

# MINUTES

of the  
Ordinary Shareholders' Meeting  
of  
Cavotec SA, Lugano  
for the business year ended 31 December 2013


held on April 23, 2014, at Cavotec SA – Headquarters, Via Balestra 27, 6900 Lugano, Switzerland.

Mr. Stefan Widegren welcomes all the participants at 1:00 p.m. and explains the program of the Ordinary General Meeting. It is proposed to appoint Stefan Widegren as President of today's meeting. No objections are raised.

Stefan Widegren takes the chair and welcomes the shareholders to the Ordinary General Meeting. He appoints Mr. Patric A. Pellegatta as secretary and Mr. Massimo Vanotti is elected as scrutinizer. No objections are raised by the shareholders. Mr. Pellegatta will also draw up a public deed relating to the resolutions with the proposed amendments to the Articles of Association (i.e. the items 4, 5, 6 and 7 of the agenda).

## **1 Declarative Statements**

The chairperson establishes that:

- Following members of the board of directors are present or connected via video-conference system: Stefan Widegren, Ottonel Popesco, Leena Essén, Nicola Gerber, Lakshmi C. Khanna, Erik Lautmann and Christer Granskog.
  - Invitation: The invitation for today's ordinary shareholders meeting has been made pursuant to the provisions of the articles of association and of the law, i.e. by means of a publication in the Swiss Commercial Gazette of 31 march 2014 and a letter of 21 march 2014 sent to the registered shareholders. A notice of the meeting as well as the Audit Report were available on the Company's website since 21 march 2014. Furthermore, the members of the board of directors have been personally invited to today's general meeting of shareholders.
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- Quorum: Of the entire share capital of the Company of CHF 105'667'885.60 (71'397'220 registered shares with a nominal value of CHF 1.48 each) is represented today by:
  - a) Mr. Franco Brusa as independent representative in the sense of art. 689c OR: 34'214'324 shares
  - b) Shareholders personally present or represented by third parties: 7'703'845 shares

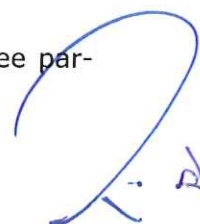
In total, the following voting shares are represented: 41'918'169

- Existence of a quorum: Today's general meeting of shareholders is constituted validly and therefore quorate for the planned agenda items.
- The Ordinary General Meeting decides on the motions put to the meeting with an absolute majority of the represented share votes. For the amendments to the Articles of Association proposed under agenda items 5 and 6 a two thirds majority of the voting rights represented at the Shareholders Meeting as well as an absolute majority of the nominal share capital represented are required.
- A representative of the statutory auditors, PricewaterhouseCoopers SA, Lugano, Switzerland, Mr. Daniel Ketterer is present in Lugano.
- The voting at today's meeting will be by raise of hands. The voting procedures will be supervised by the scrutinizer and the chairman. This latter shall declare the final voting result.

No objections are raised against these statements.

## 2 Agenda items

1. Annual report, financial statements and consolidated financial statements for the year 2013, report of the statutory auditors
2. Appropriation of available earnings
3. Grant of Discharge from Liability to the Board of Directors and Persons entrusted with the Management from Activities during Business Year 2013
4. Capital reduction through partial nominal value repayment
5. Creation of contingent share capital in connection with employee participation



6. Creation of authorized share capital
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
8. Re-election of eight Directors, nomination of the Chairman of the Board of Directors
9. Nomination for the Remuneration Committee
10. Re-election of Independent Auditor
11. Election of an Independent Proxy

### **3 Resolutions**

#### ***Agenda item 1 Annual report, financial statements and consolidated financial statements for the year 2013, report of the statutory auditors***

Mr. Stefan Widegren presents – by also referring to the information meeting held in the morning at 11.00 a.m – the annual report of the Board of Directors for the business year ended 31 December 2013, the financial statements and the consolidated financial statements as of 31 December 2013 and the auditors' report dated 23 April 2014. He furthermore gives information on the recent development of the business and the outlook for the business year 2014.

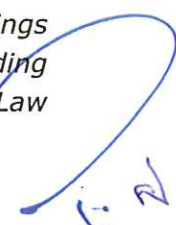
Further, Mr. Widegren informs the ordinary shareholders' meeting that Mr. Stefan Koller submitted several questions in writing about this point on Thursday 17 April 2014. In the following the questions are exposed and then answered by Mr. Michael Scheepers on behalf of the Board of directors

#### Question

*1.1 Cavotec's Information Policy states commitment. How has Cavotec ensured that its annual report, quarterly reports, and other releases provide a "full and open disclosure of likely material risks"?*

#### Answer

*The Cavotec Board, the Audit Committee, the Director of Internal Audit and Management monitor and evaluate risk areas constantly, and have regular meetings where major risks are discussed. Further, Cavotec has appointed the leading firm, PWC as its auditors; PWC conducts its audit in accordance with Swiss Law*





