



**INVITATION TO THE
ANNUAL GENERAL MEETING
OF DÄTWYLER HOLDING INC.**

Tuesday, 6 March 2018, 5 p.m.
Theater(uri) / Tellspielhaus,
Schuetzengasse 11, Altdorf, Switzerland



INVITATION

The shareholders of Dätwyler Holding AG, Altdorf, Uri, Switzerland, are hereby invited to attend the Annual General Meeting to be held on **Tuesday, 6 March 2018**, at **5 p.m.** (doors open at 4.15 p.m.) at the **theater(uri) Tellspielhaus**, Schuetzengasse 11, Altdorf, Switzerland.

Datwyler Group (www.datwyler.com)

The Datwyler Group is a focused industrial supplier with leading positions in global and regional market segments. With its technological leadership and customised solutions, the Group delivers added value to customers in the markets served. Datwyler concentrates on markets that offer opportunities to create more value and sustain profitable growth. The Sealing Solutions division is a leading supplier of custom sealing solutions to global market segments, such as the health care, automotive, civil engineering and consumer goods industries. The Technical Components division is one of Europe's foremost high-service distributors of maintenance, automation, electronic and ICT components and accessories. With a total of some 50 operating companies, sales in over 100 countries and more than 7'000 employees, the Datwyler Group generates annual revenue of some CHF 1'300 million. The Group has been listed on the SIX Swiss Exchange since 1986 (security number 3048677).

LETTER TO SHAREHOLDERS

Datwyler enjoys profitable growth and sharpens strategic priorities

Dear shareholders,

The Datwyler Group managed to accelerate profitable growth during 2017. Thanks to its leading positions in the two main segments of Health Care and Automotive, the Sealing Solutions division exceeded the growth achieved by those two markets. The Technical Components division managed to achieve encouraging revenue growth in the core business-to-business activity of online distribution, with an upward trend during the fourth quarter.

Further increase in operating profit and EBIT margin

In total, the Datwyler Group increased net revenue in 2017, compared with previous year, by 6.2% to CHF 1'291.4 million (previous year: CHF 1'215.8 million). Adjusted for positive currency and acquisition effects, the resulting organic revenue growth was 2.9%. The reported operating result (EBIT) was up by 11.3% to CHF 162.6 million (previous year: CHF 146.1 million). The reported EBIT margin increased to 12.6% (previous year: 12.0%). Before CHF 9.9 million in one-off costs (mainly related to the development of Distrelec's new enterprise hub in Manchester), adjusted EBIT climbed to CHF 172.5 million. This helped the adjusted EBIT margin to improve to 13.4% (previous year: 13.0%). The net result increased to CHF 123.7 million (previous year: reported CHF 57.6 million/adjusted CHF 116.9 million). Adjustments to deferred taxes had a positive impact on net result of CHF 8.5 million. In view of the sustained increase in profitability and given that prospects look promising, the Board of Directors is asking the Annual General Meeting to pay a cash dividend of CHF 3.00 per bearer share (previous year: CHF 2.20) and CHF 0.60 per registered share (previous year: 0.44), which represents an increase of 36.4%. This equates to a distribution ratio of 41.2% of the net result.

Strong foundations for turning changes into opportunities

Following successful portfolio management, focusing on growth markets and the international expansion over recent years, Datwyler now enjoys strong foundations. From this position of strength, we want to make ourselves fit for the future and succeed in exploiting the opportunities that ongoing changes will bring our way. And to this end, the Datwyler Group has sharpened its strategic priorities: as well as continuing to drive profitable growth, we also want to accelerate digitalisation and increase our agility.

Driving profitable growth

Datwyler will only be able to satisfy the requirements of customers, employees and wider society if it continues to grow as a business. And some of the main prerequisites for profitable growth are a sharpening of focus on market positions and segmentation of both markets and customers. Our innovation efforts and our offering strategies need to be even more closely aligned with current and future customer needs. In addition to organic growth, Datwyler is continuing to target acquisitions that will allow us to tap into new regions, technologies or market segments.

