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# Invitation to the Annual General Meeting of Shareholders of Cembra Money Bank AG

Wednesday, 17 April 2019, at 14:00  
(doors open at 13:15)

Marriott Hotel Zurich  
Neumuehlequai 42, 8006 Zurich  
Room Millennium

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## Agenda Items and Proposals of the Board of Directors

(English translation of the binding German original)

### 1. Annual Report 2018 (Approval of Management Report 2018, Consolidated and Individual Financial Statements 2018)

Proposal: The Board of Directors proposes that the Management Report 2018 and the Consolidated and Individual Financial Statements 2018 be approved.

### 2. Consultative vote on the Compensation Report 2018

Proposal: The Board of Directors proposes that the Compensation Report 2018 (pages 70 to 88 of the Annual Report 2018) be approved.

Explanation: The Compensation Report 2018 sets out the compensation system of the Bank and the compensation of the members of the Board of Directors and of the Management Board. In line with the recommendations of the Swiss Code of Best Practice for Corporate Governance and article 11a para. 4 of the Articles of Incorporation, the Board of Directors is seeking the shareholders' approval of the Bank's Compensation Report 2018 on a consultative basis.

### 3. Allocation of distributable profit and distribution

Proposal: The Board of Directors proposes to pay a dividend of CHF 3.75 per share\* out of the distributable profit, amounting to a total distribution of approximately CHF 105.7 million (depending on the number of shares issued as of the last trading day prior to the ex-date, i.e. 23 April 2019, with entitlement to receive the payment), to allocate CHF 43,756,754 of the distributable profit to voluntary retained earnings reserves and to carry forward the remainder of CHF 176,781.

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#### Allocation of profit as proposed to the Annual General Meeting

Profit carried forward	CHF	130,730
Profit for the year	CHF	149,546,051
Distributable profit	CHF	149,676,781
Allocation to voluntary retained earnings reserves	CHF	-43,756,754
Dividend from distributable profit	CHF	-105,743,246
<b>New profit carried forward</b>	<b>CHF</b>	<b>176,781</b>

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\* Treasury shares are not entitled to the distribution of dividends.

Explanation: In line with its capital strategy, the Board of Directors has decided to return excess capital to shareholders by means of a dividend of CHF 3.75 per share which will be paid from distributable profit and is subject to 35% Swiss withholding tax.

If the Board of Directors' proposal on a distribution out of distributable profit is approved, the gross dividend will amount to CHF 3.75 per share, representing a net amount of CHF 2.4375 per share after deduction of the Swiss withholding tax of 35%. The distribution will be paid as from 25 April 2019 (ex-date: 23 April 2019).

#### **4. Discharge of the members of the Board of Directors and the Management Board**

Proposal: The Board of Directors proposes that full discharge be granted to the members of the Board of Directors and the Management Board for the financial year 2018.

### **5. Elections**

#### **5.1 Re-election of the members of the Board of Directors**

Proposal: The Board of Directors proposes that Felix Weber, Peter Athanas, Urs Baumann, Denis Hall, Katrina Machin, Monica Mächler and Simonis Maria Hubertus (named Ben) Tellings be re-elected as members of the Board of Directors for a one-year term of office until the conclusion of the next Annual General Meeting.

##### **5.1.1 Re-election of Felix Weber**

##### **5.1.2 Re-election of Peter Athanas**

##### **5.1.3 Re-election of Urs Baumann**

##### **5.1.4 Re-election of Denis Hall**

##### **5.1.5 Re-election of Katrina Machin**

##### **5.1.6 Re-election of Monica Mächler**

##### **5.1.7 Re-election of Ben Tellings**

Explanation: In accordance with article 19 of the Articles of Incorporation, the Annual General Meeting individually votes on the election of each member of the Board of Directors for a one-year term of office until the conclusion of the next Annual General Meeting.

Additional information on each member of the Board of Directors is provided in the Corporate Governance section of the Annual Report 2018.

## **5.2 Re-election of the Chairman of the Board of Directors**

Proposal: The Board of Directors proposes that Felix Weber be re-elected as Chairman of the Board of Directors for a one-year term of office until the closure of the next Annual General Meeting subject to his re-election to the Board of Directors pursuant to agenda item 5.1.

