

# Invitation to the upcoming Annual General Meeting of Shareholders to be held on 9 May 2019 at 9:00 a.m. CET in Yverdon-les-Bains.

**- Leclanché SA convenes its Annual Ordinary General Meeting on 9 May 2019 - The Board of Directors proposes the conversion of CHF 36 million of debt owed to FEFAM into shares of the Company in order to strengthen the balance sheet - The Board of Directors proposes a reduction in the nominal value of the shares to strengthen the Company's balance sheet situation - Mr. Bénédic Fontanet is proposed as a new director**

**Yverdon-les-Bains (Switzerland), 18 April 2019:** Leclanché SA, one of the world's leading energy storage solutions companies, is convening its Annual Ordinary General Meeting on 9 May 2019 at 9:00 a.m. CET (doors open at 8.30 a.m.), at Y-PARC, Rue Galilée 7, CH-1400 Yverdon-les-Bains.

Among the decisions submitted for shareholder approval, the Board of Directors proposes the conversion of CHF 36 million of debt contracted with FEFAM, the Company's main shareholder, into equity. This restructuring measure, negotiated with FEFAM, will strengthen the balance sheet and drive continued investment interest in the company during a period of strong growth in Leclanché's order book in the fast-growing e-Transport sector.

In addition, the Board of Directors proposes to restructure the balance sheet by reducing the nominal value of the share capital and by setting off the accumulated losses with the reduction amount. This measure involves reducing the nominal value of the shares from CHF 1.50 to CHF 0.10.

Finally, the Board of Directors proposes the election of Mr. Bénédic Fontanet, 59 years old, to the Board of Directors. Mr. Fontanet is a board member of Golden Partner SA - an investment advisor to FEFAM, the Company's main shareholder - and was introduced to the Board of Directors by Golden Partner. A recognized Geneva personality, former President of the Geneva Christian Democratic Party and former Member of the Grand Council, lawyer and director of several companies, Mr. Fontanet will bring his vast experience to Leclanché.

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# I. Agenda

Introduction by the Chairman of the Board of Directors.

## **1. Annual Report 2018, Consolidated Financial Statements 2018, Statutory Financial Statements 2018 and Compensation Report 2018 of LECLANCHÉ S.A.**

### **1.1 Approval of the Annual Report 2018, Consolidated Financial Statements 2018 and Statutory Financial Statements 2018 of LECLANCHÉ S.A.**

**Proposal of the Board of Directors:** to approve the annual report 2018, the consolidated financial statements 2018 and the statutory financial statements 2018 of LECLANCHÉ S.A.

### **1.2 Consultative Vote on the Compensation Report 2018**

**Proposal of the Board of Directors:** to approve on a consultative basis the compensation report 2018.

***Explanation:** In line with the recommendations of the Swiss Code of Best Practice for Corporate Governance, the Board of Directors is seeking your endorsement of the compensation report 2018 on a consultative basis.*

## **2. Discharge of the Board of Directors**

**Proposal of the Board of Directors:** to discharge the members of the Board of Directors.

## **3. Appropriation of Profits Resulting from the Balance Sheet**

Loss for the year 2018	CHF -44,464,000.43
Balance brought forward from previous year	CHF -109,348,000.42
Total accumulated losses	CHF -153,812,000.85

### **Proposal of the Board of Directors:**

Dividend for the year 2018	0.00
Balance to be carried forward	CHF -153,812,000.85

## **4. Elections Board of Directors**

### **4.1 Elections to the Board of Directors**

**Proposal of the Board of Directors:** to re-elect the following members, each for a term of office until the end of the next annual general meeting of shareholders:

-Mr. Stefan A. Müller

-Mr. David Anthony Ishag

- Mr. Tianyi Fan
- Mr. Toi Wai David Suen
- Mr. Axel Joachim Maschka

### **4.2 New elections to the Board of Directors**

**Proposal of the Board of Directors:** The Board of Directors proposes to elect Mr. **Bénédict Fontanet** as a new member to the Board of Directors.

