

Gurit Holding AG, Wattwil

Informal English Translation of the Invitation to the Ordinary Annual General Meeting of Shareholders

(The Invitation in German to the AGM is binding.)

Thursday, April 10, 2014, 4:30 p.m. CEST, at the **Hotel SEEDAMM PLAZA, Seedammstrasse 3, 8808 Pfäffikon SZ, Switzerland**

Agenda:

1. Approval of Annual Report, Financial Statements, Consolidated Financial Statements 2013
2. Decision on Appropriation of available earnings
3. Decision on Appropriation of reserves from capital contributions
4. Granting of Discharge to the Members of the Board of Directors and the Executive Committee for the financial year 2013
5. Elections
 - 5.1. Re-elections to the Board of Directors for the period until closing of the following Ordinary Annual General Meeting
 - 5.2. Election to the Board of Directors for the period until closing of the following Ordinary Annual General Meeting
 - 5.3. Election of Peter Leupp as Chairman of the Board of Directors for the period until closing of the following Ordinary Annual General Meeting
 - 5.4. Election of the members of the Compensation Committee for the period until closing of the following Ordinary Annual General Meeting
 - 5.5. Election of Mr. Jürg Luginbühl as independent proxy holder for the period until closing of the following Ordinary Annual General Meeting
 - 5.6. Re-election of PricewaterhouseCoopers AG, Zürich, as auditors for the period until closing of the following Ordinary Annual General Meeting
6. Amendment of the Articles of Association to adopt the provisions of the Ordinance against excessive remuneration in listed common stock companies
 - 6.1. General amendments to adopt the provisions of the Ordinance against excessive remuneration in listed common stock companies and to adopt certain other revisions of Swiss law
 - 6.2. Amendments concerning remuneration
 - 6.3. Additional amendments to adopt the provisions of article 12 of the Ordinance against excessive remuneration in listed common stock companies
7. Approval of the maximum total amount of fixed compensation for the Board of Directors
8. Approval of the maximum total amount of fixed compensation for the Executive Committee
9. Approval of the maximum total amount of performance based compensation of the Executive Committee

The Board of Directors has formulated the following proposals to the items on the Agenda:

1. **Approval of Annual Report, Financial Statements, Consolidated Financial Statements 2013**
The Board of Directors proposes to approve the Annual Report, the Financial Statements and the Consolidated Financial Statements for the year 2013.

2. **Appropriation of available earnings 2013**

The Board of Directors proposes to carry forward the available earnings 2013 of CHF 58'722'003.

Retained earnings carried forward from previous year	CHF 57'419'128
Net profit for 2013	CHF 1'302'892
Appropriation of reserves for treasury shares	CHF _____ -17
Available earnings 2013	<u>CHF 58'722'003</u>
To be carried forward	<u>CHF 58'722'003</u>

3. **Appropriation of reserves from capital contributions:**

The Board of Directors proposes to distribute (exempt from withholding tax) CHF 3'510'000 out of the free reserves from capital contributions of CHF 25'704'117 and to carry forward the residual amount of CHF 22'194'117.

Reserves from capital contributions carried forward from previous year	CHF 25'704'117
Distribution from reserves from capital contributions (CHF 7.50 per bearer share; CHF 1.50 per registered share)	CHF -3'510'000
To be carried forward	<u>CHF 22'194'117</u>

The following schedule has been determined for the distribution

Ex date: Monday, April 14, 2014
Record date: Wednesday, April 16, 2014
Payment date: Thursday, April 17, 2014

4. **Granting of Discharge to the Members of the Board of Directors and the Executive Committee for financial year 2013**

The Board of Directors proposes to grant all Members of the Board of Directors and the Executive Committee discharge for the financial year 2013.

5. **Elections (individually)**

5.1. **Re-elections to the Board of Directors for the period until closing of the following Ordinary Annual General Meeting**

The Board of Directors proposes to re-elect the following people for a one-year term of office for the period until the closing of the following Ordinary Annual General Meeting

- 5.1.1. Niklaus H. Huber
- 5.1.2. Urs Kaufmann
- 5.1.3. Peter Leupp
- 5.1.4. Peter Pauli

5.2. **Election to the Board of Directors for the period until closing of the following Ordinary Annual General Meeting**

The Board of Directors proposes to elect Stefan Breitenstein for a one-year term of office for the period until the closing of the following Ordinary Annual General Meeting.

