



Life Energy Motion

Invitation

Annual General Meeting of Shareholders
of LEM HOLDING SA

Thursday, 29 June 2023, at 15:30 (CEST)

HP/Hive Innovation Lab, Meyrin,
Switzerland



2023

Invitation to the Annual General Meeting of Shareholders 2023 of LEM HOLDING SA

LEM's Board of Directors is pleased to invite you to the Annual General Meeting of Shareholders 2023.

Date and time

Thursday, 29 June 2023
at 15:30 (CEST)
doors open at 15:00 (CEST)

Place

HP/Hive Innovation Lab
Route du Nant-d'Avril 150, 1217 Meyrin, Switzerland

Public transportation

From Geneva, Cornavin: Take the train #L5 (direction La Plaine) and stop at Zimeysa. Then, take the bus #57 (direction Geneva-Airport) and exit at the bus stop Satigny, Nant-d'Avril. Walk about 1 minute, the HP/Hive Innovation Lab is across the street.

If taking a taxi from Geneva, Cornavin, please allow for about 20 minutes journey time.

From Geneva Airport: Take the bus #56 (direction Meyrin, Hôpital de La Tour) or bus #57 (direction Zimeysa, gare) and exit at the bus stop Satigny, Nant-d'Avril. Walk about 1 minute, the HP/Hive Innovation Lab is across the street.

If taking a taxi from Geneva Airport, please allow for about 10 minutes journey time.

Car parking

Car parking is available at the HP/Hive Innovation Lab, Route du Nant-d'Avril 150, 1217 Meyrin.

life energy motion



Our new headquarters in Meyrin, Geneva, and our celebrations of LEM's 50th year as a company there in November 2022 were full of positive energy and inspiration for the future. LEM stakeholders – talents, investors, customers, partners, and shareholders – can see and feel transformation underway. We are proud to report record performance again this year.

Behind the numbers, the new premises, and stellar events are LEM people. Skilled individuals with a strong sense of resolve keep our company improving and growing. Although at times over the past year, the pandemic and component constraints depleted our energy and disrupted our plans, LEM people persevered by remaining strong, caring, and positive.

The electronic sensor industry is changing fast, being shaped by continuous technological breakthroughs. The rapid rise in the electrification of the world is driving change faster than ever before. We are focused and moving fast to capture growth opportunities in all of our markets, pursuing our purpose: to help our customers and society accelerate the transition to a sustainable future.

Agenda and proposals

1 Reporting for the financial year 2022/23

- 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, and the annual financial statements of LEM HOLDING SA as of 31 March 2023

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.

Explanation: Pursuant to Article 698 para. 2 nr. 3 and 4 of the Swiss Code of Obligations (CO) and our Articles of Incorporation, the Annual General Meeting is responsible for approving the management report, the consolidated financial statements and the annual financial statements.

1.2 Consultative vote on the compensation report 2022/23

Proposal: The Board of Directors recommends that the compensation report 2022/23 as included in the Financial Report be accepted (non-binding consultative vote).

Explanation: Pursuant to Article 735 para. 3 nr. 4 CO, the Board of Directors submits the compensation report 2022/23 to a consultative vote of the shareholders. 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 corporate bodies for the financial year 2022/23.

2 Appropriation of available earnings and distribution

Proposal: The Board of Directors proposes that the total available earnings for the financial year 2022/23 of LEM HOLDING SA be allocated as follows:

in CHF thousands

Balance brought forward from the previous financial year	338'436
Variation of treasury shares	(91)
Net profit of the financial year	33'948
Total available earnings	372'293
Proposal of the Board of Directors	
Ordinary dividend ¹	(59'280)
Balance to be carried forward	313'013

Explanation: Pursuant to Article 698 para. 2 nr. 4 CO and our Articles of Incorporation, the Annual General Meeting is responsible for approving the appropriation of retained earnings. The Board of Directors proposes the distribution of an ordinary dividend of CHF 52 per share. Net of the Swiss withholding tax of 35%, this is an ordinary net cash dividend of CHF 33.8 per share. The shares will be traded ex-dividend as of 4 July 2023. The net dividend is expected to be paid on 6 July 2023.

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

Proposal: The Board of Directors proposes that the members of the Board of Directors and of the Executive Management be granted discharge for the financial year 2022/23.

Explanation: Pursuant to Article 698 para. 2 nr. 7 CO and our Articles of Incorporation, the Annual General Meeting is responsible for granting the discharge.

¹ 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 59.28 million is calculated on the total number of shares issued as of 31 March 2023. 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.

4 Approval of the compensation of the Board of Directors

Proposal: The Board of Directors proposes that a maximum aggregate amount of compensation of the members of the Board of Directors for the term of office from the Annual General Meeting 2023 until the Annual General Meeting 2024 of CHF 1'400'000 be approved.

Explanation: Pursuant to Article 698 para. 3 nr. 4 CO and our Articles of Incorporation, the Annual General Meeting votes on the compensation of the Board of Directors. Each year, the Board of Directors submits to the Annual General Meeting for approval the aggregate maximum amount of compensation for the Board of Directors for the term of office until the next Annual General Meeting.

The proposed maximum aggregate amount of CHF 1'400'000 is composed of the following (non-binding) components:

- Fixed compensation of CHF 1'020'000 based on the gross Board of Directors membership fees (CHF 280'000 for the Chairman and CHF 100'000 for each member) and the gross 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 for re-election under agenda item 6 below. For further details on the compensation system of the Board of Directors, please refer to the compensation report 2022/23 in 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 2023 until the Annual General Meeting 2024 will be disclosed in the compensation report 2023/24.