Accelerating digitalisation

Datwyler wants to be proactive in exploiting new possibilities and opportunities associated with digitalisation and turn these into a competitive advantage. For this purpose, we are investing around CHF 50 million over the next few years. In doing so, we are looking to increase the efficiency of business processes, improve data quality, increase IT security and create a strong and flexible platform for future digital applications. This will also allow future acquisitions to be integrated more quickly and easily. Examples of where the two divisions are focusing their efforts in the digital domain can be found in the relevant sections below.

Increasing agility

With markets and general conditions changing faster than ever, there is a need for speed, flexibility and adaptability. The Datwyler corporate value of «We are entrepreneurs» is exactly the vision required when it comes to developing an agile and innovative organisation. By delegating decision-making powers as close to the market as possible, we make it easy for our customers to do business with us. The idea is to make our organisation even more agile and exploit fast decisions and short response times as additional opportunities to stand out from the crowd. Our systematic talent management setup and Group-wide leadership programmes are both critical to raising awareness among our managers.

Sealing Solutions focusing on growth segments

Thanks to our focus on fast-growing market segments and leading global positions, we are able to accelerate profitable organic growth in the Sealing Solutions division by investing in expanded capacity for high-quality sealing components. Good examples of this are the new contract with Nespresso or the investments in the construction of a new Health Care plant in the USA and the

expansion of the existing Health Care plant in India. With this additional state-of-the-art production capacity, Datwyler is well positioned to benefit from the rapidly growing demand for high-quality components for pre-filled syringes and modern drug delivery systems. In the Automotive market segment, Datwyler is introducing a new production concept at its Swiss site known as «Lean-and-Clean». For the first time, we will be producing high-quality automotive components in clean rooms and thereby further increasing our competitiveness, particularly in terms of electromobility. In terms of digitalisation, the focus within the Sealing Solutions division is on Industry 4.0 in the form of automated, networked and intelligent production equipment, ongoing optimisation of processes and forward-looking maintenance. And in keeping with this approach, Datwyler is introducing a uniform production system at all its plants across three continents. This will help us, among other things, to respond quickly and with agility to the regional needs of our customers and thereby ensure the global capacity made available is of consistent quality. This gives us a distinct selling point in the market

Repositioning of online distribution

In the Technical Components division, we do a lot to sharpen our focus in terms of both market and customer segmentation. For example, Distrelec is generating potential for new growth by focusing increasingly on maintenance, automation and robotics. With a view to offering target customers added value, Distrelec is adapting its value proposition, optimising the online shops, employing specialists, promoting its RND house brand and optimising the range. With the new Distrelec enterprise hub in Manchester, we are exploiting the advantages associated with an agile organisation by managing products, procurement and marketing efficiently at a single site. The pleasing revenue growth in the core business-to-business activity of online distribution, with an upward trend during the fourth quarter, is giving us confidence. Through the accelerated international expansion of Reichelt, with the focus on business-to-business customers right across Europe, we are looking to promote profitable growth. At Nedis, we are implementing a comprehensive optimization program to halt the decline in revenue, increase efficiency and create a stronger presence in sales terms. In future, Datwyler intends to adopt a targeted approach in the context of online distribution when it comes to exploiting the possibilities of big data and artificial intelligence. We want to analyse and use the data of online customers in a way which allows us to offer them specific packages that are tailored to their needs and give them added value.

Reasons to be optimistic – target range for EBIT margin to be increased to 12% to 15%

Datwyler is confident the Group can accelerate the profitable growth path during 2018. In the Sealing Solutions division, we are expecting to enjoy profitable dynamic growth in 2018 too based on the positive market environment, the leading positions occupied, the healthy order book, the new Nespresso contract and the capacity levels available. The Technical Components division (which is mainly focused on Europe) should – with the economic climate looking favourable – manage in the new year to accelerate the revenue growth achieved in the fourth quarter of 2017 and continue to improve the EBIT margin. For 2018, we are aiming at Group level for revenue of between CHF 1'350 and CHF 1'400 million. For the second time in succession, we are increasing the target range for the EBIT margin, which will now rise to 12% to 15%. From the current perspective, there should not be any more one-off costs during 2018.

