospects for growth**

As a result of its strategy, the COMET Group is ideally placed to exploit current market trends with its innovative customer solutions and further strengthen its leading position in the market. Important business drivers are the development of three-dimensional memory chips, the trend toward 3D rendering of x-ray images through CT, and also the treatment of various surfaces with ebeam. COMET helps to power these trends with its technologies. The Board and management are convinced that, barring a deterioration in the economic environment, the Group will be able to continue to grow its value in the future. Despite the Swiss central bank's deci-

sion to end the franc's peg against the euro, COMET's expectation for 2015 – based on the assumptions of EUR/CHF parity and an exchange rate of CHF 0.90 per US dollar – is for sales of CHF 280–300 million and an EBITDA margin of 13–15%. As a result of the non-recurring positive tax effect of CHF 6.1 million in 2014 and one-time net currency translation losses of about CHF 3 million in 2015, net income this year will be correspondingly lower than in 2014. Next to organic growth, COMET is also looking at acquisitions that can accelerate the strategic initiatives and open up attractive growth opportunities.

#### **Dividend increase**

At the next Annual Shareholder Meeting, the Board of Directors will propose a distribution of CHF 11.00 per share to shareholders from distributable paid-in capital (2013: CHF 8.00 per share), exempt from Swiss anticipatory tax. This represents 32% of the Group's net income.

#### **Thank you!**

On behalf of the whole Board and management, we would like to thank COMET's shareholders for their trust. We also wish to express our gratitude to COMET's partners, customers and suppliers for the close working relationships and the strong confidence shown in our technology, our people and our business. A special thank-you goes to our almost one thousand employees worldwide, whose hard work and passionate commitment made the year's superb results possible.



**Hans Hess**  
Chairman of the  
Board of Directors



**Ronald Fehlmann**  
Chief Executive  
Officer

# COMET GROUP CONSOLIDATED FINANCIAL STATEMENTS

## Consolidated balance sheet

In thousands of CHF	Note	Dec. 31, 2014	%	Dec. 31, 2013	%
<b>Assets</b>					
Cash and cash equivalents		18,559		18,214	
Trade and other receivables	5	57,233		47,007	
Other financial assets	6	13		1,140	
Tax receivables		432		250	
Inventories	7	56,621		46,490	
Net assets from manufacturing contracts	8	0		5,417	
Prepaid expenses		2,003		1,601	
<b>Total current assets</b>		<b>134,862</b>	<b>54.8%</b>	<b>120,118</b>	<b>52.7%</b>
Property, plant and equipment	9	54,658		55,148	
Intangible assets	10	46,469		46,892	
Financial assets	6	379		404	
Employee benefit plan assets	17	3,084		3,750	
Deferred tax assets	12	6,459		1,521	
<b>Total non-current assets</b>		<b>111,049</b>	<b>45.2%</b>	<b>107,715</b>	<b>47.3%</b>
<b>Total assets</b>		<b>245,911</b>	<b>100.0%</b>	<b>227,833</b>	<b>100.0%</b>
<b>Liabilities and shareholders' equity</b>					
Current debt	13	6,557		11,896	
Trade and other payables	14	33,358		28,940	
Other financial liabilities	6	633		6	
Tax payables		4,951		5,156	
Accrued expenses	15	14,296		12,899	
Current provisions	16	6,021		4,557	
<b>Total current liabilities</b>		<b>65,816</b>	<b>26.7%</b>	<b>63,453</b>	<b>27.9%</b>
Non-current debt	13	14,013		20,002	
Non-current provisions	16	79		95	
Employee benefit plan liabilities	17	1,949		1,755	
Deferred tax liabilities	12	4,286		4,676	
<b>Total non-current liabilities</b>		<b>20,327</b>	<b>8.3%</b>	<b>26,528</b>	<b>11.6%</b>
<b>Total liabilities</b>		<b>86,143</b>	<b>35.0%</b>	<b>89,981</b>	<b>39.5%</b>
Capital stock	28	7,721		7,701	
Additional paid-in capital		52,740		57,854	
Retained earnings		118,518		92,616	
Foreign currency translation differences		(19,212)		(20,318)	
<b>Total equity attributable to shareholders of COMET Holding AG</b>		<b>159,768</b>	<b>65.0%</b>	<b>137,852</b>	<b>60.5%</b>
<b>Total liabilities and shareholders' equity</b>		<b>245,911</b>	<b>100.0%</b>	<b>227,833</b>	<b>100.0%</b>

## Consolidated statement of income

In thousands of CHF	Note	2014	%	2013	%
Net sales	3	287,895		249,629	
Cost of sales		(176,499)		(151,989)	
<b>Gross profit</b>		<b>111,396</b>	<b>38.7%</b>	<b>97,640</b>	<b>39.1%</b>
Other operating income	19	4,649	1.6%	4,688	1.9%
Development expenses	21	(28,941)	-10.1%	(25,598)	-10.3%
Marketing and selling expenses		(39,522)	-13.7%	(35,575)	-14.3%
General and administrative expenses		(17,925)	-6.2%	(16,096)	-6.4%
<b>Operating income</b>		<b>29,655</b>	<b>10.3%</b>	<b>25,060</b>	<b>10.0%</b>
Financing expenses	23	(4,669)	-1.6%	(8,820)	-3.5%
Financing income	23	3,782	1.3%	7,090	2.8%
<b>Income before tax</b>		<b>28,768</b>	<b>10.0%</b>	<b>23,330</b>	<b>9.3%</b>
Income tax	12	(2,492)	-0.9%	(7,235)	-2.9%
<b>Net income</b>		<b>26,277</b>	<b>9.1%</b>	<b>16,094</b>	<b>6.4%</b>
Earnings per share in CHF, diluted and basic	24	34.07		21.28	
<b>Operating income</b>		<b>29,655</b>	<b>10.3%</b>	<b>25,060</b>	<b>10.0%</b>
Amortization	22	2,761	1.0%	3,916	1.6%
<b>EBITA</b>		<b>32,417</b>	<b>11.3%</b>	<b>28,976</b>	<b>11.6%</b>
Depreciation	22	7,349	2.6%	7,026	2.8%
<b>EBITDA</b>		<b>39,765</b>	<b>13.8%</b>	<b>36,002</b>	<b>14.4%</b>

## Consolidated statement of comprehensive income

In thousands of CHF	Note	2014	2013	Change	Change in %
Net income		26,277	16,094	10,182	63.3%
<b>Other comprehensive income</b>					
Foreign currency translation differences		1,106	(308)	1,414	-459.2%
<b>Total items that will be reclassified to the income statement on realization</b>		<b>1,106</b>	<b>(308)</b>	<b>1,414</b>	<b>-459.2%</b>
Actuarial (losses)/gains on defined benefit plans	17	(889)	2,590	(3,479)	-134.3%
Income tax	12	173	(455)	628	-138.1%
<b>Total items that will not subsequently be reclassified to the income statement</b>		<b>(716)</b>	<b>2,135</b>	<b>(2,851)</b>	<b>-133.5%</b>
<b>Total other comprehensive income</b>		<b>391</b>	<b>1,827</b>	<b>(1,437)</b>	<b>-78.6%</b>
<b>Total comprehensive income</b>		<b>26,667</b>	<b>17,922</b>	<b>8,746</b>	<b>48.8%</b>

