



**RIETER**

## Invitation to the Annual General Meeting 2014

**Rieter Holding Ltd.**  
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Dear shareholder,

The Board of Directors of Rieter Holding Ltd., Winterthur, takes pleasure in inviting you to the Annual General Meeting on

**Wednesday, April 9, 2014, at 4 p.m.,  
in the Eulachhallen, Winterthur  
(doors open at 3 p.m.)**

## Agenda and motions proposed by the Board of Directors

### 1. Submission of the annual report, the annual accounts and the consolidated financial statements for 2013, as well as the statutory auditor's reports.

Motion: The Board of Directors proposes that the annual report, the annual accounts and the consolidated financial statements for 2013 be approved.

### 2. Consultative vote on the Remuneration Report for 2013

Motion: The Board of Directors proposes that the Remuneration Report for 2013 be approved in terms of a non-binding consultative vote.

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

Motion: The Board of Directors proposes that formal approval be given to the actions of its members and those of the Group Executive Committee.

### 4. Proposed appropriation of profit

|  |                   |
|--|-------------------|
| Net profit for the year as stated in the income statement              | 13 208 654        |
| Retained earnings brought forward from previous year                   | 23 316 211        |
| Reversal of reserve from capital contributions                         | 16 353 271        |
| <b>Retained earnings at the disposal of the Annual General Meeting</b> | <b>52 878 136</b> |

Motion:

|                                |                   |
|--------------------------------|-------------------|
| Dividend distribution          | 16 353 271        |
| Allocation to other reserves   | 10 000 000        |
| Carried forward to new account | 26 524 865        |
|                                | <b>52 878 136</b> |

The Board of Directors proposes that 10 million CHF be transferred to Other Reserves and a dividend of 3.50 CHF per registered share be paid from the reserve from capital contributions. This dividend will be distributed without deducting 35% withholding tax (in terms of Art. 5, para. 1b, of the Swiss Federal Law on Withholding Tax (VStG)). The dividend is expected to be paid on April 16, 2014.

## 5. Election to the Board of Directors

### 5.1. Erwin Stoller

Motion: The Board of Directors proposes the re-election of Erwin Stoller until the conclusion of the next Ordinary General Meeting of Shareholders.

### 5.2. This E. Schneider

Motion: The Board of Directors proposes the re-election of This E. Schneider until the conclusion of the next Ordinary General Meeting of Shareholders.

### 5.3. Dr. Dieter Spälti

Motion: The Board of Directors proposes the re-election of Dr. Dieter Spälti until the conclusion of the next Ordinary General Meeting of Shareholders.

### 5.4. Dr. Jakob Bär

Motion: The Board of Directors proposes the re-election of Dr. Jakob Bär until the conclusion of the next Ordinary General Meeting of Shareholders.

### 5.5. Michael Pieper

Motion: The Board of Directors proposes the re-election of Michael Pieper until the conclusion of the next Ordinary General Meeting of Shareholders.

### 5.6. Hans-Peter Schwald

Motion: The Board of Directors proposes the re-election of Hans-Peter Schwald until the conclusion of the next Ordinary General Meeting of Shareholders.

### 5.7. Peter Spuhler

Motion: The Board of Directors proposes the re-election of Peter Spuhler until the conclusion of the next Ordinary General Meeting of Shareholders.

## 6. Election of the Chairman of the Board of Directors

Motion: The Board of Directors proposes the election of Erwin Stoller as Chairman of the Board of Directors until the conclusion of the next Ordinary General Meeting of Shareholders.

## 7. Election of the members of the Compensation Committee

### 7.1. This E. Schneider

Motion: The Board of Directors proposes the election of This E. Schneider until the conclusion of the next Ordinary General Meeting of Shareholders.

### 7.2. Hans-Peter Schwald

Motion: The Board of Directors proposes the election of Hans-Peter Schwald until the conclusion of the next Ordinary General Meeting of Shareholders.

### 7.3. Erwin Stoller

Motion: The Board of Directors proposes the election of Erwin Stoller until the conclusion of the next Ordinary General Meeting of Shareholders.

## 8. Election of the independent voting proxy

Motion: The Board of Directors proposes the election of Ulrich B. Mayer, Attorney-at-Law, Zurich, until the conclusion of the next Ordinary General Meeting of Shareholders.

