

# Invitation to the Annual Shareholder Meeting April 21, 2016

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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 the Company's 67<sup>th</sup> Annual Shareholder Meeting.

Date: **Thursday, April 21, 2016 at 10:00 a.m.**

Location: Stade de Suisse Business Center,

Bern-Wankdorf, Switzerland

Room: Papiermühlestrasse entrance, "Tor Raum" room

The agenda for the meeting is presented from page 10. 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 main consolidated financial statements for fiscal year for fiscal year 2015 are shown from page 6 below.

You can use the enclosed registration form 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 registering, you will receive your admission card, voting card and location map, in time before the Shareholder Meeting. For organizational reasons, we ask that you **register by April 13, 2016**.

For this year's Shareholder Meeting of the COMET Group you again have the convenient option of voting online. To do so, please register on the eComm online portal. Instructions for this are provided on page 17. Online voting is possible from March 23, 2016 at 8:00 a.m. CET to April 19, 2016 at 11:59 p.m. CEST. After your shareholder account has been created on the portal, information about future Shareholder Meetings will be sent to you 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 11, 2016.

**For the Board of Directors**

Hans Hess, Chairman

## To Our Shareholders



Ronald Fehlmann, Chief Executive Officer, and Hans Hess, Chairman of the Board of Directors

The COMET Group held its own well in 2015 amid a challenging environment. With sales of CHF 282.3 million and net income of CHF 17.1 million, the Group followed the record year 2014 by delivering the second strongest results in its history. In important ways, it also set the stage for the longer-term future.

The COMET Group acquitted itself well in the demanding environment of fiscal 2015. The elimination of the euro/franc minimum exchange rate of CHF 1.20, the lackluster economy in Asia and slowing demand as a result of low commodity prices did, however, make it difficult to maintain the strong organic growth. On the other hand, a positive factor for sales was the acquisition of PCT Engineered Systems LLC. In 2015 the COMET Group achieved the second strongest results in its history. Consolidated net sales were

CHF 282.3 million (2014: CHF 287.9 million) and EBITDA operating earnings came in at CHF 35.7 million (2014: CHF 39.8 million). Net income, in line with expectations, was CHF 17.1 million (2014: CHF 26.3 million) as a result of one-time effects. Despite high investment in the ebeam business, the Group successfully continued to generate a return on capital employed in excess of capital costs and fully eliminated the net debt thanks to a strong operating cash flow of 12.6% of sales (2014: 10.6%). With an equity ratio of 63.4%, the COMET Group also possesses a strong balance sheet.

### Mixed market trends

In 2015 the COMET Group experienced heterogeneous trends in its different markets. The Plasma Control Technologies (PCT) segment was able to expand its business with large customers in the semiconductor and flat panel display market, posting record sales of CHF 111.9 million (2014: CHF 105.8 million). However, the ending of the minimum exchange rate of CHF 1.20 to the euro, the lackluster economy in Asia and slowing demand amid low commodity prices were downside factors for the continuation of growth in the other segments. X-Ray Systems (IXS), besides being affected by the appreciation of the Swiss franc, was hurt especially by the slump in the Chinese tire market. The segment's sales declined to CHF 101.4 million (2014: CHF 124.7 million). X-Ray & ebeam Technologies (XET), with the high Swiss proportion of its manufacturing, was also affected by the strong Swiss franc. Additional drag for this segment came from the low investment activity in areas like pipeline inspection due to the depressed oil and gas prices. Thanks to the acquisition of US systems producer PCT Engineered Systems LLC, sales of the XET segment grew to

CHF 81.6 million (2014: CHF 74.1 million); however, excluding the acquisition (17%) and currency translation effects (-4%), sales eased by 3%. Overall, the COMET Group's sales decreased by 1.9% to CHF 282.3 million. The positive difference made by the acquisition was 4.4%. The strengthening US dollar (+2.7%) only partly offset the effect of the negative movement in the EUR/CHF rate (-4%).