## Consolidated statement of cash flows

In thousands of CHF	Note	<b>2014</b>	2013
Net income		26,277	16,094
Income tax	12	2,492	7,235
Depreciation and amortization	9/10	10,110	10,942
Interest expense/income, net	23	1,190	1,596
Share-based payments	29	1,409	972
Losses on disposal of property, plant and equipment		86	30
Losses on disposal of intangible assets		0	69
Other non-cash income/expense		(268)	1,583
Change in provisions	16	1,395	659
Change in other working capital		(4,459)	(17,963)
Interest received		21	19
Taxes paid		(7,694)	(3,858)
<b>Net cash provided by operating activities</b>		<b>30,560</b>	<b>17,379</b>
Purchases of property, plant and equipment	9	(9,388)	(4,869)
Purchases of intangible assets	10	(2,871)	(2,221)
Disposals of property, plant and equipment	9	179	443
<b>Net cash used in investing activities</b>		<b>(12,080)</b>	<b>(6,647)</b>
Proceeds from new debt	13	606	0
Repayment of debt	13	(12,124)	(10,664)
Interest paid		(1,233)	(1,587)
Reissuance of treasury stock		0	6,111
Distribution to shareholders of COMET Holding AG		(6,161)	(2,977)
<b>Net cash used in financing activities</b>		<b>(18,912)</b>	<b>(9,117)</b>
Net (decrease)/increase in cash and cash equivalents		(432)	1,615
Foreign currency translation losses on cash and cash equivalents		778	(141)
Cash and cash equivalents at January 1		18,214	16,740
<b>Net cash and cash equivalents at December 31</b>		<b>18,559</b>	<b>18,214</b>

## Consolidated statement of changes in equity

In thousands of CHF	Equity attributable to shareholders of COMET Holding AG					
	Capital stock	Additional paid-in capital	Treasury stock	Retained earnings	Foreign currency translation differences	Total shareholders' equity
<b>December 31, 2012</b>	<b>7,663</b>	<b>59,930</b>	<b>(4,424)</b>	<b>72,665</b>	<b>(20,010)</b>	<b>115,824</b>
Net income				16,094		16,094
Other comprehensive income				2,135	(308)	1,827
<b>Total comprehensive income</b>				<b>18,230</b>	<b>(308)</b>	<b>17,922</b>
Distribution to shareholders of COMET Holding AG		(2,977)				(2,977)
Reissuance of treasury stock			4,424	1,687		6,111
Increase in capital (for stock compensation for 2012)	38	901		(987)		(49)
Share-based payments for 2013				1,021		1,021
<b>December 31, 2013</b>	<b>7,701</b>	<b>57,854</b>	<b>0</b>	<b>92,616</b>	<b>(20,318)</b>	<b>137,852</b>
Net income				26,277		26,277
Other comprehensive income				(716)	1,106	391
<b>Total comprehensive income</b>				<b>25,561</b>	<b>1,106</b>	<b>26,667</b>
Distribution to shareholders of COMET Holding AG		(6,161)				(6,161)
Increase in capital (for stock compensation for 2013)	20	1,048		(1,021)		46
Share-based payments for 2014				1,363		1,363
<b>December 31, 2014</b>	<b>7,721</b>	<b>52,740</b>	<b>0</b>	<b>118,518</b>	<b>(19,212)</b>	<b>159,768</b>

# Agenda

- 01 2014 annual report, separate financial statements and consolidated financial statements of COMET Holding AG and reports of the statutory auditor**

The Board of Directors proposes the approval of the annual report, separate financial statements, and consolidated financial statements for fiscal year 2014.

- 02 Appropriation of retained earnings of COMET Holding AG and distribution from distributable paid-in capital**

- a) Appropriation of retained earnings**

The Board of Directors proposes the following use of retained earnings:

In thousands of CHF	2014	2013
Earnings brought forward	44577	25579
Net income for the year	11306	14574
<b>Total retained earnings</b>	<b>55883</b>	<b>40153</b>
Transfer from reserve for treasury stock	0	4424
<b>Retained earnings available for distribution</b>	<b>55883</b>	<b>44577</b>
<b>Earnings carried forward</b>	<b>55883</b>	<b>44577</b>

- b) Proposal for distribution from distributable paid-in capital**

The Board of Directors proposes to make a distribution to shareholders from distributable paid-in capital, as follows:

In thousands of CHF	2014	2013
Distributable paid-in capital brought forward	41682	46933
Additional paid-in capital from increase in capital stock	1058	910
<b>Distributable paid-in capital reserve<sup>1</sup></b>	<b>42740</b>	<b>47843</b>
Repayment of CHF 11.00 per share for 2013 from distributable paid-in capital (prior year: CHF 8.00 per share)	-8493	-6161
<b>Distributable paid-in capital carried forward</b>	<b>34248</b>	<b>41682</b>
Number of shares entitled to receive distribution	772066	770088
Proposed distribution in CHF per share	11.00	8.00

<sup>1</sup> Of this amount, CHF 1,098,000 has not yet been confirmed by the Swiss Federal Tax Administration as a withholding-tax-exempt capital contribution reserve available for distribution.

If the proposal is approved, the net distribution of CHF 11.00 per entitled share will be paid on April 28, 2015.

- 03 Discharge of the members of the Board of Directors and Executive Committee**

The Board of Directors proposes to discharge its members and the members of the Executive Committee from liability for fiscal year 2014.

- 04 Re-election to the Board of Directors**

The Board of Directors proposes the separate re-election of Board members Gian-Luca Bona, Lucas A. Grolimund, Hans Hess, Rolf Huber and Hans Leonz Notter, for a term ending at the conclusion of the next Annual Shareholder Meeting. All existing Board members have declared their willingness to accept re-election to the Board of Directors and for the proposed roles.

<b>04.1 Re-election of Hans Hess to the Board</b>	The Board of Directors proposes the re-election of Hans Hess as a member of the Board for a term ending at the conclusion of the next Annual Shareholder Meeting (this proposal and proposal 4.2 below are to be decided in the same vote).
<b>04.2 Re-election of Hans Hess as Chairman of the Board</b>	The Board of Directors proposes the re-election of Hans Hess as Chairman of the Board for a term ending at the conclusion of the next Annual Shareholder Meeting (this proposal and proposal 4.1 above are to be decided in the same vote).
<b>04.3 Re-election of Gian-Luca Bona to the Board</b>	The Board of Directors proposes the re-election of Gian-Luca Bona as a member of the Board for a term ending at the conclusion of the next Annual Shareholder Meeting.
<b>04.4 Re-election of Lucas Grolimund to the Board</b>	The Board of Directors proposes the re-election of Lucas Grolimund as a member of the Board for a term ending at the conclusion of the next Annual Shareholder Meeting.
<b>04.5 Re-election of Rolf Huber to the Board</b>	The Board of Directors proposes the re-election of Rolf Huber as a member of the Board for a term ending at the conclusion of the next Annual Shareholder Meeting.
<b>04.6 Re-election of Hans Leonz Notter to the Board</b>	The Board of Directors proposes the re-election of Hans Leonz Notter as a member of the Board for a term ending at the conclusion of the next Annual Shareholder Meeting.
<b>04.7 Re-election of Rolf Huber to the Compensation Committee</b>	The Board of Directors proposes the re-election of Rolf Huber as a member of the Compensation Committee of the Board for a term ending at the conclusion of the next Annual Shareholder Meeting.
<b>04.8 Re-election of Hans Leonz Notter to the Compensation Committee</b>	The Board of Directors proposes the re-election of Hans Leonz Notter as a member of the Compensation Committee of the Board for a term ending at the conclusion of the next Annual Shareholder Meeting.
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<b>05 Election of the independent proxy</b>	The Board of Directors proposes the election of Patrick Glauser of FIDURIA AG as independent proxy for a term ending at the conclusion of the next Annual Shareholder Meeting.
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<b>06 Election of the statutory auditor</b>	The Board of Directors proposes to engage Ernst & Young AG as the external auditor of COMET HOLDING AG for fiscal year 2015.
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<b>07 Revision of the Bylaws</b>	Switzerland's Ordinance Against Excessive Compensation at Listed Companies (the OAEC, or Ordinance), which entered into force on January 1, 2014, implements the provisions of the so-called Minder Initiative, which was approved in a nationwide referendum. No later than at the annual shareholder meeting held in 2015, publicly traded companies must amend their bylaws and internal regulations to bring them into agreement with these legal requirements. The Board of Directors proposes to the Annual Shareholder Meeting a revision of the Bylaws in order to implement the requirements of the Ordinance and to take into account other changes in the Company's environment. The explanations of the Board of Directors and a side-by-side comparison of the existing and the proposed new provisions of the Bylaws are presented on pages 13 to 27.
	The Board of Directors proposes the approval of the recommended amendments to the Bylaws.