Explanation: In accordance with article 19 of the Articles of Incorporation, the Annual General Meeting elects the Chairman of the Board of Directors for a one-year term of office until the conclusion of the next Annual General Meeting.

## **5.3 Re-election of the members of the Compensation and Nomination Committee**

Proposal: The Board of Directors proposes that Urs Baumann, Katrina Machin and Ben Tellings be re-elected as members of the Compensation and Nomination Committee for a one-year term of office until the conclusion of the next Annual General Meeting subject to their re-election to the Board of Directors pursuant to agenda item 5.1.

### **5.3.1 Re-election of Urs Baumann**

### **5.3.2 Re-election of Katrina Machin**

### **5.3.3 Re-election of Ben Tellings**

Explanation: The Annual General Meeting individually elects each member of the Compensation and Nomination Committee of the Board of Directors for a one-year term of office until the conclusion of the next Annual General Meeting.

## **5.4 Election of the independent proxy**

Proposal: The Board of Directors proposes that the law firm Anwaltskanzlei Keller KLG, Zurich, be elected as independent proxy for a one-year term of office until the conclusion of the next Annual General Meeting.

Explanation: In accordance with article 8 of the Ordinance against Excessive Compensation with respect to Listed Stock Corporations (OaEC), the Annual General Meeting elects the independent proxy for a one-year term of office until the conclusion of the next Annual General Meeting.

## **5.5 Re-election of the independent auditors**

Proposal: The Board of Directors proposes that KPMG AG, Zurich, be re-elected as independent auditors of the Bank for a one-year term of office.

## 6 **Renewal of the authorised capital pursuant to article 4 para. 1 of the Articles of Incorporation**

Proposal: The Board of Directors proposes that the amendment of article 4 para. 1 (Authorised Capital) of the Articles of Incorporation be approved.

### *Current version*

#### *Article 4 para. 1 Authorised Capital*

<sup>1</sup> The Board of Directors is authorised to increase the share capital, at any time until 26 April 2019, up to a maximum amount of CHF 3,000,000 by issuing up to 3,000,000 fully paid in registered shares with a par value of CHF 1.00 each. An increase of the share capital (i) by means of an offering underwritten by a financial institution, a syndicate of financial institutions or another third party or third parties, followed by an offer to the then-existing shareholders of the Company, and (ii) in partial amounts shall be permissible.

### *Proposed revised version*

#### *Article 4 para. 1 Authorised Capital*

<sup>1</sup> The Board of Directors is authorised to increase the share capital, at any time until **17 April 2021**, up to a maximum amount of CHF 3,000,000 by issuing up to 3,000,000 fully paid in registered shares with a par value of CHF 1.00 each. An increase of the share capital (i) by means of an offering underwritten by a financial institution, a syndicate of financial institutions or another third party or third parties, followed by an offer to the then-existing shareholders of the Company, and (ii) in partial amounts shall be permissible.

[para. 2-4 remain unchanged]

Explanation: The authority of the Board of Directors to increase the Bank's share capital under article 4 of the Articles of Incorporation expires on 26 April 2019. The authorised share capital enables the Board of Directors to realise investment and acquisition opportunities swiftly by issuing new shares as acquisition currency or by tapping the capital markets in a fast and flexible manner to benefit from favourable market conditions while they prevail. The Board of Directors therefore proposes to extend the term for implementation of capital increase(s) out of the authorised share capital for a period of two years from the date of the Annual General Meeting in the existing amount of CHF 3,000,000 representing 3,000,000 registered shares.

## **7 Approval of the compensation**

The Annex 'Shareholder Information on the Compensation Votes at the 2019 Annual General Meeting' sets out further details in relation to the proposed votes on compensation. The 2018 Compensation Report is available electronically under: [www.cembra.ch/en/investor](http://www.cembra.ch/en/investor) → Annual General Meeting.

### **7.1 Approval of the total compensation of the Board of Directors**

Proposal: The Board of Directors proposes that the maximum total compensation of CHF 1,450,000 (unchanged from the previous year) for the members of the Board of Directors for the period until the next Annual General Meeting be approved.

### **7.2 Approval of the total fixed and variable compensation of the Management Board**

Proposal: The Board of Directors proposes that the maximum total amount of the fixed and variable compensation of CHF 6,400,000 (unchanged from the previous year) for the members of the Management Board, to be paid out in the business year 2020, be approved.