### Continued generation of value; acquisition cost affects earnings

The overall operating earnings situation of the COMET Group was robust. PCT pushed up its EBITDA margin from 17.3% to 19.3%. IXS further improved its gross margin and held its EBITDA margin steady at 12.9%. At XET the main factor besides negative currency effects was the high investment in ebeam, including the acquisition. The EBITDA margin declined from 9.9% to 3.7%. The Group closed with EBITDA operating earnings of CHF 35.7 million (2014: CHF 39.8 million) and an EBITDA margin of 12.7% (2014: 13.8%). Before currency effects (1.0%-points) and acquisition (-1.9%-points), the EBITDA margin was 13.6%, or nearly constant year-over-year. Net income in 2015 decreased to CHF 17.1 million (2014: CHF 26.3 million). The non-recurrence of positive prior-year tax effects of CHF 6.1 million, in combination with 2015's one-time currency translation losses of CHF 2.4 million and one-off acquisition-related costs of CHF 3.5 million, outweighed a non-recurring tax credit of CHF 1.5 million in 2015. With a return of 11.7% on capital employed, the Group continued to generate a ROCE that more than covered its capital costs. Excluding the acquisition and current and prior-year tax effects, the economic profit of CHF 5.6 million was at the prior-year level.

### Strategy on track – important foundation laid for the future

The COMET Group has grown strongly since 2012. In constant-currency terms it achieved its objective, set in 2012, of growing 40% by 2015 to sales of CHF 300 million. New customers were won and existing customer relationships deepened. In the technology group Bühler and metrology vendor Hexagon, strong partners were gained for potential further growth. The investment in the marketing of innovative products and technologies bore fruit: The gross margins of IXS and PCT were improved, new products launched and markets developed with greater focus. Key milestones were also achieved in the Group's ebeam business. Tetra Pak, rolling out inline ebeam sterilization of beverage packaging, presented the first market-ready, ebeam-equipped filling machine at the Fispal Technology trade show. With Bühler, COMET forged a strategic partnership to develop new applications in the inactivation of dehydrated food. By acquiring PCT Engineered Systems, COMET expanded its product portfolio and gained direct access to end customers. To ensure the capacity for sustained strong future growth, COMET applied for the construction permit for a major building expansion in Flamatt. The new space, estimated at an investment of CHF 60 million, is to be ready for occupancy in the middle of 2018.

### Acceleration of investment in strategic initiatives will temporarily weigh on margins

Under its Strategy 2020, the COMET Group continues to focus on strong, profitable growth, which it plans to derive from new applications, the combining of existing competencies, and even closer and broader collaboration with major partners. The key is to take

timely and effective advantage of the attractive business opportunities in the areas of ebeam, the Internet of Things and metrology. By 2020, the COMET Group's objective is to reach sales of CHF 500 million and an EBITDA margin of 16–18%. For 2016 the Group expects continuing challenging market conditions. The Board and management have therefore decided to accelerate work on the most promising strategic initiatives and bring planned capital expenditures forward. At the top of these strategic priorities are new ebeam projects in the food and digital printing sectors, and additional investment in the Group's product portfolio with regard to various high-potential applications. In parallel, a multi-point program to enhance operational excellence is being stepped up, especially in the supply chain. With these aims in mind, the COMET Group has also recruited more staff and thus intends to rapidly create the right conditions to successfully execute the Strategy 2020 and achieve its strategic goals. This suite of initiatives will entail a temporary 2%-point reduction in the 2016 EBITDA margin. For 2016, against this backdrop, the Group is thus projecting sales growth to CHF 300–320 million and an EBITDA margin of now 11–13%.

### Unchanged dividend

At the next Annual Shareholder Meeting the Board of Directors will propose a distribution of CHF 11.00 per share from distributable paid-in capital (2014: CHF 11.00), exempt from Swiss anticipatory tax. This represents a payout of 50% of net income.

### Board changes and expansion

Besides the re-elections, there are pending changes in the Board membership of COMET Holding AG. Hans Leonz Notter is not standing for

re-election. In the past 26 years he has made an exceedingly valuable contribution to the development of the COMET Group. We thank him sincerely for his long and dedicated service. We are pleased to propose Dr. iur. Mariel Hoch as a new member of the Board of Directors and of the Nomination & Compensation Committee. Ms. Hoch, a lawyer and partner at Bär & Karrer in Zurich, has extensive knowledge of business law and personnel matters. In order to best utilize the Group's attractive potential and do justice to the growing complexity of its businesses, the Board believes it is important to expand its membership. It will therefore propose to increase its size by one seat from 2016 by electing Dr. Franz Richter as an additional Board member. He brings with him a profound understanding of the semiconductor industry, a sector increasingly important to the COMET Group.