5.3. **Election of Peter Leupp as Chairman of the Board of Directors for the period until closing of the following Ordinary Annual General Meeting**

The Board of Directors proposes to elect Peter Leupp as Chairman of the Board of Directors for a one-year term of office for the period until the closing of the following Ordinary Annual General Meeting.

5.4. **Election of the members of the Compensation Committee for the period until closing of the following Ordinary Annual General Meeting**

The Board of Directors proposes to elect the following people for a one-year term of office for the period until the closing of the following Ordinary Annual General Meeting.

- 5.4.1. Stefan Breitenstein
- 5.4.2. Niklaus H. Huber
- 5.4.3. Urs Kaufmann
- 5.4.4. Peter Leupp
- 5.4.5. Peter Pauli.

5.5. **Election of Jürg Luginbühl as independent proxy holder for the period until closing of the following Ordinary Annual General Meeting**

The Board of Directors proposes to elect Jürg Luginbühl as independent proxy holder for a one-year term of office for the period until the closing of the following Ordinary Annual General Meeting.

5.6. **Re-election of PricewaterhouseCoopers AG, Zürich, as auditors for the period until closing of the following Ordinary Annual General Meeting**

The Board of Directors proposes to re-elect PricewaterhouseCoopers AG, Zürich, as auditors for a one-year term of office for the period until the closing of the following Ordinary Annual General Meeting.

6. **Amendment of the Articles of Association to adopt the provisions of the Ordinance against excessive remuneration in listed common stock companies**

6.1. **General amendments to implement the provisions of the Ordinance against excessive remuneration in listed common stock companies and to adopt certain other revisions of Swiss law**

The Board of Directors proposes to amend (change, cancel or add to) §§ 10, 11, 12, 14, 15, 16, 17, 18, 19 and 23 of the Articles of Association as follows. The changes of the Articles of Association will only enter into force through their filing with the Cantonal Register of Commerce.

Proposed text	
§ 10 item 2	
2	No later than twenty days before the ordinary General Meeting, the annual report, the remuneration report and the auditors' report are made to the shareholders available for review at the registered office of the Company.
§ 11 Item 1, 2 and 3	
1	Each registered share or each bearer share represented at the General Meeting entitles to one vote. A shareholder may only be represented at the General Meeting by the Independent Proxy or by another shareholder who is attending the General Meeting.
2	The General Meeting elects each year an Independent Proxy. Its term of office ends as per the end of the following ordinary General Meeting. Re-election is possible. If the Company has no Independent Proxy, the Board of Directors appoints such Independent Proxy for the following General Meeting.
3	The Board of Directors determines the requirements for proxies and instructions based on the legal provisions and may adopt the