*and Swiss Auditing Standards as well as International Standards on Auditing which require an evaluation of risks by the Auditors.*

Question

*Does Cavotec use any criteria to determine whether information about its decisions or other facts and circumstances are "price sensitive" under the NASDAQ OMX rules?*

Answer

*Being a public company on the NASDAQ OMX Stockholm, Cavotec SA, is fully committed to follow and apply to its rules. Needless to say, this includes disclosure rules and information that could be deemed "price sensitive"*

Question

*1.2 What standards or criteria does Cavotec use in determining if the risk is "likely" and "material"? How did Cavotec develop any such criteria? Has the Independent auditor PwC agreed with any such criteria?*

Answer

*Being an International company with 9 "Centers of Excellence" and activities in more than 30 countries Cavotec is exposed to numerous risks in different areas of its operations (see also page 8-13 in the Cavotec Prospectus of October 2011). In judging these risks Cavotec Board and management interact with consultants, experts and other persons that can help evaluating and/or mitigating these risks. Cavotec has agreed with PwC on criteria for risk evaluation for different aspects of the audit.*

Question

*1.3 Why does the Annual Report not include full accurate report of the aggregate of any restructuring costs or impairment charges? And, why is the "likely material risk" of additional restructuring costs expected for 2014 not listed in the Annual Report?*

Answer

*There are no specific restructuring charges in the accounts covered by the Annual Report 2013 as the costs incurred during the year do not meet the IFRS criteria for inclusion in restructuring provision. The same principles will be followed /applied in 2014.*

Additional question/Statement by Mr. Koller

*Pursuant to Mr Koller, the information requested as regards restructuring costs and impairment charges is material and shall therefore be disclosed to the shareholders. Accordingly, he reiterates the request. The Chairman confirms the above position of the Board to be final and exhaustive. Mr. Koller informs that he will propose a new item to this Ordinary Shareholders Meeting concerning the appointment of a Special Auditor. Such a motion will be handled after the discussion of the last item of the agenda.*

Question

*1.4 Has the company considered moving its headquarters to Sweden? Has the company conducted any survey or analysis of the financial impact of moving the headquarters to Sweden?*

Answer

*The answer to both questions is negative.*

Question

*1.5 Has Cavotec adopted any policy to review its procedures in bidding contracts to verify that its bidding procedures comply with relevant local law?*

Answer

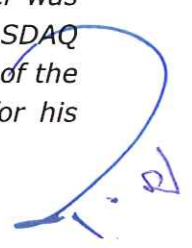
*Cavotec always try to use its best endeavours to comply with relevant local law*

Question

*1.6 When did the company approve its written consulting agreement with Mr. Khanna? Since Mr. Khanna is a Board member, who approved the consulting agreement? Explain how Mr. Khanna may still be considered an "Independent Director" under the NASDAQ OMX rules or applicable corporate governance rules of Sweden and Switzerland, given that Mr Khanna regular, annual nature of consulting resembles compensation of employees.*

Answer

*Mr. Khanna has been a consultant to Cavotec since 2001, and a Board member in the predecessor firms of Cavotec since October 2004. Previously he occupied senior positions as a Partner in Price Waterhouse and PricewaterhouseCoopers where the concept of independence is ingrained and is a fundamental tenet in achieving progress in the career path; he has extensive experience in exercising independence of thought and action. His independence as a Board member was further verified by our lawyers in 2011 in connections with the listing on NASDAQ OMX Stockholm. The Nomination Committee is reviewing the independence of the nominated directors on a yearly basis. The basis for his compensation for his*



*consultancy services is reviewed yearly by the Chairman and relevant Management. The nature of his consulting services does not resemble compensation of employee.*

*Additional question/Statement by Mr Koller*

*Pursuant to Mr Koller, the nature of the consulting services of Mr. Khanna resembles a compensation for employee; further, he considers full disclosure to the shareholders of the total amount /value of all his compensations to be necessary. Accordingly, he reiterates his request. The Chairman refers to the information already available in the Annual Report, page 92, confirming that total compensation for Mr. Khanna in 2013 amounted to CHF 152'497. Nonetheless, Mr Koller states for the records that due to his high remuneration Mr. Khanna cannot be seen as an independent director.*

Mr. Koller further requests additional information on the restructuring costs incurred in 2013 and, prospectively, in 2014 related to the Inet activities. He furthermore requests informations on the ongoing litigation with Mr. Colaco. Mr. Widegren indicates that the available information on the 2013 restructuring costs are to be found in the Annual Report. He further comments that the legal costs connected with the Colaco law suit expected for 2014 will be similar to the ones incurred in 2013.