Changes on the Board of Directors and change of auditor

The Annual General Meeting to be held on 6 March 2018 will see Ernst Odermatt step down from the Board of Directors after 14 years for age-related reasons. To succeed him, Claude R. Cornaz is being recommended for election as a new member of the Board of Directors. Claude R. Cornaz (56 years old) is the CEO of the Vetropack Group, where he has spent 18 years driving sustainable development in a challenging environment. He is also a member of the family which owns the majority of shares. The Board of Directors will also be proposing that KPMG be appointed as the new auditor at the Annual General Meeting.

We are convinced that, by sharpening our strategic priorities, we will remain on track in future too in our drive to create added value for all stakeholders. We thank our employees for their great dedication and for their willingness to keep developing themselves and view changes as opportunities. Special thanks also to our customers and suppliers, some of who have backed our capacity for innovation for years or even decades. We thank our shareholders for the solidarity they show towards our business.

On behalf of the Board of Directors



Dr. Paul Hälg, Chairman

On behalf of the Executive Management



Dirk Lambrecht, CEO

AGENDA

1. Reporting on the financial year 2017

1.1 Approval of the State of the Company Report and the Company and Consolidated Financial Statements for 2017

Proposal

The Board of Directors proposes that shareholders approve the State of the Company Report, the Company Financial Statement and the Group Consolidated Financial Statement for 2017, taking note of the auditors' reports.

Notes

The full Annual Report will be available on the Datwyler website from 6 February 2018: www.datwyler.com > Investors > Publications > Annual Report. Dätwyler Holding Inc. has appointed PricewaterhouseCoopers AG, Zurich, as the statutory auditor. Notes regarding performance can be found in the letter to shareholders on pages 3 to 6 of this document.

1.2 Advisory Vote on the Remuneration Report 2017

Proposal

The Board of Directors proposes that shareholders endorse by an advisory (non-binding) vote the Remuneration Report 2017.

Notes

The remuneration report forms part of the Annual Report and will be available on the Datwyler website from 6 February 2018: www.datwyler.com > Investors > Publications > Annual Report. According to the report produced by the statutory auditor PricewaterhouseCoopers AG, Zurich, the remuneration report for the 2017 fiscal year is consistent with both the law and articles 14 to 16 of the Ordinance Against Excessive Remuneration in Listed Companies Limited by Shares (ERCO) (Annual Report, page 51). The remuneration report describes in detail the remuneration structures associated with the Board

of Directors and the Executive Management. Remuneration for members of the Board of Directors comprises a fixed fee and an award of a fixed number of Datwyler bearer shares. Remuneration for the Executive Management consists of a fixed base salary, a variable incentive, an award of a fixed number of Datwyler bearer shares and benefits such as a retirement pension, insurance and perquisites. For the 2017 fiscal year, total remuneration for the members of the Board of Directors amounted to CHF 2.4 million, while the total for members of the Executive Management was CHF 6.9 million. These total remuneration figures are around 22% and 10% respectively below the maximum total remuneration which the shareholders approved for the 2017 fiscal year at the 2016 Annual General Meeting. Due to the succession plan for the CEO, the Executive Management comprised an extra member for three months of the reporting year. The Datwyler Group's remuneration policy is compared against common standards for similar positions at comparable companies.

2. Appropriation of retained earnings 2017

Proposal

Proposal by the Board of Directors:

– Dividend of CHF 0.60 per registered share of CHF 0.01 each	CHF 13'200'000
– Dividend of CHF 3.00 per bearer share of CHF 0.05 each	<u>CHF 37'800'000</u>
– Balance forward	<u>CHF 574'418'454</u>
Total	CHF 625'418'454

Notes

The Datwyler Group achieved a net result of CHF 123.7 for 2017. The Board of Directors' proposal to pay a cash dividend of CHF 3.00 per bearer share (previous year CHF 2.20) and CHF 0.60 per registered share (previous year CHF 0.44) represents a 36.4% increase on the previous year. This reflects the sustained increase in profitability and the promising prospects enjoyed by the Datwyler Group. The total amount for distribution of CHF 51.0 million equates to a distribution ratio of 41.2% of the net result. The statutory auditor confirms in its report that the proposal regarding appropriation of retained earnings is consistent with both the law and the Articles of Association. Assuming the proposed appropriation of retained earnings is approved, the dividend will be paid free of charge with effect from 12 March 2018 after deduction of withholding tax at 35%. The ex-dividend date is Thursday, 8 March 2018.