### Thank you!

We sincerely thank our shareholders, business partners, customers and suppliers for the good collaboration in this demanding time. A special thank-you goes to our employees, whose committed hard work continually moves the Group ahead.



Hans Hess  
Chairman of the Board



Ronald Fehlmann  
Chief Executive Officer

# COMET Group consolidated financial statements

## Consolidated balance sheet

In thousands of CHF	Note	Dec. 31, 2015	%	Dec. 31, 2014	%
<b>Assets</b>					
Cash and cash equivalents		24,295		18,559	
Trade and other receivables	5	44,483		57,233	
Other financial assets	6	25		13	
Tax receivables		0		432	
Inventories	7	65,820		56,621	
Prepaid expenses		3,104		2,003	
<b>Total current assets</b>		<b>137,728</b>	<b>53.9%</b>	<b>134,862</b>	<b>54.8%</b>
Property, plant and equipment	8	58,481		54,658	
Intangible assets	9	50,454		46,469	
Financial assets	6	349		379	
Employee benefit plan assets	16	997		3,084	
Deferred tax assets	11	7,633		6,459	
<b>Total non-current assets</b>		<b>117,914</b>	<b>46.1%</b>	<b>111,049</b>	<b>45.2%</b>
<b>Total assets</b>		<b>255,642</b>	<b>100.0%</b>	<b>245,911</b>	<b>100.0%</b>
<b>Liabilities and shareholders' equity</b>					
Current debt	12	11,287		6,557	
Trade and other payables	13	42,402		33,358	
Other financial liabilities	6	4,177		633	
Tax payables		2,201		4,951	
Accrued expenses	14	10,440		14,296	
Current provisions	15	5,993		6,021	
<b>Total current liabilities</b>		<b>76,499</b>	<b>29.9%</b>	<b>65,816</b>	<b>26.8%</b>
Non-current debt	12	10,749		14,013	
Non-current provisions	15	65		79	
Employee benefit plan liabilities	16	1,795		1,949	
Deferred tax liabilities	11	4,330		4,286	
<b>Total non-current liabilities</b>		<b>16,938</b>	<b>6.7%</b>	<b>20,327</b>	<b>8.3%</b>
<b>Total liabilities</b>		<b>93,438</b>	<b>36.6%</b>	<b>86,143</b>	<b>35.0%</b>
Capital stock	27	7,738		7,721	
Additional paid-in capital		45,615		52,740	
Retained earnings		133,105		118,518	
Foreign currency translation differences		(24,253)		(19,212)	
<b>Total equity attributable to shareholders of COMET Holding AG</b>		<b>162,205</b>	<b>63.4%</b>	<b>159,768</b>	<b>65.0%</b>
<b>Total liabilities and shareholders' equity</b>		<b>255,642</b>	<b>100.0%</b>	<b>245,911</b>	<b>100.0%</b>

## Consolidated statement of income

In thousands of CHF	Note	2015	%	2014	%
Net sales	3	282,321		287,895	
Cost of sales		(174,625)		(176,499)	
<b>Gross profit</b>		<b>107,696</b>	<b>38.1%</b>	<b>111,396</b>	<b>38.7%</b>
Other operating income	18	5,539	2.0%	4,649	1.6%
Development expenses	20	(28,922)	-10.2%	(28,941)	-10.1%
Marketing and selling expenses		(38,001)	-13.5%	(39,522)	-13.7%
General and administrative expenses		(20,824)	-7.4%	(17,925)	-6.2%
<b>Operating income</b>		<b>25,488</b>	<b>9.0%</b>	<b>29,655</b>	<b>10.3%</b>
Financing expenses	22	(10,159)	-3.6%	(4,669)	-1.6%
Financing income	22	6,750	2.4%	3,782	1.3%
<b>Income before tax</b>		<b>22,079</b>	<b>7.8%</b>	<b>28,768</b>	<b>10.0%</b>
Income tax	11	(4,973)	-1.8%	(2,492)	-0.9%
<b>Net income</b>		<b>17,106</b>	<b>6.1%</b>	<b>26,277</b>	<b>9.1%</b>
Earnings per share in CHF, diluted and basic	23	22.13		34.07	
<b>Operating income</b>		<b>25,488</b>	<b>9.0%</b>	<b>29,655</b>	<b>10.3%</b>
Amortization	21	2,506	0.9%	2,761	1.0%
<b>EBITA</b>		<b>27,994</b>	<b>9.9%</b>	<b>32,417</b>	<b>11.3%</b>
Depreciation	21	7,724	2.7%	7,349	2.6%
<b>EBITDA</b>		<b>35,718</b>	<b>12.7%</b>	<b>39,765</b>	<b>13.8%</b>