Explanation: The total amount to be paid out in the business year 2020 is expected to comprise the following subtotals (in each case inclusive of social security and pension contributions) allocated to the respective compensation components:

- Fixed compensation (including base salary and fringe benefits) of up to CHF 3,800,000.
- Variable compensation of up to CHF 2,600,000 (maximal amount in case all members of the Management Board outperform their goals).

## Administrative details

### Documents

The Annual Report 2018 (including the Compensation Report) and the reports of the independent auditors are available for inspection at the Bank's headquarters (Bändliweg 20, 8048 Zurich, Switzerland). The Annual Report 2018 is also available online on the Bank's website: [www.cembra.ch/ar2018](http://www.cembra.ch/ar2018). A printed Business Review will also be sent to shareholders at their request.

### Exercise of voting rights

Enclosed with the invitation sent to shareholders is a registration form which can be used to order the admission card or to grant a proxy. Shareholders who wish to attend the Annual General Meeting in person or grant a proxy, are kindly asked to complete the enclosed registration form and return it by post to the Bank's share register in the enclosed envelope (Cembra Money Bank AG, c/o Devigus Shareholder Services, Birkenstrasse 47, 6343 Rotkreuz, Switzerland) as soon as possible, but at the latest by 12 April 2019.

### Voting rights

Shareholders registered with voting rights in the share register as of 9 April 2019 will be authorised to participate and vote at the Annual General Meeting. They will receive their admission card and voting material upon returning the registration form. From 10 April 2019 to 17 April 2019, no entries will be made in the share register which would create a right to vote at the 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. They are requested to return or to exchange their admission card and voting material.

### Power of attorney and instructions

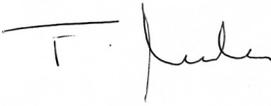
Shareholders who do not attend the Annual General Meeting in person may be represented by proxy by a third party or by the independent proxy in accordance with article 8 et seq. OaEC. Andreas G. Keller (Anwaltskanzlei Keller KLG, Alfred-Escher-Strasse 11, P.O. Box 1889, 8027 Zurich, Switzerland) has been elected by the 2018 Annual General Meeting as independent proxy until the end of the 2019 Annual General Meeting. For further details on the granting of proxy and giving of instructions, please see the enclosed registration form.

### **E-voting**

Voting instructions to the independent proxy, orders for admission cards and publications, as well as changes of address can optionally also be submitted online. For the online registration please visit the website [www.gvmanager.ch/cembra](http://www.gvmanager.ch/cembra). The requisite one-time code is enclosed with the meeting materials (registration/proxy form) supplied to shareholders. The e-voting portal will be open until 14 April 2019.

Zurich, 19 March 2019

Yours sincerely  
Cembra Money Bank AG

A handwritten signature in black ink, appearing to read 'F. Weber', is written over a horizontal line.

Felix Weber  
Chairman

Annex: Shareholder Information on the Compensation Votes at the 2019 Annual General Meeting

The Annual General Meeting will be held in German. The invitation is published in German and English. In the event of inconsistencies between the English and the German version, the German version prevails.

Contact details: Cembra Money Bank AG, Investor Relations, Bändliweg 20, 8048 Zurich, Switzerland; Phone +41 (0)44 439 85 72; [investor.relations@cembra.ch](mailto:investor.relations@cembra.ch)

## Annex

### Shareholder Information on the Compensation Votes at the 2019 Annual General Meeting

#### 7.1 Approval of the total compensation of the Board of Directors

Proposal: The Board of Directors proposes that the maximum total compensation of CHF 1,450,000 (unchanged from the previous year) for the members of the Board of Directors for the period until the next Annual General Meeting be approved.

The Chairman and the members of the Board of Directors receive a fixed compensation for their service as members of the Board of Directors consisting of a basic fee and, if applicable, additional committee/chair fee based on positions held in the Board of Directors' various committees. The basic fees as well as the committee/chair fees remain unchanged from the previous year. The indicated maximum total amount for the members of the Board of Directors comprises the entire compensation in accordance with article 25c of the Articles of Incorporation.

