

Invitation to the annual general meeting of shareholders of Zehnder Group AG

Date: Thursday, 28 March 2019, **4:30 p.m.**, registration from 3:30 p.m.
Shareholders and guests are cordially invited to an “Apéritif riche” after the annual general meeting.

Place: Zentrum Bärenmatte, Turnhalleweg 1, 5034 Suhr, Switzerland

Agenda

1. Presentation and approval of the operating and financial review of the Zehnder Group AG, the annual financial statements of the Zehnder Group AG and the consolidated financial statements

***Motion:** The Board of Directors proposes that the operating and financial review, the annual financial statements and the consolidated financial statements for 2018 be approved.*

2. Discharge of the members of the Board of Directors and the Executive Committee

***Motion:** The Board of Directors proposes that the members of the Board of Directors, as well as the members of the Executive Committee, be discharged for the financial year 2018 (by means of a single vote for all members of the Board of Directors and the Executive Committee).*

3. Resolution on the appropriation of the balance sheet profits

Net income for 2018 according to the income statement	CHF	20,428,449
+ retained earnings from previous year	CHF	327,452,714
Balance sheet profits	CHF	347,881,164

***Motion:** The Board of Directors proposes that earnings be appropriated as follows:*

<i>Payment of dividends</i>	<i>CHF</i>	<i>9,388,800</i>
<i>Carry-forward to a new account</i>	<i>CHF</i>	<i>338,492,364</i>
<i>Balance sheet profits</i>	<i>CHF</i>	<i>347,881,164</i>

Explanatory note: The long-term dividend policy of the Zehnder Group makes provision for 30 to 50% of the consolidated net income excluding minority interests to be paid out in dividends.

Ex-dividend date	Monday, 1 April 2019
Record date	Tuesday, 2 April 2019
Payment date	Wednesday, 3 April 2019

4. Approval of the total sum of future remuneration for the Board of Directors and the Executive Committee; advisory vote on the remuneration report for 2018

4.1 Remuneration for the Board of Directors

***Motion:** The Board of Directors proposes the approval of the total amount for the remuneration of the Board of Directors, consisting of 8 members, of a maximum of CHF 1,800,000 for the period of office until the next annual general meeting.*

Explanatory note: The total amount proposed is 25% lower than the total amount proposed at the 2018 annual general meeting for the previous year, as the annual remuneration of the Chairman of the Board of Directors will no longer include a component for executive functions as of 2019. The Board of Directors will be extended by 2 new members.

4.2 Remuneration for the Executive Committee

Motion: *The Board of Directors proposes the approval of the total amount for the remuneration of the Executive Committee, consisting of 5 members, of a maximum of CHF 5,000,000 for the financial year 2019.*

Explanatory note: The 35% increase in the total amount proposed compared to the previous year's proposal is due to the change in the Executive Committee and the introduction of a new long-term share-based compensation plan (LTI). The LTI is allocated in the form of Performance Share Units (PSUs). Details on the LTI can be found in the Compensation report 2018 on page 32 et seq. "6. Outlook". The allocation of PSUs is calculated on the basis of the fixed allocation amount and the share price at the time of allocation. For the total LTI amount, a maximum target achievement was assumed, which multiplies the target number of PSUs originally allocated by a maximum performance factor of 150% and does not consider any share price changes during the vesting period (period between allocation and final acquisition of rights).

4.3 Advisory vote on the remuneration report for 2018

Motion: *The Board of Directors proposes that the shareholders ratify the remuneration report for 2018 in an advisory vote.*

5. Elections

5.1 Re-elections to the Board of Directors and re-election of the Chairman

Motion: *The Board of Directors proposes that all existing members of the Board of Directors be re-elected, along with Hans-Peter Zehnder as Chairman of the Board of Directors for a term of office of 1 year, i.e. until conclusion of the next annual general meeting.*

5.1.1 *Re-election of Hans-Peter Zehnder as member and as chairman of the Board of Directors*

5.1.2 *Re-election of Thomas Benz*

5.1.3 *Re-election of Urs Buchmann*

5.1.4 *Re-election of Riet Cadonau*

5.1.5 *Re-election of Jörg Walther*

5.1.6 *Re-election of Milva Zehnder*

5.2 Elections to the Board of Directors

Proposal: *The Board of Directors proposes to elect Daniel Frutig and Ivo Wechsler as new members of the Board of Directors, each for a term of office of 1 year, i.e. until conclusion of the next annual general meeting.*

5.2.1 Election of Daniel Frutig

Daniel Frutig is Swiss, completed his studies in 1987 as an engineer in heating, ventilation and air-conditioning technology at the Lucerne University of Applied Sciences and Arts, received an MBA degree from the University of St. Gallen in 1994 and completed in 2004/2005 the Top Management Executive Program of INSEAD in Fontainebleau, France. He has extensive experience in leading international, private and listed companies as a board member, CEO and managing director. He currently serves as Chairman or Vice Chairman of listed and privately held public companies.