## 9. General amendment to the Articles of Association

### 9.1. Extension of authorized capital

Motion: The Board of Directors proposes to renew the Company's authorized capital of up to 2'500'000 CHF for two years until April 9, 2016, and to amend paragraph 3a of the Articles of Association accordingly as follows:

§3a (new) The Board of Directors is authorized to increase the share capital by up to 2'500'000 CHF by issuing up to 500'000 fully paid registered shares with a par value of 5.00 CHF each at any time until April 9, 2016. Increases by parts of this amount are permitted.

The remainder of the paragraph remains unchanged.

### 9.2. Amendment of the Articles of Association in order to implement changes in Swiss corporate law

Motion: The Board of Directors proposes to amend the Articles of Association as set out in the annex (p. 12-27), including the renumbering of all paragraphs that arises from these amendments.

## 10. Election of the statutory auditors

Motion: The Board of Directors proposes the election of PricewaterhouseCoopers AG, Zurich, as statutory auditors.

## Organization

The invitation to the Annual General Meeting is addressed to shareholders entered in the shareholders' register of Rieter Holding Ltd. as eligible to vote on March 31, 2014. Only shareholders who are entered in the shareholders' register of Rieter Holding Ltd. as eligible to vote are entitled to attend and vote at the Annual General Meeting. Share transfers made between April 1 and April 9, 2014, do not qualify for attendance at the Annual General Meeting.

## Admission cards

If you wish to attend the Annual General Meeting in person or arrange to be represented by another shareholder entered in the shareholders' register as eligible to vote, please request an admission card with voting cards. Admission cards and voting material can be ordered by means of the enclosed reply form or electronically via the newly established platform at <https://rieter.shapp.ch> until Wednesday, April 3, 2014 (date of receipt of the registration form).

## Representation and power of attorney

Shareholders who do not attend the Annual General Meeting in person can arrange to be represented as follows:

- a) by a shareholder having power of attorney: the power of attorney must be issued on the admission card ordered by the shareholder
- b) by Ulrich B. Mayer, Attorney at Law, as the independent voting proxy: the power of attorney and instructions to the independent voting proxy can be issued by means of the enclosed reply form or electronically via the newly established platform at <https://rieter.shapp.ch>. Signing the reply form authorizes the independent voting proxy to approve the Board of Directors' proposals unless other written instructions are issued. This also applies in the event that proposals are voted on at the Annual General Meeting which are not listed in the invitation. Company and custodian proxies are no longer permitted since January 1, 2014.

When ordering admission cards or appointing us as proxy, please return the enclosed letter to us, duly completed, by no later than April 3, 2014. Prompt return of the reply form facilitates preparations by the shareholders' register for the Annual General Meeting. The admission cards and voting material will be mailed as from April 1, 2014.

Please note that only registered shareholders will be admitted to the Annual General Meeting (persons accompanying them cannot be admitted). Shareholders who have sold their shares prior to the Annual General Meeting are no longer eligible to vote. In the event of partial sales, the admission card already issued must be exchanged for a new one at the «Information» desk before the Annual General Meeting.

Voting is conducted electronically at the Annual General Meeting of Rieter Holding Ltd. You will receive detailed instructions with the admission card and at the Annual General Meeting.

You are warmly invited to partake of refreshments which will be served after the Annual General Meeting.

We look forward to welcoming you to the Annual General Meeting.

### Route to the Annual General Meeting

This year's Annual General Meeting will be held in the Eulachhallen in Winterthur. The subsequent refreshments will also be served there.

Shareholders are requested to use public transport, since only a limited amount of parking space is available in front of the Eulachhallen.

### Transfer from Winterthur railway station to the Eulachhallen

“Stadtbus Winterthur” buses are available in front of the main railway station (Sector G) from 3 p.m.

### Private vehicles

The reserved parking spaces are in front of the Eulachhallen. Please follow the signs.

### Return journey in the evening

A bus service is available for the return journey from the Eulachhallen to the main railway station. The last bus leaves at approximately 7.30 p.m.



### Annual Report

The annual report, the annual accounts and the consolidated financial statements for 2013, the statutory auditor's reports and the remuneration report are available for inspection by shareholders at the Company's registered office. These documents will also be forwarded on request to all shareholders entered in the shareholders' register of Rieter Holding Ltd. on March 31, 2014. You will also find the annual report on our website at [www.rieter.com](http://www.rieter.com).

Winterthur, March 19, 2014

Rieter Holding Ltd.

