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## DDM Holding AG - Invitation to the 2020 AGM

The Swiss Federal Government has declared a “special situation” in Switzerland due to the COVID-19 pandemic. Protecting the health of our shareholders and employees is a priority for us. Therefore, the personal attendance of the shareholders at the annual general shareholders’ meeting (**Annual General Shareholders’ Meeting**) of DDM Holding AG, Baar (the **Company**) is not possible. This year’s Annual General Shareholders’ Meeting will take place on Thursday 17 September 2020 at 10:00 am CEST at the offices of Walder Wyss Ltd, Seefeldstr. 123, 8008 Zurich. As a consequence, you can, in line with art. 27 of the Swiss Federal Council’s Third Ordinance on Measures to Combat the Coronavirus, only submit your voting instructions in writing or electronically to the independent proxy.

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### A. Agenda and Proposals

#### 1. Election of the Chairman for the Day

As the members of the Board of Directors will not be present at Annual General Shareholders’ Meeting in order to reduce the number of participants as far as possible in light of the COVID-19 pandemic, the Board of Directors proposes:

To elect Fredrik Olsson, Chief Financial Officer of the Company, as chairman for the day so that he may chair the Annual General Shareholders’ Meeting.

Explanation: According to art. 10 para. 1 of the articles of association of the Company the Annual General Shareholders’ Meeting shall be chaired by the chairman of the Board of Directors, or, in his absence, by another member of the Board of Directors or by another chairman for the day elected by the General Shareholders’ Meeting, who does not have to be a shareholder.

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#### 2. Approval of the Annual Report, the Statutory Financial Statements and the Consolidated Financial Statements 2019

The Board of Directors proposes to approve the annual report, the statutory financial statements and the consolidated financial statements 2019.

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#### 3. Appropriation of Available Earnings 2019

	EUR	CHF
Net profit for the year	1’038’943	1’158’920
Retained profit carried forward	1’944’784	2’253’210
<b>Amount at the disposal of the shareholders</b>	<b>2’983’727</b>	<b>3’412’130</b>

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<b>Proposal</b>		
Allocation to statutory retained earnings	51'947	57'946
To be carried forward	2'931'780	3'354'184

The Board of Directors proposes to the Annual General Shareholders' Meeting to allocate 5 percent of the net profit for the year to statutory retained earnings and to carry forward the remainder of the profit.

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#### **4. Discharge of the Members of the Board of Directors and of the Members of the Executive Management**

The Board of Directors proposes to grant discharge to all members of the Board of Directors and the Company's executive management committee (the **Executive Management**) for the business year 2019.

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### **5. Elections**

#### **5.1. Re-Elections of current Board Members**

The Board of Directors proposes to re-elect the following current members of the Board of Directors, each for a term of one year ending after completion of the next annual general shareholders' meeting:

- Jörgen Durban
- Erik Fällström
- Joachim Cato
- Florian Nowotny

Explanation: All re-elections are held individually. The curricula vitae of the current members of the Board of Directors are available in the 2019 annual report and also on the Company's website under <http://ddm-group.ch/investors/corporate-governance>.

#### **5.2. Re-Election of the Chairman**

The Board of Directors proposes to re-elect Jörgen Durban as chairman of the Board of Directors for a term of one year ending after completion of the next annual general shareholders' meeting.

#### **5.3. Re-Election of the Members of the Remuneration Committee**

The Board of Directors proposes to re-elect Jörgen Durban and Erik Fällström as members of the remuneration committee for a term of one year ending after completion of the next annual general shareholders' meeting.

Explanation: Both elections are held individually.

#### **5.4. Re-Election of the Independent Proxy**

The Board of Directors proposes to re-elect the law firm Bratschi AG (CHE-114.281.308), Zurich, Switzerland, as independent proxy for a term of one year ending after completion of the next annual general shareholders' meeting.

#### **5.5. Re-Election of the Statutory Auditors**

The Board of Directors proposes to re-elect PricewaterhouseCoopers AG (CHE-434.873.063), Luzern, as the statutory auditors for the business year 2020.

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### **6. Consultative Vote on the Compensation Report 2019**

The Board of Directors proposes to approve, on a consultative basis, the compensation report for the business year 2019. The compensation report provides details on the compensation paid for the business year 2019 and compares these figures with the compensation figures for the business year 2018.

Explanation: In line with Swiss best practice, the Board of Directors is seeking shareholders' approval of the compensation report 2019 on a consultative basis.

