



Report from Cavotec's Ordinary General Meeting 2014

Cavotec SA today held its Ordinary General Meeting "OGM" in Lugano, Switzerland, while shareholders could follow the proceedings via a passive video-link from Stockholm, Sweden. Stefan Widegren chaired the OGM.

At the OGM the following resolutions were passed:

1. Annual report, financial statements and consolidated financial statements for the year 2013, report of the Statutory Auditors

The OGM adopted the Board of Directors' proposal that the annual report, the financial statements and the consolidated financial statement for the year 2013 be approved.

2. Appropriation of available earnings

The OGM adopted the Board of Directors' proposal for the following appropriation:

CHF

Carried forward from previous years	(5,257,113)
Net gain/loss for the financial year 2013	(664,601)
Total earnings available	(5,921,714)
Appropriation to general statutory reserves (retained earnings)	0
Appropriation to other reserves	0
Proposed balance to be carried forward	(5,921,714)

3. Grant of Discharge from Liability to the Board of Directors and Persons entrusted with the Management from Activities during Business Year 2013

The OGM granted discharge to all the members of the Board of Directors and the CEO and CFO for the business year 2013.

4. Capital reduction through partial nominal value repayment

The OGM adopted the Board of Directors' proposal:

a) to reduce the current share capital of CHF 105,667,885.60 by CHF 3,569,861.00 to CHF 102,098,024.60 by way of reducing the nominal value of the registered shares from CHF 1.48 by CHF 0.05 to CHF 1.43 and to use the nominal value reduction amount for repayment to the shareholders;

b) to confirm as a result of the report of the auditors, that the claims of the creditors are fully covered notwithstanding the capital reduction;

c) to amend article 4 para.1, article 4ter , 4quater para. 1 and article 4quinquies of the Articles of Association according to the following wording as per the date of the entry of the capital reduction in the commercial register (the proposed amendments are in italics):

Article 4 para. 1

"The share capital of the Company is CHF *102,098,024.60* and is divided into 71,397,220 fully paid registered shares. Each share has a par value of CHF *1.43*."

Article 4ter

"The share capital may be increased in an amount not to exceed CHF *1,020,979.96* through the issuance of up to 713,972 fully paid registered shares with a par value of CHF *1.43* per share by the issuance of new shares to employees of the Company and group companies. The pre-emptive rights and advance subscriptions rights of the shareholders of the Company shall thereby be excluded. The shares or rights to subscribe for shares shall be issued to employees pursuant to the Long Term Incentive Plan approved by the Board of Directors. Shares or subscription

rights may be issued to employees at 10% discount compared with the market price quoted on the stock exchange of that time.”

Article 4quater para. 1

“The Board of Directors shall be authorized to increase the share capital in an amount not to exceed CHF 20,419,604.92 through the issuance of up to 14,279,444 fully paid registered shares with a par value of CHF 1.43 per share by not later than May 4, 2014.”

Article 4quinquies

“The share capital may be increased in an amount not to exceed CHF 1,020,979.96 through the issuance of up to 713’972 fully paid registered shares with a par value of CHF 1.43 per share by the issuance of new shares to employees of the Company and group companies. The pre-emptive rights and advance subscriptions rights of the shareholders of the Company shall thereby be excluded. The shares or rights to subscribe for shares shall be issued to employees pursuant to the Long Term Incentive Plan 2013 approved by the Board of Directors. Shares or subscription rights may be issued to employees at 10% discount compared with the market price quoted on the stock exchange of that time.”