For the Board of Directors  
The Chairman

Erwin Stoller

### Enclosure

- Registration form
- Explanatory notes to the reply form
- Summary annual report 2013
- Self-addressed envelope

## Annex to agenda item 9: Amendments to the Articles of Association

Rieter is already implementing the Regulation against excessive compensation at listed public companies (VegüV) at its ordinary General Meeting on April 9, 2014. Various amendments to the articles of association that are necessary in this connection are briefly outlined below.

Members of the Board of Directors will now be elected for a one-year term of office. The General Meeting now also elects the Chairman of the Board of Directors, the members of the Compensation Committee and the independent voting proxy, also for one-year terms of office.

The remuneration of the Board of Directors and the Group Executive Committee will also be approved by the General Meeting in future. The Board of Directors proposes that the General Meeting approves a maximum remuneration sum, separately for the Board of Directors and the Group Executive Committee, in advance for the coming financial year.

The remuneration report provides information on the compensation actually paid to the Board of Directors and the Group Executive Committee in the past financial year, and the extent to which targets were achieved with regard to variable compensation. It is intended, as is already the case, to submit the remuneration report to the General Meeting for approval in a consultative vote.

Other important new provisions of the articles of association relate to the following issues:

- Amendment of quorums for adopting resolutions regarding the appropriation of profit and elections, as well as for adopting resolutions on remuneration (§12)
- Provision for remote electronic voting based on powers of attorney and instructions to the independent voting proxy (§10)
- Election and term of office of independent voting proxies (§15)

- Arrangements regarding vacancies arising in the board chairmanship or membership of the Compensation Committee (§18/§23)
- Duties and responsibilities of the Compensation Committee (§22 et seq.)
- Principles of performance-related remuneration of members of the Group Executive Committee (§28)
- Arrangements if proposals by the Board of Directors regarding remuneration are not approved (§30)
- Arrangements regarding contracts of employment for the Group Executive Committee (§31)
- Maximum number of offices held by directors and members of the Group Executive Committee (§32)
- Arrangements regarding loans to members of the Group Executive Committee (§33)

The Board of Directors proposes to submit the proposed amendments to the Articles of Association to you for approval in a single motion.

The Board of Directors has also decided to introduce and conduct remote electronic voting based on powers of attorney and instructions to the independent voting proxy for the first time on the occasion of the ordinary General Meeting on April 9, 2014.

## Articles of Association of Rieter Holding Ltd.

### Existing Articles of Association

#### Agenda item 9.1: Extension of authorized capital:

##### II. Share capital

###### §3a

1. The Board of Directors is authorized to increase the share capital by up to 2 500 000 CHF by issuing up to 500 000 fully paid registered shares with a par value of 5.00 CHF each at any time until April 18, 2014. Increases by parts of this amount are permitted.

#### Agenda item 9.2 Amendment of the Articles of Association in order to implement changes in Swiss corporate law:

##### III. Organization of the Company

###### §10

3. A shareholder can arrange to be represented at the General Meeting only by his legal representative, another shareholder eligible to vote, the Company's representative, the independent voting proxy or a custodian representative. All shares held by a shareholder can only be represented by one person.

###### §12

2. The meeting adopts resolutions with the absolute majority of voting shares represented. A majority of at least two-thirds of the shares represented is required to adopt resolutions stipulated in Art. 704, Para. 1, of the Swiss Code of Obligations, as well as for all other amendments to the Articles of Association.

### New Articles of Association

#### Agenda item 9.1: Extension of authorized capital:

##### II. Share Capital

###### §3a

1. The Board of Directors is authorized to increase the share capital by up to 2 500 000 CHF by issuing up to 500 000 fully paid registered shares with a par value of 5.00 CHF each at any time until April 9, 2016. Increases by parts of this amount are permitted.

#### Agenda item 9.2 Amendment of the Articles of Association in order to implement changes in Swiss corporate law:

##### III. Organization of the Company

###### §10

3. A shareholder can arrange to be represented at the General Meeting only by his legal representative, another shareholder eligible to vote or the independent voting proxy. All shares held by a shareholder can only be represented by one person. Proxies can be issued either in writing or electronically.

###### §12

2. The General Meeting adopts resolutions with the absolute majority of voting shares represented unless other provisions are stipulated by law or the Articles of Association. In particular, approval of the remuneration of the Board of Directors and the Group Executive Committee and motions regarding the appropriation of profit, in particular the setting of dividends, require a majority of votes cast, whereby abstentions are not deemed to be votes cast. A majority of at least two-thirds of the votes represented is required to adopt resolutions stipulated in Art. 704, Para. 1, of the Swiss Code of Obligations, as well as for all other amendments to the Articles of Association.

