



Life Energy Motion

# Invitation

Annual General Meeting of Shareholders  
of LEM HOLDING SA

Thursday, 24 June 2021, at 14:30 (CEST)



2021

# Invitation to the Annual General Meeting of Shareholders 2021 of LEM HOLDING SA

LEM's Board of Directors is pleased to announce  
the Annual General Meeting of Shareholders 2021.

## **Date and time**

Thursday, 24 June 2021  
at 14:30 (CEST)

## **Place**

LEM HOLDING SA, chemin des Aulx 8, 1228 Plan-les-Ouates

## **Format**

Restricted, without the attendance of shareholders in person

## **Special Notice**

Based on Article 27 of the Ordinance 3 of the Swiss Federal Council of 19 June 2020 on Measures to Combat the Coronavirus, the Board of Directors regrettably had to decide to hold the Annual General Meeting of Shareholders 2021 of LEM HOLDING SA without the attendance of shareholders. Consequently, you are required to exercise your voting rights by instructing the Independent Representative.



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**Leading the world in  
electrical measurement,  
LEM engineers the best  
solutions for energy  
and mobility, ensuring  
that our customers'  
systems are optimized,  
reliable and safe.**

# Agenda and proposals

## 1 Reporting for financial year 2020/21

- Management report
- Consolidated financial statements of the LEM Group
- Annual financial statements of LEM HOLDING SA
- Compensation report
- Auditors' reports

### 1.1 Approval of the management report, the consolidated financial statements of the LEM Group, the annual financial statements of LEM HOLDING SA as at 31 March 2021

**Proposal:** The Board of Directors proposes that the management report, the consolidated financial statements of the LEM Group and the annual financial statements of LEM HOLDING SA be approved.

### 1.2 Consultative vote on the compensation report 2020/21

**Proposal:** The Board of Directors recommends that the compensation report as per pages 54 to 59 of the Financial Report be accepted (non-binding consultative vote).

**Explanation:** The compensation report contains the principles governing the compensation paid to the Board of Directors and the Executive Management and reports on the amounts paid to the members of both bodies for the financial year 2020/21.

## 2 Appropriation of available earnings and distribution

**Proposal:** The Board of Directors proposes that the total available earnings for the financial year 2020/21 of LEM HOLDING SA be allocated as follows:

in CHF thousands

Balance brought forward from previous financial year	67'884
Variation of treasury shares	(575)
Net profit of the financial year	57'520
<b>Total available earnings</b>	<b>124'829</b>
<b>Proposal of the Board of Directors</b>	
Ordinary dividend <sup>1</sup>	(47'880)
Balance to be carried forward	76'949

<sup>1</sup> Dividend-bearing shares are all shares issued except for treasury shares held by LEM HOLDING SA and its subsidiaries as of the record date. The amount of CHF 47'880 presented is calculated on the total number of shares issued as of 31 March 2021. If the total amount of the ordinary dividend is higher or lower, the difference will be balanced through the appropriation of the available earnings reserve.

**Explanation:** The Board of Directors proposes the distribution of an ordinary dividend of CHF 42 per share. Net of the Swiss withholding tax of 35%, this is an ordinary net cash dividend of CHF 27.3 per share. The shares will be traded ex-dividend as of 01 July 2021. The net dividend will be paid on 06 July 2021.

Shares held by LEM HOLDING SA or any of its subsidiaries are not entitled to dividends.

## 3 Discharge of the Board of Directors and the Executive Management

**Proposal:** The Board of Directors proposes that the members of the Board of Directors and the Executive Management be granted discharge for the financial year 2020/21.

## 4 Approval of the compensation of the Board of Directors

**Proposal:** The Board of Directors proposes that the shareholders approve a maximum aggregate amount of compensation of the members of the Board of Directors for the term of office from the Annual General Meeting 2021 until the Annual General Meeting 2022 of CHF 1'100'000.

**Explanation:** The proposed maximum aggregate amount of CHF 1'100'000 is composed of the following (non-binding) components:

- Gross fixed compensation of CHF 910'000 based on the gross Board of Directors membership fees (CHF 250'000 for the Chairman and CHF 80'000 for each member) and the Committee membership fees (CHF 40'000 for the Committee's chairman and CHF 20'000 for each member) for the six members of the Board of Directors' proposed re-election under agenda item 7 below. For further details on the compensation system of the Board of Directors, please refer to the compensation report 2020/21, pages 54 to 59 of the Financial Report; plus
- Related employer contributions to social security; plus
- Reserve amount, which allows for flexibility in the event of extraordinary events such as significant additional workload of all or certain members of the Board of Directors that requires additional compensation, including membership in ad hoc committees, or an increase in mandatory social security contributions due to a change of applicable contribution rates.

Members of the Board of Directors do not receive any variable compensation. The actual payout to the members of the Board of Directors for the term of office from the Annual General Meeting 2021 until the Annual General Meeting 2022 will be disclosed in the compensation report 2021/22.

