



SCHWEIZER
ELECTRONIC

SENSOR AND POWER PCB SOLUTIONS



Invitation to the Annual General Meeting 2018

Schramberg
ISIN: DE0005156236
WKN: 515 623

Schweizer Electronic Aktiengesellschaft

Schramberg

ISIN: DE0005156236

WKN: 515 623

INVITATION TO THE 29TH ANNUAL GENERAL MEETING

We hereby invite our shareholders to the
Annual General Meeting to be held

on Friday, 29 June 2018, at 10:00 a.m.

**at our company's premises,
Einsteinstrasse 10,
78713 Schramberg, Germany**



*[www.schweizer.ag/en/investor-relations/
shareholders-meeting.html](http://www.schweizer.ag/en/investor-relations/shareholders-meeting.html)*

AGENDA

1. Presentation of the adopted annual financial statements of Schweizer Electronic AG, the approved consolidated financial statements, the combined management report for Schweizer Electronic AG and the Group as of 31 December 2017, including the explanatory report of the Executive Board on the information pursuant to Sections 289a (1), 315a (1) of the German Commercial Code and the report of the Supervisory Board for the 2017 financial year

All the documents will be available at the offices of Schweizer Electronic AG, Einsteinstrasse 10, 78713 Schramberg, Germany, as well as the proposal of the Executive Board for the use of the net profit from the time the Annual General Meeting is convened until its end, and can be viewed there and downloaded from the company's website at

www.schweizer.ag/en/investor-relations/shareholders-meeting.html.

On request, these documents, which will also be available at the Annual General Meeting, will be sent to each shareholder immediately, free of charge.

The Supervisory Board has approved the annual financial statements and the consolidated financial statements. The annual financial statements are thus adopted. A resolution of the Annual General Meeting on this agenda item is therefore not required.

2. Resolution regarding the use of the net profit for the year

The Executive Board and Supervisory Board propose that the balance sheet profit of EUR 5,549,533.26 reported in the annual financial statements of Schweizer Electronic AG as of 31 December 2017 be used as follows:

Distribution of a dividend of EUR 0.30 per dividend-bearing share on 3,767,985 dividend-bearing shares	EUR	1,130,395.50
Profit carried forward	EUR	4,419,137.76
Balance-sheet profit	EUR	5,549,533.26

In accordance with Section 58 (4) Sentence 2 AktG [German Stock Corporation Act], the dividend claim is due on the third business day following the resolution of the Annual General Meeting, i.e. on Wednesday, 4 July 2018.

The proposal for the use of the net profit takes into account the 12,015 treasury shares currently held by the company and not entitled to dividends pursuant to Section 71b AktG. Should the number of no-par value shares entitled to dividend change before the Annual General Meeting, a proposal for the appropriation of net profit adjusted to the number of treasury shares on the day of the Annual General Meeting, at the same dividend amount of EUR 0.30 per no-par value share entitled to dividend, will be submitted to the Annual General Meeting and a proposal will be made to carry forward to the new account the amount of net profit not attributable to the dividend payment.

3. Resolution regarding approval of the activities of the Executive Board

The Supervisory Board and the Executive Board propose that formal approval be given to the actions of the members of the Executive Board in office in financial year 2017 for this financial year.

4. Resolution regarding approval of the activities of the Supervisory Board

The Supervisory Board and the Executive Board propose that formal approval be given to the actions of the members of the Supervisory Board in office in financial year 2017 for this financial year.

5. Election of the auditor and group auditor for the 2018 financial year and the auditor for any review of interim financial information

The Supervisory Board proposes that Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart, be appointed as the auditor and group auditor for the 2018 financial year and for any review of the condensed financial statements and interim management report contained in the half-year financial report as of 30 June 2018, as well as for any review of additional financial information during the year within

the meaning of Section 115 (7) WpHG, provided that such a review takes place before the next Annual General Meeting.

The Supervisory Board's proposal is free of undue influence by third parties. No arrangements were made that would have limited the options for selecting a particular auditor or audit firm to perform the audit.

Information on the company's website pursuant to Section 124a AktG

The information pursuant to Section 124a AktG on the Annual General Meeting can be found on the company's website at www.schweizer.ag/en/investor-relations/shareholders-meeting.html.

