

## Minutes<sup>1</sup> of the 2019 Annual General Meeting of the

### VAT Group AG

located in Sennwald

Address: Seelistrasse 1, CH-9469 Haag

from Thursday, **16 May 2019**, at 15.00 o'clock

in **9008 St.Gallen**, Splügenstrasse 12  
Olma Messen St. Gallen, Hall 2.1

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### I. Formalities

**Martin Komischke**, Chairman of the Board of Directors ("**BoD**") of VAT Group AG ("**VAT**"), welcomes the shareholders present and takes over as Chairman pursuant to Art. 10 para. 1 of the Articles of Association. He welcomes CEO Mike Allison and CFO Stephan Bergamin to the podium.

Mr. Komischke also welcomes Mr. Marcel Körting, Secretary of the Board of Directors.

Martin Komischke also welcomes the members of the Board of Directors as well as the members of the Executive Board who are present in full.

The Chairman notes that the ordinary Annual General Meeting ("**AGM**") has been convened in due form and time by publication in the Swiss Official Gazette of Commerce No. 78 of 18 April 2019 and points out that the shareholders could recognize the 2018 Annual Report, the 2018 Financial Statements, the 2018 Consolidated Financial Statements and the audit reports pursuant to Art. 696 para. 1 OR at the company's registered office.

The BoD appoints Mr. Marcel Körting as secretary of this AGM.

Attorney Mr. Roger Föhn is acting as an independent proxy.

The auditors KPMG AG are represented by Mr. Toni Wattenhofer.

Based on Art. 10 para. 2 of the Articles of Association, Mr. Markus Steiger - St. Galler Kantonalbank (Chairman), Ms. Franziska Petersen - VAT, Mr. Phil Schneider - VAT, Mr. Yanick Gögge - VAT and Mr. Adrian Sonderer - VAT are appointed as vote counters by the Chairman.

The Chairman informs the shareholders about other administrative matters and finally declares that the AGM has been duly constituted and can therefore pass valid resolutions on all items on the agenda. Votes and elections shall be conducted electronically.

### II. Presence (at 15.00 o'clock)

Mr. Komischke notes the presence.

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<sup>1</sup> There does exist also a German version of these Minutes. In case of possible contradictions the German version is decisive.

**489 shareholders** and **1 independent proxy**, who together represent 16'587'523 registered shares and thus 55.29% of all issued registered shares as follows:

- Roger Föhn, Attorney as independent proxy:	15'762'411 registered stock
- remaining shareholders:	825'112 registered stock

### **III. Speeches**

Martin Komischke gives his presidential speech followed by a speech by CEO Michael Allison. Martin Komischke and Michael Allison give an overview and outlook on VAT activities and challenges in the market.

### **IV. Votes and elections**

Mr. Komischke passes on to the votes and elections:

#### **1. Approval of 2018 Annual Report**

The Board of Directors proposes that the Annual General Meeting approves the 2018 annual report, the statutory financial statements of VAT Group AG and the consolidated financial statements for the 2018 financial year and acknowledges receipt of the audit report.

Martin Komischke opens the discussion on agenda item 1.

Wilhelm Tschopp wants to know from the Chairman why the business prospects could still be presented positively at last year's Annual General Meeting and why the business declined immediately afterwards. Wilhelm Tschopp asks himself whether, this business development should not have been recognized earlier by VAT.

Martin Komischke, responding to Wilhelm Tschopp's question at the beginning, states that the speaker's statement is correct. The Chairman emphasizes that VAT spent two completely different six-month periods in the 2018 financial year. Neither the board of directors nor the management could have foreseen these two completely different half-years of business. Such a marked weakening was not expected by other market participants and market observers until the 2019 financial year at the earliest. VAT had no negative signs of this serious downturn in fiscal year 2018 and acted and communicated to the best of its knowledge and belief at all times. VAT reacted immediately to this negative business development and introduced short-time work, which - as soon as the course of business permits - is to be terminated. Martin Komischke also notes that the semiconductor industry, on which VAT's business development depends, is regularly subject to strong distortions.

As there were no further requests to speak, the President put item 1 to the vote.

The Chairman notes that the General Meeting has accepted the proposal of the Board of Directors regarding the approval of the 2018 Annual Report with the following result:

- Yes:	99.88%
- No:	0.12%
- Abstention:	532'666 Votes

## 2. Appropriation of Results and Distribution from Capital Contribution Reserves

### 2.1. Appropriation of Results

The Board of Directors proposes to carry forward the accumulated profit of CHF 52 105 254 (consisting of the previous year's loss of CHF - 7 351 371 and the profit for the 2018 financial year of CHF 59 456 625) to the new account.

Martin Komischke opens the debate on item 2.1. As there are no requests to speak, the President put the item to the vote.

Martin Komischke notes that the Annual General Meeting has approved the proposal of the Board of Directors as follows:

- Yes:	99.86%
- No:	0.14%
- Abstention:	287'121 Votes

### 2.2. Distribution from Capital Contribution Reserves

The Board of Directors proposes the distribution of CHF 4.00 per registered share payable out of capital contribution reserves in the form of a cash distribution. The Company will not make such distribution with respect to Company shares that it holds itself at the time of distribution.

