

Invitation to the ordinary Shareholders' General Meeting of Phoenix Mecano AG

Friday, 20 May 2016 at 3 p.m. (doors open at 2.15 p.m.), Hotel Chlosterhof, 8260 Stein am Rhein, Switzerland

Agenda and proposals by the Board of Directors

1. Approval of the 2015 management report, financial statements and consolidated financial statements and acceptance of the auditors' report

The Board of Directors proposes that the management report, financial statements and consolidated financial statements for financial year 2015 be approved.

2. Discharge of the members of the Board of Directors and management

The Board of Directors proposes that the members of the Board of Directors and management be discharged.

3. Decision on the appropriation of retained earnings and determination of dividend

The Board of Directors proposes that a dividend of CHF 15.00 per share be paid and that the 2015 retained earnings of Phoenix Mecano AG should be appropriated as follows:

	CHF
Net income for the year 2015	14 677 633
Retained earnings brought forward 2014	50 560 275
Release of reserve for treasury shares	675 192
Retained earnings	65 913 100

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

Dividend of CHF 15.00 per share ¹	14 407 500
Carried forward to new account	51 505 600
Total	65 913 100

¹ Total dividends are calculated based on the 960,500 bearer shares. Dividends will not be paid on treasury shares held by the company at the time of the payout.

4. Elections

4.1 Election of the members and Chairman of the Board of Directors

The Board of Directors proposes that the following be elected as members of the Board of Directors (all as hitherto) and that Mr Benedikt Goldkamp be (newly) elected as Chairman of the Board of Directors for a term of one year until the end of the next ordinary Shareholders' General Meeting (each individually):

4.1.1 Election of Benedikt Goldkamp as member and Chairman of the Board of Directors

4.1.2 Re-election of Dr Florian Ernst as Board member

4.1.3 Re-election of Dr Martin Furrer as Board member

4.1.4 Re-election of Ulrich Hocker as Board member

4.1.5 Re-election of Beat Siegrist as Board member

4.2 Election of the members of the Compensation Committee

The Board of Directors proposes that the following be elected as members of the Compensation Committee (all as hitherto) for a term of one year until the end of the next ordinary Shareholders' General Meeting (each individually):

4.2.1 Re-election of Dr Martin Furrer as member

4.2.2 Re-election of Ulrich Hocker as member

4.2.3 Re-election of Beat Siegrist as member

4.3 Election of the independent proxy

The Board of Directors proposes that the lawyer Mr Hans Rudi Alder, Peyer Alder Keiser Lämmli Rechtsanwälte, Pestalozzi-strasse 2, CH-8200 Schaffhausen, be elected as the company's independent proxy for a term of one year until the end of the next ordinary Shareholders' General Meeting.

4.4 Election of the auditors

The Board of Directors proposes that KPMG AG, Zurich, be elected as the company's auditors for financial year 2016 until the end of the next ordinary Shareholders' General Meeting.

5. Remuneration

5.1. Advisory vote on the 2015 remuneration report

The Board of Directors proposes that the 2015 remuneration report should be noted and approved in a non-binding advisory vote.

5.2. Increase of the maximum total amount for Board of Directors remuneration for financial year 2016

The Board of Directors proposes that the maximum total amount approved at the ordinary Shareholders' General Meeting on 22 May 2015 for the remuneration of all members of the Board of Directors for financial year 2016 be increased from CHF 600,000 to CHF 1,800,000.

5.3. Reduction of the maximum total amount for management remuneration for financial year 2016

The Board of Directors proposes that the maximum total amount approved at the ordinary Shareholders' General Meeting on 22 May 2015 for the remuneration of all members of the management for financial year 2016 be reduced from CHF 5,600,000 to CHF 4,200,000.

The resolution under agenda item 5.3 will only be put to a vote if the resolution under agenda item 5.2, as proposed by the Board of Directors, has been adopted.

5.4. Approval of a maximum total amount for Board of Directors remuneration for financial year 2017

The Board of Directors proposes that a maximum total amount of CHF 2,500,000 be approved for the remuneration of all members of the Board of Directors for the coming financial year 2017.

5.5. Approval of a maximum total amount for management remuneration for financial year 2017

The Board of Directors proposes that a maximum total amount of CHF 3,500,000 be approved for the remuneration of all members of the management for the coming financial year 2017.

6. Amendment of the company's Articles of Incorporation concerning the right to request the inclusion of an item on the agenda

The Board of Directors proposes that Article 7 paragraph 2 of the Articles of Incorporation concerning the right of shareholders to request the inclusion of items on the agenda be amended and that Article 30 of the Articles of Incorporation be updated.

The wording of the amended Article 7 paragraph 2 of the Articles of Incorporation is as follows:

«The invitation must contain the agenda items and the proposals by the Board of Directors and the shareholders who called for the convocation of a Shareholders' General Meeting or the inclusion of an item on the agenda. Shareholders representing shares totalling 3% of the share capital may request the inclusion of an item on the agenda. The written request including the shareholder's agenda items and proposals must reach the company at least 45 days prior to the Shareholders' General Meeting.»

The wording of the amended Article 30 of the Articles of Incorporation is as follows:

«These Articles of Incorporation shall take effect following their approval by today's ordinary Shareholders' General Meeting and shall replace the version dated 23 May 2014.»

The rest of the Articles of Incorporation will remain unchanged.

Documents

From 26 April 2016 onwards, the 2015 annual report, including the management report, financial statements and consolidated financial statements as well as the auditors' reports, 2015 remuneration report (together with the audit report) and proposal by the Board of Directors regarding the appropriation of retained earnings from 2015 may be consulted by shareholders at the company's headquarters and at our subsidiary Phoenix Mecano Management AG, Lindenstrasse 23, CH-8302 Kloten, where a copy can be obtained directly. The 2015 annual report can also be downloaded from the Internet (<http://www.phoenix-mecano.com/annualreports.html>).

Admittance

Shareholders who wish to attend or be represented at the Shareholders' General Meeting may obtain their admission ticket with voting card and a form for issuing instructions to the independent proxy by **13 May 2016 at the latest** by depositing their shares or submitting corresponding confirmation from their custodian bank to the following bank:

UBS Switzerland AG, Zurich (Fax: +41 44 239 46 29)

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 a **representative** (not necessarily a shareholder), by means of a written proxy on the admission ticket; or
- by the independent proxy of Phoenix Mecano AG, the lawyer Mr Hans Rudi Alder, Peyer Alder Keiser Lämmlli Rechtsanwälte, Pestalozzistrasse 2, CH-8200 Schaffhausen.

To authorise the **independent proxy** to act on their behalf, shareholders should simply complete and sign the proxy section on the admission ticket and return it to the independent proxy by **Wednesday, 18 May 2016** together with a completed and signed instruction form. If the independent proxy is unable to attend, the Board of Directors will appoint a new independent proxy. The proxies and instructions issued to the independent proxy will be transferred to this new independent proxy appointed by the Board of Directors.

Phoenix Mecano AG shareholders can also issue proxies and instructions to the independent **proxy electronically by registering** at www.sherpany.com/phoenixmecano. Shareholders will be sent the required login data together with the written documents for the Shareholders' General Meeting. The deadline for issuing proxies and instructions electronically and making any changes to electronically issued instructions is **Tuesday, 17 May 2016 at 11.59 p.m.**

Any shareholder who issues an electronic proxy and instruction is no longer entitled to attend the Shareholders' General Meeting in person.

CH-8260 Stein am Rhein, 27 April 2016

Phoenix Mecano AG

Ulrich Hocker
Chairman of the Board of Directors