*Explanation: Mr. Bénédict Fontanet founded his own law firm alongside Mr. Guy Fontanet in 1986. Advisor to entrepreneurs, Swiss and international companies and groups, his practice is primarily focused on the financial, banking and commercial sectors. His expertise ranges from mergers and acquisitions to transmissions of businesses to real estate operations. Mr. Bénédict Fontanet is a board member of companies active in the fields of finance, real estate, luxury goods and hospitality. He holds a law degree from the University of Geneva and was admitted to the bar in 1986. Along his professional activity, he has been involved in politics for over 15 years. He has served as president of the Christian Democrat Party of Geneva and was member of the Grand Conseil de Genève (Geneva State parliament).*

#### **4.3 Election of the Chairman of the Board of Directors**

**Proposal of the Board of Directors:** to re-elect Mr. Stefan A. Müller as Chairman of the Board of Directors for a term of office until the end of the next annual general meeting of shareholders.

#### **4.4 Elections to the Appointments and Remuneration Committee**

**Proposal of the Board of Directors:** to re-elect the following members to the Appointments and Remuneration Committee, each for the term of office until the end of the next annual general meeting of shareholders:

-Mr. Stefan A. Müller

-Mr. Tianyi Fan

- Mr. Toi Wai David Suen

The Board of Directors intends to nominate Mr. Stefan A. Müller as Chairman of the Appointments and Remuneration Committee, subject to his re-election as a member of the Appointments and Remuneration Committee.

#### **5. Election of the Auditors**

**Proposal of the Board of Directors:** to re-elect PricewaterhouseCoopers SA, Pully as auditors for the financial year 2019.

#### **6. Election of the Independent Proxy**

**Proposal of the Board of Directors:** to re-elect Mr. Manuel Isler, attorney-at-law, Geneva, as Independent Proxy until the end of the next annual general meeting of shareholders.

#### **7. Partial amendment of the Articles of Association / Renewal of period for exercising the authorized share capital (Art. 3<sup>quater</sup>)**

**Proposal of the Board of Directors:** The Board of Directors proposes to extend the period for exercising the right granted to the Board of Directors to increase the share capital until 8 May 2021 (authorised share capital) and to amend Article 3<sup>quater</sup> as follows:

<b>Current Version</b>	<b>Proposed Version (changes underlined)</b>
<b>Article 3 quater :</b> The board of directors is authorized to increase the share capital, at any time until May 1, 2020, by a maximum amount of CHF 60,511,905.00 by	<b>Article 3 quater :</b> The board of directors is authorized to increase the share capital, at any time until <u>May 8, 2021</u> , by a maximum amount of CHF

issuing a maximum of 40,341,270 fully paid up shares with a nominal value of CHF 1.50 each. [...]	60,511,905.00 by issuing a maximum of 40,341,270 fully paid up shares with a nominal value of CHF 1.50 each. [...]
[The rest of paragraph 1 as well as paragraphs 2, 3 and 4 remain unchanged.]	[The rest of paragraph 1 as well as paragraphs 2, 3 and 4 remain unchanged.]

**Explanation:** At the annual general meeting 2018, the Board of directors proposed an increase of the conditional and authorized capital, in order to gain flexibility for being able to fund investments under the Company's growth plan as well as in connection with projects for customers. As authorized capital is limited by law to a two-year period, the Board of Directors now proposes to renew the two-year period in order to keep the flexibility.

## 8. Partial amendment of the Articles of Association / Creation of Conditional Share Capital to employees (Art. 3<sup>ter</sup>)

**Proposal of the Board of Directors:** The Board of Directors proposes to increase the existing conditional share capital for the purpose of employees participation and to amend Article 3<sup>ter</sup> of the Company's Articles of association as follows:

Current Version	Proposed Version (changes underlined)
<b>Article 3 ter:</b>	<b>Article 3 ter:</b>
The share capital may be increased in an amount not to exceed CHF 4,500,000.00 through the issuance of up to 3,000,000 fully paid registered shares with a nominal value of CHF 1.50 per share by the issuance of new shares to employees of the Company and group companies. [...]	The share capital may be increased in an amount not to exceed CHF <u>9,000,000.00</u> through the issuance of up to <u>6,000,000</u> fully paid registered shares with a nominal value of CHF 1.50 per share by the issuance of new shares to employees of the Company and group companies. [...]
[The rest of paragraph 1 and paragraph 2 remain unchanged.]	[The rest of paragraph 1 and paragraph 2 remain unchanged.]