At the end of the debates, the agenda item is put to the vote and the President declares that the meeting approves agenda item 1 with 34'214'314 affirmative votes and 7'703'855 negative votes.

**Agenda item 2    Appropriation of available earnings**

With regards to the appropriation of the net loss of the year, the following motion is made:

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

After having put the motion to the vote, the chairman declares that the Meeting approves the motion with 34'214'314 affirmative votes, 10 negative votes and 7'703'845 abstentions.



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

A motion is made to grant discharge to all members of the Board of Directors as well as the other person entrusted with the management from Activities during the Business Year 2013.

It is specified that anyone who has participated in any way in managing the business shall abstain from voting. The votes of the persons concerned will not be taken into account during this ballot, and the number of represented votes is correspondingly reduced.

Further, Mr. Widegren reports to the ordinary shareholders' meeting the questions by Mr. Stefan Koller to this point, as submitted on Thursday 17 April 2014, and records the answers of Mr. Michael Scheepers on behalf of the Board of directors as follows.

Question

*3.1 Has Cavotec adopted a written internal control policy? If so, why is that internal control policy not posted on the company's website?*

Answer

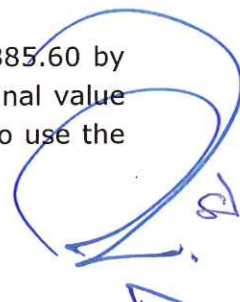
*All Cavotec Policies reflect the fundamental concept of Internal Controls. The Cavotec Internal Control System is regularly monitored by Management, by the Director of Internal Audit and by the Independent Auditors PWC who also have the responsibility for reporting on this system. There is no requirement to put this on the Company's website.*

*Upon specific additional request of Mr. Koller, Mr. Widegren states, that Cavotec Policies are implemented in all countries where Cavotec is active; there is therefore no single document resuming all the policies in place.*

At the end of the debates the agenda item is put to the vote and the President declares that the Meeting approves the motion with 17'427'368 affirmative votes and 7'819'349 negative votes.

**Agenda item 4 Capital Reduction through partial nominal value repayment**

A motion is made 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, to confirm, as a result of the report of the auditors, that the claims of the creditors are fully covered notwithstanding the capital reduction and to amend article 4 para. 1, article 4ter, article 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. "

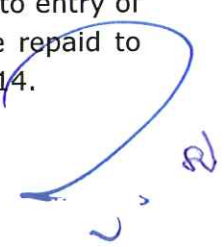
"Article 4quater para. 1

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 4 quinquies

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."

Mr. Stefan Widegren informs that in the event of approval of the proposed capital reduction, the nominal value reduction amount shall be repaid to shareholders. The capital reduction will be implemented after publication of the general meeting resolution in the Swiss Official Gazette of Commerce according to Art. 733 Swiss Code of Obligations and the expiration of the 2 months notice period provided therein. Subject to approval by the general shareholders' meeting and to entry of the reduction in the Commercial Register, CHF 0.05 per share will be repaid to the shareholders, holding shares on 4 July, prospectively on 10 July 2014.





Mr. Stefan Widegren informs that the auditor, PricewaterhouseCoopers SA, with report dated 23 April 2014, has confirmed that the claims of the creditors will still be fully covered after the reduction of share capital.

No questions are raised.

The agenda item is put to the vote and the President declares that the Meeting approves the motion with 41'917'909 affirmative votes, 10 negative votes and 250 abstentions.

**Agenda item 5    Creation of additional contingent share capital in connection with employee participation**

A motion is made 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.

Mr. Stefan Widegren presents and explains the main features of the Long Term Incentive Plan as proposed by the Board of Directors and in line with the previous years' actions as taken in that respect.

The proposed new article 4 sexies reads as follows:

"Article 4 sexies – 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."

No questions are raised.

The Meeting approves the motion with 34'213'060 affirmative votes and 7'705'109 negative votes.

**Agenda item 6    Creation of authorized share capital**



The Board of Directors proposes 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 23 April 2016, by amending and replacing the existing 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 23 April 2016. Increases in partial amounts shall be permitted."

Additionally, it is proposed to amend article 4quater, para. 3 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".

The decision referred to the agenda item 4 concerning the amendments to the art. 4 quarter para. 1 is therefore superseded by this motion.

Mr. Widegren reports to the ordinary shareholders' meeting the questions by Mr. Stefan Koller to this point, as submitted on Thursday 17 April 2014, and records the answers of Mr. Michael Scheepers on behalf of the Board of directors as follows.

#### Question

*6.1 Before the company examines or completes any merger or acquisitions, who does the company ensure that it is paying a fair price? Does the company engage outside financial advisors, such as investment bankers, to perform independent valuation analysis of the potential target company? In the last five years, has the company engaged any outside financial advisors in connection with its acquisitions?*

#### Answer

*Cavotec is seeking advice from multiple sources and experts before undertaking any acquisition. Several of its Board members have personally been involved in*

A large, stylized handwritten signature in blue ink, possibly reading 'J. S.', is written over the end of the answer text. To the right of the signature, there are some smaller, less legible handwritten marks.