TOTAL NUMBER OF SHARES AND VOTING RIGHTS AT THE TIME THE ANNUAL GENERAL MEETING IS CONVENED

At the time the Annual General Meeting is convened, the share capital of Schweizer Electronic AG in the amount of EUR 9,664,053.86 is divided into 3,780,000 no-par value registered shares, each of which grants one vote. The total number of voting rights therefore amounts to 3,780,000. At the time the Annual General Meeting is convened, the company holds 12,015 treasury shares, which do not confer it any voting rights.

REQUIREMENTS FOR PARTICIPATION IN THE ANNUAL GENERAL MEETING AND THE EXERCISE OF VOTING RIGHTS

All shareholders who are entered in the company's share register and have registered for the Annual General Meeting by no later than **midnight (24:00) on Friday, 22 June 2018**, are entitled to participate in the Annual General Meeting and to exercise their voting rights in accordance with Article 15 (2) and (3) of the Articles of Association.

In relation to the company, only those persons who are entered as such in the share register are deemed shareholders pursuant to Section 67 (2) Sentence 1 AktG. Accordingly, the number of shares entered in the share register on the day of the Annual General Meeting is decisive for exercising participation and voting rights. For technical reasons, however, no changes to the share register will be made in the period from

00.00 on 23 June 2018 until the end of the Annual General Meeting. Therefore, the registration status of the share register on the day of the Annual General Meeting corresponds to the status as at the end of the closing day for registration. The technical record date is therefore **22 June 2018, midnight (24:00)**.

Registration for the Annual General Meeting does not constitute a restriction on the sale or disposal of the shares. Shareholders may therefore continue to freely dispose of their shares even after having registered for the Annual General Meeting. Even in the event of the complete or partial sale of the shareholding after registration for the Annual General Meeting, only the registration status of the share register on the day of the Annual General Meeting is decisive for the right to participate in the Annual General Meeting and to exercise voting rights. Since, in relation to the company, only those persons who are entered as such in the share register on the day of the Annual General Meeting are deemed to be shareholders, purchasers of shares whose transfer applications are received by the company after the technical record date may not exercise participation rights, voting rights and other rights arising from these shares, unless they are authorised to do so by the seller. Purchasers of shares in the company who have not yet been entered in the share register are therefore requested to submit transfer applications as soon as possible.

Registration for the Annual General Meeting must be made in writing to the company at

SCHWEIZER ELECTRONIC AG,
c/o Computershare Operations Center,
80249 Munich, Germany
Fax: +49 89 30903-74675
Email: anmeldestelle@computershare.de.

After registering in line with regulations, you can attend the Annual General Meeting in person and exercise your voting rights yourself. Shareholders entitled to participate in the Annual General Meeting and exercise their voting rights may exercise their voting rights at the Annual General Meeting not only themselves, but also through proxies, such as a bank, a shareholders' association or another person. Even in this case, registration in line with regulations for the Annual General Meeting is required in accordance with the above provisions. For details on the authorisation procedure and voting by proxy, please refer to the section below, "Procedure for voting by proxy".

If you intend to participate in the Annual General Meeting yourself or by proxy, please register early. This simplifies our task of organising the Annual General Meeting. After registration, all shareholders or their proxies will receive admission tickets. We wish to clarify that the admission ticket merely serves to facilitate the organisation of the Annual General Meeting and is not a prerequisite for participating in the Annual General Meeting and the exercise of voting rights in accordance with the law or the Articles of Association. Admission tickets to the Annual General Meeting will be sent by post.

PROCEDURE FOR VOTING BY PROXY

Shareholders entitled to participate in the Annual General Meeting who do not wish to exercise their voting rights at the Annual General Meeting themselves, but through a proxy, must issue the proxy with a power of attorney in line with regulations. This can be done either before or during the Annual General Meeting until the vote on the respective agenda item. The granting of the power of attorney may be declared to the proxy or to the company. The following must be taken into account:

If neither a bank, a shareholders' association nor any other legal entity treated as such in Section 135 AktG is to be authorised, the granting of the power of attorney, its revocation and proof of the power of attorney vis-à-vis the company must be in text form.

A form that can be used for granting a power of attorney (proxy form) will be sent to shareholders in the registration form and also together with the admission ticket, or it will be available for download from www.schweizer.ag/en/investor-relations/shareholders-meeting.html; it will also be sent to each shareholder immediately and free of charge on request. The request must be addressed to:

SCHWEIZER ELECTRONIC AG
c/o Computershare Operations Center
80249 Munich, Germany
Fax: +49 89 30903-74675
Email: anmeldestelle@computershare.de

The power of attorney may be granted using this proxy form or during the Annual General Meeting using the proxy form printed on the voting form or in any other appropriate form.