**Explanation:** From 2014, the Company introduced a performance related Capped Stock Option ("CSO") Plan for senior executives and high performer employees, as amended on 1 March 2019. The purpose of the Plan is to provide selected senior executives and high performer employees within the Group with the opportunity to participate in Leclanché's long-term success. Considering the growth in employees the Company would like to increase the flexibility in Conditional Share Capital to employees. Additionally, as of 31 December 2018, circa 2.5 million of granted options have vested and another circa 0.6 million shares will vest in December 2019, which makes the current available pool insufficient in case all vested options are exercised by the option holders before the 2020 AGM.

## 9. Financial Restructuring Measures

### 9.1 Overview of Financial Restructuring and Proposed Measures

Since the Company was as per 31 December 2018 and still is in a capital loss situation (*Kapitalverlust; perte de capita*) according to art. 725 para. 1 Swiss Code of Obligations ("**CO**"), the Board of Directors proposes further financial restructuring steps. The Board of Directors has evaluated different options and developed a financial restructuring proposal to improve the financial situation of the Company. This proposal includes:

- i. a conversion of existing debt in an amount not to exceed CHF 35,961,919.50 into equity through an ordinary capital increase; and

- ii. a reduction of the Company's share capital by reduction of the nominal value (together, the "**Restructuring Plan**").

The Board of Directors is of the view that given the Company's status, these measures are necessary to cure the capital loss situation according to art. 725 para. 1 CO, to stabilize the balance sheet and to improve the ability of the Company to raise capital and funding from investors.

The Board of Directors notes that these measures will immediately address the Company's balance sheet issue and will not directly provide additional funding or capital which is required to support the Company's growth plan.

The background of the restructuring measures is as follows:

To fund the Company's operations and investments, several financing agreements have been entered into with the Finexis Equity Fund SCA ("**FEF**") and certain of its sub-funds and affiliated companies (together, "**FEFAM**") in the past years (the "**Financing Agreements**"). According to the Financing Agreements, most of which are convertible loans or contain conversion features, the Company is currently indebted to FEFAM with an aggregate amount of approx. CHF 45.4 million (the "**FEFAM Debt**").

In recent years, the Company has also implemented different financing and financial restructuring measures to improve its financial status and liquidity situation (including a conversion of FEFAM debt in the amount of CHF 54,691,996.50 into equity in December 2018 in order to address the negative equity situation at that time). However, the Company is still in a capital loss situation according to art. 725 para. 1 CO in an amount of approx. CHF 65.95 million (status as of December 31, 2018) and, given that the Company currently still incurs losses, it would fall back into over-indebtedness in the near future, if no measures are taken.

In order to address this situation, the Board of Directors has agreed in principle with FEFAM to convert a portion of the FEFAM-Debt in a maximum aggregate amount of CHF 35,961,919.50 into a maximum of 23,974,613 registered shares of the Company with a par value of CHF 1.50 each, subject to fulfilment of the requirements pursuant to Swiss law and approval by the shareholders' meeting of the Company (the "**Debt-to-Equity-Conversion**"). In order to implement the Debt-to-Equity-Conversion, the pre-emptive rights of shareholders will have to be excluded in connection with the required capital increase, which requires shareholders' approval with a qualified majority.