respective directives.
<p>§ 12 item 3 3 Important resolutions of the General Meeting in the sense of art. 704 CO (change of the purpose of the Company, issuance of voting shares, restrictions on transferability of registered shares, authorized or conditional capital increase, capital increase out of equity, by contribution in kind, for the purpose of acquisition of assets or by granting special benefits, restriction of preferential rights, change of registered office or dissolution of the Company) require a minimum of two thirds of votes represented and an absolute majority of the nominal share values represented.</p>
<p>§ 14 The General Meeting has the following non-transferable powers:</p> <ol style="list-style-type: none"> 1. Adoption and amendment of Articles of Incorporation 2. Election and removal of the Chairman and the other members of the Board of Directors and the Auditors 3. Election and removal of the members of the Compensation Committee 4. Election and removal of the Independent Proxy 5. Approval of the management report and the consolidated financial statements 6. Approval of the financial statements and resolution on the appropriation of retained earnings 7. Approval of compensations to the members of the Board of Directors and the Executive Committee 8. Discharge of the members of the Board of Directors 9. Resolution on matters reserved to the General Meeting by law or the Articles of Incorporation or which have been proposed by the Board of Directors.
<p>§ 15 The Board of Directors consists of a minimum of five members. The General Meeting elects each year the members of the Board of Directors individually. The term of office ends as per the end of the following ordinary General Meeting. Re-election is possible.</p>
<p>§ 16 item 1 and 2 1 The General Meeting elects one member of the Board of Directors as Chairman. Its term of office ends as per the end of the following ordinary General Meeting. Re-election is possible. If the Chairman's position is vacant, the Board of Directors appoints a new Chairman for the remaining term of office.</p> <p>2 The Board of Directors constitutes itself, except for the election of the Chairman and the members of the Compensation Committee. It may appoint a Vice-Chairman among its members. The Chairman calls a meeting of the Board of Directors as often as the business and the affairs of the Company require a meeting and whenever such meeting is requested in writing by one of its members.</p>
<p>§ 17 item 1 1 Subject to the paragraph below, to be valid resolutions by the Board of Directors require the presence of the majority of the members. In the event of a tie, the chairman of the meeting has the casting vote.</p>
<p>§ 18 item 1 and 2 1 The Board of Directors acts as the ultimate management of the Company and is responsible for the supervision and control of the Executive Committee. The Board of Directors represents the Company externally and is responsible for all matters which are not delegated by law, the Articles of Incorporation or any regulations to another corporate body or to the Executive Committee.</p> <p>2 The Board of Directors is authorized to fully or partially delegate the management of the Company to individual members of the Board of Directors or to any other natural person, who does not need to be a shareholder, in accordance with the Organizational Regulations of the Company. However, the Board of Directors is not authorized to delegate the ultimate management of the Company and the ultimate supervision of the persons entrusted with management as well as the adoption of the remuneration report and the remaining duties according to art. 716a CO. The Board of Directors adopts Organizational Regulations.</p>
<p>§ 20 The General Meeting elects each year for a term of one year one or several legal entities as Auditors in the sense of art. 727 et seq. CO.</p>

6.2. Amendments concerning remuneration

The Board of Directors proposes to amend the Articles of Association by adding the new §§ 19, 21, 22, 23, 24 and 25. The changes of the Articles of Association will only enter into force through their entry in the Cantonal Register of Commerce.

Proposed text
<p>§ 19 1 The Compensation Committee consists of one or more members of the Board of Directors. The General Meeting elects each year the members of the Compensation Committee individually. The term of office ends as per the end of the following ordinary General Meeting. Re-election is possible. Except for the election of the chairman of the Compensation Committee by the Board of Directors, the Compensation Committee constitutes itself.</p> <p>2 If a seat in the Compensation Committee is vacant, the Board of Directors appoints a new member for the remaining term of office.</p>

3 The Compensation Committee has the following powers and duties (principles):

1. Adoption and periodical review of Gurit Group's compensation principles for submission to the Board of Directors and, if appropriate, the implementation of such principals, in particular with respect to employee share option plans and success based compensation plans.
2. Preparation of all relevant decisions of the Board of Directors with respect to the compensation of members of the Board of Directors and the Executive Committee and submission of the respective proposals and recommendations to the Board of Directors.

4 The Board of Directors may assign to the Compensation Committee further duties with respect to compensation, human resources and any other area related thereto. The Board of Directors shall regulate the organization, mode of operation and reporting of the Compensation Committee in separate regulations.

5 The Board of Directors may consolidate the duties and competences of a compensation committee and a nomination committee in one committee.

IV. Compensation

§ 21

1 The members of the Board of Directors shall receive a fixed compensation which may consist of payments in cash and payments in shares, options and similar instruments allocated in accordance with an employee share option plan. The value of the number of allocated shares, options and similar instruments at the time of allocation may not exceed the compensation in cash.

2 The members of the Executive Committee may receive a fixed and a success based compensation. Such success based compensation of a member of the Executive Committee must not exceed the fixed compensation by more than 100%.

3 Compensation to members of the Board of Directors or the Executive Committee may be paid by the Company or by companies which are controlled by the former, provided that such compensation payments are consolidated on the level of the Company and taken into consideration for the approval of the maximum aggregate amount.