	The various elements of the revision of the Bylaws shall be voted upon in separate votes.
<b>07.1 Authorized capital for purposes other than equity-based compensation</b>	<p>The existing authorized capital for purposes other than equity compensation expires on April 18, 2015. This portion of authorized capital is proposed to be renewed in the existing amount of CHF 1,500,000.00 divided into 150,000 registered shares with a par value of CHF 10.00 per share until April 22, 2017.</p> <p>The Board of Directors proposes that the Annual Shareholder Meeting approve the amendment of section 3a para 1 of the Bylaws.</p>
<b>07.2 Compensation-related provisions</b>	<p>The new compensation-related provisions pursuant to the Ordinance Against Excessive Compensation at Listed Companies are implemented in the new sections 21 to 28 of the Bylaws.</p> <p>The Board of Directors proposes the approval of the compensation-related provisions of the new sections 21 to 28 of the Bylaws.</p>
<b>07.3 General revision</b>	<p>All other requirements of the Ordinance Against Excessive Compensation at Listed Companies, and smaller other changes, are implemented in the other revised sections of the Bylaws.</p> <p>The Board of Directors proposes the approval of these amendments of the Bylaws in the form of the new version.</p>
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<b>08 Approval of the compensation of the Board of Directors and Executive Committee</b>	The Board of Directors proposes the approval of the compensation of the Board of Directors and Executive Committee.
<b>08.1 Approval of the compensation of the Board of Directors</b>	The Board of Directors proposes the approval of a maximum aggregate amount of CHF 700,000.00 for the compensation of the Board of Directors for the coming term of office ending at the 2016 Shareholder Meeting.
<b>08.2 Approval of the fixed compensation of the Executive Committee</b>	For the fixed compensation of the Executive Committee for fiscal year 2016, the Board of Directors proposes the approval of a maximum aggregate amount of CHF 2,900,000.00. This amount includes the contributions for the company pension, state old age and survivors (AHV) insurance, state unemployment insurance (ALV), and health and accident insurance.
<b>08.3 Approval of the variable compensation of the Executive Committee</b>	<p>For the variable compensation of the Executive Committee for fiscal year 2014, the Board of Directors proposes the approval of a maximum aggregate amount of CHF 1,400,904.00.</p> <p>This consists of the variable cash amount of CHF 501,182.00 and shares totalling CHF 773,722.00. There are also the contributions to statutory social insurance and health and accident insurance amounting to CHF 126,000.00. The subscription price of the shares is calculated on the basis of the average price of the shares between the annual press conference and the Annual Shareholder Meeting. The price on the date of allocation of the shares (grant date) will be disclosed in the 2015 annual report.</p>
<b>Appendix to the Agenda</b>	<ul style="list-style-type: none"> <li>– Explanations of the Board of Directors regarding the revision of the Bylaws page 13ff.</li> <li>– Comparison of the existing version of the Bylaws with the amended version proposed by the Board of Directors 16ff.</li> </ul>

# Amendments to the Bylaws

Notes	Notes by the Board of Directors on the amendments to the Bylaws
<b>07.1 Authorized capital for purposes other than equity-based compensation</b>	<p>In addition to the ordinary share capital, COMET Holding AG also has authorized capital for purposes other than equity-based compensation (“genehmigtes Aktienkapital”) of 150,000 registered shares with a par value of CHF 10.00, in accordance with its bylaws. This authorized capital expires by law after two years, in this case on 18 April 2015. The authorized capital of CHF 1,500,000.00 is to be renewed for another two years until 22 April 2017. The aim here is to maintain the Board of Directors’ flexibility to quickly take advantage of strategically attractive opportunities in the prevailing economic environment in part through the use of equity.</p>
<b>07.2 and 07.3</b>	<p><b>Amendments to the Bylaws to implement the Ordinance Against Excessive Compensation in Listed Companies Limited by Shares (ERCO)</b></p>
<b>Opening remarks</b>	<p>On 3 March 2013 the Swiss electorate adopted the popular initiative “against rip-off salaries” and added Art. 95 para. 3 to the Swiss Federal Constitution.</p> <p>To implement this initiative, the Federal Council promulgated the Ordinance Against Excessive Compensation in Listed Companies Limited by Shares (ERCO), which entered into force on 1 January 2015.</p> <p>ERCO requires amendment of the Bylaws in various areas. The Board of Directors is asking the 2015 Annual Shareholder Meeting to approve a comprehensive revision of the Bylaws which implements the Ordinance’s requirements and includes other minor amendments.</p> <p>The most important amendments are explained below under nos. 2–7. All other amendments are shown in the side-by-side comparison of the existing version and proposed version under para. B). The articles cited relate to the new version.</p>
<b>Election of members of the Board of Directors, the Chairman of the Board of Directors, the members of the Compensation Committee and the independent proxy</b>	<p>The Annual Shareholder Meeting now elects the individual members of the Board of Directors, the Chairman of the Board of Directors, the members of the Compensation Committee and the independent proxy for a term of office of one year. In the event of vacancies in the Board of Directors Chairmanship and the Compensation Committee, the Board of Directors appoints a replacement until the next Annual Shareholder Meeting, and also appoints an independent proxy if the Company is without one. &gt; Cf. Art. 12 para. 4, 14 para. 1, Art. 15 paras 2, 4 and 5, Art. 19 paras 2 and 3.</p>
<b>Shareholder proxies at the Annual Shareholder Meeting</b>	<p>Shareholders may no longer be represented by custodian bank proxies or representative officers. A shareholder can be represented at the Annual Shareholder Meeting by the independent proxy, by their legal representative or under a written power of attorney by another shareholder entitled to vote. The power of attorney and instructions to the independent proxy can be given in writing or in electronic form. &gt; Cf. 11 para. 4 and 12 paras 3 and 5.</p>

**Compensation Committee**

The Annual Shareholder Meeting is now the body which elects the members of the Compensation Committee from among the members of the Board of Directors. It comprises at least two members, who are elected for a term of one year.

In accordance with the Ordinance, the Bylaws must define the principles of the tasks and responsibilities of the Compensation Committee. These are newly stated in Art. 19 of the Bylaws. The Compensation Committee deals with the compensation policy of the Board of Directors and Executive Board and drafts the compensation report for submission to the Board of Directors.

The Compensation Committee may be given further tasks through regulations.

**Compensation of the Board of Directors and the Executive Board**

A major innovation in ERCO is that shareholders must separately approve the total amount of compensation of the Board of Directors and the Executive Board every year. Compensation to members of the Board of Directors and the Executive Board for activities in companies directly or indirectly controlled by the Company are included in this total amount. The votes are binding. > Cf. Art. 14 para. 1 No. 5.

The Board of Directors proposes approval of the compensation of the Board of Directors for the forthcoming term of office. This ensures that the compensation period and the term of office coincide.

A fixed fee is planned for the Board of Directors. The Board must draw 25 % of the total amount of compensation in the form of shares in the Company. > Cf. Art. 21 para. 1 (a) and Art. 22.