## Consolidated statement of comprehensive income

In thousands of CHF	Note	2015	2014	Change	%
Net income		17,106	26,277	(9,170)	-34.9%
<b>Other comprehensive income</b>					
Foreign currency translation differences		(5,042)	1,106	(6,148)	-
<b>Total items that will be reclassified to the income statement on realization</b>		<b>(5,042)</b>	<b>1,106</b>	<b>(6,148)</b>	<b>-</b>
Actuarial (losses) on defined benefit plans	16	(1,825)	(889)	(935)	105.2%
Income tax	11	251	173	77	44.6%
<b>Total items that will not subsequently be reclassified to the income statement</b>		<b>(1,574)</b>	<b>(716)</b>	<b>(858)</b>	<b>119.9%</b>
<b>Total other comprehensive income</b>		<b>(6,615)</b>	<b>391</b>	<b>(7,006)</b>	<b>-</b>
<b>Total comprehensive income</b>		<b>10,491</b>	<b>26,667</b>	<b>(16,176)</b>	<b>-60.7%</b>

## Consolidated statement of cash flows

In thousands of CHF	Note	2015	2014
Net income		17,106	26,277
Income tax	11	4,973	2,492
Depreciation and amortization	8/9	10,230	10,110
Interest expense/(income), net	22	1,024	1,190
Share-based payments	28	439	1,409
Losses on disposal of property, plant and equipment		7	86
Other non-cash expense/(income)		1,936	(268)
Change in provisions	15	102	1,395
Change in other working capital		7,724	(4,459)
Interest received		11	21
Taxes paid		(7,881)	(7,694)
<b>Net cash provided by operating activities</b>		<b>35,672</b>	<b>30,560</b>
Purchase price payment for acquisition of subsidiary	4	(8,190)	0
Purchases of property, plant and equipment	8	(11,371)	(9,388)
Purchases of intangible assets	9	(2,486)	(2,871)
Disposals of property, plant and equipment	8	72	179
<b>Net cash used in investing activities</b>		<b>(21,974)</b>	<b>(12,080)</b>
Proceeds from new debt	12	5,809	606
Repayment of debt	12	(4,270)	(12,124)
Interest paid		(745)	(1,233)
Distribution to shareholders of COMET Holding AG		(8,493)	(6,161)
<b>Net cash used in financing activities</b>		<b>(7,699)</b>	<b>(18,912)</b>
Net increase/(decrease) in cash and cash equivalents		5,999	(432)
Foreign currency translation differences on cash and cash equivalents		(261)	778
Cash and cash equivalents at January 1		18,559	18,214
<b>Net cash and cash equivalents at December 31</b>		<b>24,295</b>	<b>18,559</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	Retained earnings	Foreign currency translation differences	Total shareholders' equity
<b>December 31, 2013</b>	<b>7,701</b>	<b>57,854</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>118,518</b>	<b>(19,212)</b>	<b>159,768</b>
Net income			17,106		17,106
Other comprehensive income			(1,574)	(5,042)	(6,615)
<b>Total comprehensive income</b>			<b>15,533</b>	<b>(5,042)</b>	<b>10,491</b>
Distribution to shareholders of COMET Holding AG		(8,493)			(8,493)
Increase in capital (for stock compensation)	17	1,367	(1,358)		27
Share-based payments (to be transferred in 2016)			412		412
<b>December 31, 2015</b>	<b>7,738</b>	<b>45,615</b>	<b>133,105</b>	<b>(24,253)</b>	<b>162,205</b>

# Agenda

- 01 2015 annual report, separate financial statements and consolidated financial statements of COMET Holding AG with 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 2015.