5. Creation of additional contingent share capital in connection with employee participation

The OGM adopted the Board of Directors’ proposal to create additional contingent share capital in an amount not to exceed CHF 1,020,979.96 enabling the issuance of up to 713,972 additional shares with a nominal value of CHF 1.43 each in connection with employee participation by inserting the new article 4sexies of the Articles of Association to read as follows:

“Article 4sexies – Contingent Share Capital

The share capital may be increased in an amount not to exceed CHF 1,020,979.96 through the issuance of up to 713,972 fully paid registered shares with a par value of CHF 1.43 per share by the issuance of new shares to employees of the Company and group companies. The pre-emptive rights and advance subscriptions rights of the shareholders of the Company shall thereby be excluded. The shares

or rights to subscribe for shares shall be issued to employees pursuant to the Long Term Incentive Plan 2014 approved by the Board of Directors. Shares or subscription rights may be issued to employees at a 10% discount compared with the market price quoted on the stock exchange of that time.”

6. Creation of authorised share capital

The OGM adopted the Board of Directors’ proposal to create authorized share capital in an amount not to exceed CHF 20,419,604.92, enabling the issuance of up to 14,279,444 Cavotec SA shares by not later than April 23, 2016, by amending article 4quater, para. 1 of the Articles of Association with the following wording:

“The Board of Directors shall be authorized to increase the share capital in an amount not to exceed CHF 20,419,604.92 through the issuance of up to 14’279’444 fully paid registered shares with a par value of CHF 1.43 per share by not later than April 23, 2016. Increases in partial amounts shall be permitted.”

Additionally, article 4quater, para. 3 was amended as follows:

“The Board of Directors is further authorized to restrict or deny the pre-emptive rights of shareholders and allocate such rights to third parties if the shares are to be used:

a) for the acquisition of an enterprise, parts of an enterprise, or participations, of for new investments, or, in case of a share placements, for the financing or refinancing of such transactions; or

b) for the purpose of broadening the shareholder constituency in connection with a listing of share on domestic or foreign stock exchange *or for the purpose of the participation of strategic partners*”.

7. Revision of the Articles of Association in order to implement the Federal Ordinance on Excessive Compensation implementing Art. 95 III of the Swiss Constitution

The Federal Ordinance on Excessive Remuneration (the “Ordinance”) requires extensive amendments to the Articles of Association. Following the adoption of a new constitutional provision (Art. 95 III) by the Swiss voters, the Swiss government has adopted the Federal Ordinance on Excessive Compensation (hereinafter the “Ordinance”) which has an impact on the corporate governance of all Swiss companies listed on a Swiss or foreign Stock Exchange. Said Ordinance has come into force on 1 January 2014 and requires Cavotec to amend its Articles of Association.

The OGM adopted the amended Articles of Association as proposed by the Board of Directors.

Hereinafter we shall explain the main changes:

Independent Proxy

Shareholders not participating at the general meeting of shareholders in person may confer a proxy to the Independent Proxy or to a third person (see Art. 9a of the revised Articles). The institutional proxies (depository and corporate proxies) are not allowed any more (Art. 11 of the Ordinance). Furthermore, the Independent Proxy is elected by the OGM, starting at the OGM 2014 (Art. 12 no. 6 of the revised Articles).

Vote on Remuneration

Art. 18 of the Ordinance states that the general meeting of shareholders shall vote yearly and in a binding manner on the aggregate compensation of the board of directors and of the top management. The Articles of Association shall determine the details of such a vote. Implementing this provision, Art. 16b of the revised Articles states that the general meeting of shareholders shall (as of the OGM 2015) annually approve, in a prospective vote, the maximum aggregate amount, covering fixed and variable remuneration each of:

- the remuneration for the board of directors for the next business year;
- the remuneration for the CEO for the next business year.

Art. 16b of the revised Articles also sets out the procedure in case of a negative vote of the general meeting of shareholders.

Report on Remunerations

As of the Business Year 2014, the Board of Directors will have to prepare a so-called remuneration report, that shall contain details on compensation of the members of the Board of Directors and the CEO (Arts. 13-16 of the Ordinance). This report shall be audited (Art. 17 of the Ordinance). Accordingly, the competence to draft said remuneration report has been added to the competences of the Board of Directors (Art. 15 para. 2 no. 6 of the revised Articles). Please note, however, that all details on compensation required to be inserted in the remuneration report are already currently disclosed in the annual report.