*numerous acquisitions in their working life outside Cavotec. Since 2009 Cavotec has only acquired the assets of Inet A/S and Combibox.*

At the end of the debates, the agenda item is put to the vote and the President declares that the Meeting approves the motion with 34'213'310 affirmative votes and 7'704'859 negative votes.

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

The Federal Ordinance on Excessive Remuneration (the "Ordinance") has entered into force on 1 January 2014 and requires extensive amendments to the Article of Association.

Accordingly, the Board of Directors proposes to create, amend or cancel the following articles:

**V. Organization of the Company**

**A. General Meeting of Shareholders**

**Art. 7 Ordinary and Extraordinary General Meetings of Shareholders**

<sup>1</sup>*An ordinary general meeting of shareholders is to be held yearly within six months following the close of the business year. It is called by the board of directors or, if necessary, by the auditors.*

<sup>2</sup>*Extraordinary general meetings of shareholders may be called by the board of directors, the liquidators or the auditors as often as necessary to safeguard the interests of the Company.*

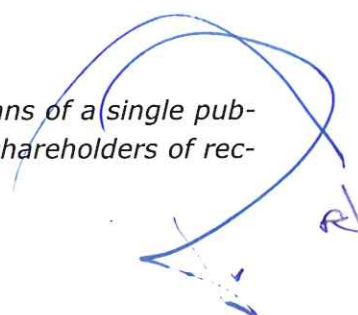
<sup>3</sup>*Stating the purpose of the meeting and the agenda to be submitted, one or more shareholders representing at least ten per cent of the share capital may request the board of directors, in writing to call an extraordinary general meeting of shareholders. In such case, the board of directors must call a general meeting of shareholders within two weeks.*

<sup>4</sup>*General meetings of shareholders are held at the domicile of the Company or at such other place as the board of directors shall determine.*

<sup>5</sup>*As long as the shares are listed on a Swedish stock exchange, the Company shall comply with the relevant rules and regulations that are applied in that country with regard to the subject of this article.*

**Art. 8 Convening**

<sup>1</sup>*Notice of a general meeting of shareholders is given by means of a (single publication in the Swiss Commercial Gazette or by letter to the shareholders of rec-*





ord. Between the day of the publication or the mailing of the notice and the day of the meeting there must be a time period of not less than 20 calendar days. The notice of the general meeting of shareholders must indicate the agenda and the motions.

<sup>2</sup>As long as the shares are listed on a Swedish stock exchange, the notice of a general meeting of shareholders shall also be kept available on the company's website. At the time of the notice, the Company may publish in Svenska Dagbladet an announcement with information that the notice has been issued.

### **Art. 9 Voting Rights and Proxies**

<sup>1</sup>In a general meeting of shareholders each share entitles its owner to one vote. Art. 693 Para. 3 and Art. 704 Para. 1 CO remain reserved.

<sup>2</sup>Shareholders can be represented by proxy at general meetings of shareholders. The chair of the general meeting of shareholders decides as to the acceptance of proxies.

<sup>3</sup>A proxy must be in writing. Proxies to the independent representative may also be conferred electronically without requiring an electronic signature. The board of directors shall ensure that shareholders can grant a proxy and issue instructions to the independent proxy electronically.

### **Art. 9a Independent Proxy**

<sup>1</sup>The independent proxy shall be elected by the general meeting of shareholders for a term of one year. The term of office expires at the end of the next ordinary general meeting of shareholders. Re-election is permitted.

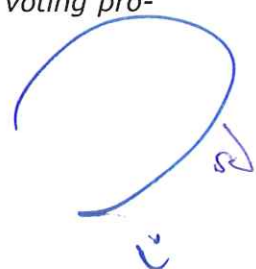
<sup>2</sup>If the office of the independent proxy is vacant or if the independent proxy is unable for any reason to attend the general meeting of shareholders, the board of directors shall appoint the independent proxy for the next general meeting of shareholders. Proxies and voting instructions that were issued to any previous independent proxy shall remain valid for the new independent proxy as long as a shareholder does not explicitly determine otherwise.

### **Art. 10 Resolutions and Elections**

<sup>1</sup>Unless mandatory statutory provisions or the articles of association provide otherwise, the general meeting of shareholders passes its resolutions and performs elections with the absolute majority of the votes represented at the meeting without regard to the number of shareholders present and shares represented in such meeting.

<sup>2</sup>The chairman of the general meeting of shareholders decides on the voting procedure.