The following legal entities belonging to FEFAM are parties to the Financing Agreements and shall be part of the proposed Debt-to-Equity-Conversion (the "**Creditors**"), and they have committed to convert the below amounts into equity:

- Finexis Equity Fund SCA – Renewable Energy Sub-Fund ("**FEF-RE**") will convert claims of maximum CHF 22,100,000.00 of FEF-RE against the Company under to a funding agreement with the Company dated 15 February 2018, as amended from time to time (the "**Funding Agreement**");
- FEF-RE will convert claims of maximum CHF 1,812,122.00 of FEF-RE against the Company and Finexis Equity Fund SCA – E-Money Strategies Sub-Fund ("**FEF-EM**") will convert claims of maximum CHF 259,609.50 of FEF-EM against the Company under an existing convertible loan agreement dated 7 December 2014, as amended from time to time (the "**FEFAM Convertible Loan Agreement (Facility B)**");
- FEF-RE will convert claims of maximum CHF 10,316,816.00 of FEF-RE against the Company and FEF-EM will convert claims of maximum CHF 1,473,372.00 of FEF-EM against the Company under an existing convertible loan agreement dated 27 February 2016, as amended from time to time (the "**FEFAM Convertible Loan Agreement (Facility C)**").

The Debt-to-Equity-Conversion is intended to improve the financial status of the Company and its balance sheet position.

Besides the Debt-to-Equity-Conversion, as a further financial restructuring measure and to cure the capital loss situation of the Company, the Board of Directors proposes to reduce the Company's share capital through a reduction of the nominal value of each share from CHF 1.50 to CHF 0.10 (the "**Capital Reduction**").

Further explanations about the proposed Debt-to-Equity-Conversion and the Capital Reduction can be found in the respective proposals of agenda items 9.2 and 9.3.

## **9.2 Ordinary Capital Increase for Debt-to-Equity-Conversion**

**Proposal of the Board of Directors:** The Board of Directors proposes to increase the Company's share capital in an amount not to exceed CHF 35,961,919.50<sup>1</sup> from CHF 175,715,808.00 to a maximum of CHF

211,677,727.50 by way of an ordinary capital increase as follows:

1. Entire nominal amount by which the share capital is to be increased: maximum amount of CHF 35,961,919.50<sup>[1]</sup>
2. Amount of contributions to be made: maximum amount of CHF 35,961,919.50<sup>1</sup>
3. Number, nominal value and type of new shares: maximum of 23,974,613<sup>1</sup> registered shares at a nominal value of CHF 1.50 each
4. Preferential rights of individual categories: none
5. Issue amount: (i) CHF 1.50 per share for 15,888,654 registered shares and (ii) 85% of the Volume Weighted Average Price (VWAP) calculated over the 15 days preceding the 10th trading day before the date of the annual general meeting 2019 (but in no event less than CHF 1.50) for a maximum of 8,085,959 registered shares
6. Start of eligibility of dividends: entry date of the capital increase in the Commercial Register
7. Type of contribution: maximum amount of CHF 35,961,919.50<sup>1</sup> by way of set-off against claims for 15,888,654 fully paid-up registered shares at an issue price of CHF 1.50 per share and a maximum of 8,085,959 fully paid-up registered shares at an issue price of 85% of the VWAP calculated over the 15 days preceding the 10th trading day before the date of the annual general meeting 2019 (but in no event less than CHF 1.50)
8. Special benefits: none
9. Restriction on transferability: as per the articles of association
10. Pre-emptive rights: the entire nominal increase of a maximum of CHF 35,961,919.50<sup>1</sup> will be subscribed by the Creditors, which is why the pre-emptive rights of shareholders for all newly issued shares in the maximum amount of 23,974,613<sup>1</sup> are excluded

**Explanation:** 50% of the Company's share capital and legal reserves (including capital contribution reserves) are no longer covered by net equity in the sense of art. 725 para. 1 CO ("capital loss"). For improving the financial status of the Company and its balance sheet position, the Debt-to-Equity-Conversion is proposed. In order to implement the Debt-to-Equity Conversion and to issue the required number of new shares to the Creditors, it is necessary to increase the Company's share capital in the maximum amount of CHF 35,961,919.50<sup>1</sup>, thereby excluding the pre-emptive rights of shareholders.

Given the Company's situation, the need to obtain a proportionate underwriting commitment from all shareholders and the reluctance of financial institutions supporting the Company in this exercise to attract new investors, the Board of Directors concluded that organizing a rights issue open to all shareholders was not a viable option.