3. Discharge of the members of the Board of Directors and of the Executive Board

Proposal

Proposal by the Board of Directors: Discharge of the members of the Board of Directors and of the Executive Board for their activities during the 2017 fiscal year.

Notes

The voting rights of members of the Board of Directors and the Executive Management and the voting rights represented by legal entities controlled by these persons are not recognised for the purpose of this vote.

4. Elections

4.1 Chairman and Members of the Board of Directors

4.1.1 Special meeting of holders of bearer shares to nominate a candidate to represent them on the Board of Directors

Proposal

The Board of Directors proposes to the special meeting of holders of bearer shares to nominate Jürg Fedier as candidate to represent them in the Board.

Notes

For each share category, there is a right to submit proposals regarding election of a representative on the Board of Directors. For this reason, a separate meeting of bearer shareholders is held – prior to any elections and pursuant to art. 709 para. 1 of the Swiss Code of Obligations – during which they can nominate the candidate to represent them on the Board of Directors. Only bearer shares carry voting rights for this nomination; registered shares carry no such rights. As recommended by the Board of Directors, Jürg Fedier (1955, Swiss) was appointed to the Board of Dätwyler Holding Inc. at the 2015 Annual General Meeting. He is Chairman of the Audit Committee and representative of the bearer shareholders. Since 2009, he serves as Chief Financial Officer of the world wide

operating and stock quoted Oerlikon Group. From 2007 to 2008 he acted as CFO of Ciba Group. Between 2006 and 2007, he was Head of Finance of Dow Europe and a Member of the Executive Board. From 2002 to 2006, Jürg Fedier served as Vice President Finance for Dow Chemical, Performance Chemicals, USA, between 2000 and 2002 as Global Business Finance Director for Dow Chemical, Thermosets. From 1978 to 2000, he filled several management positions with Dow Chemical in the USA and in Asia. Jürg Fedier is Director of the Ascom Holding Inc. He holds a Commercial Diploma from the College of Commerce in Zurich, Switzerland, and completed international executive management programs at the IMD, Switzerland, and the University of Michigan, USA.

4.1.2 Reelection of Dr. Paul Hälg as Member and Chairman of the Board of Directors

Proposal

Reelection of Dr. Paul Hälg as Member and Chairman of the Board of Directors until the adjournment of the next ordinary Annual General Meeting.

Notes

Paul Hälg (1954, Swiss) was appointed to the Board and Chairman of Dätwyler Holding Inc. at the 2017 Annual General Meeting. He is a member of the Audit Committee and a Director of Dätwyler Cabling Solutions AG, a sister company of publicly listed Dätwyler Holding Inc. From 2004 until the end of 2016 Paul Hälg had managed the Dätwyler Group as CEO. Before joining Dätwyler, he served on Forbo Group's Executive Board as Executive Vice President of Forbo Adhesives. From 1986 to 2001, he held a number of management positions with Gurit-Essex (Gurit-Heberlein Group), ultimately as CEO. In the five years prior to that, he worked for the Swiss Aluminium Group. Paul Hälg is Chairman of Sika Ltd. and Director of Sonceboz Automotive SA and Baumann Springs Ltd. He is also a member of the Foundation Board of the ETH Foundation and Swisscontact. He studied chemistry at the Swiss Federal Institute of Technology Zurich, graduating with a doctorate (DSc).

4.1.3 Reelection of Dr. Hanspeter Fässler as Member of the Board of Directors

Proposal

Reelection of Dr. Hanspeter Fässler as Member of the Board of Directors until the adjournment of the next ordinary Annual General Meeting.