§22

The success based compensation depends on one part on the financial results and the success of the Company and on the other part on the level of achievement of performance goals. Such success based compensation may consist of short-term and long-term compensation elements and may depend on one or several performance criteria. Performance criteria can comprise personal goals, goals related to the Company and/or the Gurit Group, the market, other companies and comparable benchmarks taking into account the function and the level of responsibility of the individual member of the Board of Directors or the Executive Committee. The Board of Directors (or the Compensation Committee, respectively, if delegated to such committee) determines the applicable performance criteria, their relative weighting and level of achievement.

§23

If the compensation is paid in shares, options or similar instruments, the Board of Directors (or the Compensation Committee, respectively, if delegated to such committee) determines the conditions and requirements in one or several employee share option plans or regulations. Such plans or regulations may in particular regulate the date of allocation, fair valuation, practicable holding, vesting and exercise periods (including the fastening, reduction or cancellation of such periods in case of pre-defined events such as change of control or termination of an employment agreement), the maximum amount of shares and/or options to be allocated, any claw-back mechanism as well as any deductions in the allocation of shares or options. The value of the allocated shares, options or similar instruments at their allocation may, in general, not exceed the compensation in cash.

§ 24

1 The General Meeting votes on compensations as follows:

1. The Board of Directors proposes to the General Meeting each year the approval of a maximum aggregate amount for fixed compensations to the Board of Directors (in cash and in shares, options or similar instruments) for a term beginning at the end of the current General Meeting and ending at the end of the following ordinary General Meeting.
2. The Board of Directors proposes to the General Meeting each year the approval of a maximum aggregate amount for fixed compensations to the Executive Committee (in cash and in shares, options and similar instruments) for a term beginning on the 1st July after the current General Meeting and ending on 30 June of the following year.
3. The Board of Directors proposes to the General Meeting each year the approval of the maximum aggregate amount of success based compensations to the Executive Committee for a term beginning on 1st January and ending on 31 December of the year in which the current General Meeting takes place.

2 If the General Meeting declines to approve the maximum aggregate amount for compensations to the Board of Directors and/or the Executive Committee, the Board of Directors may submit a new proposal in the course of the same General Meeting or convene a new General Meeting.

§ 25

There exists an additional amount in the sense of art. 19 VegüV for members of the Executive Committee who are appointed after the approval of the respective maximum aggregate amount. The additional amount granted to a new Chief Executive Officer must not exceed the last approved aggregate amount of the fixed and success based compensation of the Executive Committee by more than 50 % and in case of the other members of the Executive Committee by no more than 30 %, respectively.

6.3. Additional amendments to implement the provisions of article 12 of the Ordinance against excessive remuneration in listed common stock companies

The Board of Directors proposes to amend the Articles of Association by adding the new §§ 26, 27 and 28. The changes of the Articles of Association will only enter into force through their entry in the Cantonal Register of Commerce.