Proof of a power of attorney granted to the proxy may be furnished by the proxy by presenting the power of attorney at the admission control on the day of the Annual General Meeting. If the power of attorney is granted by declaration to the company, separate proof of the granting of the power of attorney is not required. The company provides the following address for granting a power of attorney to the company, revoking an existing power of attorney and sending proof of the power of attorney:

SCHWEIZER ELECTRONIC AG
c/o Computershare Operations Center
80249 Munich, Germany
Fax: +49 89 30903-74675
Email: anmeldestelle@computershare.de

If a bank, a shareholders' association or any other legal entity treated as such in Section 135 of the German Stock Corporation Act (AktG) is to be authorised, there is no text form requirement either under the law or under the company's Articles of Association. However, we wish to point out that in these cases the banks, shareholders' associations or any other legal entities treated as such to be authorised may require a special form of power of attorney, as they are obliged to verifiably record the power of attorney pursuant to Section 135 AktG. Shareholders who wish to authorise a bank, a shareholders' association or another legal entity treated as such in Section 135 AktG should therefore consult with them on a possible formal requirement for the power of attorney.

Shareholders may also be represented at the Annual General Meeting by the voting rights representative appointed by Schweizer Electronic AG. In this case, shareholders must also duly register for the Annual General Meeting. The voting rights representative must be given express instructions for exercising the voting rights on the resolution proposals submitted by the management for the individual agenda items. The voting rights representative is obliged to vote in accordance with the instructions given to them. The granting of power of attorney to the voting rights representative appointed by Schweizer Electronic AG, its revocation and any instructions issued to them must also be in text form. A form for the granting of a power of attorney and the issuing of instructions as well as further information will be sent to shareholders in the registration form. The form can also be down-

loaded from www.schweizer.ag/en/investor-relations/shareholders-meeting.html and will be sent immediately and free of charge to any shareholder upon request. The request must be addressed to:

SCHWEIZER ELECTRONIC AG
c/o Computershare Operations Center
80249 Munich, Germany
Fax: +49 89 30903-74675
Email: anmeldestelle@computershare.de

Powers of attorney and instructions to the company's voting rights representative can be issued at the above address prior to the Annual General Meeting. For organisational reasons, we ask shareholders to submit their powers of attorney and instructions in text form by **midnight (24:00) on Thursday, 28 June 2018**. Until then, such powers of attorney and instructions may also be revoked or amended at the above address.

In addition, we offer shareholders entitled to attend the Annual General Meeting and exercise their voting rights who attend the Annual General Meeting to authorise the voting rights representative bound by instructions to exercise their voting rights and to issue them with instructions at the Annual General Meeting until the vote on the respective agenda item in text form.

Please note that the voting rights representative does not accept any instructions to speak, to file objections to resolutions of the Annual General Meeting or to ask questions or motions and that they are also not available to vote on motions for which there are no proposals by the Executive Board and/or Supervisory Board that are not announced in this invitation or later.

If the shareholder authorises more than one person, the company is entitled, pursuant to Section 134 (3) Sentence 2 AktG and pursuant to Section 15 (5) Sentence 2 of the Articles of Association, to reject one or more of them.

A bank may only exercise the voting right for shares which it does not own but as the holder of which it is entered in the share register on the basis of an authorisation from the shareholder.

SHAREHOLDERS' RIGHTS PURSUANT TO SECTIONS 122 (2), 126 (1), 127, 131 (1) AKTG

In particular, shareholders are entitled to the following rights in the run-up to and at the Annual General Meeting:

MOTIONS FOR ADDITIONS TO THE AGENDA PURSUANT TO SECTION 122 (2) AKTG

Shareholders whose shares together amount to one-twentieth of the share capital (i.e. 189,000 shares) or the pro rata amount of EUR 500,000.00, may request that items be placed on the agenda and published pursuant to Section 122 (2) AktG. Each new item must be accompanied by reasons or a draft resolution. The request must be addressed in writing to the Executive Board and received by the company no later than **midnight (24:00) on Tuesday, 29 May 2018**. Please send such requests to the following address:

Schweizer Electronic AG
Executive Board
Einsteinstraße 10
78713 Schramberg, Germany

We will publish any supplementary motions received pursuant to Section 124 (1) AktG in good time, provided they meet the legal requirements.