Compensation of the members of the Executive Board consists of a fixed base salary and performance-based variable compensation.

A proposal for the total amount of the Executive Board's fixed compensation is made for the fiscal year following the Annual Shareholder Meeting.

This regulation makes planning the fixed compensation for the coming fiscal year more reliable.

A proposal for the total amount of the Executive Board's fixed compensation is made for the fiscal year preceding the Annual Shareholder Meeting and is determined as a percentage of the net profit achieved.

With this regulation variable compensation is determined retrospectively on the basis of the net profit actually achieved.

Up to 50% of the variable compensation must be drawn in the form of shares in the Company. > Cf. Art. 21 para. 1 (b) as well as Art. 23 and Art. 24.

If the shareholders do not approve a proposed total amount of compensation, the Board of Directors revises its motion on the basis of all relevant factors and makes a new motion at the Annual Shareholder Meeting. Instead of a single new motion, the Board of directors can also make several applications relating to different elements of compensation. The motion on compensation described above gives the Board of Directors enough time to revise its motion if it is not adopted and submit a new one. > Cf. Art. 21 para. 3.

The Bylaws allow an additional amount if further members join the Executive Board during a fiscal year, after the total amount of compensation has already been approved. The motion of the Board of Directors provides for an increase in the total amount of at most 40% of the approved amount. > Cf. Art. 21 para. 4.

The modalities for subscribing to shares for the Board of Directors and the Executive Board are governed by Art. 25 of the Bylaws. The motion of the Board of Directors adopts the existing regulation for calculating the issue price as the average stock exchange price of the share between the annual conference and the Annual Shareholder Meeting, less a discount. The shares vest in three years.

Starting in fiscal 2014, the effective compensation must be disclosed in a compensation report required by the Ordinance instead of an appendix to the annual financial statements, as in the past. The report must be drawn up by the Board of Directors, audited by the auditors and made available for inspection by the shareholders. > Cf. Art. 9 para. 5 and Art. 17 para. 1 (f).

Under the Ordinance, contracts forming the basis for compensation of members of the Board of Directors or Executive Board may be entered into for a fixed term of at most one year. Unlimited contracts have a maximum period of notice of 12 months. > Cf. Art. 26

### **Number of mandates outside the Company**

ERCO requires that the Bylaws set the maximum number of additional mandates which a member of the Board of Directors or Executive Board may take in supreme management and supervisory bodies of companies or legal entities required to be entered in the Swiss commercial register or an equivalent foreign register.

The motion of the Board of Directors provides in Art. 27 (among other things) that a member of the Board of Directors may not hold more than five further mandates in listed companies and not more than seven further mandates in unlisted companies. For members of the Executive Board, the numbers are limited to one and four further mandates, respectively. This restriction does not apply to mandates in parent or subsidiary companies, mandates pursuant to an instruction of the Company, and mandates in associations, non-profit foundations and pension schemes.

The upper limit stated in the Bylaws does not release members of the Board of Directors and the Executive Board from their general duty to exercise due care and protect the Company's interests. Further mandates can only be accepted if there is sufficient time and resources for their office with the Company.

### **Further amendments**

Abstentions will no longer be taken into account in determining an absolute majority in votes in the Annual Shareholder Meeting. > Cf. Art. 13 para. 2

Art. 25 (old) on taking over assets of the feinfocus Group can be deleted from the Bylaws after ten years

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**Details of the amendments to the Bylaws**

The following is a comparison of the Articles of the Bylaws which will be amended or supplemented in accordance with the motion of the Board of Directors.

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**Existing version of 14 August 2014**
**Bylaws according to the proposal of the Board of Directors**  
 (The new text is underlined)

Bylaws of  
**Comet Holding AG**  
**Comet Holding SA**  
**Comet Holding Ltd.**

Bylaws of  
**Comet Holding AG**  
**Comet Holding SA**  
**Comet Holding Ltd.**

Flamatt (municipality of Wünnewil-Flamatt)

Flamatt (municipality of Wünnewil-Flamatt)

August 14, 2014

April 22, 2015

**I. COMPANY NAME, REGISTERED OFFICE AND PURPOSE**
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**Section 1 – Company name and location of registered office**
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- 1 A stock corporation (the “Company”) named  
 COMET Holding AG  
 COMET Holding SA  
 COMET Holding Ltd.  
 is established under these Bylaws and the provisions of Title 26 of the Swiss Code of Obligations.
- 2 The Company has its registered office in Flamatt, in the municipality of Wünnewil-Flamatt.

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**Section 2 – Purpose**
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- 1 The Company’s purpose is to hold interests in other companies, primarily in the electronics industry.
- 2 The Company may provide any kinds of service to the affiliated companies, carry out financings and acquire real estate for the needs of these companies and their employees.
- 3 The Company may enter into any transactions and conclude any contracts suitable for furthering its purpose or directly or indirectly related to its purpose.

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**II. CAPITAL STOCK AND SHARES**
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**Section 3 – Capital stock**
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- 1 The Company has a capital stock of CHF 7,720,660.00, divided into 772,066 registered<sup>1</sup> shares with a par value of CHF 10.00 per share.
- 2 The capital stock is fully paid in.
- 3 By amending the Bylaws, the Shareholder Meeting may at any time convert registered shares into bearer shares or bearer shares into registered shares. It may also split shares into shares of smaller par value or consolidate them into shares of greater par value.

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**Section 3a – Authorized capital for purposes other than equity-based compensation (“Genehmigtes Aktienkapital”)**
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- 1 The Board of Directors is authorized, at any time until April 18, 2015, to increase the capital stock by a maximum of CHF 1.5 million by issuing up to 150,000 fully payable registered shares with a par value of CHF 10.00 per share. Increases by firm commitment underwriting and increases by part of the total authorized amount are permitted. The amount of the respective issue, the date when entitlement to dividend commences, the terms of any exercise of

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### Existing version of 14 August 2014

pre-emptive rights and the nature of the contributions are determined by the Board of Directors.

- 2 The Board of Directors is authorized to exclude shareholders' subscription rights and assign these rights to third parties if the shares in question are to be used for the acquisition of companies via equity swaps or to finance the cash purchase of companies or parts of companies, or to finance new investment projects of COMET Holding AG, or for providing an ownership interest to an industrial partner (either in order to cement a strategic alliance or in the event of a takeover offer for the Company). Stock for which pre-emptive rights are granted but not exercised must be sold by the Company at market prices.
- 3 The acquisition of stock in an authorized capital increase under section 3a of the Bylaws, and any subsequent transfer of the stock, is subject to the restrictions under section 5 of the Bylaws.

#### Section 3b – Authorized capital for equity-based compensation (“Bedingtes Aktienkapital”)

- 1 The Company's capital stock is increased by a maximum of CHF 242,460.00 by issuing up to 24,246 registered shares with a par value of CHF 10.00 per share to employees and members of the Board of Directors of the Company and to employees of its subsidiaries. With respect to this portion of authorized capital, shareholders' pre-emptive rights are excluded. The issuance to employees of stock or of pre-emptive rights to purchase stock shall be based on one or more compensation plans (in the form of written regulations) to be adopted by the Board of Directors. Stock, pre-emptive rights or stock options may be issued to employees and/or Board members at less than the quoted market price.
- 2 The acquisition of stock by recipients under an equity compensation plan, and any subsequent transfer of the stock, is subject to the restrictions under section 5 of the Bylaws. The stock is also subject to the voting rights restrictions under section 12 of the Bylaws.