5 Approval of the compensation of the Executive Management

Explanation: Pursuant to Article 698 para. 3 nr. 4 CO and our Articles of Incorporation, the Annual General Meeting votes on the compensation of the Executive Management. Each year, the Board of Directors submits to the Annual General Meeting for approval the compensation of the members of the Executive Management in 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 the financial year 2022/23 (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 the financial year 2023/24 (prospective approval) to be paid out in July 2026.
3. The third approval relates to the maximum fixed compensation of the members of the Executive Management for the period from 1 October 2023 to 30 September 2024 (prospective approval).

5.1 Vote on the aggregate amount of short-term variable compensation of the Executive Management for the financial year 2022/23

Proposal: The Board of Directors proposes that an aggregate amount of short-term variable compensation of the members of the Executive Management for the preceding completed financial year 2022/23 of CHF 1'175'255 be approved.

Explanation: The proposed amount of CHF 1'175'255 is composed of the following components:

- Gross short-term variable compensation of the members of the Executive Management for the financial year 2022/23 of CHF 1'068'414; plus
- Related employer contributions to social security of CHF 106'841.

For further details, please refer to the compensation report 2022/23 in the Financial Report.

5.2 Vote on the maximum aggregate amount of long-term variable compensation of the Executive Management for the financial year 2023/24

Proposal: The Board of Directors proposes that a maximum aggregate amount of long-term variable compensation to be granted to the members of the Executive Management for the financial year 2023/24 of up to CHF 3'300'000 be approved.

Explanation: The proposed maximum amount of CHF 3'300'000 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 3'000'000; plus
- Estimated related employer contributions to social security of CHF 300'000.

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.

As of the financial year 2022/23, the current cash-based L4R LTI has been replaced by a share-based Performance Share Unit (PSU) plan. Members of the Executive Management receive an annual PSU award, which vests in LEM shares upon completion of a three-year plan cycle. The number of LEM shares obtained per PSU can thereby vary between 0% and 200% of the award, subject to continuous employment and depending on the achievement of pre-agreed performance conditions. Further, forfeiture rules in case of exit and the current claw-back regulations will continue to apply.

The performance criteria are the cumulated Economic Value Added (EVA), the absolute shareholder return, and the relative shareholder return over these three fiscal years.

The actual payout to the members of the Executive Management for grants awarded during the financial year 2023/24 will be disclosed in the compensation report 2025/26.

For further details, please refer to the compensation report 2022/23 in the Financial Report.

5.3 Vote on the maximum aggregate amount of fixed compensation of the Executive Management for the period from 1 October 2023 to 30 September 2024

Proposal: The Board of Directors proposes that a maximum aggregate amount of fixed compensation for the members of the Executive Management for the period from 1 October 2023 to 30 September 2024 of up to CHF 3'937'000 be approved.

Explanation: The proposed maximum amount of CHF 3'937'000 is composed of the following (non-binding) components:

- Gross base salaries of the members of the Executive Management of CHF 3'175'000; plus
- Related employer contributions to social security and pension fund of CHF 762'000.

The actual payout to the members of the Executive Management for the period from 1 October 2023 to 30 September 2024 will be disclosed in the compensation reports 2023/24 and 2024/25, respectively.

6 Re-elections of the 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

- Cohen Ilan as member
- Gabella François as member
- Hürlimann Andreas as member and Chairman (one single vote)
- Looser Ulrich Jakob as member
- Wampfler Ueli as member
- Weber Werner Carl as member

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

Explanation: Pursuant to Article 698 para. 2 nr. 2 and para. 3 nr. 1 CO and our Articles of Incorporation, the Annual General Meeting is responsible for electing the members of the Board of Directors and the Chairman. These elections are held individually. The mandates of all current members of the Board of Directors will expire at the end of the Annual General Meeting of 29 June 2023.

Ueli Wampfler will be 73 years old at the time of the Annual General Meeting of 29 June 2023. Considering the most valuable services provided by Ueli Wampfler to LEM as a 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 Article 17, last paragraph, of the Articles of Incorporation.

For further details on the nominees as well as their qualifications, see the biographies in the corporate governance report 2022/23 in the Financial Report.

7 Re-elections and election to the Nomination & Compensation Committee

Proposal: The Board of Directors proposes:

- the re-election of Hürlimann Andreas
- the re-election of Looser Ulrich Jakob
- the election of Weber Werner Carl

to the Nomination & Compensation Committee for a term of office of one year extending until completion of the next Annual General Meeting.

Explanation: Pursuant to Article 698 para. 3 nr. 2 CO and our Articles of Incorporation, the Annual General Meeting is responsible for electing the members of the Nomination & Compensation Committee. These elections are held individually. In case of re-election, Ulrich Jakob Looser will be appointed as chairman of the Nomination & Compensation Committee.

8 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, Switzerland, as Independent Representative for a term of office of one year extending until completion of the next Annual General Meeting.

Explanation: Pursuant to Article 698 para. 3 nr. 3 CO and our Articles of Incorporation, the Annual General Meeting is responsible for electing the Independent Representative.

9 Re-election of the statutory auditors

Proposal: The Board of Directors proposes the re-election of Ernst & Young Ltd, Lancy, Switzerland, as statutory auditors for the financial year 2023/24.

Explanation: Pursuant to Article 698 para. 2 nr. 2 CO and our Articles of Incorporation, the Annual General Meeting is responsible for electing the statutory auditors.