- 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	<b>31.12.2015</b>	31.12.2014
Earnings brought forward	55 883	44 577
Net income for the year	9 327	11 306
<b>Retained earnings available for distribution</b>	<b>65 210</b>	<b>55 883</b>
<b>Earnings carried forward</b>	<b>65 210</b>	<b>55 883</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	<b>31.12.2015</b>	31.12.2014
Distributable paid-in capital brought forward	34 248	41 682
Additional paid-in capital from increase in capital stock	1 381	1 058
<b>Distributable paid-in capital reserve</b>	<b>35 629</b>	<b>42 740</b>
Repayment of CHF 11.00 per share from distributable paid-in capital for last fiscal year (prior year: CHF 11.00 per share)	-8 512	-8 493
<b>Distributable paid-in capital carried forward</b>	<b>27 117</b>	<b>34 248</b>
Number of shares entitled to receive distribution	773 801	772 066
Proposed distribution in CHF per share	11.00	11.00

If the proposal is approved, the net distribution of CHF 11.00 per entitled share will be paid on April 27, 2016.

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<b>03 Discharge of the members of the Board of Directors and Executive Committee</b>	The Board of Directors proposes to discharge its members and the members of the Executive Committee from liability for fiscal year 2015.
<b>04 Re-election to the Board of Directors</b>	The Board of Directors proposes the separate re-election of Board members Gian-Luca Bona, Lucas A. Grolimund, Hans Hess and Rolf Huber, for a further term of one year ending at the conclusion of the next Annual Shareholder Meeting. Hans Leonz Notter has decided not to stand for re-election. All other existing Board members have declared their willingness to accept a re-election to the Board of Directors.
<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 further term of one year.
<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 further term of one year.
<b>04.3 Re-election of Gian-Luca Bona to the Board</b>	The Board of Directors proposes the re-election of Dr. Gian-Luca Bona as a member of the Board for a further term of one year.
<b>04.4 Re-election of Lucas A. Grolimund to the Board</b>	The Board of Directors proposes the re-election of Lucas A. Grolimund as a member of the Board for a further term of one year.
<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 further term of one year.
<b>04.6 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 further term of one year.

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- 05 Election of new members to the Board of Directors**
- The Board of Directors strongly believes that the growing complexity of the COMET Group and its major market segments warrant an expansion of the Board by one member from 2016, in addition to replacing the retiring member of the Board. The Board deems it important both to maintain its expertise in commercial law, and to access additional expert knowledge relevant to the COMET Group's rapidly growing Plasma Control Technologies segment. Both proposed candidates have declared their willingness to accept an election to the Board of Directors.
- 05.1 Election of Mariel Hoch to the Board**
- The Board of Directors proposes the election of Dr. Mariel Hoch for a term of one year, to replace Hans Leonz Notter, who is not standing for re-election.
- Dr. Hoch, born 1973, is a Swiss citizen. She received her doctoral degree in law (Dr. iur.) from the University of Zurich in 2003 and was called to the bar in 2005. Mariel Hoch is a partner in the law firm Bär & Karrer AG in Zurich. She has specialized in business law since the beginning of her professional career and now advises primarily listed companies on almost all areas relevant to them, ranging from mergers and acquisitions to stock exchange and corporate law. The COMET Group will benefit from Dr. Hoch's knowledge and experience in legal matters.
- 05.2 Election of Mariel Hoch to the Compensation Committee**
- The Board of Directors proposes the election of Dr. Mariel Hoch as a member of the Compensation Committee of the Board for a term of one year. At Bär & Karrer, Mariel Hoch also deals with matters of personnel management. She will be able to bring this expertise to the Compensation Committee of COMET Holding AG.
- 05.3 Election of Franz Richter to the Board**
- The Board of Directors proposes the election of Dr. Franz Richter as an additional member of the Board for a term of one year.
- Franz Richter, born 1955, is a German citizen and obtained a PhD in engineering (Dr. Ing.) in 1990 from RWTH Aachen University. Following work as a researcher at the Carl Zeiss group and the Fraunhofer Institute for Laser Technology, he spent 14 years with German company Süss MicroTec, the last six years as CEO. After his time as President of Semiconductor Equipment at Unaxis (now OC Oerlikon) in Switzerland, he founded Thin Materials GmbH in Germany and led the company as CEO. Among his other current roles, he sits on the Board of Switzerland's Meyer Burger Technology AG in Thun. During his professional activities in various countries, he has specialized in technology management, particularly in the semiconductor industry, and today is regarded as a leading authority on this sector. For the COMET Group his extensive knowledge of plasma control technology and his wide international management experience will be valuable assets in addressing technical and application-oriented questions.
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- 06 Election of the independent proxy**
- The Board of Directors proposes the re-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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**07 Election of the statutory auditor** The Board of Directors proposes to engage Ernst & Young AG as the external auditor of COMET Holding AG for fiscal year 2016.