#### Section 4 – Shares, certificates, book-entry accounts

- 1 The paper stock certificates for single shares bear the signature of the Chairman of the Board.
- 2 Instead of issuing certificates for single shares, the Company may issue certificates representing multiple shares.
- 3 The Company may issue its registered shares in the form of individual paper certificates, global certificates, or uncertificated securities. To the extent permitted by law, the Company may at any time convert shares issued in one of these forms into another of these forms, without the approval of shareholders. The Company bears the cost of doing so. The Company may maintain registered shares as book-entry securities. Shares maintained as book-entry securities may be withdrawn from the custody system by the Company.
- 4 Shareholders do not have a right to conversion of registered shares issued in one form into another form. However, any shareholders may at any time request from the Company a certification of their ownership of the registered shares of record as per the share register.

### Bylaws according to the proposal of the Board of Directors (The new text is underlined>)

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**Existing version of 14 August 2014**

- 5 The transfer of book-entry shares and the pledging of book-entry shares as collateral are governed solely by the Swiss Federal Intermediated Securities Act. The transfer of book-entry securities by assignment is not permitted. The transfer restrictions under section 5 of the Bylaws also apply to the transfer of uncertificated registered shares.

**Section 5 – Share register, nominees**

- 1 The Company maintains a share register in which the owners and beneficial owners of registered shares are recorded, stating their name, address, nationality (or registered office in the case of legal entities) and number of shares.
- 2 For the purposes of their relationship with the Company, shareholders or beneficial owners of stock are recognized as such if they are registered in the share register. Purchasers of registered stock or of beneficial rights with respect to registered stock are upon their request recorded as voting shareholders in the share register by the Board of Directors if the purchasers state explicitly that they have acquired, and will hold, the stock or beneficial interest for their own account.
- 3 Registration in the share register requires evidence of the acquisition of full legal title to the stock or evidence of the establishment of beneficial ownership.
- 4 For the purpose of this provision, nominee shareholders (“nominees”) are deemed to be those persons who do not explicitly state in their registration application that they hold the shares for their own account.
- 5 The Board of Directors registers nominees as holding voting shares only up to a maximum of 5% of the capital stock recorded in the Swiss commercial register of companies.
- 6 Where legal entities or groups with joint legal status are connected by capital, voting rights, management or in some other manner, they are deemed to constitute a single nominee, as are all natural persons, legal entities or groups with joint legal status that by agreement, as a syndicate or in any other way act in a coordinated manner in circumventing the nominee rules.
- 7 The Company may, after hearing the affected party, void registrations in the share register with retroactive effect from the date of registration if they were based on false information given by the purchaser. The purchaser must be advised of the deletion immediately.
- 8 The Board of Directors determines the details of the application of these provisions and makes the arrangements necessary to ensure compliance with them. In special cases, the Board may approve exceptions to the nominee rules. It may delegate its responsibilities.
- 9 The registration restrictions set out in this section 5 also apply to stock bought or subscribed through the exercise of pre-emptive rights, options or conversion rights.

**Section 6 – Pre-emptive right**

- 1 When new stock is issued, all shareholders have a pre-emptive right to subscribe shares of stock in proportion to their existing shareholding. However, the Shareholder Meeting may resolve to exclude the pre-emptive right for important reasons, especially

**Bylaws according to the proposal of the Board of Directors**  
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### Existing version of 14 August 2014

when necessary for the acquisition of companies, parts of companies or equity interests in companies, or for the financing of new capital expenditure projects or for facilitating employee ownership of Company stock.

- 2 If the Board of Directors disposes of treasury stock to a shareholder or third party, the Company's shareholders have a pre-emptive right. The pre-emptive right is excluded if the Board of Directors disposes of the stock for an important reason within the meaning of section 6 para. 1 above.

#### Section 7 – Bonds

- 1 The Company may issue bonds, which are approved by the Board of Directors.
- 2 Section 4 para. 1 is applicable to the signing of the bonds.

### III. ORGANIZATION OF THE COMPANY

#### A. SHAREHOLDER MEETING

##### Section 8 – Shareholder Meeting

- 1 The Shareholder Meeting is held at the registered office of the Company or another location to be set by the Board of Directors.
- 2 The Annual Shareholder Meeting is held yearly within six months after the end of the fiscal year.
- 3 Special Shareholder Meetings are held at the decision of the Board of Directors or of the Shareholder Meeting, or when requested in writing (stating the purpose of the meeting) by shareholders collectively holding at least 10% of the capital stock, or in the other cases provided by law.

##### Section 9 – Calling of Shareholder Meeting

- 1 Shareholder Meetings are called by the Board of Directors or, if necessary, by the independent auditors. Shareholder Meetings may also be called by the liquidators and the representatives of bond creditors.
- 2 Shareholder Meetings must be called at least 20 days before the meeting date by sending notice by letter to the shareholders of record in the share register.
- 3 The notice of meeting shall state the place, date and time of the meeting. The notice must also state the items of business to be discussed and the resolutions proposed by the Board of Directors and by the shareholders that have requested a Shareholder Meeting or have put forward an item of business to be transacted at the meeting.
- 4 Shareholders' requests under section 699 para. 3 of the Swiss Code of Obligations to place business on the meeting agenda, and the actual proposed resolutions involved, must be submitted to the Board of Directors in writing no later than 45 days before the Shareholder Meeting in question.
- 5 In addition to the notice of the Annual Shareholder Meeting, shareholders shall be sent the annual report and the independent auditors' report. If an amendment to the Bylaws is to be voted upon at a Shareholder Meeting, then in addition to receiving the notice of meeting, shareholders shall also be informed of the proposed new wording.

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**Existing version of 14 August 2014****Section 10 – Meeting of all shareholders**

The owners or representatives of the entirety of the capital stock may, if no objection is raised, hold a Shareholder Meeting without adhering to the procedural requirements for the notice of meeting. So long as the owners or representatives of all shares are present, this meeting may transact and pass valid resolutions on all matters that are within the authority of the Shareholder Meeting.

**Section 11 – Chairing and minutes of Shareholder Meeting**

- 1 The Shareholder Meeting is chaired by the Chairman of the Board or, if unavailable, by another Board member designated by the Board of Directors.
- 2 The chairman of the meeting appoints the vote tellers, who need not be shareholders.
- 3 The minutes of the Shareholder Meeting shall be signed by the meeting chairman and secretary and approved by the Board of Directors.
- 4 The minutes shall record the following:
  1. the number, type, par value and class of shares represented by the shareholders, by the governing bodies, by independent proxies and by custodians;
  2. the resolutions and the results of elections;
  3. the requests for information and the answers given to them;
  4. the statements by shareholders made for the record.

**Section 12 – Voting rights and representation of shareholders**

- 1 Each share confers the right to one vote, except as provided otherwise in section 5 of the Bylaws.
- 2 Shareholders are entitled to vote if their name appears in the Company's share register as of ten days before the Shareholder Meeting.
- 3 By providing a written proxy, shareholders may be represented at the Shareholder Meeting by another shareholder.

**Bylaws according to the proposal of the Board of Directors**

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  4. the statements by shareholders made for the record.

**Section 12 – Voting rights and representation of shareholders**

- 1 Each share confers the right to one vote, except as provided otherwise in section 5 of the Bylaws.
- 2 In the notice of the General Meeting, the Board of Directors announces the record date (at which registration in the share register is required for participation in and voting at the meeting), and the details of the written and electronic proxies and instructions.
- 3 A shareholder can be represented at the Shareholder Meeting by the independent proxy, by their legal representative, or by giving a written power of attorney to another shareholder entitled to vote. Members of the Board of Directors or Executive Board can represent shareholders through a written power of attorney, provided that this does not involve institutionalized representation.
- 4 The term of office of the independent proxy is one year, ending at the conclusion of the next Annual Shareholder Meeting. Re-election for consecutive terms is permitted. If there is a vacancy for the independent proxy, the Board of Directors appoints an independent proxy for the next Shareholder Meeting.
- 5 All shares held by a single shareholder may only be represented by one person. Powers of attorney and instructions may be given in writing or, in the case of the independent proxy, electronically as well. The Board of Directors determines the procedure and conditions for giving powers of attorney and instructions to the independent proxy. Powers of attorney and instructions may only be given for the next Shareholder Meeting. A general instruction by a shareholder to vote in favour of all motions of the Board of Directors is permissible, specifically including motions not announced as part of the invitation to the Shareholder Meeting.