Specific changes in the AoA

In addition to the above, the Ordinance requires specific topics to be covered by the Articles of Association, as described hereinafter:

- Implementing Art. 12 para. 1 no. 1 of the Ordinance, the revised Articles (see Art. 15b of the revised Articles) shall specify the maximum number of mandates in top management or board of other legal entities for the CEO and the members of the Board.
- Implementing Art. 12 para. 1 no. 2 of the Ordinance, the revised Articles (see Art. 16e of the revised Articles) shall specify the maximum notice period for indefinite contracts regulating remuneration with members of the board of directors or with the CEO as well as the maximum duration of fixed-term contracts with members of the Board of Directors.

- Implementing Art. 12 para. 1 no. 3 of the Ordinance, the revised Articles (see Art. 15a of the revised Articles) shall set out the attributions and competences of the remuneration committee.
- Implementing Art. 12 para. 1 no. 4 of the Ordinance, the revised Articles (see Art. 16b of the revised Articles) shall set out the modalities of the vote of the general meeting of shareholders on the remuneration of the members of the Board of Directors and of the CEO, as described above.
- Implementing Art. 12 para 2 of the Ordinance, specific provisions have been inserted in the revised Articles regarding:
 - Loans, credit and pension benefits outside of the scope of occupational pension benefit regulations to Board members and the CEO (Art. 16j of the revised Articles);
 - Principles on variable remuneration and attribution of shares and options to Board members and the CEO (Art. 16a of the revised Articles)
 - Provisions on an additional amount to be granted in case of the nomination of a new CEO after the OGM has taken place (Art. 16c of the revised Articles)
 - Provisions on remuneration by other companies within the Group (Art. 16d of the revised Articles)

The OGM approved the above amendments of the AoA.

Redactional Changes

Minor redactional changes were also approved in order to improve the readability of the Articles. In particular, paragraph numbers have been added and the wording of the ordinary general meeting of shareholders has been amended.

8. Re-election of eight directors, nomination of the Chairman of the Board of directors

In accordance with the Nomination Committee's proposal, Fabio Cannavale, Leena Essén, Nicola Gerber, Christer Granskog, Lakshmi C. Khanna, Erik Lautmann, Ottonel Popesco and Stefan Widegren were re-elected. Stefan Widegren was re-elected as Chairman of the Board of Directors for a further one-year term of office expiring at the next OGM.

The Nomination Committee's assessment regarding Board Members independence is found on the Cavotec website.

9. Nominations for the Remuneration Committee

In accordance with the Nomination Committee's proposal, Christer Granskog, Lakshmi Khanna and Erik Lautmann were elected as members of the Remuneration Committee.

The Nomination Committee's assessment regarding independence of the members of the Remuneration Committee is found on the Cavotec website.

10. Re-election of Independent Auditor

In accordance with the Nomination Committee proposal, PricewaterhouseCoopers SA, Lugano, Switzerland was re-elected as Cavotec's independent auditor for the business year 2014

11. Election of an Independent Proxy

In accordance with the Board of Directors' proposal, Mr. Franco Brusa, Attorney-at-law, Via G.B. Pioda 5, Lugano, Switzerland was elected as Cavotec's independent proxy for OGM 2015.

At the OGM shareholder Mr. Stefan Koller, also representing shareholder Mr. Mike Colaco, asked questions that were answered by representatives of the Company. Mr. Stefan Koller claimed that some of these questions were not sufficiently answered and requested a vote for initiating a special audit (as set forth in articles

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697a – g of the Swiss Code of Obligations). The proposal for a special audit was put to a vote at the OGM and the OGM, following the proposal of the Board of Directors, voted against a special audit.

ENDS

For further details on this press release, contact Michael Scheepers, Director Investor Relations & Corporate Communications, at michael.scheepers@cavotec.com.