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**08 Amendments to the Bylaws** The Board of Directors proposes the approval of the recommended amendments to the Bylaws. The amendments to the Bylaws shall be decided upon in two separate votes.

**08.1 Authorized capital for purposes other than equity based compensation** The authorized capital for purposes other than equity-based compensation expired on April 18, 2015. A proposal to renew it was declined by the 2015 Annual Shareholder Meeting, for the primary reason that the amount proposed was slightly more than 20% of the capital stock at the time. The Board of Directors today is proposing the reintroduction of CHF 1,400,000.00 of authorized capital for purposes other than equity-based compensation; this amount is equivalent to 18% of the present capital stock. Under this proposal the Board of Directors will be authorized, at any time until April 21, 2018, to increase the capital stock by issuing up to a maximum of 140,000 fully payable registered shares with a par value of CHF 10.00 per share.

The Board of Directors thus proposes that the Annual Shareholder Meeting approve the reintroduction of section 3a para 1 of the Bylaws, with the following wording:

**Section 3a para 1 to 3 – Authorized capital for purposes other than equity-based compensation**

<sup>1</sup> The Board of Directors is authorized, at any time until April 21, 2018, to increase the capital stock by a maximum of CHF 1.4 million by issuing up to 140,000 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 pre-emptive rights and the nature of the contributions are determined by the Board of Directors.

<sup>2</sup> 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 any of the following purposes: to acquire companies via equity swaps; to finance the cash purchase of companies or parts of companies; to finance new investment projects of COMET Holding AG; or to provide 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.

<sup>3</sup> The acquisition of stock in a capital increase from authorized capital under section 3a of the Bylaws (that is, from authorized capital for purposes other than equity-based compensation), and any subsequent transfer of the stock, is subject to the restrictions under section 5 of the Bylaws.

If the reintroduction of authorized capital for purposes other than equity-based compensation is approved, the existing section 3a of the Bylaws on authorized capital for equity-based compensation (in German: "bedingtes Aktienkapital") will again become section 3b of the Bylaws.

**08.2 Amendment to section 15**

The Board of Directors proposes to repeal section 15 para 1 and to adopt it in the new wording presented below.

**Section 15 Organization**

Existing version: <sup>1</sup> The Board of Directors (the "Board") shall have three or more members.

New version: <sup>1</sup> The Board of Directors (the "Board") shall have five or more members. If one or more members of the Board resign during a term of office, the vacancies need not be filled until the next Shareholder Meeting if at least three Board members complete the regular term.

**09 Approval of the compensation of the Board of Directors and Executive Committee**

The Board of Directors proposes the approval of the compensation of the Board of Directors and Executive Committee.

**09.1 Approval of the compensation of the Board of Directors**

The Board of Directors proposes the approval of a maximum **aggregate amount of CHF 800,000** for the compensation of the Board of Directors for the coming term of office ending at the 2017 Annual Shareholder Meeting. The proposed increase of CHF 100,000 compared to the previous year reflects the proposed addition of a sixth Board member.

The aggregate amount is based on unchanged compensation of CHF 86,000 per Board member and CHF 172,000 for the Chairman of the Board. This represents a subtotal of CHF 602,000 for the Board of Directors (5 × CHF 86,000 plus 1 × CHF 172,000). As 25% of this is payable in stock, subject to a discount of 36% and a three-year holding period, the aggregate amount increases by a further CHF 84,648, to CHF 686,648. Added to this are social security contributions of approximately CHF 60,000, bringing the total, rounded amount to CHF 750,000. After also allowing for a small reserve, the Board of Directors therefore proposes a maximum aggregate amount of CHF 800,000 for the compensation of the Board.