Martin Komischke opens the debate on item 2.2. As there are no requests to speak, the President put the item to the vote.

The Chairman notes that the Annual General Meeting has approved the proposal of the Board of Directors as follows:

- Yes:	99.90%
- No:	0.10%
- Abstention:	287'665 Votes

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

The Board of Directors proposes that the actions of the members of the Board of Directors and the Executive Board during the 2018 financial year shall be approved in a single vote for all members of the Board of Directors and the Executive Board.

Martin Komischke opens again the discussion on agenda item 3. There are no requests to speak. The President put the item to the vote.

Martin Komischke notes that the Annual General Meeting has approved the proposal of the Board of Directors as follows:

- Yes:	99.81%
- No:	0.19%
- Abstention:	569'112 Votes

#### 4. Elections

##### 4.1. Re-election of the Chairman of the Board of Directors and other members of the Board of Directors

Martin Komischke opens the discussion on items 4.1.1 to 4.1.6. As there are no requests to speak, the President put the items to the vote.

##### 4.1.1. Re-election of the Dr. Martin Komischke as member of the Board of Directors and Chairman of the Board of Directors

The Board of Directors proposes that Dr. Martin Komischke be re-elected as a member of the Board of Directors and as Chairman of the Board of Directors until the end of the next Annual General Meeting. Heinz Kundert, Member of the Board of Directors, takes the floor to elect Dr. Martin Komischke.

Heinz Kundert notes that the Annual General Meeting has re-elected Martin Komischke with the following votes:

- Yes:	99.38%
- No:	0.62%
- Abstention:	358'872 Votes

##### 4.1.2. Re-election of Urs Leinhäuser as member of the Board of Directors

The Board of Directors proposes that the Annual General Meeting re-elects Urs Leinhäuser as member of the Board of Directors until the end of the next Annual General Meeting.

The Chairman notes that the General Meeting has re-elected Urs Leinhäuser with the following votes:

- Yes:	99.77%
- No:	0.23%
- Abstention:	290'332 Votes

##### 4.1.3. Re-election of Karl Schlegel as member of the Board of Directors

The Board of Directors proposes that the Annual General Meeting re-elects Karl Schlegel as member of the Board of Directors until the end of the next Annual General Meeting.

The Chairman notes that the General Meeting has re-elected Karl Schlegel with the following votes:

- Yes:	99.76%
- No:	0.24%
- Abstention:	303'737 Votes

**4.1.4. Re-election of Dr. Hermann Gerlinger as member of the Board of Directors**

The Board of Directors proposes that the Annual General Meeting re-elects Dr. Hermann Gerlinger as member of the Board of Directors until the end of the next Annual General Meeting.

The Chairman notes that the General Meeting has re-elected Dr. Hermann Gerlinger with the following votes:

- Yes:	99.82%
- No:	0.18%
- Abstention:	290'877 Votes

**4.1.5. Re-election of Heinz Kundert as member of the Board of Directors**

The Board of Directors proposes that the Annual General Meeting re-elects Heinz Kundert as member of the Board of Directors until the end of the next Annual General Meeting.

The Chairman notes that the General Meeting has re-elected Heinz Kundert with the following votes:

- Yes:	97.79%
- No:	2.21%
- Abstention:	306'183 Votes

**4.1.6. Re-election of Dr. Libo Zhang as member of the Board of Directors**

The Board of Directors proposes that the Annual General Meeting re-elects Dr. Libo Zhang as member of the Board of Directors until the end of the next Annual General Meeting.

The Chairman notes that the General Meeting has re-elected Dr. Libo Zhang with the following votes:

- Yes:	99.78%
- No:	0.22%
- Abstention:	296'315 Votes

**4.2. Election of the Members of the Nomination and Compensation Committee**

The Board of Directors proposes that the following individuals be individually re-elected as members of the Nomination and Compensation Committee until the end of the next Annual General Meeting.

The Chairman opens the discussion on agenda items 4.2.1 to 4.2.3. As there are no requests to speak, the President puts the agenda items to a vote.

**4.2.1. Re-election of Dr. Martin Komischke as member of the Nomination and Compensation Committee**

Martin Komischke notes that the Annual General Meeting re-elected Dr. Martin Komischke as a member of the Nomination and Compensation Committee with the following votes:

- Yes:	98.98%
- No:	1.02%
- Abstention:	451'777 Votes

**4.2.2. Re-election of Karl Schlegel as member of the Nomination and Compensation Committee**

Martin Komischke notes that the Annual General Meeting re-elected Karl Schlegel as a member of the Nomination and Compensation Committee with the following votes:

- Yes:	99.51%
- No:	0.49%
- Abstention:	1'274'101 Votes

**4.2.3. Re-election of Heinz Kundert as member of the Nomination and Compensation Committee**

Martin Komischke notes that the Annual General Meeting re-elected Heinz Kundert as a member of the Nomination and Compensation Committee with the following votes:

- Yes:	95.23%
- No:	4.77%
- Abstention:	1'273'037 Votes

**5. Re-election of the Independent Proxy**

The Board of Directors proposes that the Annual General Meeting re-elects Roger Föhn, attorney-at-law, Kalchbühlstrasse 4, 8038 Zurich, as Independent Proxy from May 17, 2019, until the end of the next Annual General Meeting.