**Existing version of 14 August 2014****Section 13 – Elections and voting**

- 1 Resolutions and elections are decided by open vote unless the Shareholder Meeting resolves to use a secret ballot. At the direction of the chairman of the meeting, voting for resolutions and elections may also be conducted by electronic means. In the event of an equality of votes on a proposed resolution, the chairman of the meeting has the casting vote, while a tied election is decided by lot.
- 2 Except as otherwise required by law or the Bylaws, the Shareholder Meeting passes resolutions and decides elections by an absolute majority of the votes cast, excluding blank or invalid votes. A second round of voting, if any, is decided by a relative majority.
- 3 By law, passage of the following resolutions of the General Meeting (which require execution as a public instrument) requires at least two-thirds of the votes represented and an absolute majority of the par value of shares represented:
  - a) modification of the Company's purpose;
  - b) creation of privileged voting shares;
  - c) restriction of the transferability of registered shares;
  - d) increase in capital stock out of authorized unissued capital for equity-based compensation ("bedingtes Aktienkapital") or out of authorized unissued capital for other purposes ("genehmigtes Aktienkapital");
  - e) increase in capital stock out of equity, or through contributions in kind, or for the purpose of an acquisition of assets and the granting of special privileges;
  - f) restriction or denial of pre-emptive right;
  - g) change of registered office;
  - h) dissolution of the Company.

**Section 14 – Powers**

- 1 The Shareholder Meeting has the following powers, which cannot be delegated:
  1. to set and amend the Bylaws;
  2. to elect the Board of Directors and the independent auditors;
  3. to approve the management report (being part of the annual report) and the consolidated financial statements;
  4. to approve the separate financial statements of the Company and pass resolutions on the appropriation of retained earnings, especially the setting of the dividend and the performance-related compensation (in German: "Tantieme") of the Board of Directors;
  5. to discharge the members of the Board of Directors from liability;
  6. to pass resolutions on matters reserved for the Shareholder Meeting by law or by the Bylaws or which are brought before it by the Board of Directors.
- 2 The Shareholder Meeting may approve the separate financial statements of the Company, and resolve upon the appropriation of retained earnings, only if the independent auditor's report is available and the independent audit firm is present. The require-

**Bylaws according to the proposal of the Board of Directors**  
(The new text is underlined)**Section 13 – Elections and voting**

- 1 Resolutions and elections are decided by open vote unless the Shareholder Meeting resolves to use a secret ballot. At the direction of the chairman of the meeting, voting for resolutions and elections may also be conducted by electronic means. In the event of an equality of votes on a proposed resolution, the chairman of the meeting has the casting vote, while a tied election is decided by lot.
- 2 Except as otherwise required by law or the Bylaws, the Shareholder Meeting passes resolutions and decides elections by an absolute majority of the votes cast, excluding abstentions and blank or invalid votes. A second round of voting, if any, is decided by a relative majority.
- 3 By law, passage of the following resolutions of the General Meeting (which require execution as a public instrument) requires at least two-thirds of the votes represented and an absolute majority of the par value of shares represented:
  - a) modification of the Company's purpose;
  - b) creation of privileged voting shares;
  - c) restriction of the transferability of registered shares;
  - d) increase in capital stock out of authorized unissued capital for equity-based compensation ("bedingtes Aktienkapital") or out of authorized unissued capital for other purposes ("genehmigtes Aktienkapital");
  - e) increase in capital stock out of equity, or through contributions in kind, or for the purpose of an acquisition of assets and the granting of special privileges;
  - f) restriction or denial of pre-emptive right;
  - g) change of registered office;
  - h) dissolution of the Company.

**Section 14 – Powers**

- 1 The Shareholder Meeting has the following powers, which cannot be delegated:
  1. to set and amend the Bylaws;
  2. to elect the members of the Board of Directors, the Chairman of the Board of Directors, the members of the Compensation Committee, the independent proxy and the auditor;
  3. to approve the management report (being part of the annual report) and the consolidated financial statements;
  4. to approve the separate financial statements of the Company and pass resolutions on the appropriation of retained earnings, especially the setting of the dividend and the performance-related compensation (in German: "Tantieme") of the Board of Directors;
  5. to approve the compensation of the Board of Directors and Executive Board in accordance with Art. 21 of the Bylaws;
  6. to discharge the members of the Board of Directors from liability;
  7. to pass resolutions on the other matters reserved for the Shareholder Meeting by law or by the Bylaws or which are brought before it by the Board of Directors.
- 2 The Shareholder Meeting may approve the separate financial statements of the Company, and resolve upon the appropriation of retained earnings, only if the independent auditor's report is available and the independent audit firm is present. The require-

**Existing version of 14 August 2014**

ment that the independent audit firm be present may be waived by unanimous resolution of the Shareholder Meeting.

**B. BOARD OF DIRECTORS****Section 15 – Organization**

- 1 The Board of Directors (the “Board”) shall have three or more members.
- 2 The term of office is one year, ending on the day of the respective Annual Shareholder Meeting. If elections are held during a term to replace or add Board members, the newly elected members serve for the remainder of the current term.
- 3 The maximum age for Board members is 70 years. Every Board member shall retire from the Board on the day of the Shareholder Meeting held in the year in which he or she reaches 70 years of age.
- 4 The Board of Directors constitutes itself. The Board meetings are chaired by the Chairman of the Board or, if unavailable, the Vice Chairman or another member designated by the Board. The Board Secretary need not be a member of the Board or a shareholder.

**Section 16 – Deliberation**

- 1 The Board meets at the invitation of the given meeting’s chairman as often as business requires, or when a Board member requests it in writing for a stated purpose.
- 2 The Board has a quorum when the majority of its members are present. Decisions on a proposed resolution may be reached by written or telegraphic vote, provided no member objects to this method.
- 3 The Board passes its resolutions and decides its elections by a majority of the votes of the members present. In the event of an equality of votes, the chairman of the meeting has the casting vote.
- 4 The deliberations and any postal resolutions shall be recorded in minutes, which are signed by the meeting chairman and the secretary.
- 5 Every member of the Board may demand information about any Company business. In the meetings, all members of the Board and the executive management are obliged to give information. In these and all other respects, the provisions of section 715a of the Code of Obligations apply.

**Section 17 – Powers and responsibilities**

- 1 The Board of Directors may pass resolutions on all matters not reserved for or delegated to another governing body by law or the Bylaws.  
The Board has the following non-delegable and inalienable responsibilities:
  - a) the overall management of the Company and the issuing of the necessary instructions;
  - b) the arrangement of the organizational structure;

**Bylaws according to the proposal of the Board of Directors**  
(The new text is underlined)

ment that the independent audit firm be present may be waived by unanimous resolution of the Shareholder Meeting.

**B. BOARD OF DIRECTORS****Section 15 – Organization**

- 1 The Board of Directors (the “Board”) shall have three or more members.
- 2 The term of office is one year, ending at the conclusion of the next Annual Shareholder Meeting. Re-election for consecutive terms is permitted. If elections are held during a term to replace or add Board members, the newly elected members serve for the remainder of the current term.
- 3 The maximum age for Board members is 70 years. Every Board member shall retire from the Board on the day of the Shareholder Meeting held in the year in which he or she reaches 70 years of age.
- 4 The Board of Directors constitutes itself, subject to the election of the Chairman of the Board of Directors and the members of the Compensation Committee by the Shareholder Meeting. The Board meetings are chaired by the Chairman of the Board or, if unavailable, the Vice Chairman or another member designated by the Board. The Board Secretary need not be a member of the Board.
- 5 If there is a vacancy for the Chairman, the Board of Directors appoints a new Chairman from its members for the remaining term of office.