COUNTERMOTIONS AND ELECTION PROPOSALS BY SHAREHOLDERS PURSUANT TO SECTIONS 126 (1), 127 AKTG

Pursuant to Section 126 (1) AktG, shareholders are entitled to submit countermotions to proposals of the Executive Board and Supervisory Board regarding a specific agenda item. Pursuant to Section 127 AktG, they are also entitled to submit proposals for the election of members of the Supervisory Board or auditors.

The company will submit countermotions within the meaning of Section 126 (1) AktG, including the name of the shareholder and any comments by the management, immediately upon receipt on the company's website at

www.schweizer.ag/en/investor-relations/shareholders-meeting.html

if the countermotion is received by the company at the following address no later than **midnight (24:00) on Thursday, 14 June 2018**, together with reasons:

Schweizer Electronic AG
Annual General Meeting
Einsteinstraße 10
78713 Schramberg, Germany
Fax: +49 7422 512 397
Email: ir@schweizer.ag

Countermotions addressed otherwise will not be considered.

The company is entitled to refrain from publishing a countermotion and reasons under the conditions specified in Section 126 (2) AktG, for example if the Executive Board would become liable to prosecution by making it available or if the countermotion would lead to a resolution of the Annual General Meeting that would be contrary to the law or the Articles of Association. The reasons for a countermotion need not be made available if they exceed 5,000 characters in total.

The right of each shareholder to submit countermotions to the various items on the agenda during the Annual General Meeting without prior notification to the company remains unaffected. We wish to point out that countermotions that have been submitted to the company in due time will only be considered at the Annual General Meeting if they are submitted orally there.

The above provisions shall apply mutatis mutandis to election nominations by shareholders pursuant to Section 127 AktG. However, shareholders need not provide reasons for election nominations and these may not be published, except in the cases specified in Section 126 (2) AktG, even if the election nomination does not meet the requirements of Section 127 Sentence 3 in conjunction with Sections 124 (3) Sentence 4 and 125 (1) Sentence 5 AktG.

SHAREHOLDERS' RIGHT TO INFORMATION PURSUANT TO SECTION 131 (1) AKTG

Pursuant to Section 131 (1) AktG, each shareholder is to be provided with information on the company's affairs by the Executive Board upon request at the Annual General Meeting, insofar as the informa-

tion is required for a proper assessment of an item on the agenda and there is no right to refuse to provide information. The duty to provide information also extends to the legal and business relations of the company with an affiliated company as well as to the situation of the group and the companies included in the consolidated financial statements. As a rule, requests for information are to be made orally during the debate at the Annual General Meeting without prior notice or other notification being required.

The Executive Board can only refrain from answering individual questions for the reasons stated in Section 131 (3) AktG, for example because, based on a prudent commercial assessment, the provision of the information may provide the company or an affiliated company with a considerable disadvantage or the Executive Board would be liable to prosecution by providing such information.

Pursuant to Article 16 (2) Sentences 2 and 3 of the Articles of Association, the Chair of the Annual General Meeting is authorised to reasonably limit the time allowed for shareholders to ask questions and speak. In particular, they are entitled to set an appropriate time frame at the beginning or during the course of the Annual General Meeting for the entire course of the Annual General Meeting, individual agenda items or for individual speeches and questions.

INFORMATION ON DATA PROTECTION

The company processes personal data (in particular surname and first name, address, email address, number of shares, share class, type of share ownership and number of the admission ticket; if applicable, surname, first name and address of a proxy nominated by the respective shareholder) on the basis of the applicable data protection laws in order to properly maintain the share register and to enable shareholders to participate in the Annual General Meeting and to exercise their rights at the Annual General Meeting. If this personal data is not provided by shareholders when registering for the Annual General Meeting, the custodian bank will transmit their personal data to Schweizer Electronic AG.

The processing of your personal data is mandatory for your participation in the Annual General Meeting. Schweizer Electronic AG is responsible for the processing. The legal basis for processing is – from 25 May 2018 – Art. 6 (1) Sentence 1 Letter c) of the General Data Protection Regulation (GDPR).