### 9.3 Capital Reduction through Nominal Value Reduction

**Proposal of the Board of Directors:** The Board of Directors proposes to reduce the share capital by way of a nominal value reduction subject to registration of the capital increase according to agenda item 9.2, as follows:

1. The share capital shall be reduced from CHF 211,677,727.50<sup>1</sup> (subject to and after the Debt-to-Equity-Conversion) by the amount of CHF 197,565,879.00<sup>1</sup> to CHF 14,111,848.50<sup>1</sup>.
2. The capital reduction shall be implemented by reducing the nominal value of all outstanding 141,118,485<sup>1</sup> registered shares from currently CHF 1.50 per share to CHF 0.10 per share.
3. The reduction amount of CHF 197,565,879.00<sup>1</sup> shall be allocated to the capital contribution reserves.
4. The special report by the auditor required by law is available. It confirms that all claims are fully covered despite the share capital reduction.
5. The Articles of Association of the Company will be amended as follows:

<b>Current Versions</b>	<b>Proposed Versions (changes underlined)</b>

<p><b>Article 3: Capital-actions</b></p> <p>The share capital amounts to CHF 211,677,727.50<sup>1</sup>, divided into 141'118'485<sup>1</sup> fully paid-in registered shares with a par value of CHF 1.50 each.</p> <p><i>[Paragraphs 2 and 3 remain unchanged.]</i></p>	<p><b>Article 3: Capital-actions</b></p> <p>The share capital amounts to CHF 14,111,848.50<sup>1</sup>, divided into <u>141,118,485<sup>1</sup></u> fully paid-in registered shares with a par value of CHF <u>0.10</u> each.</p> <p><i>[Paragraphs 2 and 3 remain unchanged.]</i></p>
<p><b>Article 3 quater:</b></p> <p>The board of directors is authorized to increase the share capital, at any time until May 8, 2021<sup>[2]</sup>, by a maximum amount of CHF 60,511,905.00 by issuing a maximum of 40,341,270 fully paid up shares with a nominal value of CHF 1.50 each. [...]</p> <p><i>[The rest of paragraph 1 as well as paragraphs 2, 3 and 4 remain unchanged.]</i></p>	<p><b>Article 3 quater:</b></p> <p>The board of directors is authorized to increase the share capital, at any time until May 8, 2021<sup>2</sup>, by a maximum amount of CHF <u>4,034,127.00</u> by issuing a maximum of 40,341,270 fully paid up shares with a nominal value of CHF <u>0.10</u> each. [...]</p> <p><i>[The rest of paragraph 1 as well as paragraphs 2, 3 and 4 remain unchanged.]</i></p>
<p><b>Article 3 ter:</b></p> <p>The share capital may be increased in an amount not to exceed CHF 9,000,000.00<sup>2</sup> through the issuance of up to 6,000,000<sup>2</sup> fully paid registered shares with a nominal value of CHF 1.50 per share by the issuance of new shares to employees of the Company and group companies. [...]</p> <p><i>[The rest of paragraph 1 and paragraph 2 remain unchanged.]</i></p>	<p><b>Article 3 ter:</b></p> <p>The share capital may be increased in an amount not to exceed CHF <u>600,000.00<sup>2</sup></u> through the issuance of up to 6'000'000<sup>2</sup> fully paid registered shares with a nominal value of CHF <u>0.10</u> per share by the issuance of new shares to employees of the Company and group companies. [...]</p> <p><i>[The rest of paragraph 1 and paragraph 2 remain unchanged.]</i></p>
<p><b>Article 3 quinquies:</b></p> <p>The share capital may be increased in an amount not to exceed CHF 56,011,905.00 through the issuance of up to 37,341,270 fully paid-up shares with a nominal value of CHF 1.50 per share. [...]</p> <p><i>[The rest of paragraph 1 as well as paragraphs 2, 3, 4 and 5 remain unchanged.]</i></p>	<p><b>Article 3 quinquies:</b></p> <p>The share capital may be increased in an amount not to exceed CHF <u>3,734,127.00</u> through the issuance of up to 37,341,270 fully paid-up shares with a nominal value of CHF <u>0.10</u> per share. [...]</p> <p><i>[The rest of paragraph 1 as well as paragraphs 2, 3, 4 and 5 remain unchanged.]</i></p>