### **Art. 11 Chairman, Secretary, Scrutiniers**



*General meetings of shareholders are presided over by the chairman of the board of directors or, in his absence, by a chairman of the day to be elected by the general meeting of shareholders. The chairman appoints a secretary and some scrutinisers neither of whom need be shareholders.*

## **Art. 12 Powers**

*The general meeting of shareholders has the following exclusive competences:*

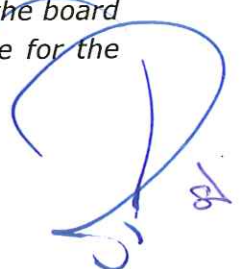
- 1. Amendments to the articles of association;*
- 2. Approval of the annual report and, as the case may be, of the consolidated statements of accounts;*
- 3. Approval of the annual financial statement as well as resolutions on the use of the balance sheet profits, in particular, the declaration of dividends and of profit sharing by directors in accordance with Art. 671 and Art. 677 CO;*
- 4. Discharge of the members of the board of directors and of the Chief Executive Officer (CEO);*
- 5. Election of the board members, the chairman of the board of directors and the members of the remuneration committee;*
- 6. Election of the independent proxy;*
- 7. Election of the auditors;*
- 8. Approval of the remuneration of the members of the board of directors and the CEO according to article 16b of the articles of association;*

*Resolutions on all other matters which, under the articles of association or according to the law, are in the exclusive competence of the general meeting of shareholders or which have been submitted to the meeting for its decision by the board of directors.*

## **Art. 13 Organisation, Term of Office**

<sup>1</sup>*The board of directors shall be composed of a minimum of five and a maximum of ten members.*

<sup>2</sup>*Each member of the board, the chairman of the board of directors and each member of the remuneration committee is individually elected by the general meeting of shareholders for a one year term. The term of office expires in each case at the end of the next ordinary general meeting of shareholders. Re-election is permitted. If the office of the chairman becomes vacant the board of directors appoints from among its members a new chairman for the remainder of the current term of office. If there are vacancies within the remuneration committee and to the extent the number of members of the remuneration committee falls below the minimum set forth in art. 15a para. 1 of the Articles of Association, the board of directors shall appoint new members of the remuneration committee for the remainder of the current term of office.*





<sup>3</sup>The board of directors shall constitute itself autonomously.

<sup>4</sup>In case of a deadlock, the Chairman has a casting vote.

#### **Art. 14 Convening and Resolutions**

The chairman of the board of directors calls the meetings and presides over the debates. Each director is entitled to re-request the calling of a meeting by giving written notice to the chairman. The board of directors sets out the particular rules on passing resolutions in the organisational regulations.

#### **Art. 15 Duties and Powers**

<sup>1</sup>The board of directors governs the Company. It decides on all corporate matters not reserved by law or the articles of association for the general meeting of shareholders or another governing body.

<sup>2</sup>The board of directors has the following non-transferable and inalienable duties:

1. The ultimate management of the Company and the issuance of the necessary directives;
2. The establishment of the organization;
3. The structuring of the accounting system and of the financial controls and, if necessary, of the financial planning;
4. The appointment and removal of the persons entrusted with the management and the representation;
5. The ultimate supervision of the persons entrusted with the management, in particular, in view of compliance with the law, the articles of association, regulations and directives;
6. The preparation of the annual report and the remuneration report as well as the preparation of the general meeting of shareholders and the implementing of its resolutions;
7. The notification of the judge in case of over indebtedness;
8. All further duties conferred to the board of directors by mandatory law.

<sup>3</sup>The board of directors regulates the signatory powers, inclusive that of its own members.

<sup>4</sup>The board of directors may entrust the preparation and the execution of its decisions or the supervision of certain transactions to committees or to particular members. It is empowered to assign the management of the Company in whole or in part to one or several of its members or to a chief executive officer who may be a member of the board of directors. For this purpose, the board of directors will issue organizational regulations.

#### **Art. 15a Remuneration Committee**





<sup>1</sup>The remuneration committee shall consist of at least three members of the board of directors. The board of directors shall appoint the chair from among the members of the remuneration committee.

<sup>2</sup>The remuneration committee has the following duties and competences:

1. Reviewing and advising the board of directors on the terms of appointment of the CEO;
2. Reviewing working environments and succession planning for members of the management;
3. Reviewing the terms of the employment arrangements with members of the management so as to develop consistent group-wide employment practices subject to regional differences;
4. Reviewing of and making proposals to the board of directors on the remuneration of the members of the board of directors and of the chief executive officer;
5. Reviewing the terms of the Company's short and long term incentive plans;
6. Submission of a draft of the remuneration report to the board of directors.

<sup>3</sup>The board of directors may delegate further duties and responsibilities to the remuneration committee. The board of directors will enact a written charter governing the rules of procedure of the remuneration committee as well as its duties, responsibilities and relationship with the board of directors.