**09.2 Approval of the fixed compensation of the Executive Committee**

For the fixed compensation of the Executive Committee for fiscal year 2017 (the next fiscal year), the Board of Directors proposes the approval of a maximum aggregate amount of CHF 3,400,000. 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.

This maximum aggregate amount is based on the maximum fixed compensation of CHF 2,900,000 for fiscal year 2016 approved at the 2015 Annual Shareholder Meeting, which in turn was based on the assumption of aggregate fixed base salaries of a maximum of CHF 2,000,000, contributions of about CHF 650,000 for pension, social security plans and insurance, as well as a reserve of 10%. In addition, under our compensation policy, a salary benchmarking is due for the Executive Committee members after three years, which may entail potential adjustments for individual members of the Executive Committee. As previously announced, the Executive Committee is being expanded by one member in the course of 2016 (bringing in Thomas Polzer as Chief Operating Officer). It has also been announced that Detlef Steck is taking over from Stefan Moll as President of the X-Ray Systems segment. Included in the proposed aggregate amount are the extra costs for assigning Detlef Steck to the position in Germany (such as tax equalization payments). A minor reserve is also included.

### **09.3 Approval of the variable compensation of the Executive Committee**

For the variable compensation of the Executive Committee for fiscal year 2015, the Board of Directors proposes the approval of a maximum aggregate amount of CHF 500,000.

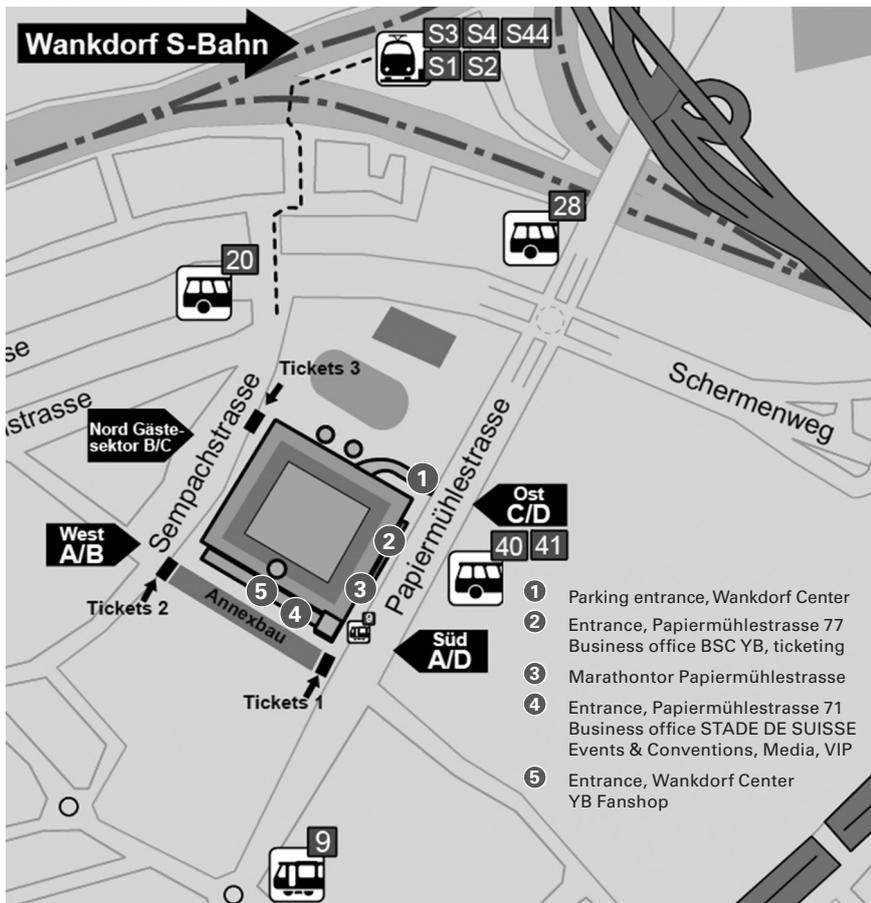
This consists primarily of variable cash compensation of CHF 183,664 and stock compensation of CHF 277,600 (see the compensation report within the annual report 2015). Also included are social security contributions of CHF 31,696, giving a subtotal of CHF 492,960 which is rounded up to a maximum aggregate amount of CHF 500,000. The price at which the stock is transferred to recipients is based on the average closing market price of the stock in the period between the annual results press conference and the Annual Shareholder Meeting. In the annual report 2016, the disclosure will be made at the market price at the grant date of the shares.