The service providers of Schweizer Electronic AG, who are commissioned by Schweizer Electronic AG for the purpose of organising the Annual General Meeting, only receive such personal data from Schweizer Electronic AG as are necessary for the execution of the commissioned service and process the data exclusively in accordance with the instructions of Schweizer Electronic AG. Schweizer Electronic AG stores personal data for a period of ten years, beginning at the end of the year in which the Annual General Meeting took place.

According to Chapter III of the GDPR, you have a right to information and correction as well as a right to data transmission at any time. Under certain conditions, you may also request restriction of the processing of your personal data or its deletion (for example if your personal data is processed unlawfully).

You also have a **right of objection** with regard to the processing of your personal data, insofar as the processing takes place on the basis of justified interests (Art. 6 (1) Sentence 1 Letter f) GDPR) and reasons arise from your particular situation which prevent such processing. If an objection is received, we will terminate the processing unless it serves overriding compelling interests worthy of protection on our part.

You can exercise the above rights vis-à-vis Schweizer Electronic AG free of charge via the email address

datenschutz@schweizer.ag

or via the following contact details:

Schweizer Electronic AG
Thomas Brüstle
Einsteinstraße 10
78713 Schramberg, Germany
Fax: +49 7422 512 399

In addition, you have a right of appeal to the data protection supervisory authorities pursuant to Art. 77 GDPR. The supervisory authority responsible for Schweizer Electronic AG is:

Landesbeauftragter für Datenschutz und Informationsfreiheit in Baden-Württemberg (State Commissioner for Data Protection and Freedom of Information in Baden-Württemberg)
Königstraße 10a
70173 Stuttgart, Germany
Phone: +49 711/615541-0
Fax: +49 711/615541-15
Email: poststelle@lfdi.bwl.de

Our Data Protection Officer can be reached at:

Schweizer Electronic AG
Thomas Brüstle
Einsteinstraße 10
78713 Schramberg, Germany
Email: datenschutz@schweizer.ag

Schramberg, May 2018

Schweizer Electronic AG with registered offices in Schramberg

The Executive Board

KEY FIGURES

	2017	2016	Change in %
SCHWEIZER Group (IFRS)			
Sales (EUR million)	120.9	116.1	4.2
Order book (EUR million)	181.5	158.4	14.6
Incoming orders (EUR million)	144.0	125.4	14.8
EBITDA (EUR million) ¹⁾	8.4	9.5	-11.4
EBITDA ratio (%)	7.0	8.2	
EBITDA before special effects	11.4 ⁶⁾	9.5	20.0
EBITDA ratio before special effects (%)	9.4 ⁶⁾	8.2	
EBIT (EUR million) ²⁾	0.3	1.8	-81.1
EBIT ratio (%)	0.3	1.6	
EBIT before special effects	3.3 ⁶⁾	1.8	83.3
EBIT ratio before special effects (%)	2.8 ⁶⁾	1.6	
Annual result (EUR million)	3.5	0.6	460.0
Annual result before special effects	2.5 ⁷⁾	0.6	316.7
EPS (EUR)	0.92	0.16	460.0
<hr/>			
Total assets (EUR million)	113.6	117.7	-3.5
Investments (EUR million)	3.6	9.0	-60.0
Equity (EUR million)	62.3	62.1 ⁵⁾	0.4
Equity ratio (%)	54.9	52.8 ⁵⁾	
Net gearing ratio (%)	-6.5	-1.5 ⁵⁾	
Working capital (EUR million)	22.1	20.2 ⁵⁾	9.3
Cash flow from operating activities (EUR million) ³⁾	4.6	6.5	-29.2
Employees (at year end) ⁴⁾	797	787	1.3

1) EBITDA: overall performance + other operating income ./. cost of materials ./. personnel expense ./. other operating expenses

2) EBIT: EBITDA ./. depreciation of tangible and intangible assets

3) IAS 7

4) Including temporary staff

5) adj. IAS 8

6) Special effects relate to provisions for litigation costs for ongoing lawsuits and special expenses in connection with the construction of a new plant in China

7) Special effects relate to 6) and the positive impact due to the financial result from the sale of Meiko Electronics shares

FINANCIAL CALENDAR

Date	Publication/event
29.06.2018	Annual general meeting
04.07.2018	Planned dividend payment date
10.08.2018	Half-yearly Financial Report as per 30/06/2018
09.11.2018	Report for the 3rd quarter 2018

Schweizer Electronic AG

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78713 Schramberg
Postfach 561
78707 Schramberg
Germany

www.schweizer.ag