**§13**

The General Meeting has the authority:

1. to approve the annual report, the annual accounts and the consolidated financial statements
2. to adopt resolutions regarding the appropriation of profit and setting the dividend
3. to discharge the members of the Board of Directors
4. to elect and dismiss members of the Board of Directors and the statutory auditors
5. to adopt resolutions regarding amendments to the Articles of Association, the winding-up of the Company or a merger other than with a subsidiary
6. to deal with other matters reserved for it by law or the Articles of Association or matters submitted to it by the Board of Directors for a decision

**§14**

A resolution to wind up the Company or to merge with another Company in terms of §13, sub-para. 5, can only be adopted if at least half the share capital is represented at the General Meeting and two-thirds of the votes represented are cast in favor of the relevant motion. If the meeting does not have a quorum in these terms on the first occasion, a new General Meeting must be convened on a date at least 30 days later, at which the winding-up or merger can be approved with a two-thirds' majority of the votes represented.

**§13**

The General Meeting has the authority:

1. to approve the annual report, comprising the annual accounts, the statement of affairs and the consolidated financial statements
2. to adopt resolutions regarding the appropriation of profit and setting the dividend
3. to approve the aggregate amounts of remuneration of the Board of Directors and the Group Executive Committee
4. to discharge the members of the Board of Directors
5. to elect the members of the Board of Directors, the Chairman of the Board of Directors and the members of the Compensation Committee; the members of the Board of Directors and the Compensation Committee are each elected individually
6. to elect the independent voting proxy
7. to elect the statutory auditors
8. to adopt resolutions regarding amendments to the Articles of Association, the winding-up of the Company or a merger other than with a subsidiary
9. to deal with other matters reserved for it by law or the Articles of Association or matters submitted to it by the Board of Directors for a decision.

**§14**

A resolution to wind up the Company or to merge with another Company in terms of §13, sub-para. 8, can only be adopted if at least half the share capital is represented at the General Meeting and two-thirds of the votes represented are cast in favor of the relevant motion. If the meeting does not have a quorum in these terms on the first occasion, a new General Meeting must be convened on a date at least 30 days later, at which the winding-up or merger can be approved with a two-thirds' majority of the votes represented.



(not extant to date)

## B. The Board of Directors

### §16

Members of the Board of Directors are elected for a term of office of three years, one year being understood to mean the period from one ordinary General Meeting to the next. However, they retire at the ordinary General Meeting following their 70th birthday.

### §17

The directors allocate their responsibilities among themselves. They appoint a Chairman, if necessary one or more Vice Chairmen, as well as a Secretary who is not necessarily a member of the Board of Directors.

### §20

The Board of Directors issues organizational regulations under which the management of the Company or parts thereof can be delegated to individual directors or third parties within the scope of what is permitted by law. These also govern representation of the Company by directors or third parties.

## IV. The Independent Voting Proxy

### §15

The General Meeting elects an Independent Voting Proxy annually. The term of office of the independent voting proxy (proxies) ends at the close of the next ordinary General Meeting. Re-election is possible. Dismissal is effective at the close of the General Meeting at which the independent voting proxy has been dismissed. Individuals or legal entities are eligible for election.

## B. The Board of Directors

### §17

The term of office of the members of the Board of Directors and the Chairman of the Board of Directors expires at the close of the next ordinary General Meeting. Re-election is possible.

### §18

Subject to the election of the Chairman, the Directors allocate their responsibilities among themselves. If necessary they appoint one or more Vice Chairmen, as well as a Secretary who is not necessarily a member of the Board of Directors. If the chair is vacant, the Board of Directors appoints a Chairman from among its number until the conclusion of the next ordinary General Meeting.

### §21

The Board of Directors issues organizational regulations under which the management of the Company or parts thereof can be delegated to individual directors or other individuals within the scope of what is permitted by law. These also govern representation of the Company by directors or third parties.

(not extant to date)

(not extant to date)

(not extant to date)

(not extant to date)

## V. The Compensation Committee

### §22

The Compensation Committee consists of no less than three and no more than five members of the Board of Directors.

### §23

The term of office of the members of the Compensation Committee expires at the close of the next ordinary General Meeting. Re-election is possible. If one or more members resign or the Compensation Committee is incomplete, the Board of Directors can appoint members from among its number until the conclusion of the next ordinary General Meeting.

### §24

The Compensation Committee allocates its responsibilities among its members. The Board of Directors appoints a chairman. Furthermore, the Board of Directors issues regulations governing the organization and decision-making of the Compensation Committee.