The Chairman opens the discussion on agenda item 5. As there are no requests to speak, the President puts the agenda item to a vote.

The Chairman notes that the Annual General Meeting has re-elected Roger Föhn as independent proxy with the following votes:

- Yes:	99.92%
- No:	0.08%
- Abstention:	284'676 Votes

**6. Re-election of the Statutory Auditors for the Financial Year 2018**

The Board of Directors proposes that the Annual General Meeting re-elects KPMG AG, St. Gallen, as Statutory Auditors for the financial year 2019.

The Chairman opens the discussion on agenda item 6. As there are no requests to speak, the President puts the agenda item to a vote.

The Chairman notes that the Annual General Meeting has re-elected KPMG AG as auditors with the following votes:

- Yes:	99.39%
- No:	0.61%
- Abstention:	297'059 Votes

**7. Compensation****7.1. Consultative Vote on the Compensation Report for the Financial Year 2018**

The Board of Directors recommends that the Compensation Report 2018 contained in the Annual Report 2018 shall be approved (consultative vote).

Martin Komischke opens the discussion on agenda items 7.1 to 7.5.

Wilhelm Tschopp comments at the beginning that the compensation of the Board of Directors is appropriate, whereas the total compensation of the Executive Board of around CHF 4 million, in his opinion, exceeds the detection threshold. He asks the Chairman for explanations on the total compensation of the Executive Board.

The Chairman states at the beginning that the compensation of the Executive Board consists of various components. In addition to the qualifications and performance of the respective manager, the remuneration should also take into account the value and growth of VAT

Furthermore, the long-term variable compensation plan is a maximum amount for the management whose performance targets are ambitious and can only be achieved if the two performance indicators exceed the performance of all peer companies in the peer group. Overall, the mix of fixed and variable compensation is a fair solution for the manager and the company and reflects opportunities and risks in a manner appropriate to the interests of the company, so that the Board of Directors recommends that the proposals should be followed.

As there are no further requests to speak, the President puts the item to the vote.

The Chairman notes that the Annual General Meeting has approved the proposal of the Board of Directors with the following votes:

- Yes:	97.94%
- No:	2.06%
- Abstention:	357'961 Votes

**7.2. Approval of actual Short-Term Variable Compensation (STI) of the Group Executive Committee (GEC) for the Financial Year 2018**

The Board of Directors proposes that the shareholders approve the actual amount of CHF 548'992 for the short-term variable compensation of the GEC for the financial year 2018.

The Chairman notes that the Annual General Meeting has approved the proposal of the GEC with the following votes:

- Yes:	99.08%
- No:	0.92%
- Abstention:	360'703 Votes

**7.3. Approval of the Maximum Aggregate Amount of Fixed Compensation of the GEC for the Financial Year 2020**

The Board of Directors proposes to approve the maximum total amount of the fixed remuneration for the GEC of CHF 1,950,000 for the financial year 2020.

The Chairman notes that the Annual General Meeting has approved the proposal of the Board of Directors with the following votes:

- Yes:	99.04%
- No:	0.96%
- Abstention:	348'637 Votes

**7.4. Approval of the Maximum Aggregate Amount of Long-Term Incentive (LTI) Compensation of the GEC for the Financial Year 2020**

The Board of Directors proposes to approve the maximum total long-term variable compensation (LTI) of the Executive Board of CHF 1,700,000 for the financial year 2020.

The Chairman notes that the Annual General Meeting has approved the proposal of the Board of Directors with the following votes:

- Yes:	92.39%
- No:	7.61%
- Abstention:	356'845 Votes

**7.5. Approval of the Maximum Aggregate Amount of Compensation of the Board of Directors from the Annual General Meeting of 2019 to the Annual General Meeting of 2020**

The Board of Directors proposes to approve the maximum total compensation of the Board of Directors of CHF 920,000 for the term of office from the Ordinary Annual General Meeting 2019 to the Ordinary Annual General Meeting 2020.

The Chairman notes that the Annual General Meeting has approved the proposal of the Board of Directors with the following votes:

- Yes:	97.53%
- No:	2.47%
- Abstention:	364'303 Votes

Martin Komischke closes the Annual General Meeting by thanking the shareholders for the trust they have shown in the votes and elections. The next Annual General Meeting is scheduled for 14 May 2020.

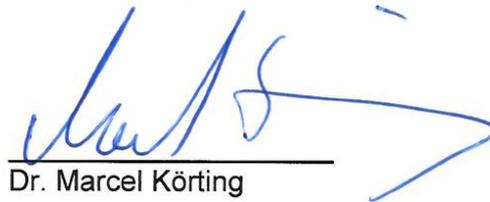
The Chairman closes the meeting at 16:37.

The Chairman



Dr. Martin Komischke

The Secretary



Dr. Marcel Körting