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### **7. Votes on the Compensation of the Members of the Board of Directors and the Executive Management**

#### **7.1. Compensation for the Members of the Board of Directors for the period from the end of this Annual General Shareholders' Meeting until the end of the 2021 annual general shareholders' meeting**

The Board of Directors proposes to approve the maximum aggregate amount of CHF 1'000'000 as fixed compensation for the members of the Board of Directors for the period until the end of the 2021 annual general shareholders' meeting.

Explanation: The above proposal is based on the remuneration of the members of the Board of Directors as well as remuneration for their services rendered in board committees and remuneration for potential consulting services provided. The actual compensation paid to each member of the Board of Directors during a business year is disclosed in the respective compensation report governing such business year and is made available (together with the accompanying audit report) to the shareholders in accordance with the applicable Swiss law.

## **7.2. Compensation of the Members of the Executive Management for the Business Year 2020**

### **7.2.1. Approval of the Maximum Aggregate Amount of Variable Compensation**

The Board of Directors proposes to approve the maximum aggregate amount of CHF 2'400'000 as variable compensation for the Executive Management regarding their performance during the business year 2020 (i.e. from 1 January 2020 until 31 December 2020).

Explanation:

- (a) The actual compensation earned by the members of the Executive Management during a business year will be disclosed in the respective compensation report governing such business year and will be made available (together with the accompanying audit report) to the shareholders in accordance with applicable Swiss law.
- (b) The variable compensation of members of the Executive Management could consist of cash remuneration and share options granted under a share option plan implemented by the Board in accordance with article 3<sup>quater</sup> of the Company's articles of association and is subject to the approval of the maximum aggregate amount of variable compensation by the Annual General Shareholders' Meeting and is determined taking into consideration the duties and responsibilities of the recipients, performance of the Company and the individual member.
- (c) For further details on the Company's Board and Executive Management's Remuneration, please refer to the compensation report, available on the Company's website under:  
<https://www.ddm-group.ch/investors/corporate-governance/shareholder-meetings/agm>.

## **7.3. Maximum Aggregate Amount of Fixed Compensation of the Members of the Executive Management during the Business Year 2021**

The Board of Directors proposes to approve the maximum aggregate amount of CHF 2'000'000 as fixed compensation for the members of the Executive Management for the business year 2021 (i.e. from 1 January 2021 until 31 December 2021).

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**8. Vote on the Compensation for AEDC Capital Limited (previously Aldridge EDC Specialty Finance Ltd) (AEDC)**

**8.1. Compensation for AEDC for Business Development Services during the Business Year 2019**

The Board of Directors proposes to approve the compensation of AEDC for business development services provided by AEDC to the Company during the business year 2019 amounting to EUR 756'978.

Explanation:

AEDC, a company related to DDM Group Finance S.A., being the largest shareholder in the Company, whose shares are ultimately held by trusts attributable to Erik Fällström and Andreas Tuczka, entered into an agreement during 2018 with the Company where AEDC provides business development services for identified projects. Business development services from AEDC to the Company during the business year 2019 amounted to EUR 756'978. In relation to this total amount, EUR 756'978 has been recognized to consultancy expenses.

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**9. Vote on the Compensation for DDM Group Finance S.A.**

**9.1. Compensation for DDM Group Finance S.A. for Brokerage Services during the Business Year 2019**

The Board of Directors proposes to approve the compensation of DDM Group Finance S.A. for brokerage services provided by DDM Group Finance S.A. to the Company and its subsidiaries during the business year 2019 amounting to EUR 2'685'000.

Explanation:

DDM Group Finance S.A., being the largest shareholder in the Company, whose shares are ultimately held by trusts attributable to Erik Fällström and Andreas Tuczka, entered into an agreement during 2019 with the Company where DDM Group Finance S.A. provides brokerage services under an asset management contract. Brokerage services from DDM Group Finance S.A. to the Company and its subsidiaries during the business year 2019 amounted to EUR 2'685'000. In relation to this total amount, EUR 1'075'000 has been recognized as consultancy expenses and EUR 1'610'000 has been capitalized during the business year 2019.