#### **Art. 15b Additional Mandates**

<sup>1</sup>No member of the board of directors may hold more than 5 additional mandates in listed companies and 5 in non-listed companies.

<sup>2</sup>The CEO may not hold more than 3 additional mandates in listed companies and 5 in non-listed companies.


<sup>3</sup>The following mandates are not subject to these limitations:

1. Mandates in companies which are controlled by the Company;
2. Mandates which a member of the board of directors or the CEO holds at the request and on behalf of the Company. No member of the board of directors or the CEO shall hold more than 10 such mandates; and
3. Mandates in associations, charitable organizations, foundations, trusts and employee welfare foundations. Members of the board of directors and the CEO shall not hold more than 10 such mandates each.

<sup>4</sup>Mandates shall mean mandates in the supreme body of a legal entity which is required to be registered in the commercial register or a comparable foreign register.

#### **Art. 16 Term of Office, Authority and Duties**

<sup>1</sup>An auditing company subject to governmental supervision as required by law is to be appointed as auditors.



<sup>2</sup>The general meeting of shareholders shall elect the auditors for a term of one year. The rights and duties of the auditors are determined by the provisions of the law.

<sup>3</sup>The auditors must be independent according to Art. 728 CO.

## **VI. Remuneration and other Provisions Regarding the Board of Directors and of the CEO**

### **Art. 16a Elements of Remuneration**

<sup>1</sup>The board members and the CEO shall be appropriately compensated for their services in view of their functions and responsibilities.

<sup>2</sup>Both the members of the board of directors and the CEO shall receive a fixed and, if applicable, a variable remuneration.

<sup>3</sup>The fixed remuneration may consist of a base salary plus social security contributions on the part of the employer, benefits and pension benefits.

<sup>4</sup>The variable remuneration consists of annual compensation ("STIP") and/or long term incentives ("LTIP") plus social security contributions on the part of the employer and, if applicable, additional pension benefits.


<sup>5</sup>The STIP is a variable compensation that provides incentives for senior executives by providing them with bonus based on Cavotec profitability.

<sup>6</sup>The LTIP is a long-term incentive plan for senior executives which shall be aligned to the long-term value creation of the company and may include or be based on shares and/or options.

<sup>7</sup>The pension benefits are based on defined contributions, that are determined based on the mandatory and elective pension plans of the country of employment. Pension benefits may include retirement benefits (such as pensions, purchase of medical insurances etc.) outside of the scope of occupational pension benefit regulations and may amount to up to 50% of the last paid out fixed remuneration per year.

<sup>8</sup>The board members and the the CEO shall be entitled to the reimbursement of all expenses incurred in the interests of the Company. In particular, but not limited to, the Company may reimburse the members of the board of directors and the CEO for costs incurred in connection with court proceedings and grant respective advances or subscribe for insurance policies covering such risks. Such payments are not part of the remuneration.

### **Art. 16b Approval of Remuneration by the General Meeting of Shareholders**





<sup>1</sup>The general meeting of shareholders shall annually approve the maximum aggregate amount each of:

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

<sup>2</sup>The aggregate amount shall cover the fixed remuneration, the STIP and the LTIP payable during the next business year.

<sup>3</sup>In the event the general meeting of shareholders does not approve a proposal of the board of directors, the board of directors may submit another proposal at the same general meeting of shareholders or convene a new general meeting of shareholders to approve the remuneration.

<sup>4</sup>The general meeting of shareholders may at any time approve a subsequent increase of an approved aggregate amount.

#### **Art. 16c Additional Amount for new CEO**

If a new CEO is appointed after the remuneration has been approved, the board of directors is authorized to use for a given year, in addition to any approved amount, an additional amount of 100% of the approved amount of the remuneration of the CEO to remunerate any such new CEO to the extent that the approved total remuneration for the CEO is not sufficient to remunerate the new CEO until the next general meeting of shareholders. This additional amount does not need to be approved by the general meeting of shareholders.

#### **Art. 16d Remuneration within the Group**

Legal entities which are directly or indirectly controlled by the Company may pay remuneration to members of the board of directors or of the CEO for services provided to such entities, provided that it is covered by the approved aggregate amount according to article 16b of the articles of association or the extra amount according to article 16c of the articles of association.


#### **Art. 16e Contracts with Members of the Board of Directors and the CEO**

<sup>1</sup>Indefinite contracts regulating remuneration with members of the board of directors or with the CEO shall have a notice period for such not exceeding 12 months.

<sup>2</sup>Fixed-term contracts regulating remuneration with members of the board of directors, if applicable, or with the CEO are allowed to provide a duration of up to 12 months.

#### **Art. 16j Loans, Benefits outside of the Scope of Occupational Pension benefit Regulations**

<sup>1</sup>The Company does not grant loans or extend credit to the members of the board of directors and to the CEO.