The maximum total amount of compensation for the Board of Directors for the period until the next Annual General Meeting comprises the following estimates on the different elements:

*(CHF in thousands)*

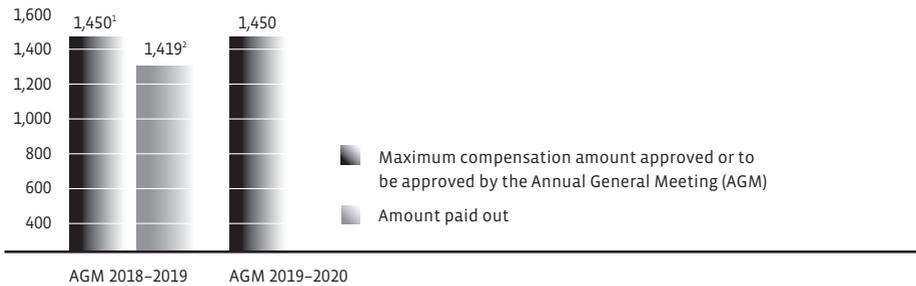
Basic Fees	1,050
Committee/Chair Fees	275
<b>Total Fees</b>	<b>1,325</b>
Paid in Cash (2/3)	883
Paid in Shares (1/3)	442
Social Security	125
<b>Maximum Total Compensation Amount and Proposal to Annual General Meeting</b>	<b>1,450</b>

Detailed figures regarding the last financial years and a listing of the sums granted to each member of the Board of Directors are provided in the Compensation Report section of the Annual Report 2018.

The definitive compensation amounts will be presented in the Compensation Reports for the relevant periods (2019 and 2020 financial years) and will be subject to the consultative votes in relation to these reports, to be held at the 2020 and 2021 Annual General Meetings, respectively.

Evolution of the compensation of the Board of Directors

(CHF in thousands)



1 Compensation budgeted for seven members of the Board of Directors

2 Compensation paid to seven members of the Board of Directors

**7.2 Approval of the total fixed and variable compensation of the Management Board**

Proposal: The Board of Directors proposes that the maximum total amount of the fixed and variable compensation of CHF 6,400,000 (unchanged from the previous year) for the members of the Management Board, to be paid out in business year 2020, be approved.

The proposed maximum total amount of CHF 6,400,000 covers the compensation of seven members of the Management Board and allows the Bank to reward them competitively and in line with market developments and the internal compensation guidelines.

The maximum total amount to be paid out in business year 2020 is expected to comprise the following subtotals (in each case inclusive of social security and pension contributions) allocated to the respective compensation components:

- Fixed compensation (including base salary and fringe benefits) of up to CHF 3,800,000.
- Variable compensation of up to CHF 2,600,000 (maximum amount in case all members of the Management Board outperform their goals).

### Breakdown of the expected target and maximum total compensation to be paid out in business year 2020

(in CHF)	
Base Salaries	2,700,000
Pension, Social Security and Other Compensation	1,100,000
<b>Maximum Total Fixed Compensation</b>	<b>3,800,000</b>
Total Target Variable Compensation (including Social Security) (if 100% of targets are reached)	1,900,000
<b>Maximum Variable Compensation (including Social Security) at Grant (if maximum targets are reached and maximums are granted: STI 150%; LTI 125% )*</b>	<b>2,600,000</b>
<b>Maximum Total Compensation and Proposal to Annual General Meeting</b>	<b>6,400,000</b>

\* The payout factor of the Performance share units (“PSUs”) granted as part of the long-term variable compensation can range between 0-200% at the end of the three year vesting period depending on the achievement of the performance conditions.

The maximum total amount of compensation requested to be approved by the Annual General Meeting will only be attained if all members of the Management Board outperform their goals and reach at grant a maximum payout of 150% in the short-term incentive programme and of 125% in the long-term incentive programme.

The definitive compensation amounts will be presented in the Compensation Report for the 2019 financial year (with regard to the variable compensation accrued for the 2019 financial year which is paid out in Q1'2020) and for the 2020 financial year (with regard to the fixed compensation paid in 2020). The definitive compensation amounts will be subject to the consultative vote in relation to these reports, to be held at the 2020 and the 2021 Annual General Meeting, respectively.

Further details on the compensation of the Management Board are provided in the Compensation Report section of the Annual Report 2018.

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