

## Annual General Meeting of u-blox Holding AG

Dear Shareholder,

Given the risks associated to the COVID 19 (coronavirus), the board has decided, based on the COVID1-19 Ordinance 2, dated 16<sup>th</sup> of March 2020, to organize the shareholders meeting without your personal attendance.  
**You can however appoint the independent proxy to cast your votes.**

Thalwil, 25.03.2020

### 13th Ordinary General Meeting

The 13th ordinary general meeting will be held on 23rd April, 2020, at 16:00 at the offices of u-blox Holding AG, Zürcherstrasse 68, 8800 Thalwil, Switzerland.

### Agenda and proposals of the Board of Directors

#### 1 Annual Report, financial statements, and consolidated financial statements for 2019

Proposal:

The Board proposes the approval of the 2019 annual report, the financial statements, and consolidated financial statements.

#### 2 Appropriation of available profit and dividends

##### 2.1 Appropriation of available profit

Proposal: The Board proposes to carry forward the available profit 2019 to the new accounts 2020.

Explanation:

##### Available profit

Profit brought forward from 2018	CHF	62'418'447
Net profit for the year 2019	CHF	6'772'185
Total available profit / Balance to be carried forward	CHF	69'190'632

### 3 Discharge of the Board of Directors and the Executive Committee

Proposal: The Board proposes to discharge the members of the Board of Directors (BoD) and the Executive Committee (EC) for fiscal year 2019.

### 4 Change to Articles of Association

#### 4.1 Capital decrease by reducing the nominal value of the shares

Proposal: The Board of Directors proposes to the shareholders meeting

- a) to decrease the share capital from CHF 109'568'520.60 by CHF 4'268'903.40 to CHF 105'299'617.20. The share capital shall be decreased by reducing the nominal value of each share from CHF 15.40 by CHF 0.60 to new CHF 14.80 in order to make a repayment to the shareholders in the amount of the reduction, i.e. CHF 0.60 per share. The nominal value repayment is expected to be executed on July 9, 2020.
- b) as a result of the report of the auditor KPMG AG, Lucerne, dated April 23, 2020, to determine that the claims of the creditors are covered, even after the aforementioned nominal value repayment.
- c) to adapt Article 3 para. 1, Art. 3a para. 1 (first sentence) and Art. 3b para. 1 (first sentence) of the Articles of Association, as a consequence of reducing the nominal value of each share from CHF 15.40 to new CHF 14.80, which shall newly read as follows:

#### Art. 3 Share capital, shares

*„The share capital of the Company is in the amount of CHF 105'299'617.20 subdivided into 7'114'839 registered shares with a nominal value of CHF 14.80 each. The share capital is fully paid in.“*

#### Art. 3a Conditional share capital

*„The share capital of the Company will be increased by a maximum amount of CHF 3'481'626 by the issuance of no more than 235'245 registered shares that are to be fully paid-in and have a nominal value of CHF 14.80 each; this increase being the result of the exercise of options rights granted to the employees of the Company and its subsidiaries in accordance with one or more equity investment plans.“*

#### Art. 3b Authorized share capital

*„The board of directors is authorized to increase the share capital at any time but no later than by April 30, 2021, by way of issuance of no more than 700'000 registered shares that are to be fully paid in with a nominal value of CHF 14.80 each, by a maximum nominal amount of CHF 10'360'000.“*

The other provisions of Article 3, 3a and 3b remain unchanged.

Explanation:

Instead of a dividend pay-out, the Board of Directors proposes a nominal value repayment. Every share existing by April 23, 2020, the date of the ordinary shareholders meeting, shall be considered for the nominal value repayment in the amount of CHF 0.60 per share. Swiss tax law allows the nominal value repayment without the deduction of 35% withholding tax. The shares are expected to be traded with the new nominal value as from July 7, 2020.

#### **4.2 Adaptation of Art. 3a (conditional share capital)**

Proposal: The Board of Directors, taking into account the exercised option rights by April 23, 2020, proposes to the shareholders meeting to increase the amount of the conditional share capital by 2% (from 235'245 shares to 377'500 shares) by amending the first sentence of Art. 3a of the Articles of Association.

If the shareholders meeting agrees to agenda item 4.1 (capital decrease), the first sentence of Article 3a, considering the reduction of the nominal value of each share, newly reads as follows (to become effective simultaneously with the registration of the capital decrease in the commercial register):

*„The share capital of the Company will be increased by a maximum amount of CHF 5'587'000 by the issuance of no more than 377'500 registered shares that are to be fully paid-in and have a nominal value of CHF 14.80 each; this increase being the result of the exercise of options rights granted to the employees of the Company and its subsidiaries in accordance with one or more equity investment plans.“*

The other provisions of Art. 3a remain unchanged.

If the shareholders meeting does not agree to agenda item 4.1 (capital decrease), the first sentence of Article 3a newly reads as follows:

*„The share capital of the Company will be increased by a maximum amount of CHF 5'813'500 by the issuance of no more than 377'500 registered shares that are to be fully paid-in and have a nominal value of CHF 15.40 each; this increase being the result of the exercise of options rights granted to the employees of the Company and its subsidiaries in accordance with one or more equity investment plans.“*

The other provisions of Art. 3a remain unchanged.

Explanation:

The Board of Directors proposes the increase of the conditional share capital by 2% of the share capital to facilitate the continuation of the Employee Stock Option Plan (ESOP). If the shareholders meeting agrees to the capital decrease (reduction of the nominal value), the 377'500 shares correspond to a conditional share capital of CHF 5'587'000, subdivided into 377'500 shares with a nominal value of CHF 14.80 each. If the shareholders meeting refuses the capital decrease (reduction of the nominal value), the 377'500 shares correspond to a conditional share capital of

5'813'000, subdivided into 377'500 shares with a nominal value of CHF 15.40 each.