Notes

Hanspeter Fässler (1956, Swiss) has been a Director of Dätwyler Holding Inc. since 2004. He is Deputy Chairman (since 2017), Chairman of the Remuneration Committee, and Chairman of the Board of Directors of Datwyler Cabling Solutions AG, a sister company of the publicly listed Dätwyler Holding Inc. He is also a member of the board of Axpo Holding AG and Hatebur Metalforming Equipment Ltd. As Executive Chairman of the robotics spinoff ANYbotics AG, he brings valuable digital competence to the Datwyler Board of Directors. Hanspeter Fässler held various national and international management positions within the ABB Group, including the position of Country Manager Switzerland. From 2006 to 2010 he was responsible for ABB's Mediterranean Region and Country Manager of ABB Italy. From 2010 until 2011 he was CEO of the Implenia Construction Services Group. He earned a doctorate specialising in mechatronics/robotics from the Swiss Federal Institute of Technology Zurich and also holds an Engineer's degree from Stanford University (USA).

4.1.4 Reelection of Dr. Gabi Huber as Member of the Board of Directors

Proposal

Reelection of Dr. Gabi Huber as Member of the Board of Directors until the adjournment of the next ordinary Annual General Meeting.

Notes

Gabi Huber (1956, CH) was appointed to the Board of Dätwyler Holding Inc. in 2013 and is a member of the Remuneration Committee and Chairwoman of the Board of Directors of Dätwyler Immobilien AG, a sister company of the publicly listed Dätwyler Holding Inc. Co-owner of the law firm of Bachmann & Huber in Altdorf, she has practised as an independent lawyer and notary public since 1982 and was certified as a mediator in 2006. She represented the Canton of Uri in the National Council from 2003 to 2015 and was the «FDP. The Liberals» parliamentary group leader from 2008 to 2015. Prior to her election to the National Council, Gabi Huber served as a member of the cantonal government and head of the Finance Department of the Canton of Uri from 1996 to 2004. From 2002 to 2004, she was president of the Uri cantonal executive. She is Vice Chairwoman of the Board of Directors of UBS Switzerland AG. Gabi Huber graduated 1980 from the University of Fribourg, completed a course of study at Columbia University, New York and did a doctorate in law 1990.

4.1.5 Reelection of Hanno Ulmer as Member of the Board of Directors

Proposal

Reelection of Hanno Ulmer as Member of the Board of Directors until the adjournment of the next ordinary Annual General Meeting.

Notes

Hanno Ulmer (1957, AT) was appointed to the Board of Dätwyler Holding Inc. at the 2015 Annual General Meeting. He is a member of the Remuneration Committee. He has served on the Executive Board of Doppelmayr Holding AG, the parent company of the world's leading ropeway manufacturer based in Austria, since 1994. Hanno Ulmer has held various finance and management positions within the Doppelmayr Group since 1976. He is also Chairman of Garaventa AG and of Ropetrans AG and a Supervisory Board member of Bank für Tirol und Vorarlberg AG. Hanno Ulmer holds an accounting diploma from WIFI Vorarlberg and completed university studies in export and international management.

4.1.6 Reelection of Zhiqiang Zhang as Member of the Board of Directors

Proposal

Reelection of Zhiqiang Zhang as Member of the Board of Directors until the adjournment of the next ordinary Annual General Meeting.

Notes

Zhiqiang Zhang (1961, CN) was appointed to the Board of Dätwyler Holding Inc. at the Annual General Meeting 2016. The Chinese national has been with the Swedish Sandvik Group since 2012 and is serving as China Country Manager and as Regional Holding Officer for the Asia Pacific region. From 2005 to 2012 he was President of Nokia Siemens Networks Greater China Region and from 1999 to 2005 he served as President of Siemens VDO Automotive China. Prior to that, Zhiqiang Zhang supported the development of the Chinese market since 1987 in various management positions at Siemens. Since 2005 he has been a member of the Board of Directors at the Georg Fischer Group. Zhiqiang Zhang holds a Bachelor of Sciences of Northern Jiatong University, Beijing (China) and an MBA of Queen's University, Kingston (Canada).

4.1.7 Election of Claude R. Cornaz as member of the Board of Directors

Proposal

Election of Zhiqiang Zhang as Member of the Board of Directors until the adjournment of the next ordinary Annual General Meeting.