10 Amendments to the Articles of Incorporation

On 1 January 2023, the Swiss corporate law reform entered into force. The Swiss corporate law reform aims at amending the legal framework and increasing flexibility under which Swiss public and private corporations operate. The Swiss corporate law reform includes new provisions in particular regarding share capital, shareholders rights, corporate governance, restructuring and other related rules. Swiss companies must adapt their articles of incorporation within a period of two years starting on 1 January 2023, to comply with the new Swiss corporate law.

Explanations of the amendments to the Articles of Incorporation proposed by the Board of Directors can be found below under each respective agenda item. The detailed proposed amendments to the Articles of Incorporation can be found in the Appendix to this invitation.

10.1 Shareholders rights and general meeting of shareholders' matters

Proposal: Amendments to

- Article 11 para. 2 (on the powers of the general meeting);
- Article 12 para. 4 through 8 and para. 10 (on the invitation to the general meeting, the agenda items and proposals requested by shareholders, as well as the form and venue of the general meeting);
- Article 16 para. 3, 4, and para. 6 through 8 (on the voting process, participants, minutes and vote results);
- Article 27 new para. 5 (on the consultative vote on the compensation report); and
- Article 37 replaced by new Article 36 (on publications and communications).

For the wording of the proposed amendments, please refer to the Appendix to this invitation.

Explanation: The powers of the general meeting of shareholders have been extended under the new Swiss corporate law. Article 11 para. 2 of the Articles of Incorporation shall be amended accordingly, with its new list now in line with Swiss corporate law.

Among the several changes introduced by the corporate law reform that enhance shareholders rights, there is the right to call for a general meeting of shareholders. Until 31 December 2022, one or more shareholders holding 10% or more of the share capital were entitled to call for a general meeting of shareholders. As from 1 January 2023, this limit is now set at 5% of the share capital or votes. Also, the threshold for the right of the shareholders to add items to the agenda has been lowered from CHF 1 million to 0.5% of the share capital or votes. Provided that the same new threshold is met, the shareholders may also request that a proposal regarding an agenda item be included in the invitation to a general meeting of shareholders. The proposed amendments to Article 12 para. 4 reflect these changes in law.

The Swiss corporate law reform has introduced the use of electronic means of communication. In the future, Swiss companies will be able to communicate with their shareholders and provide documents by electronic means. In order to make use of this flexibility, the Board of Directors proposes various amendments to the Articles of Incorporation (Article 12 para. 5 and 7 and new Article 36).

The proposed amendments to Article 12 para. 6 and 8, and Article 16 para. 6 through 8 (paragraph 8 being deleted) reflect the wording introduced by the Swiss corporate law reform with regard to the content of the invitation to the general meeting of shareholders, the reports to be made available before the general meeting, as well as the minutes and the vote results after the general meeting.

The Swiss corporate law reform now explicitly provides that a general meeting of shareholders may be held simultaneously at several locations or as hybrid events (i.e., as a general meeting with a physical venue where shareholders who are not present on site can exercise their rights also electronically directly at the meeting). Furthermore, the Swiss corporate law reform also now allows for virtual general meetings without a physical venue. While the Board of Directors intends to continue to hold the Annual General Meeting with the physical presence of the shareholders and at one location, the Board of Directors would like to take the advantage of the various possibilities to hold physical, virtual or hybrid general meetings, at one or different locations, in the future, whenever appropriate and under exceptional circumstances. In any case, the Board of Directors will ensure that the shareholders can exercise their rights electronically at the meeting itself, as well as communicate with and ask questions to the Board of Directors. Hence, the Board of Directors proposes to introduce these new possibilities in Article 12 para. 10 of the Articles of Incorporation.

The Board of Directors would like to take the opportunity of these amendments to also clarify the voting process (i.e., open ballot, in writing or electronically, as determined by the acting chair of the general meeting), as well as the appointments of the minute keeper and the scrutineer(s) who do not need to be shareholders (Article 16 para. 3 and 4).

The Swiss corporate law reform introduced expressly the consultative vote of the general meeting of shareholders on the compensation report where variable compensation is approved prospectively. This is the case of LEM HOLDING SA, which already submits the compensation report to the Annual General Meeting each year. The new paragraph 5 to Article 27 reflects expressly this obligation.

10.2 Board of Directors, compensation of the Executive Management, external mandates

Proposal: Amendments to

- Article 17 para. 4 (on the secretary of the Board of Directors);
- Article 18 para. 1 and 2 (on the convening and minutes of board meetings);
- Article 19 para. 1, 2 and 4 (on the quorum of presence and board resolutions);
- Article 20 para. 1 and 2 and new para. 3 (on the powers of the Board of Directors and delegation thereof);
- Article 30 para. 3 (on non-compete agreements); and
- Article 31 para. 4 (on the definition of external mandates).

For the wording of the proposed amendments, please refer to the Appendix to this invitation.

Explanation: Under the new Swiss corporate law, the board of directors no longer has the obligation to appoint a secretary. Such change is reflected in Article 17 para. 4 and in Article 18 para. 2.

The Swiss corporate law reform introduced electronic means of communication also with respect to resolutions taken by the board of directors. Article 18 para. 1 and Article 19 para. 2 reflect this new electronic form.

The Board of Directors would like to take the advantage of the amendments related to board of directors' matters to introduce a derogation to its attendance quorum in the case of resolutions aiming solely at implementing resolutions adopted by the general meeting of shareholders (Article 19 para. 1); it also proposes to introduce a list of its powers and the delegation thereof, in line with the new Swiss corporate law (Article 20 para. 1 and 2 and new para. 3).