## 5 Approval of the compensation of the Executive Management

The approval of the compensation of the members of the Executive Management is divided into three separate votes:

1. The first approval relates to the gross short-term variable compensation to be paid to the members of the Executive Management under the Leadership for Results (L4R) plan – short-term incentive for financial year 2020/21 (retrospective approval).
2. The second approval relates to the maximum gross long-term variable compensation to be granted to the members of the Executive Management under the Leadership for Results (L4R) plan – long-term incentive for financial year 2021/22 (prospective approval) to be paid out in July 2024.
3. The third approval relates to the maximum fixed compensation of the members of the Executive Management for the period from 1 October 2021 to 30 September 2022 (prospective approval).

### 5.1 Vote on the aggregate amount of short-term variable compensation of the Executive Management for financial year 2020/21

**Proposal:** The Board of Directors proposes that the shareholders approve an aggregate amount of short-term variable compensation of the members of the Executive Management for the preceding completed financial year 2020/21 of CHF 984'332.

**Explanation:** The proposed amount of CHF 984'332 is composed of the following components:

- Gross short-term variable compensation of the members of the Executive Management for the financial year 2020/21 of CHF 894'847; plus
- Related employer contributions to social security of CHF 89'485.

For further details, please refer to the compensation report 2020/21, pages 54 to 59 of the Financial Report.

### 5.2 Vote on the maximum aggregate amount of long-term variable compensation of the Executive Management for financial year 2021/22

**Proposal:** The Board of Directors proposes that the shareholders approve a maximum aggregate amount of long-term variable compensation to be granted to the members of the Executive Management for financial year 2021/22 of up to CHF 1'870'000.

**Explanation:** The proposed maximum amount of CHF 1'870'000 is composed of the following (non-binding) components:

- Maximum gross long-term variable compensation under the Leadership for Results (L4R) plan of the members of the Executive Management. This maximum amount assumes that all performance targets will be reached at the maximum possible level under the L4R LTI (Long-Term Incentive) plan rules of CHF 1'700'000; plus
- Estimated related employer contributions to social security of CHF 170'000.

The L4R LTI plan is an annual long-term incentive plan, which is based on the performance of LEM evaluated over a period of three consecutive fiscal years. The performance criterion is the cumulated economic value added (EVA) over these three fiscal years. For further details, please refer to the compensation report 2020/21, pages 54 to 59 of the Financial Report.

The actual payout to the members of the Executive Management for grants awarded during financial year 2021/22 will be disclosed in the compensation report 2023/24.

### 5.3 Vote on the maximum aggregate amount of fixed compensation of the Executive Management for the period from 1 October 2021 to 30 September 2022

**Proposal:** The Board of Directors proposes that the shareholders approve a maximum aggregate amount of fixed compensation for the members of the Executive Management for the period from 1 October 2021 to 30 September 2022 of up to CHF 2'600'000.

**Explanation:** The proposed maximum amount of CHF 2'600'000 is composed of the following (non-binding) components:

- Gross base salaries of the members of the Executive Management of CHF 2'160'000; plus
- Related employer contributions to social security and pension fund of CHF 440'000.

The actual payout to the members of the Executive Management for the period from 1 October 2021 to 30 September 2022 will be disclosed in the compensation reports 2021/22 and 2022/23, respectively.

## 6 Amendment to the Articles of Incorporation

**Proposal:** With the purpose of allowing more flexibility for the shareholders of LEM HOLDING SA in the election or re-election of members of the Board of Directors, while keeping such flexibility limited to justified exceptional cases, the Board of Directors proposes to amend the Article 17, last paragraph, of the Articles of Incorporation as follows:

### Old version

**Original version in French:** L'âge limite pour remplir la fonction de membre du conseil d'administration de la société est fixé à septante ans (70) révolus. Un membre du conseil d'administration ne peut ainsi être élu ou réélu s'il a déjà atteint cet âge limite au moment de son élection ou réélection.

**Free translation in English:** The age limit for exercising the function of member of the board of directors of the company is fixed at seventy years (70). Thus, a member of the board of directors may not be elected or re-elected if the age limit has already been reached at the time of election or re-election.

### New version

**Original version in French:** En règle générale, l'âge limite pour remplir la fonction de membre du conseil d'administration de la société est fixé à septante ans (70) révolus. Un membre du conseil d'administration ne peut ainsi généralement être élu ou réélu s'il a déjà atteint cet âge limite au moment de son élection ou réélection. Toutefois, il est possible de déroger à cette règle dans des cas exceptionnels et fondés.

**Free translation in English:** In general, the age limit for exercising the function of member of the board of directors of the company is fixed at seventy years (70). Thus, a member of the board of directors may generally not be elected or re-elected if the age limit has already been reached at the time of election or re-election. However, it is possible to derogate from this rule in justified exceptional cases.

## 7 Re-elections of members of the Board of Directors, re-election of the Chairman of the Board of Directors

**Proposal:** The Board of Directors proposes the re-election of

- Ilan Cohen as member
- Ulrich Jakob Looser as member
- Ueli Wampfler as member, subject to approval of agenda item 6
- Werner Carl Weber as member
- François Gabella as member
- Andreas Hürlimann as member and Chairman (one single vote)

to the Board of Directors for a term of office of one year extending until completion of the next Annual General Meeting.