Proposed Text
V. Employment and Mandate Agreements § 26 Fixed-term employment or mandate agreements with members of the Board of Directors or the Executive Committee must not exceed a maximum fixed term of one year. The notice period with respect to employment or mandate agreements with members of the Board of Directors or the Executive Committee with indefinite term is limited to a maximum of twelve months.
VI. Activities outside the Gurit Group § 27 1 A member of the Board of Directors may hold (a) a maximum of five mandates as member of the top governing or administrative body of other listed companies outside the Gurit Group, and (b) additionally a maximum of 20 mandates as member of the top governing or administrative body of non-listed legal entities outside the Gurit Group, provided that that the timely availability of the respective member permits such mandate. 2 A member of the Executive Committee may hold (a) a maximum of three mandates in listed legal entities outside the Gurit Group, and (b) ten mandates in non-listed legal entities outside the Gurit Group, provided that that the timely availability of the respective member permits such mandate and the Board of Directors has granted its prior consent thereto. 3 A member of the Board of Directors or the Executive Committee may in addition hold a maximum of five mandates in non-profit associations and foundations as well as pension funds outside the Gurit Group, provided that the timely availability of the respective member permits such mandate. 4 Mandates of a member of the Board of Directors or the Executive Committee in legal entities controlled by the Company or in legal entities which are controlling the Company and mandates which the respective member assumes in its capacity as member of the Board of Directors or the Executive Committee of the Company or on behalf of the Company or of legal entities controlled by the Company do not qualify as mandates outside the Gurit Group. 5 Mandates of a member of the Board of Directors or the Executive Committee in affiliated legal entities outside the Gurit Group as well as mandates which the respective member assumes in its capacity as member of the top governing or administrative body or the executive management of a legal entity outside the Gurit Group or on behalf of such legal entity or of a legal entity controlled by such legal entity qualify jointly as one mandate outside the Gurit Group. 6 Mandates in non-operative companies, domiciliary companies and trusts which a non-executive member of the Board of Directors of the Company assumes in connection with its main professional activity as trustee, attorney or advisor may be carried out without limitation, provided that the timely availability of the respective member permits such mandate.
VII. Loans, Credits and Pension Benefits § 28 1 Loans and credits granted by the Company to a member of the Board of Directors or the Executive Committee, and guarantees or other sureties by the Company for liabilities of a member of the Board of Directors or the Executive Committee must not exceed an amount of CHF 500,000. 2 Pension benefits to members of the Board of Directors and the Executive Committee are only paid in the framework of domestic and foreign pension plans and comparable plans of the Company and its group entities, respectively. The benefits to the insured person and the employer's contributions are based on the above mentioned plans and the relevant regulations, respectively.

Upon full or partial approval of the the motions proposed under item 6, the numbering and titles of the Articles of Association and the various provisions are to be adjusted.

Apart from these changes, the Articles of Association remain valid as before.

7. Approval of the maximum total amount of fixed compensation for the Board of Directors

The Board of Directors proposes to approve a maximum total amount of fixed compensation for the Board of Directors of CHF 720'000.- for the period from closing of the current Annual General Meeting until the next ordinary Annual General Meeting 2015.

8. Approval of the maximum total amount of fixed compensation for the Executive Committee

The Board of Directors proposes to approve a maximum total amount of fixed compensation for the Executive Committee of CHF 2'100'000.- for the period from July 1, 2014 to June 30, 2015.

9. Approval of the maximum total amount of performance based compensation of the Executive Committee

The Board of Directors proposes to approve a maximum total amount of performance based compensation for the Executive Committee of CHF 1'150'000.- for the period from January 1, 2014 to December 31, 2014.

Representation/Proxy:

According to §11 of the Articles of Association, a shareholder can be represented by a legal proxy or another shareholder.

In addition, shareholders can be represented by the independent proxy holder Dr Jürg Luginbühl, Vischer AG, Schützengasse 1, Postfach 1230, 8021 Zürich, as independent proxy holder as set forth in Art. 689c CO. Granting of proxy and written instructions may be submitted to the independent proxy holder by means of the instructions form by post or electronically via a platform for remote electronic voting.

Admission and voting cards as well as an instruction form or – alternatively a code to access the electronic platform for remote electronic granting of proxy and entering voting instructions – can be obtained until March 28, 2014 from UBS, Credit Suisse or directly from Gurit Services AG, Schaffhauserstrasse 339, 8050 Zürich (Fax +41 44 316-1569) by means of proving the legitimation of share ownership. Granting of proxy and instructions can be submitted to the independent proxy holder until April 4, 2014. Shareholders using the platform for remote electronic voting are no longer entitled to participate at the respective Annual General Meeting of Shareholders in person.

Documentation

The Annual Report 2013, including the Board of Directors' and Group Management's report, the financial statements and the consolidated financial statements as well as the reports of the auditors is available for inspection as of March 14, 2014, at the registered office of the Company. Additionally, the annual report is also available for inspection and download as a pdf file at <http://investors.gurit.com/publicationsdownloads.aspx>.

Registered Shareholders receive the invitation to the Ordinary Annual General Meeting directly by mail.

Wattwil, March 14, 2014

The Board of Directors