5.2.2 Election of Ivo Wechsler

Ivo Wechsler is Swiss and graduated from the University of St. Gallen with a degree in Business Administration in 1994. He has extensive management experience, particularly in the financial sector of listed companies. From 2001 to 2007, he ran the Corporate Controlling and from 2005 in addition the Treasury department of Ascom, the Swiss consortium of telecommunications equipment. He was the Head of Corporate Controlling at HUBER+SUHNER, a Swiss company that operates worldwide and specialises in components and system solutions for electrical and optical connector technology, from 2008 to 2010. He has been CFO of HUBER+SUHNER since April 2010.

5.3 Re-elections of the members of the Compensation Committee

Motion: *The Board of Directors proposes that Thomas Benz, Urs Buchmann and Riet Cadonau be re-elected as members of the Compensation Committee for a term of office of 1 year, i.e. until conclusion of the next annual general meeting.*

5.3.1 *Re-election of Thomas Benz*

5.3.2 *Re-election of Urs Buchmann*

5.3.3 *Re-election of Riet Cadonau*

5.4 Re-election of the independent proxy

Motion: *The Board of Directors proposes that Werner Schib, Attorney at Law and Notary, SwissLegal (Aarau), Jurastrasse 4, 5001 Aarau, be re-elected as the independent proxy for a term of office of 1 year, i.e. until conclusion of the next annual general meeting.*

5.5 Election of the auditor

Motion: *The Board of Directors proposes that PricewaterhouseCoopers AG, Lucerne, be elected as statutory auditor for the 2019 financial year.*

Documentation

The 2018 annual report (operating and financial review and financial statements), the 2018 consolidated financial statements, the auditors' reports and the motions tabled by the Board of Directors are available to the shareholders for inspection at the company's headquarters in Gränichen, Switzerland, where they can also be ordered (telephone +41 79 648 94 18). The annual report 2018 was published on 27 February 2019 and is available for the download at www.zehndergroup.com/en/investor-relations/reports-and-presentations.

Voting rights and access to the annual general meeting

Entitled to vote are shareholders who are registered at the share register of Zehnder Group AG by 13 March 2019, 17:00 a.m. CET. Registered shareholders will automatically receive the invitation to the annual general meeting together with the agenda.

Exercise of voting rights, representation/proxy

- **Holders of registered shares A** (hereinafter referred to as shareholders)
Shareholders can decide whether to attend in person, be represented or to participate electronically on votes and elections giving proxies and voting instructions to the independent representative.
 - *Participation in person*
Shareholders, who attend the meeting in person, send their completed application form to Computershare Schweiz AG (see included return envelope) not later than 22 March 2019. The admission card and voting material will then be sent to shareholders by post.
 - *Representation by a third party*
Shareholders, who wish to authorize a third party, send their completed application form to Computershare Schweiz AG (see included return envelope) not later than 22 March 2019. The admission card and voting material will then be sent directly to the third party. Legal representatives do not require authorization.
 - *Representation by the independent proxy Werner Schib, attorney at law and notary, SwissLegal, Aarau*
Shareholders, who wish to appoint the independent proxy, send their completed application form to Computershare Schweiz AG (see return envelope) not later than 22 March 2019. By signing the application form the independent proxy is authorised to vote in accordance with the motion made by the Board of Directors if no other written instructions are included (see reverse of the application form). This applies equally to the case that motions not listed in the invitation are also presented for vote.

– *Participation by electronic remote vote (ip.computershare.ch/zehnder)*

Shareholders may also participate in votes and elections using electronic remote vote by granting proxies and issuing instructions to the independent proxy, order their admission card online for a participation in person or appoint a third party for their representation. The log-in data required are sent to registered shareholders together with the invitation to the annual general meeting. Intent to participate electronically and/or any changes to instructions issued electronically must be received not later than Monday, 25 March 2019, at 11:59 p.m. CET.

- **Holders of registered shares B**, who do not participate in person, may be represented by another registered shareholder B only.

Shareholders who give written authorisation to be represented by the independent proxy or choose to exercise their right to participate in votes and elections by voting electronically thereby give up their right to attend the annual general meeting in person.

Right to place items to the agenda

Shareholders registered with voting rights who individually or collectively represent at least five percent of the share capital of the Company may request that an item be included on the agenda. The request for an item to be included on the agenda must be submitted in writing to the Chairman of the Board of Directors at least 45 days prior to the annual general meeting, stating the agenda item and the motions (Art. 13 Articles of Association). The date of the annual general meeting 2020 will be published in the annual report and on the company website under “Investor Relations / Calendar” (www.zehndergroup.com/en/investor-relations/events).

Zehnder Group AG

On behalf of the Board of Directors

Hans-Peter Zehnder

Gränichen, 6 March 2019

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