Re-elections of the proposed nominees will be held individually.

**Explanation:** The mandates of all members of the Board of Directors will expire at the end of the Annual General Meeting of 24 June 2021.

Ueli Wampfler turned 70 during the preceding financial year. Considering the most valuable services provided by Ueli Wampfler to LEM as member of the Board of Directors and his wide knowledge of LEM's business and culture, the Board of Directors proposes Ueli Wampfler's re-election based on the new Article 17, last paragraph, of the Articles of Incorporation (subject to its approval by the shareholders under agenda item 6).

For further details on the nominees as well as their qualifications, see biographies in the corporate governance report 2020/21, pages 44 to 53 of the Financial Report.

## 8 Re-elections to the Nomination & Compensation Committee

**Proposal:** The Board of Directors proposes the re-election of

- Ulrich Jakob Looser
- Andreas Hürlimann

to the Nomination & Compensation Committee for a term of office of one year extending until completion of the next Annual General Meeting. In case of re-election, Ulrich Jakob Looser will be appointed as chairman of the Nomination & Compensation Committee.

Re-elections of the proposed nominees will be held individually.

## 9 Re-election of the Independent Representative

**Proposal:** The Board of Directors proposes the re-election of the law firm Hartmann Dreyer, Attorneys-at-law, Boulevard de Pérolles 7, 1701 Fribourg/Freiburg, Switzerland, as Independent Representative for a term of office of one year extending until completion of the next Annual General Meeting.

## 10 Re-election of the statutory auditors

**Proposal:** The Board of Directors proposes the re-election of Ernst & Young Ltd., Lancy, as statutory auditors for the financial year 2021/22.

# Organizational information

## Annual report

The annual report 2020/21 is available in two documents. The first is the Annual Review, which is effectively the management report on the year's performance. The second is the Financial Report, consisting of the consolidated financial statements of the LEM Group, the annual financial statements of LEM HOLDING SA, the compensation report, the corporate governance report and the reports of the statutory auditors. Both documents can be accessed on LEM's website <https://www.lem.com/en/investors> and select > Financial Reports. A hard copy of the Annual Review is sent to shareholders. A hard copy of the Financial Report is sent to shareholders upon request to LEM HOLDING SA, c/o areg.ch ag, Fabrikstrasse 10, 4614 Hägendorf, Switzerland. The full annual report is also available for inspection from 02 June 2021 at the registered office of LEM HOLDING SA, which is located at chemin des Aulx 8, 1228 Plan-les-Ouates, Switzerland. The annual report 2020/21 is only available in English.

## Voting entitlement

Those shareholders entered in the share register on 15 June 2021, 17:00 (CEST) are entitled to vote.

From 15 June 2021, 17:00 (CEST) up to and including 24 June 2021, no entries will be made in the share register which would create a right to vote at this year's Annual General Meeting. Shareholders who sell part or all of their shares before the Annual General Meeting are no longer entitled to vote to that extent.

## Proxies to the Independent Representative

Considering the evolution of the Coronavirus pandemic, shareholders are not permitted to attend the Annual General Meeting 2021 of LEM HOLDING SA in person. Shareholder voting rights can exclusively be exercised through the Independent Representative, Hartmann Dreyer, Attorneys-at-law, Boulevard de Pérolles 7, P.O. Box 736, 1701 Fribourg/Freiburg, Switzerland. No entry cards may be ordered and admission to the Annual General Meeting in person will not be granted.

## Written proxies and voting instructions

The enclosed registration form may be used as power of attorney to the Independent Representative and for voting instructions. Both have to be returned by enclosed envelope not later than 18 June 2021 to LEM HOLDING SA, c/o areg.ch ag, Fabrikstrasse 10, 4614 Hägendorf, Switzerland.

To the extent you do not provide specific instructions to the Independent Representative, you instruct the Independent Representative to vote your shares in favor of the proposals of the Board of Directors with respect to the items listed on the agenda. The same shall apply for additional or alternative proposals to the agenda items included in this invitation and for new agenda items.

## Electronic proxies and voting instructions

Alternatively, shareholders have the possibility to cast their votes by issuing electronic proxies and voting instructions to the Independent Representative via Netvote: [www.netvote.ch/lem](http://www.netvote.ch/lem). Shareholders may provide or change any voting instructions they have communicated electronically until but not later than 18 June 2021 at 23:59 (CEST). The e-voting fact sheet and requisite login data are part of the enclosed meeting materials supplied to the shareholders.

## **Correspondence**

We kindly request that shareholders submit any correspondence in connection with the Annual General Meeting by priority mail to LEM HOLDING SA, c/o areg.ch ag, Fabrikstrasse 10, 4614 Hägendorf, Switzerland.

## **Invitation**

This invitation will be published in the Swiss Commercial Gazette on 02 June 2021.

Plan-les-Ouates, 19 May 2021

On behalf of the Board of Directors of LEM HOLDING SA

Andreas Hürlimann,  
Chairman of the Board of Directors

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