The proposed amendments to Article 30 para. 3 reflect the new regime regarding non-compete agreements according to which annual compensation payable during the term of non-competition agreements shall in no event exceed the average of the compensation of the last three financial years.

The Swiss corporate law reform introduced clarification regarding the definition of external mandates, which the proposed amendments to Article 31 para. 4 reflect.

10.3 Technical amendments

Proposal: Amendments to

- Article 8 (on opting out);
- Article 27 para. 1 (on compensation);
- Article 28 (on additional compensation);
- Article 35 (on dividends);
- Title VIII (on publications and dissolution);
- Deletion of Article 36 (on capital loss);
- Deletion of Article 38 (on dissolution and allocation of liquidation proceeds); and
- Deletion of Article 39 (on jurisdiction) replaced by new Article 37.

Explanation: The Board of Directors would like to take the advantage of the proposed amendments to the Articles of Incorporation required by the Swiss corporate reform to propose to adapt the wording and/or to simplify the Articles of Incorporation.

The Federal Act on Stock Exchanges and Securities Trading (SESTA) referred to in Article 8 is no longer in force. The current provision corresponding to the old Article 32 SESTA is Article 135 of the Federal Act on Financial Market Infrastructures and Market Conduct in Securities and Derivatives Trading (Financial Market Infrastructure Act, FinMIA). Reference to the statute in Article 8 is updated accordingly.

The proposed amendments to Article 27 and Article 28 are pure wording improvements.

The proposed amendments to Article 35 specify now that the dividends that have not been collected within five years after their payment date shall be allocated to the statutory profit reserves, which is in line with Swiss corporate law.

With the view of simplifying Section VIII of the Articles of Incorporation, the Board of Directors proposes to delete Article 36 on capital loss and Article 38 on dissolution and allocation of liquidation proceeds. Since the Board of Directors has already, by law, the obligation to act if there is a capital loss, it is therefore not necessary to provide for a similar obligation in the Articles of Incorporation. Deletion of Article 38 will result in the application of the law which provides that the allocation is proportionate to the payments made by the shareholders.

The jurisdiction clause in the Articles of Incorporation is not new. However, such clause can only have full effect if it is exclusive. The proposed amendment to new Article 37 therefore reflects this. The Board of Directors also proposes to adapt the place of jurisdiction, since LEM HOLDING SA has its registered office in the Canton of Geneva.

Organizational information

Annual report

The annual report 2022/23 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 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 6 June 2023 at the registered office of LEM HOLDING SA, which is located at Route du Nant-d'Avril 152, 1217 Meyrin, Switzerland. The annual report 2022/23 is only available in English.

Voting entitlement

Those shareholders entered in the share register on 20 June 2023, 17:00 (CEST), are entitled to vote.

From 20 June 2023, 17:00 (CEST), up to and including 29 June 2023, 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.

Personal attendance at the Annual General Meeting

If you wish to attend the Annual General Meeting in person, please use the enclosed registration form to order your admission card.

Proxies to the Independent Representative

If you cannot attend the Annual General Meeting in person, according to Article 14 of the Articles of Incorporation of LEM HOLDING SA, you may arrange to be represented by:

- another person, who does not need to be a shareholder, or
- the Independent Representative, Hartmann Dreyer, Attorneys-at-law, Boulevard de Pérolles 7, 1701 Fribourg, Switzerland.

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 26 June 2023 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. Shareholders may provide or change any voting instructions they have communicated electronically until but not later than 26 June 2023, 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.

Language

The Annual General Meeting will be held in French. Presentations will be projected in French and English. There will be no simultaneous translation into other languages.

Invitation

This invitation will be published in the Swiss Commercial Gazette on 6 June 2023.

At the end of the Annual General Meeting, we are pleased to welcome all shareholders to a cocktail buffet.

Meyrin, 25 May 2023

On behalf of the Board of Directors of LEM HOLDING SA



Andreas Hürliemann,
Chairman of the Board of Directors

LEM HOLDING SA
Route du Nant-d'Avril 152
1217 Meyrin
Switzerland
Phone: +41 22 706 11 11
www.lem.com

requérir demander l'inscription d'un objet à l'ordre du jour. ~~La convocation et, ainsi que l'inscription d'un objet à l'ordre du jour doivent être requises par écrit en indiquant les objets de discussion et les~~ dans la convocation à l'assemblée générale de propositions concernant les objets portés à l'ordre du jour. Une telle demande doit arriver par écrit à la société au moins 45 jours calendaires avant l'assemblée générale avec indication du ou des objets à l'ordre du jour et de la ou des propositions.

~~L'assemblée générale est convoquée vingt20 jours calendaires au moins avant la date le jour de sa réunion, par un avis inséré dans la Feuille Officielle Suisse du Commerce, ainsi que dans les autres publications désignées par le conseil d'administration. Si tous les actionnaires sont connus, ces publications pourront être remplacées par un avis recommandé adressé à chaque actionnaire dans le même délai. L'assemblée. La convocation à l'assemblée générale a lieu par une annonce unique selon l'article 36 des présents statuts.~~

Les objets portés à l'ordre du jour sont mentionnés dans la convocation, ainsi que la date, l'heure, la forme et le lieu de l'assemblée générale, les propositions du conseil d'administration et des actionnaires qui ont demandé la convocation de l'assemblée ou l'inscription d'un objet à l'ordre du jour avec une motivation succincte, le nom et l'adresse du représentant indépendant.

