

**Invitation to the ordinary Shareholders' General Meeting to be held at 3 p.m. on Friday, 25 May 2012 in Hotel Chlosterhof, Stein am Rhein, Switzerland (Doors open at 2.30 p.m.)**

Agenda and proposals by the Board of Directors

**1 Adoption of the 2011 annual report including the directors' report, Group accounts and financial statements and the acceptance of the auditors' report**

Proposal: The Board of Directors proposes that the Shareholders' General Meeting adopt the 2011 annual report containing the directors' report, Group accounts and financial statements.

**2 Discharge of the members of the Board of Directors and Management**

Proposal: The Board of Directors proposes that the Shareholders' General Meeting grant discharge to the members of the Board of Directors and the Management of Phoenix Mecano.

**3 Decision on the appropriation of retained earnings and determination of dividends**

Proposal: The Board of Directors proposes that the Shareholders' General Meeting appropriate the earnings retained from 2011 as follows:

Net income for the year 2011	CHF	11 977 801
Retained earnings brought forward 2010	CHF	42 573 169
Release of reserve for own shares	CHF	472 405
<b>Retained earnings</b>	<b>CHF</b>	<b>55 023 375</b>

The Board of Directors proposes to the Shareholders' General Meeting that retained earnings should be distributed as follows:

Dividend of CHF 13.00 per share <sup>1</sup>	CHF	12 714 000
Carried forward to new account	CHF	42 309 375
<b>Total</b>	<b>CHF</b>	<b>55 023 375</b>

<sup>1</sup> Total dividends are calculated based on the 978'000 bearer shares. Dividends will not be paid on own shares held by the company at the time of the payout.

**4 Elections**

**4.1 Election confirming the members of the Board of Directors**

The term in office of the members of the Board of Directors will expire at the Shareholders' General Meeting in 2012. The members of the Board of Directors are standing for re-election.

Proposal: The Board of Directors proposes that the members of the Board of Directors Ulrich Hocker, Benedikt A. Goldkamp, Dr Florian Ernst, Dr Martin Furrer and Beat Siegrist be re-elected for a further three-year term.

**4.2 Election of an auditor**

Proposal: The Board of Directors proposes that the Shareholders' General Meeting elect KPMG AG in Zurich as its auditor for a one-year term.

**Documentation**

From 24 April 2012 onwards, the 2011 annual report, including the directors' report, Group accounts and financial statements as well as the auditors' report and proposals by the Board of Directors regarding the use of the retained earnings from 2011 may be consulted by shareholders at the company's headquarters and at our subsidiary Phoenix Mecano Management AG, at Lindenstrasse 23, CH-8302 Kloten. Shareholders requesting a copy of the 2011 annual report will immediately be sent one. The annual report can also be downloaded from the Internet (see our website [www.phoenix-mecano.com](http://www.phoenix-mecano.com)).

**Admittance**

Shareholders who wish to attend or be represented at the Shareholders' General Meeting may obtain their admission ticket with voting card by 22 May 2012 at the latest by depositing their shares or submitting corresponding confirmation from their custodian bank to the following bank:

UBS AG, Zurich

Shares must remain deposited until the day after the Shareholders' General Meeting.

**Appointing proxies**

Shareholders who are unable to attend the Shareholders' General Meeting in person, may be represented by another shareholder, their bank (proxy holder for deposited shares), a Board of Directors of the company (corporate proxy) or by the lawyer Hans Rudi Alder, Peyer Alder Keiser Lämmler Rechtsanwälte, Pestalozzistrasse 2, CH-8200 Schaffhausen as an independent proxy within the meaning of Article 689c of the Code of Obligations (CO). Shareholders should use their admission ticket to appoint a proxy. For the vote on Agenda Item 2 (Discharge of the members of the Board of Directors and Management) the corporate proxy will transfer its proxy to the independent proxy who, unless otherwise instructed, will use its voting rights to support the proposals made by the Board of Directors.

**Proxy holders for deposited shares**

Proxy holders within the meaning of Article 689d CO are requested to notify the company in good time, and by noon on 23 May 2012 at the latest, of the number of shares they will be representing. Proxy holders include the establishments governed by the federal law of 8 November 1934 on banks and savings banks and also commercial asset managers.

CH-8260 Stein am Rhein, Hofwisenstrasse 6  
25 April 2012

Phoenix Mecano AG  
For the Board of Directors, the Chairman:  
Ulrich Hocker