Notes

Since early 2000, Claude R. Cornaz has been Delegate of the Board of Directors and CEO of the Vetropack Group, which generates annual revenue of some CHF 600 million and employs 3,200 people. The independent, listed, family-owned company has its registered office in Switzerland and is among the leading manufacturers of glass packaging for the European food and beverage industry. As a member of the family, which is the majority shareholder, 56-year-old Claude R. Cornaz has spent 18 years driving sustainable development at Vetropack. He will step down as CEO at the end of 2017 and will be nominated for election as Chairman of the Board at the 2018 Annual General Assembly. Claude Cornaz has a degree in mechanical engineering from the BWI Center for Industrial Management at ETH Zurich and he has served, amongst others, on the Board of Directors of the listed Bucher Industries Group since 2002.

4.1.8 Election of the candidate nominated by the special meeting of the holders of bearer shares as Member of the Board of Directors

Proposal

Election of the candidate nominated by the special meeting of the holders of bearer shares as Member of the Board of Directors until the adjournment of the next ordinary Annual General Meeting.

Notes

For each share category, there is a right to submit proposals regarding election of a representative on the Board of Directors. At the separate meeting of bearer shareholders, they duly nominate their candidate to represent them on the Board of Directors. Both share categories enjoy voting rights for the purpose of electing this candidate to the Board of Directors.

4.2 Members of the Remuneration Committee

4.2.1 Reelection of Dr. Hanspeter Fässler as Member of the Remuneration Committee

Proposal

Reelection of Dr. Hanspeter Fässler as Member of the Remuneration Committee until the adjournment of the next ordinary Annual General Meeting.

Notes

See 4.1.3 for a profile of Dr Hanspeter Fässler.

4.2.2 Reelection of Dr. Gabi Huber as Member of the Remuneration Committee

Proposal

Reelection of Dr. Gabi Huber as Member of the Remuneration Committee until the adjournment of the next ordinary Annual General Meeting.

Notes

See 4.1.4 for a profile of Dr Gabi Huber.

4.2.3 Election of Claude R. Cornaz as Member of the Remuneration Committee

Proposal

Election of Claude R. Cornaz as Member of the Remuneration Committee until the adjournment of the next ordinary Annual General Meeting.

Notes

See 4.1.7 for a profile of Claude R. Cornaz.

4.3 Auditors

Proposal

Election of KPMG, Zurich, as auditors for the financial year 2018.

Notes

In autumn 2017, Dätwyler Holding Inc. put the audit mandate out to tender. Following a detailed evaluation of numerous bids, the Board of Directors, at the recommendation of the Audit Committee, is proposing that KPMG be appointed as the new statutory auditor. KPMG has the requisite skills and experience to satisfy the requirements of a global industrial business.

4.4 Independent Proxy

Proposal

Election of Remo Baumann, lic. iur., lawyer, as Independent Proxy until the adjournment of the next ordinary Annual General Meeting following conclusion of the 2018 financial year.

Notes

Remo Baumann has confirmed to the Board of Directors that he meets the independence criteria to exercise the mandate.

5. Total remuneration to be paid to the Board of Directors and the Executive Board.

5.1 Approval of the total remuneration to be paid to the Board of Directors

Proposal

Proposal by the Board of Directors: Approval of a total sum of CHF 2'400'000 for remuneration of the Board of Directors for their service from the ordinary Annual General Meeting 2018 until the ordinary Annual General Meeting 2019, of which CHF 800'000 for cash remuneration plus CHF 1'600'000 for granting of Dätwyler Holding AG bearer shares.

Notes

According to art. 21b of the Articles of Association, the Annual General Meeting approves each year, for the period until the next Annual General Meeting, the Board of Directors' proposals regarding the maximum remuneration amounts for the Board of Directors. The remuneration system for the Board of Directors envisages all members receiving the same basic amount. Supplementary amounts are then considered: for chairmanship and vice-chairmanship, for chairmanship and membership of the Audit Committee and the Remuneration Committee, and also for representation of bearer shareholders. In addition to the fixed fee, each member of the Board of Directors is awarded a fixed number of Datwyler bearer shares, which are blocked for five years. From the 2018 fiscal year, any award of Datwyler bearer shares will now be based on a fixed monetary amount rather than a fixed number of shares. The fixed monetary amount is significantly lower than the value of the shares awarded in 2017. This is why the total remuneration amount proposed is also significantly down on the previous year. The remuneration report (page 42 of the Annual Report 2017) contains a detailed description of the remuneration structure for the Board of Directors. The Annual Report will be available on the Datwyler website from 6 February 2018: www.datwyler.com > Investors > Publications > Annual Report.