~~notice convening the general meeting of shareholders and, as well as the inclusion of a proposal relating to an agenda item must be requested in writing, indicating the subjects of discussion and the in the notice convening the general meeting of shareholders. Such request must be received by the company in writing at least 45 calendar days prior to the general meeting of shareholders, specifying the agenda items and the proposal or proposals.~~

~~The general meeting of shareholders is convened at least twenty20 calendar days before the day date of the meeting by a notice in the Swiss Official Gazette of Commerce, as well as in other publications designated by the Board of Directors. If all shareholders are known, these publications may be replaced by a registered notice sent to each shareholder within the same period. Notice of the general meeting of shareholders shall be given by way of a single announcement pursuant to Article 36 of these Articles of Incorporation.~~

The agenda items shall be listed in the notice convening the general meeting of shareholders, together with the date, time, form and place of the general meeting, the proposals of the board of directors and of the shareholders who requested that the meeting be convened or that an item be placed on the agenda with a brief statement of the reasons, the name and address of the independent representative.

~~Les avis de convocation de l'assemblée générale ordinaire doivent informer les actionnaires que le rapport de gestion, le rapport de rémunération et les rapports de révision sont mis à la disposition des, ainsi que le rapport sur les questions non financières selon l'article 964c CO sont rendus accessibles aux actionnaires au siège de la société ou électroniquement, au plus tard 20 jours calendaires avant l'assemblée générale ordinaire. Chaque actionnaire peut exiger qu'un exemplaire de ces documents lui soit délivré dans les meilleurs délais.~~

~~Aucune décision ne peut être prise sur les objets qui n'ont pas été portés à l'ordre du jour, sauf sur la proposition les propositions de convoquer une assemblée générale extraordinaire ou, d'instituer un contrôle examen spécial ou de désigner un organe de révision.~~

~~[...]~~

Les assemblées générales ont lieu au siège social ou en tout autre lieu désigné par le conseil d'administration. Le conseil d'administration peut décider que l'assemblée générale se tiendra simultanément en plusieurs lieux, à condition que les interventions et votes des participants soient retransmis en direct par des moyens audiovisuels sur tous les sites de réunion, et que les actionnaires qui ne sont pas présents au(x) lieu(x) de l'assemblée générale puissent exercer leurs droits par voie électronique. Alternativement, le conseil d'administration peut prévoir que l'assemblée générale se tienne sous forme électronique et sans lieu de réunion physique.

~~Notices of the general meeting of shareholders shall inform shareholders that the annual report, the compensation report and the auditor reports are provided to, as well as the report on non-financial matters pursuant to Article 964c CO are made available to the shareholders at the company's registered office or electronically, no later than 20 calendar days prior to the ordinary general meeting of shareholders. Each shareholder may demand that a copy of these documents be delivered to him as soon as possible.~~

~~No resolution may be adopted on items that have not been placed on the agenda, except for the proposal proposals to convene an extraordinary general meeting of shareholders or, to initiate a special inspection investigation or to appoint an auditor.~~

~~[...]~~

General meeting of shareholders shall take place at the registered office or at any other place as determined by the board of directors. The board of directors can determine that the general meeting of shareholders be held simultaneously at different locations, provided that the contributions of the participants are transmitted directly in video and audio to all venues and that shareholders, who are not present at the venue(s) of the general meeting of shareholders may exercise their rights by electronic means. Alternatively, the board of directors may also provide that the general meeting of shareholders will be held by electronic means without a venue.

Article 16 para. 3, 4, and para. 6 through 8 (on the voting process, participants, minutes and vote results)

Amended official version in French

[...]

En règle générale, les votations et élections ont lieu à main levée; toutefois, le scrutin secret est adopté lorsque le président l'ordonne ou que vingt-cinq actionnaires présents le demandent. Le président de l'assemblée générale détermine si les votes et les élections ont lieu à scrutin ouvert, par écrit ou par voie électronique. Le président peut en tout temps ordonner qu'une décision ou élection soit répétée s'il estime qu'il existe des doutes quant au résultat; dans ce cas, la décision ou l'élection précédente est réputée ne pas avoir eu lieu.

L'assemblée générale est présidée par le président du conseil d'administration ou, à son défaut, par un autre administrateur désigné par l'assemblée. Le président désigne le secrétaire un rédacteur du procès-verbal et le ou les scrutateurs, qui ne doivent pas nécessairement être des actionnaires.

[...]

Il veille à la rédaction du procès-verbal. Celui-ci mentionne:

1. la date, l'heure de début et de fin, ainsi que la forme et le lieu de l'assemblée générale;
- 1-2. le nombre, l'espèce, la valeur nominale et la catégorie des actions représentées par les actionnaires ainsi que par le représentant indépendant;

Free translation in English

[...]

As a general rule, resolutions and elections shall be conducted by a show of hands; however, a secret ballot shall be adopted if the acting chair so orders or if twenty-five shareholders present so request. The acting chair of the general meeting of shareholders shall determine whether resolutions and elections are to be decided by open ballot, in writing or electronically. The acting chair may at any time order that a resolution or election be repeated if he or she considers the vote to be in doubt; the resolution or election previously held shall then be deemed not to have taken place.

The general meeting of shareholders shall be chaired by the chair of the board of directors or, in his or her absence, by another member of the board of directors appointed by the general meeting of shareholders. The acting chair shall designate the secretary a minute keeper and the vote counter(s), none of whom need to be shareholders.

[...]