### §25

The Compensation Committee assists the Board of Directors in establishing and examining remuneration policies and guidelines and performance targets as well as preparing motions for submission to the General Meeting regarding the aggregate amounts of remuneration of members of the Board of Directors and the Group Executive Committee, and can submit proposals on other compensation issues to the Board of Directors.

The Board of Directors can assign further duties to the Compensation Committee.

(not extant to date)

(not extant to date)

## **VI. Remuneration of the Members of the Board of Directors and the Group Executive Committee**

### **§27**

The General Meeting adopts the motions of the Board of Directors with regard to:

1. the total sum of the maximum remuneration of the Board of Directors for the financial year following the ordinary General Meeting
2. the total sum of the maximum remuneration of the Group Executive Committee for the financial year following the ordinary General Meeting.

### **§28**

1. The members of the Board of Directors receive a fixed remuneration, which is paid either in cash or entirely or partly in the form of shares.
2. The members of the Group Executive Committee receive a fixed remuneration and an additional, variable remuneration based on the achievement of certain performance targets. The variable remuneration should not exceed 100% of the fixed remuneration.
3. The performance targets can be of a financial, strategic and/or personal nature, taking into account the function and level of responsibility of the recipient of the variable remuneration. The Board of Directors stipulates the weighting of the performance targets and the relevant target levels annually and provides information about these in the remuneration report.
4. The variable remuneration is disbursed in the form of cash, shares, options or comparable instruments. The Board of Directors stipulates the terms and conditions of allotment, the terms, conditions and dates of exercise as well as any blocking periods and expiry conditions. It can provide for terms, conditions and dates of exercise or blocking periods to be abbreviated or canceled due to the occurrence of events specified in advance, such as a change of control or the termination of the employment relationship. The Company can acquire the necessary shares on the market or make provision for them in the form of a contingent or authorized increase of capital.

(not extant to date)

(not extant to date)

(not extant to date)

**§29**

The company is authorized to disburse additional remuneration to members of the Group Executive Committee who enter the Company's service or are promoted to the Group Executive Committee after approval of the remuneration by the General Meeting, and to the extent that the amount already approved for this period is insufficient, as long as the total does not exceed 40% in all of the amount last approved for remuneration of the Group Executive Committee.

**§30**

If its motions are rejected, the Board of Directors can either propose a new motion or define the appropriate total amount under consideration of all relevant circumstances and submit this later to the General Meeting for approval.

**VII. Employment and Mandate Contracts with Members of the Group Executive Committee**

**§31**

Employment contracts and mandate contracts with members of the Board of Directors and Group Executive Committee shall be concluded either with affixed term with a maximum duration of twelve months or as unlimited contracts with a period of notice not exceeding twelve months. Renewal is permissible.

Non-competition clauses may be agreed for the time after termination of an employment contract. The indemnity provided for such non-competition covenant shall be paid for no more than two years and its annual amount shall not exceed 50% of the last annual remuneration paid to this member.

(not extant to date)

## VIII. Appointments outside the Group; Loans; Pensions

### §32

1. No member of the Board of Directors can hold more than fifteen additional offices and thereof no more than five additional offices in listed companies.
2. No member of the Group Executive Committee can hold more than four additional offices and thereof no more than two additional offices in listed companies.
3. These limits do not apply to
  - a) offices in companies controlled by the Company;
  - b) offices held by a member of the Board of Directors or the Group Executive Committee on the instructions of the Company or companies controlled by it;
  - c) offices in companies that do not qualify as companies as defined by Article 727 para. 1 no. 2 of the Swiss Code of Obligations;
  - d) offices in charitable associations and foundations as well as personnel welfare foundations.

The number of offices pursuant to c) and d) is limited to twenty.
4. Offices are understood to be appointments to the highest management body of a legal entity that is required to be registered in a commercial register or an equivalent foreign register. Offices in different legal entities under joint control are considered to be one single office.
5. Offices of members of the Group Executive Committee must be approved by the Board of Directors before being accepted.

(not extant to date)

**VI. Announcements**

**§25**

- 2. Convening of meetings and notifications to shareholders are made by letter to the latest addresses recorded in the share register.

**§33**

With permission of the Board of Directors the Company may grant loans on current market conditions to members of the Board of Directors and the Group Executive Committee; the amount of such loans may not exceed three times the last annual remuneration.

**XI. Announcements**

**§37**

- 2. Convening of meetings and notifications to shareholders are made by letter or