

Invitation to the ordinary Shareholders' General Meeting of Phoenix Mecano AG

Friday, 23 May 2014 at 3 p.m. (doors open at 2.30 p.m.), Hotel Chlosterhof, 8260 Stein am Rhein, Switzerland

Agenda and proposals by the Board of Directors

1. Approval of the annual report, financial statements and consolidated financial statements and acceptance of the auditors' report

The Board of Directors proposes that the annual report, financial statements and consolidated financial statements for financial year 2013 be approved.

2. Discharge of the members of the Board of Directors and management

The Board of Directors proposes that the members of the Board of Directors and management be discharged for their activity in financial year 2013.

3. Decision on the appropriation of retained earnings and determination of dividends

The Board of Directors proposes that retained earnings from 2013 should be appropriated as follows:

Net income for the year 2013	CHF	28 569 050
Retained earnings brought forward 2012	CHF	39 641 042
Allocation to reserve for treasury shares	CHF	- 2 405 157

Retained earnings	CHF	65 804 935
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The Board of Directors proposes to the Shareholders' General Meeting that retained earnings should be distributed as follows:

Dividend of CHF 15.00 per share ¹	CHF	14 670 000
Carried forward to new account	CHF	51 134 935

Total	CHF	65 804 935
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¹ Total dividends are calculated based on the 978,000 bearer shares. Dividends will not be paid on treasury shares held by the company at the time of the payout.

4. Elections

4.1 Election of the members and Chairman of the Board of Directors

The Board of Directors proposes that the following be elected as members of the Board of Directors (as hitherto) and that Mr Ulrich Hocker be elected as Chairman of the Board of Directors (as hitherto), with each being subject to a separate vote, for a term of one year until the end of the next ordinary Shareholders' General Meeting:

4.1.1 Re-election of Ulrich Hocker as member and Chairman of the Board of Directors

4.1.2 Re-election of Dr Florian Ernst as Board member

4.1.3 Re-election of Dr Martin Furrer as Board member

4.1.4 Re-election of Benedikt Goldkamp as Board member

4.1.5 Re-election of Beat Siegrist as Board member

4.2 Election of the members of the Compensation Committee

The Board of Directors proposes that the following be elected as members of the Compensation Committee, with each being subject to a separate vote, for a term of one year until the end of the next ordinary Shareholders' General Meeting:

4.2.1 Dr Martin Furrer

4.2.2 Ulrich Hocker

4.2.3 Beat Siegrist

4.3 Election of the independent proxy

The Board of Directors proposes that the lawyer Mr Hans Rudi Alder, Peyer Alder Keiser Lämmli Rechtsanwälte, Pestalozzi-strasse 2, CH-8200 Schaffhausen, be elected as the company's independent proxy for a term of one year until the end of the next ordinary Shareholders' General Meeting.

4.4 Election of the auditors

The Board of Directors proposes that KPMG AG, Zurich, be elected as the company's auditors for financial year 2014.

5. Revision of the company's articles of incorporation

The Board of Directors proposes that the company's articles of incorporation be amended in a single resolution to bring them into line with the Swiss Ordinance against Excessive Compensation in Listed Companies (VegüV) and to make a number of formal adjustments.

The full text of the amendments proposed under agenda item 5 is published in the Swiss Official Gazette of Commerce (SOGC) of 25 April 2014 and online at <http://www.phoenix-mecano.com/general-meeting.html>.

The rest of the articles of incorporation will remain unchanged.

6. Capital reduction through cancellation of treasury shares and amendment of the articles of incorporation

The Board of Directors proposes to cancel 17,500 shares acquired under the 2012/2013 share buy-back programme between 22 June 2012 and 20 September 2013 and to reduce the share capital from CHF 978,000 to CHF 960,500.

The auditors KPMG AG, Zurich, have confirmed to the Shareholders' General Meeting in a special audit report pursuant to Art. 732(2) of the Swiss Code of Obligations (CO) that the claims of the company's creditors are fully covered even with the reduced capital. Article 3 paragraph 1 of the company's articles of association should be amended as follows:

The company has a share capital of CHF 960,500 (nine hundred and sixty thousand five hundred Swiss francs). It is divided into 960,500 fully paid-up bearer shares with a par value of CHF 1 each. By resolution of the Shareholders' General Meeting, registered shares can be created, bearer shares converted into registered shares and registered shares converted into bearer shares. The company may issue certificates representing a number of shares, although these can be exchanged for smaller certificates or the corresponding number of shares at any time free of charge.

The rest of the articles of incorporation will remain unchanged.

Documents

From 23 April 2014 onwards, the 2013 annual report, including the directors' report, financial statements and consolidated financial statements as well as the auditors' reports and proposals by the Board of Directors regarding the use of retained earnings from 2013 may be consulted by shareholders at the company's headquarters and at our subsidiary Phoenix Mecano Management AG, at Lindenstrasse 23, CH-8302 Kloten, where a copy can also be obtained directly. The 2013 annual report can also be downloaded from the Internet (<http://www.phoenix-mecano.com/annualreports.html>).

Admittance

Shareholders who wish to attend or be represented at the Shareholders' General Meeting may obtain their admission ticket with voting card and a form for issuing instructions to the independent proxy by **20 May 2014** at the latest by depositing their shares or submitting corresponding confirmation from their custodian bank to the following bank:

UBS AG, Zurich (Fax: +41 44 236 14 71)

Shares must remain deposited until the day after the Shareholders' General Meeting.

Appointing proxies

Shareholders who are unable to attend the Shareholders' General Meeting in person may be represented:

- by **another shareholder**, by means of a written proxy on the admission ticket; or
- by the **independent proxy** of Phoenix Mecano AG, the lawyer Mr Hans Rudi Alder, Peyer Alder Keiser Lämmlli Rechtsanwälte, Pestalozzistrasse 2, CH-8200 Schaffhausen.

To authorise the independent proxy to act on their behalf, shareholders should simply complete and sign the proxy section on the admission ticket and return it to the independent proxy by the deadline together with a completed and signed instruction form. If the independent proxy is unable to attend, the Board of Directors will appoint a new independent proxy. The proxies and instructions given to the independent proxy will be transferred to this new independent proxy appointed by the Board of Directors.

Stein am Rhein, 25 April 2014

Phoenix Mecano AG

Ulrich Hocker

Chairman of the Board of Directors