It is responsible for the drafting of the minutes. The minutes shall list:

1. the date, start and end time, form and the venue of the general meeting of shareholders;
- 1-2. the number, type, par value and class of shares represented by the shareholders and by the independent representative;

- 2-3. les décisions et le résultat des élections;
- 3-4. les demandes de renseignements formulées lors de l'assemblée générale et les réponses données;
- 4-5. les déclarations dont les actionnaires demandent l'inscription;
6. les problèmes techniques significatifs survenus durant l'assemblée générale.

Les actionnaires ont le droit de consulter le procès-verbal. Les décisions et le résultat des élections, avec indication de la répartition exacte des voix, doivent être rendus accessibles par voie électronique dans les 15 jours calendaires qui suivent l'assemblée générale; chaque actionnaire peut exiger que le procès-verbal soit mis à sa disposition dans les 30 jours calendaires qui suivent l'assemblée générale.

Les extraits qui en sont délivrés sont certifiés conformes par un administrateur.

Article 27 new para. 5 (on the consultative vote on the compensation report)

Amended official version in French

[...]

Si des rémunérations variables sont approuvées de manière prospective, le conseil d'administration soumet le rapport de rémunération au vote consultatif de l'assemblée générale.

- 2-3. the resolutions and results of the elections;
- 3-4. the requests for information made at the general meeting of shareholders and the answers given in reply;
- 4-5. the statements requested by shareholders for recording;
6. any significant technical problems that have occurred during the general meeting of shareholders.

The shareholders have the right to consult the minutes. The resolutions and election results, stating the exact proportion of votes, shall be made available electronically within 15 calendar days after the general meeting; each shareholder may request that the minutes be made available to him within 30 calendar days after the general meeting of shareholders.

The extracts issued shall be certified by a member of the board of directors.

Free translation in English

[...]

If variable compensation is approved prospectively, the board of directors shall submit the compensation report to the general meeting of shareholders for a consultative vote.

Article 37 replaced by new Article 36 (on publications and communications)

Amended official version in French

Article 376

~~Les publications L'organe de publication de la société sont valablement faites dans est la Feuille Officielle Suisse du Commerce officielle suisse du commerce. Le conseil d'administration peut faire publier les mêmes communications dans désigner d'autres organes de publicité qu'il désigne lui-même publication dans certains cas particuliers.~~

Les communications aux actionnaires peuvent, au choix du conseil d'administration, être valablement effectuées par publication dans la Feuille officielle suisse du commerce ou sous une forme permettant d'en établir la preuve par texte.

Free translation in English

Article 376

~~The publications official means of publication of the company are validly made in shall be the Swiss Official Gazette of Commerce. In particular cases, the board of directors may cause the same communications to be published in specify other publicity bodies which it itself appoints means of publication.~~

Notices by the company to the shareholders may, at the election of the board of directors, be validly given by publication in the Swiss Official Gazette of Commerce or in a form that allows proof by text.

10.2 Board of Directors, compensation of the Executive Management, external mandates

Article 17 para. 4 (on the secretary of the Board of Directors)

Amended official version in French

[...]

Sous réserve de l'élection du président du conseil d'administration et des membres du comité de rémunération, le conseil d'administration se constitue lui-même. Il désigne son peut notamment désigner un secrétaire, qui ne doit pas nécessairement être membre du conseil d'administration.

[...]

Free translation in English

[...]

Except for the election of the chair of the board of directors and the members of the compensation committee, the board of directors shall constitute itself. It shall appoint its may appoint a secretary, who need not be a member of the board of directors.

[...]

Article 18 para. 1 and 2 (on the convening and minutes of board meetings)

Amended official version in French

Le conseil d'administration est convoqué par le président aussi souvent que les affaires l'exigent; chaque membre peut exiger par écrit la convocation d'une séance du conseil par écrit, courriel ou par un autre moyen de communication électronique, avec indication des motifs.

Un procès-verbal, signé par le président et le secrétaire par la personne qui l'a rédigé, enregistre les délibérations et les décisions du conseil d'administration.

Article 19 para. 1, 2 and 4 (on the quorum of presence and board resolutions)

Amended official version in French

Le conseil d'administration délibère valablement lorsqu'au moins la moitié des membres sont présents. Ce quorum de présence n'est pas nécessaire pour les décisions de modification et de constatation du conseil d'administration en lien avec les modifications du capital-actions ou le changement de la monnaie du capital-actions.

Les décisions du conseil d'administration peuvent être prises en la forme d'une approbation donnée par écrit ou par voie électronique à une proposition, à condition qu'aucun des membres ne s'oppose à cette manière de faire.

[...]

Le conseil d'administration prend ses décisions et procède aux élections à la majorité des voix émises. En cas de partage égal des voix, celle du président de séance est prépondérante.

Free translation in English

The board of directors shall be convened by the chair as often as the business requires; each member may request in writing the calling of a meeting of the board in writing, via e-mail or another means of electronic communication, indicating the reasons.

Minutes, signed by the chair and the secretary person who drafted them, record the deliberations and resolutions of the board of directors.

Free translation in English

The board of directors shall pass its resolutions validly when at least half of the members is present. No presence quorum shall be required for resolutions of the board of directors providing for the amendment or ascertainment of share capital changes or a change in the currency of the share capital.

Resolutions of the board of directors may be adopted by way of written consent or electronically, provided that no member objects to this approach.

[...]