**Section 16 – Deliberation**

- 1 The Board meets at the invitation of the given meeting’s chairman as often as business requires, or when a Board member requests it in writing for a stated purpose.
- 2 The Board has a quorum when the majority of its members are present. Decisions on a proposed resolution may be reached by written or telegraphic vote, provided no member objects to this method.
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- 4 The deliberations and any postal resolutions shall be recorded in minutes, which are signed by the meeting chairman and the secretary.
- 5 Every member of the Board may demand information about any Company business. In the meetings, all members of the Board and the executive management are obliged to give information. In these and all other respects, the provisions of section 715a of the Code of Obligations apply.

**Section 17 – Powers and responsibilities**

- 1 The Board of Directors may pass resolutions on all matters not reserved for or delegated to another governing body by law or the Bylaws.  
The Board has the following non-delegable and inalienable responsibilities:
  - a) the overall management of the Company and the issuing of the necessary instructions;
  - b) the arrangement of the organizational structure;

**Existing version of 14 August 2014**

- c) the design of the accounting system, financial controls and financial planning;
  - d) the appointment and withdrawal of the executive management and representatives of the Company;
  - e) the overall supervision of the executive management, particularly with regard to compliance with the law, Bylaws, internal regulations and instructions;
  - f) the preparation of the annual report, arrangement of the Shareholder Meeting and implementation of its resolutions;
  - g) Notification of the court in the event of excessive indebtedness.
- 2 The Board also has the following responsibilities:
- a) to designate the persons who by their signature legally bind the Company in relationships with third parties, and to determine the manner of signing;
  - b) to approve the establishment of branch offices or of direct investments in other companies.
- 3 The Board may assign responsibility for preparing and implementing its resolutions and for supervising business matters to Board committees or individual Board members. The Board must ensure appropriate reporting to its members.
- 4 The Board may, as detailed in a set of Organizational Regulations, delegate all or part of the executive management of the Company to individual Board members or non-members.

**Section 18 – Compensation**

The members of the Board of Directors are entitled to reimbursement of their expenses and, additionally, to annual compensation that is set by the Board.

**Bylaws according to the proposal of the Board of Directors**  
(The new text is underlined)

- c) the design of the accounting system, financial controls and financial planning;
  - d) the appointment and withdrawal of the executive management and representatives of the Company;
  - e) the overall supervision of the executive management, particularly with regard to compliance with the law, Bylaws, internal regulations and instructions;
  - f) the preparation of the annual report and compensation report, the arrangement of the Shareholder Meeting and implementation of its resolutions;
  - g) Notification of the court in the event of excessive indebtedness.
- 2 The Board also has the following responsibilities:
- a) to designate the persons who by their signature legally bind the Company in relationships with third parties, and to determine the manner of signing;
  - b) to approve the establishment of branch offices or of direct investments in other companies.
- 3 The Board may assign responsibility for preparing and implementing its resolutions and for supervising business matters to Board committees or individual Board members. The Board must ensure appropriate reporting to its members.
- 4 The Board may, as detailed in a set of Organizational Regulations, delegate all or part of the executive management of the Company to individual Board members or other natural persons.

**Section 18 – Reimbursement of expenses**

The members of the Board of Directors are entitled to reimbursement of their out-of-pocket expenses incurred in the interest of the Company.

**Section 19 – Compensation Committee**

- 1 The Compensation Committee shall be made up of two or more members of the Board of Directors. Its members must be fewer than the majority of the Board of Directors.
- 2 The term of office is one year, ending at the conclusion of the next Annual Shareholder Meeting. Re-election for consecutive terms is permitted.
- 3 If the Compensation Committee has vacancies, the Board of Director appoints the remaining members for the remaining term of office until the close of the next ordinary Shareholder Meeting.
- 4 The Compensation Committee deals with the compensation policy of the Board of Directors and Executive Board and drafts the compensation report for submission to the Board of Directors. It has the tasks and authority to take decisions and make motions assigned to it by the organizational regulations and Compensation Committee regulations. Specifically, it assists the Board of Directors in determining and evaluating the compensation system and principles and in preparing motions to the Shareholder Meeting to approve the compensation. The Compensation Committee may submit motions and recommendations to the Board of Directors on all issues relating to compensation.
- 5 The organizational regulations and the Compensation Committee regulations may assign further tasks for the Compensation Committee.

**Existing version of 14 August 2014****C. INDEPENDENT AUDITOR****Section 19**

- 1 The Shareholder Meeting elects as the independent auditor (also known as statutory auditor) an audit firm that is subject to government supervision under the Auditor Oversight Act.
- 2 The term of the engagement of the independent auditor is one year. Re-election for consecutive terms is permitted. The independent auditor shall perform and exercise the responsibilities, rights and duties determined by law. It must be present at the Annual Shareholder Meeting.

**Bylaws according to the proposal of the Board of Directors**

(The new text is underlined)

**C. INDEPENDENT AUDITOR****Section 20**

- 1 The Shareholder Meeting elects as the independent auditor (also known as statutory auditor) an audit firm that is subject to government supervision under the Auditor Oversight Act.
- 2 The term of the engagement of the independent auditor is one year. Re-election for consecutive terms is permitted. The independent auditor shall perform and exercise the responsibilities, rights and duties determined by law. The independent auditor must be present at the Annual Shareholder Meeting.

**IV. COMPENSATION-RELATED PROVISIONS****Section 21 – Approval of compensation**

- 1 The Board of Directors submits the following motions to the Shareholder Meeting for approval relating to the maximum total amount of compensation:
  - a) the compensation of the Board of Directors for the coming term of office;
  - b) the fixed compensation of the Executive Board for the fiscal year following the ordinary Shareholder Meeting;
  - c) the variable compensation of the Executive Board for the fiscal year preceding the ordinary Shareholder Meeting.
- 2 The Board of Directors may submit diverging or additional motions to the Shareholder Meeting for approval relating to the same or different time periods.
- 3 If the Shareholder Meeting does not approve a motion of the Board of Directors, the latter establishes a new maximum total amount or several maximum partial amounts, taking into account all relevant factors, and submits this (these) to an extraordinary Shareholder Meeting for approval.
- 4 The compensation can be paid before approval by the Shareholder Meeting, subject to retroactive approval.
- 5 The Company or its subsidiaries are authorized to pay each member of the Executive Board joining the Executive Board during a period for which the Shareholder Meeting has already approved the compensation an additional amount for this period, if the total amount of compensation previously approved is not adequate. The additional amount for any compensation period may not exceed 40% in all of the approved total amount of compensation for the Executive Board.

**Section 22 – Compensation of the Board of Directors**

- 1 Compensation of the members of the Board of Directors consists of a fixed fee. Any additional functions of individual members are taken into account in calculating the fee.
- 2 25% of the total amount of compensation must be taken in shares of the Company.

**Section 23 – Compensation of the members of the Executive Board**

- 1 Compensation of the members of the Executive Board consists of a fixed salary and variable compensation. The fixed salary comprises the basic salary and other elements of compensation. Total compensation takes into account the function and degree of responsibility of the recipient.
- 2 Up to 50% of the variable compensation must be taken in shares of the Company.