5.2 Approval of the total remuneration to be paid to the Executive Board

Proposal

Proposal by the Board of Directors: Approval of a total sum of CHF 8'800'000 for remuneration of the Executive Management for the fiscal year 2019, of which CHF 6'500'000 for cash remuneration (fixed base salary, variable incentive, benefits) plus CHF 2'300'000 for the maximum value at grant of the Performance Share Units awarded under the new long-term incentive plan.

Notes

According to art. 21c of the Articles of Association, the Annual General Meeting approves each year, for the next fiscal year, the Board of Directors' proposals regarding the maximum remuneration amounts for the Executive Management. The remuneration system for members of the Executive Management includes a fixed base salary in cash, a variable incentive and now, with effect from the 2018 fiscal year, a long-term incentive plan in the form of performance share units. This combined package makes it possible, to a large degree, to tailor individual remuneration to the results achieved by the respective division or by the Group as a whole. There is an upper limit for all variable remuneration components. The target value, based on 100% of the new long-term incentive plan, is roughly equivalent in value to the previous award of Datwyler bearer shares. For both the variable incentive and the long-term incentive plan, the performance of the Datwyler Group is compared against a selection of similar companies. In order to achieve the target of a 100% payment, the median value for the peer group must be achieved across both remuneration components. If all peer companies are beaten, the payment will be anything up to 200%. If all peer companies perform better, no payment will be made. It is highly unlikely that Datwyler will outperform all peer companies for both the variable incentive and the long-term incentive plan. The Board of Directors would, however, have to request the total remuneration amount for this theoretically possible scenario. The models for the variable incentive and for the long-term incentive plan are described in detail in the remuneration report on pages 43 and 49 of the Annual Report 2017. The Annual Report will be available on the Datwyler website from 6 February 2018: www.datwyler.com > Investors > Publications > Annual Report.

ORGANIZATIONAL INFORMATION

Documents

The Annual Report 2017, containing the State of the Company Report, the Company Financial Statement, the Group Consolidated Financial Statement and the auditors' reports, is available for inspection by shareholders at the Company's registered office at Gotthardstrasse 31, 6460 Altdorf, Switzerland, or may be accessed on the Company's website (www.datwyler.com > Investors > Publications).

Admission tickets

Bearer shareholders who wish to attend the General Meeting or to appoint a proxy may order admission tickets from their depository bank or by submitting a written blocking instruction from their depository bank to Segetis AG, Platz 4, 6093 Root D4, Switzerland (Tel: +41 41 541 9100, Fax: +41 41 541 9101, netvote@segetis.ch) by 2 March 2018. The bearer shares will remain deposited until the day after the General Meeting. Depository banks may also order admission tickets for their clients from Segetis AG, Platz 4, 6093 Root D4 (Tel: +41 41 541 9100, Fax: +41 41 541 9101, netvote@segetis.ch). After receiving the relevant materials, shareholders may choose to attend the General Meeting personally, to be represented or to grant proxy authorization and give instructions electronically to the Independent Proxy. Admission tickets will be delivered by 5 March 2018. No admission tickets will be issued on the day of the General Meeting.

Proxy Appointment

Shareholders may be represented by their legal representative or may appoint a proxy in writing. The Independent Proxy, Mr. Remo Baumann, Attorney, Partner at Muheim|Merz|Baumann, Bahnhofplatz 3, 6460 Altdorf, may also be appointed to vote on their behalf in accordance with Article 689c of the Swiss Code of Obligations. Please note that the written authorization for the Independent Proxy must be received by no later than 5 March 2018, 6 p.m. Unless otherwise instructed in writing, the Independent Proxy shall abstain from voting, in accordance with Art. 10 (2) of the Ordinance Against Excessive Compensation in Listed Companies Limited by Shares (ERCO) of 20 November 2013. This applies in the event that voting takes place on proposals that were not included on the invitation.