The board of directors shall adopt its resolutions and decides its elections by a majority of votes cast. In the event of a tie, the acting chair shall have the casting vote

Article 20 para. 1 and 2 and new para. 3 (on the powers of the Board of Directors and delegation thereof)

Amended official version in French

Le conseil d'administration a les pouvoirs les plus étendus pour la gestion de la société. Il exerce tous les droits qui ne sont pas réservés à l'assemblée générale et aux autres organes peut prendre des décisions sur toutes les affaires qui ne sont pas attribuées à un autre organe de la société par la loi, les présents statuts ou un règlement.

Il édicte son propre règlement d'organisation. Il a les attributions intransmissibles et inaliénables suivantes:

1. exercer la haute direction de la société et établir les instructions nécessaires;
2. fixer l'organisation de la société;
3. fixer les principes de la comptabilité et du contrôle financier ainsi que le plan financier;
4. nommer et révoquer les personnes chargées de la gestion et de la représentation de la société et réglementer le droit de signature;
5. exercer la haute surveillance sur les personnes chargées de la gestion pour s'assurer notamment qu'elles observent la loi, les présents statuts, les règlements et les instructions données;
6. établir le rapport de gestion, le rapport de rémunération, ainsi que le rapport sur les questions non financières selon l'article 964c CO et, le

Free translation in English

The board of directors has the widest powers for the management of the company. It shall exercise all rights not reserved to the general meeting of shareholders and other corporate bodies may pass resolutions with respect to all matters which are not delegated to another corporate body of the company by law, by these articles of incorporation or by regulations.

It adopts its own organizational regulations. It shall have the following non-transferable and inalienable duties:

1. the ultimate management of the company and the issuance of necessary instructions;
2. the determination of the company's organization;
3. the structuring of the accounting system, of the financial controls and of the financial planning systems;
4. the appointment and dismissal of the persons entrusted with management and representation of the company, and issuance of rules on the signature authority;
5. the ultimate supervision of the persons entrusted with management, in particular in view of compliance with the law, these articles of incorporation, regulations and directives;
6. the preparation of the annual report, the compensation report and the report on non-financial matters pursuant to Article 964c CO, and other

cas échéant, d'autres rapports exigés par la loi;

7. préparer l'assemblée générale et exécuter ses décisions;
8. prendre les décisions relatives aux modifications du capital-actions ou au changement de la monnaie du capital-actions, dans la mesure où elles sont de la compétence du conseil d'administration, ainsi que les décisions relatives à la constatation des modifications de capital, à l'établissement du rapport d'augmentation du capital-actions, et aux modifications des statuts qui en résultent (radiation comprise);
9. les attributions et compétences intransmissibles et inaliénables du conseil d'administration selon la loi sur les fusions;
10. déposer la demande de sursis concordataire et aviser le tribunal en cas de surendettement;
11. d'autres attributions et compétences réservées au conseil d'administration par la loi ou les présents statuts.

En outre, le conseil d'administration peut déléguer en tout ou en partie la gestion ainsi que la représentation de la société, dans le cadre des présents statuts et de la loi, à un ou plusieurs de ses membres ou à des tiers par le biais d'un règlement d'organisation ou d'une décision.

reports as required by law, if any;

7. the preparation of the general meeting of shareholders and the implementation of its resolutions;
8. the adoption of resolutions on the change of the share capital or the currency of the share capital, to the extent that such power is vested in the board of directors, and the ascertainment of capital changes, the preparation of the report on the capital increase, and the respective amendments of the articles of incorporation (including deletions);
9. the non-transferable and inalienable duties and powers of the board of directors pursuant to the Swiss Merger Act;
10. the submission of a petition for debt-restructuring moratorium and the notification of the court in case of over-indebtedness;
11. other powers and duties reserved to the board of directors by law or these articles of incorporation.

In all other respects, the board of directors may delegate in whole or in part the management and the representation of the company within the framework set forth by these articles of incorporation and the law to one or several of its members or to third parties by establishing organizational regulations or by adopting a resolution.

Article 30 para. 3 (on non-compete agreements)

Amended official version in French

La société, ou toute autre société qu'elle contrôle, peut conclure des accords de non-concurrence pour une durée maximale d'un an à compter de la fin des rapports de travail. L'indemnisation versée en relation avec un accord de non-concurrence ne peut pas excéder la rémunération annuelle fixe versée au membre concerné avant son départ moyenne des trois derniers exercices.

Free translation in English

The company, or any other company controlled by it, may conclude non-competition agreements for a maximum period of one year from the end of the employment relationship. The consideration paid for such non-compete agreement shall ~~cannot exceed the average annual fixed compensation paid to such member prior to leaving~~ of the last three financial years.

Article 31 para. 4 (on the definition of external mandates)

Amended official version in French

Le terme mandat désigne tout mandat d'administration au sein de l'organe de gouvernance suprême d'une entité juridique qui a l'obligation de s'inscrire dans le registre du commerce ou dans un registre similaire à l'étranger. Jusqu'à 20 mandats dans des fonctions similaires auprès d'autres entreprises poursuivant un but économique. Sont considérés comme étant un (1) seul mandat, les mandats dans différentes entités légales juridiques sous contrôle commun (de droit ou de fait) ~~sont considérés comme étant un seul mandat.~~

Free translation in English

Mandates shall mean any administrative mandate in the highest governance body of a legal entity that is required to be registered in the commercial register or a similar register abroad; in comparable functions at other enterprises with an economic purpose. Are deemed one (1) mandate, the mandates in different legal entities that are under joint control or same beneficial ownership ~~are deemed one mandate.~~

10.3 Technical amendments

Article 8 (on opting out)

Amended official version in French

Un actionnaire inscrit de la société n'est pas tenu de présenter, en cas de dépassement du seuil de 33 ⅓ % des droits de vote – qu'il soit habilité à en faire usage ou non –, une offre publique d'acquisition conformément à l'article 32135 de la Loi fédérale sur les bourses et le commerce des infrastructures des marchés financiers et le comportement sur le marché en matière de négociation de valeurs mobilières et de dérivés (Loi sur les bourses, LBVM l'infrastructure des marchés financiers, LIMF) portant sur toutes les actions cotées de la société.