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## 10. Change of Registered Seat

The Board of Directors proposes to change the registered seat of the Company from Baar to Zug by accordingly amending the Articles of Association (Art. 1) as follows:

### **Art. 1 Firma und Sitz**

Unter der Firma DDM Holding AG (DDM Holding SA) (DDM Holding Ltd) besteht eine Aktiengesellschaft gemäss Art. 620 ff. OR und den vorliegenden Statuten mit Sitz in Zug. Die Dauer der Gesellschaft ist unbeschränkt.

### **Art. 1 Company Name and Registered Seat**

Under the Company name DDM Holding AG (DDM Holding SA) (DDM Holding Ltd), a corporation with its registered seat in Zug is established pursuant to articles 620 et seq. of the Swiss Code of Obligations (CO) and these articles of association (the Articles of Association). The duration of the Company shall be unlimited.

Explanation:

The Company has relocated to more cost-effective premises at Landis & Gyr Strasse 1, 6300 in Zug, Switzerland.

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## 11. New Authorized Share Capital

The Board of Directors proposes to extend and modify the current Authorized Share Capital (Art. 3<sup>bis</sup> paragraph 1 and 2) as follows:

### **“Art. 3<sup>bis</sup>**

#### **Genehmigtes Aktienkapital**

<sup>1</sup> Der Verwaltungsrat ist ermächtigt jederzeit bis zum 17. September 2022 das Aktienkapital im Maximalbetrag von CHF 6'780'223.00 durch Ausgabe von höchstens 6'780'223 voll zu liberierenden Namenaktien mit einem Nennwert von je CHF 1.00 zu erhöhen. Erhöhungen in Teilbeträgen sind gestattet.

<sup>2</sup> Der Verwaltungsrat ist ferner (einschliesslich im Falle eines öffentlichen Angebots für Aktien der Gesellschaft) ermächtigt, das Bezugsrecht der Aktionäre bei der Ausgabe von Namenaktien aus dem genehmigten Aktienkapital gemäss Art. 3bis Abs. 1 im Umfang von bis zu CHF 6'780'223.00 durch Ausgabe von bis zu

### **Art. 3<sup>bis</sup>**

#### **Authorized Share Capital**

<sup>1</sup> The Board of Directors shall be authorized to increase the share capital in an amount not to exceed CHF 6,780,223.00 through the issuance of up to 6,780,223 fully paid-in registered shares with a nominal value of CHF 1.00 per share by not later than 17 September 2022. Increases in partial amounts shall be permitted.

<sup>2</sup> The Board of Directors is further authorized (including in case of a public offer for shares of the Company) to restrict or deny the pre-emptive subscription rights of shareholders or allocate such rights to third parties in case of issuance of registered shares out of the authorized share capital set forth

6'780'223 Namenaktien mit einem Nennwert von je CHF 1.00 zu beschränken oder aufzuheben oder Dritten zuzuweisen, im Falle der Verwendung der Aktien:

(a) für die Übernahme von Unternehmen, Unternehmensteilen oder Beteiligungen oder für neue Investitionsvorhaben oder für die Finanzierung oder Refinanzierung solcher Transaktionen;

(b) für Zwecke der Beteiligung strategischer Partner oder zum Zwecke der Erweiterung des Aktionärskreises in bestimmten Investorenmärkten oder im Zusammenhang mit der Kotierung der Aktien an inländischen oder an ausländischen Börsen, inklusive im Zusammenhang mit der Gewährung einer Mehrzuteilungsoption an ein Bankenkonsortium; oder

(c) für Beteiligungen von Mitarbeitern oder Verwaltungsräten der Gesellschaft oder von Konzerngesellschaften.

in Art. 3bis para. 1 in the extent of up to CHF 6,780,223.00 through the issuance of up to 6,780,223 registered shares with a nominal value of CHF 1.00 per share, if the shares are to be used:

(a) for the acquisition of enterprises, parts of enterprises, or participations, or for new investments, or for the financing or refinancing of such transactions;

(b) for the purpose of the participation of a strategic partner or for the purpose of broadening the shareholder constituency in certain investor markets or in connection with a listing of the shares on domestic or foreign stock exchanges, including in connection with the grant of an over-allotment option to a consortium of banks; or

(c) for the participation of employees or members of the Board of Directors of the Company or of group companies.”