**Existing version of 14 August 2014****Bylaws according to the proposal of the Board of Directors**  
(The new text is underlined)**Section 24 – Composition of variable compensation**

- 1 The total amount of variable compensation paid to all members of the Executive Board of COMET Holding AG is based on a percentage of consolidated net income of the COMET Group.
- 2 A condition of paying out performance-based compensation is that, after the accrual of this profit-sharing compensation, the COMET Group is still able to report positive consolidated net income.
- 3 The Board of Directors periodically determines the percentage of net profit used for performance-based compensation. The percentage is based on criteria such as sales growth, return on capital, economic profit etc.
- 4 The Compensation Committee determines the details in an implementation regulation which has to be approved by the Board of Directors.

**Section 25 – Modalities of share subscription**

- 1 The issue price of the shares is calculated from the average stock exchange price of the share of COMET Holding AG in the period between the annual press conference and the Shareholder Meeting, less a discount. The discount is intended to make up for the deferral of the compensation and dividend rights and for the price risk associated with the three-year holding period.
- 2 The shares received may not be sold during a blocking period of three years.
- 3 The Board of Directors may terminate a current blocking period prematurely, e.g. in the event of a change of control.

**Section 26 – Contracts with members of the Board of Directors and the Executive Board**

- 1 The Company or companies controlled by it may enter into contracts on compensation with members of the Board of Directors. The term and end of the contracts depend on the term of office and statute.
- 2 The Company or companies controlled by it may enter into limited or unlimited service contracts with members of the Executive Board. Limited service contracts have a maximum term of one year. Renewal is permissible. Unlimited service contracts have a period of notice of at most 12 months to the end of a month.

**Section 27 – External mandates**

- 1 Members of the Board of Directors may not hold more than five further mandates in listed companies and not more than seven further mandates in unlisted companies.
- 2 Members of the Executive Board may not hold more than one further mandate in listed companies and not more than four further mandates in unlisted companies.
- 3 Mandates are positions in the supreme management and supervisory bodies of legal entities required to be entered in the commercial register or an equivalent foreign register. Mandates in different legal entities which are under common control or under the control of the same beneficial owner are counted as a single mandate.

**Existing version of 14 August 2014****IV. FINANCIAL STATEMENTS AND APPROPRIATION OF RETAINED EARNINGS****Section 20 – Fiscal year**

The Company's fiscal year is the calendar year.

**Section 21 – Accounting**

- 1 The accounting records, balance sheet, income statement, appropriation of retained earnings, and the reserves are subject to the provisions of sections 662 et seq. and 957 et seq. of the Code of Obligations.
- 2 From no later than 20 days before the Annual Shareholder Meeting, the income statement and balance sheet, together with the report of the independent auditors, shall be made available for inspection by shareholders at the Company's registered office. The notice of the Annual Shareholder Meeting shall indicate this availability for inspection.

**Section 22 – Net income for the year**

- 1 Every year, 5% of net income for the year shall be transferred to a general reserve until this reserve reaches 20% of total paid-in capital. This reserve shall be used in accordance with section 671 para. 3 of the Code of Obligations.
- 2 In addition, on proposal of the Board of Directors, the Shareholder Meeting may allocate funds from net income for the year to other reserves. Out of the remaining balance of net income for the year, a dividend is paid.
- 3 The dividend is distributed among shareholders in proportion to the nominal value of their stock.

**V. DISSOLUTION AND LIQUIDATION****Section 23 – Dissolution and liquidation**

The Shareholder Meeting may at any time decide to dissolve and liquidate the Company. This resolution requires the assent of at least two-thirds of the votes represented and an absolute majority of the nominal value of shares represented.

**Bylaws according to the proposal of the Board of Directors**

(The new text is underlined)

4 The restrictions of paras 1 and 2 above do not apply to:

- a) mandates in companies controlled by the Company or which control the Company;
- b) mandates held by a member of the Board of Directors or the Executive Board at the instruction of the Company or a company controlled by it; no member of the Board of Directors or the Executive board may hold more than 10 such mandates;
- c) mandates in associations, non-profit foundations, family foundations and pension companies; however, no member of the Board of Directors or the Executive board may hold more than ten such mandates.

**Section 28 – Compensation in the Group**

Compensation to members of the Board of Directors and Executive Board for work in companies directly or indirectly controlled by the Company is permissible. This compensation must be included in the total compensation for approval by the Shareholder Meeting.

**V. FINANCIAL STATEMENTS AND APPROPRIATION OF RETAINED EARNINGS****Section 29 – Fiscal year**

The Company's fiscal year is the calendar year.

**Section 30 – Accounting**

The accounting is in accordance with the relevant legal regulations and accounting standards.

**Section 31 – Net income for the year**

- 1 Every year, 5% of net income for the year shall be transferred to a general reserve until this reserve reaches 20% of total paid-in capital. This reserve shall be used in accordance with section 671 para. 3 of the Code of Obligations.
- 2 In addition, on proposal of the Board of Directors, the Shareholder Meeting may allocate funds from net income for the year to other reserves. Out of the remaining balance of net income for the year, a dividend is paid.
- 3 The dividend is distributed among shareholders in proportion to the par value of their stock.

**VI. DISSOLUTION AND LIQUIDATION****Section 32 – Dissolution and liquidation**

The Shareholder Meeting may at any time decide to dissolve and liquidate the Company. This resolution requires the assent of at least two-thirds of the votes represented and an absolute majority of the nominal value of shares represented.

**Existing version of 14 August 2014**

**VI. NOTICES AND ANNOUNCEMENTS**

**Section 24 – Official notices and announcements**

- 1 The Company’s notices to shareholders are sent by letter to the shareholders of record in the share register. All other announcements are published in the Swiss Official Gazette of Commerce (German name: “Schweizerisches Handelsamtsblatt”, or SHAB).
- 2 The Board of Directors may designate additional official gazettes.

**VII. OTHER PROVISIONS**

**Section 25 – Asset acquisition**

- 1 By an agreement dated April 20, 2004, the Company acquired the following assets of the feinfocus group:
- 2 Assets – particularly brands, rights to trademarks and patents, and licenses – of the feinfocus group with a total value of EUR 1,666,666.00.

**Section 26 – Acquisition of assets**

By an agreement dated May 31, 2007, the Company acquired from Amsterdam-based GLUK C.V. all ownership interests in Yxlon International Group Holding GmbH, Hamburg, certificated in an interest having a nominal value of EUR 25,000.00, at a total purchase price of EUR 47,500,000.00.

\* \* \* \* \*

Bern, August 14, 2014

The Board of Directors:

Dr. Hans Hess (Chairman of the Board)	Hans Leonz Notter (Vice Chairman of
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**Bylaws according to the proposal of the Board of Directors**

(The new text is underlined)

**VII. NOTICES AND ANNOUNCEMENTS**

**Section 33 – Official notices and announcements**

- 1 The Company’s notices to shareholders are sent by letter to the shareholders of record in the share register. All other announcements are published in the Swiss Official Gazette of Commerce (German name: “Schweizerisches Handelsamtsblatt”, or SHAB).
- 2 The Board of Directors may designate additional official gazettes.

**VIII. OTHER PROVISIONS**

**Section 34 – Acquisition of assets**

By an agreement dated May 31, 2007, the Company acquired from Amsterdam-based GLUK C.V. all ownership interests in Yxlon International Group Holding GmbH, Hamburg, certificated in an interest having a nominal value of EUR 25,000.00, at a total purchase price of EUR 47,500,000.00.

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Bern, April 22, 2015

For the Board of Directors:

Hans Hess (Chairman of the Board)	Hans Leonz Notter (Vice Chairman of the Board)
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**COMET HOLDING AG**

Herrengasse 10  
CH-3175 Flamatt  
Switzerland

T +41 31 744 90 00

F +41 31 744 90 90

More information  
is available on  
our website at  
[www.comet-group.com](http://www.comet-group.com)