<sup>2</sup>The Company may grant to the members of the board of directors and to the CEO pension benefits outside of the scope of occupational pension benefit regulations as provided in Article 16b, para 7.

## **VII. Business Year, Business Report, Notices, Liquidation**

### **Art. 18 Availability for Inspection**

<sup>1</sup>The business report and the report of the auditors must be available for inspection to the shareholders at the domicile of the Company at least twenty days preceding the ordinary general meeting of shareholders. The Company must send a copy of these reports without delay to any shareholder upon request.

<sup>2</sup>As long as the shares are listed on a Swedish stock exchange, the Company shall abide by the disclosure rules and regulations of such stock exchanges.

### **Art. 20 Dissolution and Liquidation**

<sup>1</sup>In case of Company's dissolution, the liquidation will be carried out by the board of directors then in office, unless the general meeting of shareholders decides otherwise.

<sup>2</sup>The liquidators have unencumbered power and authority to liquidate all corporate assets and wind up the Company.

## **VIII. Various**

### **Art. 21 Implementation of the new Provisions on the Remuneration of the Members of the Board of Directors and of the CEO**

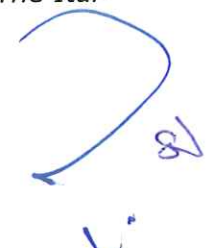
<sup>1</sup>The ordinary general meeting of shareholders 2014 elects the chairman of the board of directors, the members of the remuneration committee as well as the independent proxy for a term of office until the end of the ordinary general shareholders' meeting 2015.

<sup>2</sup>Contracts with members of the board of directors and the CEO shall be adapted to the new Articles of Association within 31 December 2015.

<sup>3</sup>The remuneration committee in terms of article 15a of the articles of association will begin its work as soon as the board of directors adopts the written charter as provided for in article 15a para. 3 of the articles of association.

### **Art. 22 Prevailing Version**

These articles of association are provided in English and Italian version. The Italian version shall prevail.



Finally, the Meeting approves the motion with 34'213'315 affirmative votes, 1'009 negative votes and 7'703'845 abstentions.

**Agenda item 8 Re-Election of eight Directors, nomination of the Chairman of the Board of Directors**

Pursuant to Art. 13 of the Articles of Association the directors are elected each year to hold office until the following annual shareholders' meeting. Directors may be re-elected.

A motion, based on the recommendation of the Nomination Committee, is made that Fabio Cannavale, Leena Essén, Nicola Gerber, Christer Granskog, Lakshmi C. Khanna, Erik Lautmann, Ottonel Popesco and Stefan Widegren be re-elected as Directors for another tenure of one year expiring at the annual general meeting of the Company to be held in 2015 and to nominate Stefan Widegren as chairperson of the board of directors.

Mr. Widegren reports to the ordinary shareholders' meeting the questions by Mr. Stefan Koller to this point, as submitted on Thursday 17 April 2014, and records the answers of Mr. Michael Scheepers on behalf of the Board of directors as follows.

Question

*8.1 Did Mr Pope provide any reason(s) for not seeking re-election to the board of directors? If so, what reason(s) did Mr Pope provide?*

Answer

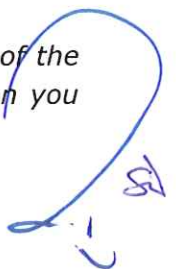
*Mr Pope did not seek re-election due to personal reasons.*

Question

*8.2 The company's Nomination Statement states that shareholders representing 45% of the outstanding shares approved the slate of directors. Please identify those shareholders who approved the slate of directors. What criteria did the nomination committee use in deciding to discuss the slate of directors with those shareholders? Why does the committee not solicit input from minority holders?*

Answer

*The Nomination Committee Chairman is not bound to disclose the identity of the persons he meets during the nomination process. Yet, to give an indication you*



can look at page 93 of the Annual report 2013. The Nomination Committee Statement describes the current process for nominations.

Question

8.3 Does the nomination committee perform any evaluation on any of the directors before recommending them for re-election?

Answer

Reference is made in that respect to the Nomination Committee Statement.

Additional question/Statement by Mr Koller

Pursuant to Mr Koller, the information requested about the names of the shareholders involved in the process is material and shall therefore be disclosed to the other shareholders. The same as regards the reasons why the minority shareholders were not asked to participate in it. Accordingly, he reiterates his requests. The Chairman confirms that the company is not compelled to give such information. Mr. Koller informs that he will propose a new item concerning the appointment of a Special Auditor. Such a motion will be handled after the discussion of the last item of the agenda.

At the end of the debate, the re-appointments are put to vote as follows.

8. 1 Re-election of Stefan Widegren

The President declares that Mr. Stefan Widegren is reelected to the board with 34'214'064 affirmative votes and 7'704'105 negative votes.