Free translation in English

A shareholder recorded in the share register is not obliged to submit a public takeover bid in accordance with Article 32135 of the Federal Act on ~~Stock Exchanges and Securities Trading (Stock Exchange Act, SESTA)~~ Financial Market Infrastructures and Market Conduct in Securities and Derivatives Trading (Financial Market Infrastructure Act, FinMIA) for all listed shares of the company if the threshold of 33 ⅓ % of the voting rights is exceeded – whether or not such shareholder is entitled to use it.

Article 27 para. 1 (on compensation)

Amended official version in French

L'assemblée générale approuve les propositions du conseil d'administration relatives au:

Free translation in English

The general meeting of shareholders approves the proposals of the board of directors relating to the:

1. montant total maximal de la rémunération du conseil d'administration pour la durée de fonction à venir;
 2. montant total maximal de la rémunération fixe de la direction pour la période allant du 1 octobre au 30 septembre de l'année suivante;
 3. montant total des éléments de rémunération variable à court terme de la direction pour l'exercice social écoulé;
1. maximum aggregate amount of compensation of the board of directors for the upcoming term of office;
 2. maximum aggregate amount of the fixed compensation of the management for the period from October 1 to September 30 of the following year;
 3. aggregate amount of the short-term variable compensation elements of the management for the past financial year;

4. le montant total maximal des éléments de rémunération variable à long terme de la direction pour l'exercice social en cours.

[...]

Article 28 (on additional compensation)

Amended official version in French

La société, ou toute autre société qu'elle contrôle, est autorisée à verser à toute personne accédant à une fonction de direction au cours d'une période de rémunération pour laquelle la rémunération de la direction a déjà été approuvée par l'assemblée générale une rémunération supplémentaire durant la ou les périodes de rémunération déjà approuvées lorsque la rémunération déjà approuvée ne suffit pas pour couvrir sa rémunération. La rémunération supplémentaire ne peut excéder, par période de rémunération et par membre, trente-cinq pour cent des montants totaux de rémunération de la direction approuvés en dernier lieu.

Article 35 (on dividends)

Amended official version in French

Le paiement du dividende a lieu à l'époque fixée par le conseil d'administration. Tout dividende qui n'a pas été réclamé dans les cinq ans dès son exigibilité est prescrit de plein droit au profit et sera alloué à la réserve légale issue du bénéfice de la société.

4. the maximum aggregate amount of the long-term variable compensation elements of the management for the current financial year.

[...]

Free translation in English

The company, or any other company controlled by it, shall be entitled to pay any person taking up a management function during a compensation period for which the compensation of the management has already been approved by the general meeting of shareholders, an additional compensation during the compensation period(s) already approved, where the compensation already approved is not sufficient to cover his or her compensation. The additional compensation may not exceed, per compensation period and per member, thirty-five per cent of the total amounts of compensation of the management last approved.

Free translation in English

Payment of the dividend takes place at the time determined by the board of directors. Any dividend which has not been claimed within five years of its due date is prescribed ipso jure for the benefit and will be allocated to the statutory profit reserve of the company.

Title VIII (on publications and dissolution)

Amended official version in French

TITRE VIII: PUBLICATIONS –
DISSOLUTION COMMUNICATIONS

Free translation in English

TITRE VIII: PUBLICATIONS –
DISSOLUTION COMMUNICATIONS

Deletion of Article 36 (on capital loss)

Amended official version in French

~~S'il ressort du dernier bilan annuel que la moitié du capital-actions et des réserves légales n'est plus couverte, le conseil d'administration convoque immédiatement une assemblée générale et lui propose des mesures d'assainissement.~~

Free translation in English

~~If the last annual balance sheet shows that half of the share capital and legal reserves are no longer covered, the board of directors shall immediately convene a general meeting of shareholders and propose remedial measures.~~

Deletion of Article 38 (on dissolution and allocation of liquidation proceeds)

Amended official version in French

~~Article 38
En cas de dissolution, l'actif disponible, après l'extinction du passif, est réparti entre les actionnaires proportionnellement à la valeur nominale des actions appartenant à chacun d'eux.~~

Free translation in English

~~Article 38
In the event of dissolution, the available assets, after the extinction of liabilities, shall be distributed among the shareholders in proportion to the nominal value of the shares held by each of them.~~

Deletion of Article 39 (on jurisdiction) replaced by new Article 37

Amended official version in French

Article 39
Toutes les contestations qui pourront s'élever pendant la durée de la société ou sa liquidation, soit entre les actionnaires et la société ou ses administrateurs et l'organe de révision, soit entre les actionnaires eux-mêmes en raison des affaires de la société, seront soumises exclusivement aux tribunaux du Canton de Fribourg Genève.

Free translation in English

Article 39
All disputes that may arise during the duration of the company or its liquidation, either between the shareholders and the company or the members of its board of directors and the auditor, or between the shareholders themselves because of the business of the company, shall be submitted exclusively to the courts of the Canton of Fribourg Geneva.



LEM HOLDING SA
Route du Nant-d'Avril 152
1217 Meyrin
Geneva, Switzerland
www.lem.com