Explanation: The proposed extension of the Authorized Share Capital as per this new art. 3<sup>bis</sup> paragraph 1 of the Company's articles of association (Authorized Share Capital) is a replacement of the currently existing, equivalent mandate in the same amount of CHF 6'780'223.00 under the current art. 3<sup>bis</sup> which will expire on 31 May 2021 and serves the purpose of maintaining an adequate flexibility for the Board of Directors to resolve on capital increases if deemed to be in the best interest of the Company. The increase of the authorized capital for which pre-emptive subscription rights can be excluded as per the new art. 3<sup>bis</sup> paragraph 2 serves the purposes of extending the Board's flexibility to use the full Authorized Share Capital as per art. 3<sup>bis</sup> paragraph 1 in the cases mentioned in art. 3<sup>bis</sup> paragraph 2.

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## **B. Documentation**

The 2019 annual report, consisting of the full business review, the consolidated financial statements, the statutory financial statements and the respective reports of the statutory auditors as well as the compensation report and proposed revised articles of association, are available at the Company's headquarters (prior

appointment required) and on the Company's website under <http://ddm-group.ch/investors>. Printed copies will be distributed to shareholders of record upon request.

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**C. Participation and Voting Rights**

Shareholders registered with voting rights in the share register as of the close of business on 4 September 2020, will be authorized to participate exclusively by means of representation by the independent proxy and to vote at the Annual General Shareholders' Meeting. From close of business on 4 September 2020 up to and including 17 September 2020, no entries will be made in the share register which would create a right to vote at the Annual General Shareholders' Meeting. Shareholders who sell part or all of their shares before the Annual General Shareholders' Meeting are no longer entitled to vote to that extent. Such shareholders are required to exchange their voting material to reflect the change in their shareholding.

Shareholders who wish to participate by means of representation by the independent proxy at the Annual General Shareholders' Meeting may either download the registration form via our website <http://ddm-group.ch/investors> or request a physical copy by e-mail to [ddm@computershare.ch](mailto:ddm@computershare.ch). The registration form should be completed and returned by mail or e-mail to the following address: Computershare Schweiz AG, General meetings, P.O. Box, 4601 Olten, Switzerland; e-mail: [ddm@computershare.ch](mailto:ddm@computershare.ch) as soon as possible, but in any case no later than 15 September 2020. Upon receipt of their registration form shareholders will be provided with voting material (including proxy form) for the Annual General Shareholders' Meeting.

Shareholders (i) whose shares are registered in accordance with the Articles of Association of the Company in a securities register in accordance with the Swedish Financial Instruments Accounts Act (1998:1479) or otherwise in accordance with Swedish law and (ii) who hold such shares through a nominee must, in order to be entitled to vote by the independent proxy at the Annual General Shareholders' Meeting, temporarily register the shares in their own name. For the shares to be re-registered in time, such shareholders should instruct the nominee that manages the shares well in advance of 4 September 2020 for temporary re-registration, so called voting registration. After such shares have been registered in the shareholder's own name, the shareholder shall follow the instructions as set out above in this section.

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**D. Representation**

Shareholders can have their shares represented at the Annual General Meeting only by the independent proxy. Bratschi AG, Zürich, Switzerland, has been elected at the



ordinary general shareholders' meeting held on 18 June 2019 as the independent proxy of the Company and will thus serve as independent proxy for the Annual General Shareholders' Meeting.

Shareholders opting to be represented by the independent proxy shall submit the original of the completed and signed power of attorney (incorporated in the voting material) with voting instructions to Computershare Schweiz AG, General meetings, P.O. Box, 4601 Olten, Switzerland, by no later than 15 September 2020. Shareholders may also vote by issuing electronic proxy and voting instructions to the independent proxy by voting through the online proxy voting platform <https://ip.computershare.ch/ddm> until 16 September 2020, 11:59 am CEST. Further details can be found on the Company's website <http://ddm-group.ch/investors>.

To the extent that a shareholder opts to be represented by the independent proxy but does not give the independent proxy specific voting instructions, the independent proxy will vote as proposed by the Board of Directors.

**Kindly note that, in line with the Swiss Federal Council's Third Ordinance on Measures to Combat the Coronavirus, physical attendance of the Annual General Meeting is not permitted.**

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**E. Shares and votes**

As of the date hereof, the share capital of the Company amounts to CHF 13'560'447.00, divided into 13'560'447 fully paid-in registered shares with a nominal value of CHF 1.00 each and thus a total of CHF 13'560'447.00. As of the same date, the Company does not directly or indirectly hold treasury shares.

**DDM Holding AG**  
27 August 2020

for the Board of Directors,  
Jürgen Durban  
Chairman