8.2. Re-election of of Leena Essén

The President declares that Ms. Leena Essén is reelected to the board with 34'214'314 affirmative votes and 7'703'855 negative votes.

8.3. Re-election of Maria Gerber

The President declares that Ms. Maria Gerber is reelected to the board with 34'214'064 affirmative votes, 7'703'855 negative votes and 250 abstentions.

8.4. Re-election of Lakshmi C. Khanna

The President declares that Mr. Lakshmi C. Khanna is reelected to the board with 34'214'314 affirmative votes and 7'703'855 negative votes.

8.5. Re-election of Erik Lautmann





The President declares that Mr. Erik Lautmann is reelected to the board with 34'214'314 affirmative votes and 7'703'855 negative votes.

#### 8.6 Re-election of Christer Granskog

The President declares that Mr. Christer Granskog is reelected to the board with 34'214'314 affirmative votes and 7'703'855 negative votes.

#### 8.7. Re-election of Fabio Cannavale

The President declares that Mr. Fabio Cannavale is reelected to the board with 34'214'314 affirmative votes and 7'703'855 negative votes.

#### 8.8. Re-election of Ottonel Popesco

The President declares that Mr. Ottonel Popesco is reelected to the board with 34'214'314 affirmative votes and 7'703'855 negative votes.

#### 8.9. Nomination of Stefan Widegren as Chairman of the Board of Directors

The Board of Directors, based on the recommendation of the Nomination Committee, furthermore proposes to nominate Stefan Widegren as Chairman of the Board of Directors.

The President declares that the motion to appoint Mr. Widegren as Chairman of the Board of Directors has passed with 34'214'314 affirmative votes and 7'703'855 negative votes.

### ***Agenda item 9***    **Nominations for the Remuneration Committee**

Pursuant to Art. 7 of the Federal Ordinance on Excessive Compensation, the Ordinary General Meeting shall elect the members of the Remuneration Committee from among the members of the Board of Directors.

The Board of Directors, based on the recommendation of the Nomination Committee, proposes to nominate Erik Lautmann, Lakshmi Khanna and Christer Granskog as members of the Remuneration Committee.

The President declares that Mr. Erik Lautmann is reelected to the Committee with 34'214'314 affirmative votes and 7'703'855 negative votes.

The President declares that Mr. Lakshmi C. Khanna is reelected to the Committee with 34'214'314 affirmative votes and 7'703'855 negative votes.

The President declares that Mr. Christer Granskog is reelected to the Committee with 34'214'314 affirmative votes and 7'703'855 negative votes.

**Agenda item 10 Re-election of Independent Auditor**

The Board of Directors, based on the recommendation of the Nomination Committee, proposes that PricewaterhouseCoopers SA, Lugano, Switzerland be re-elected as our independent auditor for business year 2014.

PricewaterhouseCoopers SA, Lugano, Switzerland is elected as the Company's independent auditor for the business year 2014 with 34'214'314 affirmative votes and 7'703'855 negative votes.

**Agenda item 11 Election of an Independent Proxy**

In application of the Ordinance, the Board of Directors, based on the recommendation of the Nomination Committee, proposes that Mr. Franco Brusa, Attorney-at-law, Via G.B. Pioda 5, Lugano, Switzerland be elected as Cavotec's independent proxy for the OGM 2015.

The Meeting approves the motion with 41'918'159 affirmative votes and 10 negative votes.

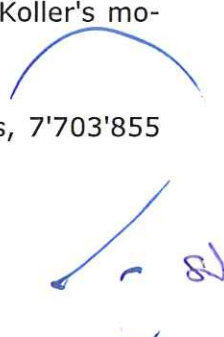
**New item 12 Motion for a Special Audit**

As anticipated in the previous discussions, Mr. Koller submit a motion to appoint a Special auditor on following specific issues:

- i) Information on the aggregate of the restructuring costs or impairment changes incurred in 2013; and
- ii) Information on the names of the shareholders representing 45% of the outstanding shares who approved the slate of directors.

The Ordinary shareholders' meeting is temporally suspended in order to allow the Board of Directors to resolve on the above motion. After the brief suspension, the Board of Directors proposes to the shareholders not to approve Mr. Koller's motion.

The Meeting then rejects the motion with 34'097'815 negative votes, 7'703'855 affirmative votes and 116'499 abstentions.



#### 4 Final statements

As no further issues are raised by the shareholders, the chairperson closes the meeting at 2:0 p.m. All the shares indicated under Section 1 above were represented during the entire meeting.

Lugano, 29 April 2014

The chairperson:

Stefan Widegren



The secretary:

Patric A. Pellegatta

A large, stylized handwritten signature in blue ink, which appears to be "Patric A. Pellegatta", written over a horizontal line.