## **5 Election of Directors and Chairman**

Proposal: Re-election of Mr. André Müller and election as Chairman of the Board until the end of the next annual general meeting.

Proposal: Re-election of Gina Domanig until the end of the next annual general meeting.

Proposal: Re-election of Ulrich Looser until the end of the next annual general meeting

Proposal: Re-Election of Dr. Annette Rinck until the end of the next annual general meeting.

Proposal: Re-Election of Markus Borchert until the end of the next annual general meeting.

Proposal: Re-election of Thomas Seiler until the end of the next annual general meeting.

Proposal: Re-election of Jean-Pierre Wyss until the end of the next annual general meeting.

## **6 Election to the Nomination and Compensation Committee (NCC)**

Proposal: Re-election of Gina Domanig until the end of the next annual general meeting.

Proposal: Re-election of Markus Borchert until the end of the next annual general meeting.

## **7 Advisory Vote on the Compensation for financial year 2019**

### **7.1 Advisory Vote on Board of Directors compensation**

Proposal: The Board of Directors proposes to consent in a non-binding vote to the total compensation granted to the Board of Directors for the period between General Meeting 2019 and the General Meeting 2020.

	<b>Compensation*) between General Meeting 2019 and General Meeting 2020</b>	<b>Maximum Compensation approved at AGM 2019</b>
	Million CHF	Million CHF
<b>Compensation</b>	<b>0.597</b>	<b>0.600</b>

\*) Including contributions to pension scheme and social insurance.

Explanation:

For further details, please see the Compensation Report section of the annual report. The table above shows the maximum compensation that was approved at the General Meeting in 2019 and the compensation that the Board of Directors received.

## 7.2 Advisory vote on Executive Committee compensation

Proposal: The Board of Directors proposes to consent in a non-binding vote to the total compensation granted to the Executive Committee for financial year 2019, in total CHF 3'593'873.

	<b>Compensation* financial year 2019</b>	<b>Maximum Compensation* approved at AGM 2018</b>
	Million CHF	Million CHF
<b>Total</b>	<b>3.594</b>	<b>7.000</b>
composed of:		
Base salary	2.089	2.300
Variable Bonus	0.843	2.400
Long-term Incentive Stock Option Plan	0.662	2.300

\*) Including contributions to pension scheme and social insurance.

Explanation:

For further details, please see the Compensation Report section of the annual report. The table above shows the maximum compensation that was approved at the General Meeting in 2018 and the compensation that the Executive Committee received for financial year 2019.

## 8 Compensation 2020/2021

### 8.1 Board of Directors

Proposal: The Board requests the approval of the total maximum compensation of the Board in an amount of CHF 660'000 for the term of office from the ordinary general meeting 2020 until the ordinary general meeting 2021.

Explanation:

According to the compensation policy the Board requests an increase of the compensation to align with compensation levels in the industry.

The compensation of the Board is paid in cash pursuant to the compensation policy. Only non-executive Board members (currently 5 non-executive members) are paid compensation.

Employer's social security and pension contributions were taken into account and as far as possible estimated.

## **8.2 Executive Committee**

Proposal: The Board requests the approval of the total maximum compensation of the executive committee in the amount of CHF 7'000'000 for the fiscal year 2021.

Explanation:

The compensation is composed of a base salary, a variable compensation and a Long-term Incentive employee stock option plan (LTI-ESOP). The above proposed amount corresponds to the maximum which could be achieved in case of exceptional growth of the business. The total amount remains unchanged compared to the previous year. It includes the employer's social security and pension contributions, which were estimated as well as possible. Currently, the Executive Committee consists of five members.

**Base salary: CHF 2'300'000.**

**Variable bonus: CHF 2'400'000.**

The variable compensation can be a value between zero and the proposed maximum amount. The variable compensation was calculated with the maximum amounts according to the respective employment agreements (CEO: 150% of base salary, other EC members: 100% of base salary).

**Long-term Incentive Stock Option Plan: CHF 2'300'000.**

The Long-term Incentive Stock Option Plan is fully described in the compensation policy published in the corporate governance report of the annual report.

## **9 Election of the independent proxy**

Proposal: Re-election of KBT Treuhand AG, Zürich as independent proxy until the end of the next annual general meeting.

## **10 Election of the statutory auditor**

Proposal: Re-election of KPMG AG, Luzern for the fiscal year 2020.

### **Annual Report**

The complete Annual Report 2019 is available 20 days prior to the general meeting for inspection at the registered offices of the company, Zürcherstrasse 68, CH-8800 Thalwil. The Annual Report can be ordered as of March 16, 2020 by sending an email to [gitte.jensen@u-blox.com](mailto:gitte.jensen@u-blox.com). The Annual Report is also available on our website (<https://www.u-blox.com/en/reporting-center>).

### **Voting Rights**

Shareholders with voting rights are shareholders registered in the share register with voting rights on April 16, 2020 at 17:00 CET.

Shareholders can be represented by the independent proxy.

### **Independent Proxy**

Shareholders may appoint the independent proxy, KBT Treuhand AG Zürich, as their representative by either

- giving KBT Treuhand AG voting instructions electronically by using the login data in the reply form or
- signing the enclosed proxy, filling out the voting instructions and returning it in the enclosed envelope.

Shareholders may direct questions with regard to the agenda items to the Board of Directors in writing via the independent proxy in the enclosed envelope until latest on April 10, 2020. The questions will be answered by the Board of Directors as far as possible until April 20, 2020, via e-mail (under the condition that an e-mail address is provided by the shareholder).

Yours sincerely,

u-blox Holding AG

The Board of Directors

Appendix: Reply/instruction form and envelope