Flamatt, Switzerland, March 23, 2016

COMET Holding AG

Hans Hess  
Chairman of the Board of Directors

## Map and directions



**Stade de Suisse  
Bern-Wankdorf  
Business Center  
«Tor Raum»  
2<sup>nd</sup> floor  
Papiermühlestrasse 71  
3014 Bern, Switzerland  
Tel. 031 344 88 77  
[www.stadedesuisse.ch](http://www.stadedesuisse.ch)**

### By public transit from Bahnhof Bern railway station

Take tram line 9 to Wankdorf Center, bus line 20 to Wyler, or various trains to S-Bahn stop Wankdorf on the commuter rail system.

**Important note:** Bitte betreten Sie das Stadion am Eingang Papiermühlestrasse 71 (number 2 on the map) to enter the stadium, and take the elevator to the second floor.

### By car

- From Lausanne via A1 motorway: → Bern exit BEA-Expo → Wankdorf → "Zentrum" (center) → Einkaufszentrum (shopping center)
- From Basel/Zurich via A1 motorway: → Lucerne/Bern → A1/Bern → A6/Interlaken → Exit BEA-Expo → Wankdorf → "Zentrum" (center) → "Einkaufszentrum" (shopping center)
- From Interlaken via A6 motorway: → Thun → A6/Bern exit BEA-Expo → Wankdorf → "Zentrum" (center) → "Einkaufszentrum" (shopping center)
- Drive into the parking facility of the stadium/shopping center.

**Important:** The access to Papiermühlestrasse 71 is located in the back third of the parking garage and is marked with the word "VIP" and a large number "71". From here, take the elevator to the second floor.

## Vote easily online!

### Opening your shareholder account on eComm

Dear shareholder

We are happy that you have decided to in future cast your votes for the shareholder meeting of COMET Holding AG online. Simply visit our online portal to find out about the benefits of online voting in a number of easy steps.

After you have opened your shareholder account, you will receive information via e-mail about future general meetings.

Please note: If you already have a shareholder account with eComm, please log in via [www.ecomm-portal.com](http://www.ecomm-portal.com) using your user ID and the password you have selected and add this company to your portfolio.

### How to open your shareholder account at eComm:

- 01** Log in via the [www.ecomm-portal.com](http://www.ecomm-portal.com) website. Then click on the link „Register now“ to proceed to the next page.
- 02** You are then requested to enter your personal Unique Key. The Unique Key that you require to register can be found in your invitation. Please note that the Unique Key is only valid for a single use.
- 03** To register, then enter your personal details. The password should comprise at least 8 characters, including a mix of upper- and lowercase letters, at least one number and one or more of the following special characters (., ; ; @ + = ? ! / - \ \_ ( ) , \$ !). Confirm your entry with „proceed“.
- 04** You will now receive an activation e-mail from us sent to the e-mail address you specified. Please enter the e-mail activation code sent to you (8 characters) in the corresponding field on our website and confirm your entry by clicking „Confirm your mobile number“.
- 05** You will now receive an SMS in order to check your mobile phone number. Please enter the mobile phone activation code sent to you (6 characters) in the corresponding field on our website and confirm your entry by clicking „Confirm your mobile number“.
- 06** You are now registered on our system and your shareholder account is opened on eComm.
- 07** You can now log in to the eComm Portal at any time via the link shown, using your e-mail address and the personal password you selected.
- 08** After logging in, we will send you a one-time passcode on your mobile phone.
- 09** Please enter the code in the corresponding field and confirm by clicking on „Next“.
- 10** Accept the conditions of use (disclaimer) and click on „Confirm“.
- 11** In future, you will receive notifications of general meetings of COMET Holding AG via e-mail. However, you may deactivate your eComm shareholder account at any time in order to again receive invitations in paper form. In order to do so, send us a deactivation confirmation to the e-mail address specified below or to:

SIX SAG AG  
General meetings  
P.O. Box  
4601 Olten  
Switzerland

Should you have any questions, please contact us at [ServiceDesk@sisclear.com](mailto:ServiceDesk@sisclear.com) or between 7 am and 6 pm (CET) on our hotline number +41 58 399 4848.





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