Electronic authorization and instructions for the Independent Proxy

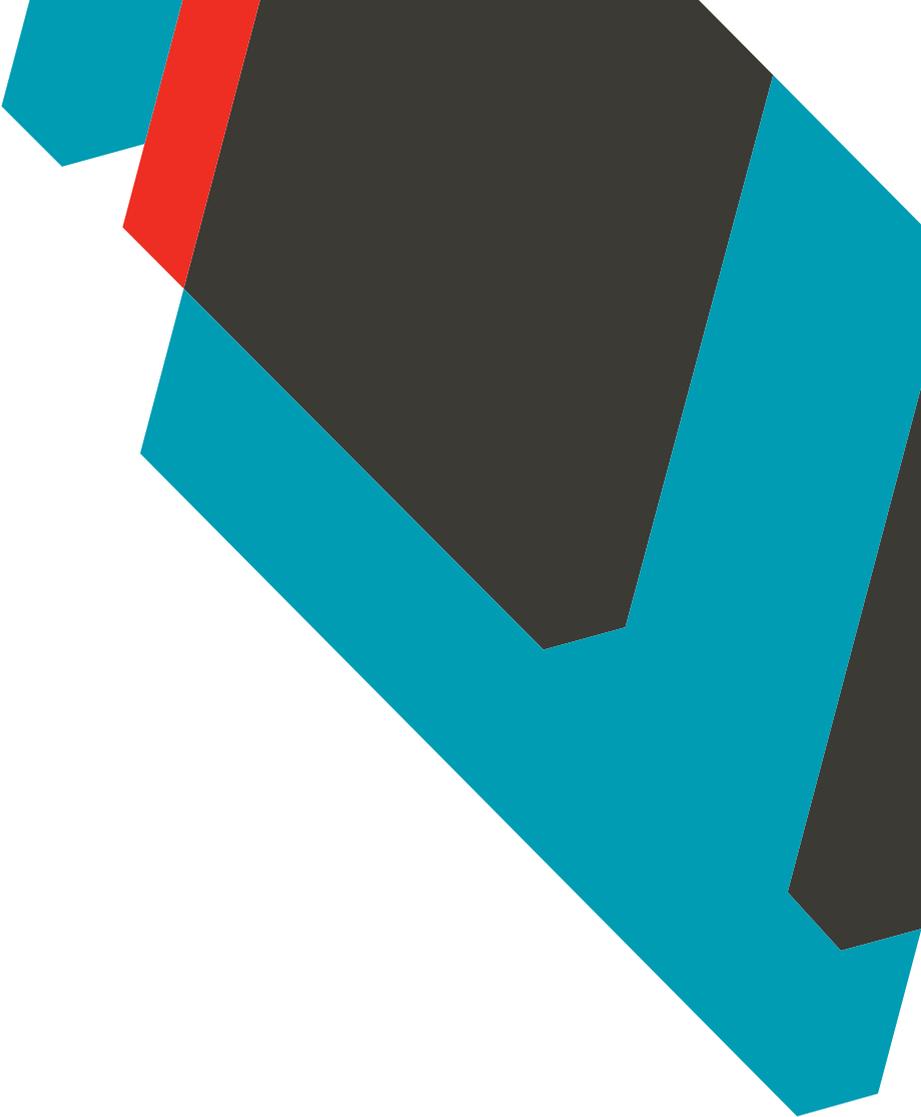
Authorization and instructions for the Independent Proxy may also be submitted electronically at www.netvote.ch/datwyler. Shareholders will receive the necessary login information with the materials for the General Meeting. Any electronic instructions or changes must be submitted by 6 p.m. at the latest on the day before the General Meeting.

Altdorf, 6 February 2018

Dätwyler Holding Inc.

On behalf of the Board of Directors

Chairman: Dr. Paul Hälgi



Dätwyler Holding Inc.

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