**Explanation:** 50% of the Company's share capital and legal reserves (including capital contribution reserves) are no longer covered by net equity in the sense of art. 725 para. 1 CO ("capital loss"). In order to eliminate the capital loss, the Board of Directors proposes to reduce the share capital of the Company through a nominal value reduction and allocate the reduction amount to capital contribution reserves. Accumulated losses will be then set-off with capital contribution reserves as per agenda item 10, if approved by the general meeting.

## 10. Set-off of Accumulated Losses with Capital Contribution Reserves

**Proposal of the Board of Directors:** The Board of Directors proposes to set-off accumulated losses and the loss of year 2018 in the total amount of CHF 153,812,000.85 with capital contribution reserves in the same amount; subject to completion and registration of the capital reduction according to agenda item 9.3.

***Explanation:** Subject to the capital reduction as per agenda item 9.3 having been approved, the Board of Directors proposes to set-off accumulated losses with capital contribution reserves.*

## 11. Vote on the compensation of the Board of Directors and the Executive Committee

### 11.1 Compensation for the Board of Directors

**Proposal of the Board of Directors:** approval of the maximum aggregate amount of compensation of the Board of Directors for the term until the 2020 Annual General Meeting of CHF 600,000.00. This amount is identical to that of prior year.

***Explanation:** The enclosed Annex 1 sets out further details in relation to the proposed votes on compensation amounts for the Board of Directors.*

### 11.2 Compensation for the Members of the Executive Committee

**Proposal of the Board of Directors:** approval of the maximum aggregate amount of the Executive Committee for the financial year 2020 of CHF 4,700,000.00. This amount is identical to that approved for financial year 2019.

***Explanation:** The enclosed Annex 1 sets out further details in relation to the proposed votes on compensation amounts for the Executive Committee.*

## II. Documentation

Enclosed with the invitation sent to shareholders are a registration form and an instruction form which shareholders are asked to complete and return by mail to the following address if they wish to attend, or to be represented at, the shareholders' meeting: areg.ch ag, Fabrikstrasse 10, 4614 Hägendorf.

The annual report 2018 which contains the consolidated financial statements, the statutory financial statements as well as the auditor's report and the compensation report 2018 are available to shareholders at the Company's headquarters. The annual report and the compensation report are also available on Leclanché's website at <https://www.leclanche.com/investor-relations/financial-reports/>.

Electronic remote votes by proxy and voting instructions to the independent proxy (netVote): shareholders may participate in the votes and elections by giving instructions to the independent proxy electronically via [www.netvote.ch/leclanche](http://www.netvote.ch/leclanche). The required login information will be sent to shareholders together with the written documents for the Ordinary General Meeting. Changes to the electronically transferred instructions can be made until Monday May 6, 2019, 11:59 am (CET).

## III. Participation and voting rights

Shareholders registered with voting rights in the share register as of April 29, 2019 at 17:00, will be authorised to participate and to vote at the shareholders' meeting. They will receive their entrance card and voting material upon returning the registration form or by contacting areg.ch ag at the address indicated above.

From April 29, 2019 at 17:00 to May 9, 2019, no entries will be made in the share register which would create a right to vote at the shareholders' meeting. Shareholders who sell part or all of their shares during this period are no longer entitled to vote to that extent. They are requested to return or to exchange their admission card and voting material.

## IV. Representation

Shareholders who do not intend to participate in the shareholders' meeting personally may be represented by

another person authorized by a written proxy who does not need to be a shareholder or by the Independent Proxy. The representatives do not need to be shareholders.

Mr. Manuel Isler, attorney-at-law, c/o BMG Avocats, 8C, avenue de Champel, P.O. Box 385, CH-1211 Geneva, acts as the Independent Proxy. The registration form with the completed and signed powers of attorney should be submitted to Computershare Schweiz AG at the address indicated above.

Shareholders who wish to be represented by another person should send their registration form with the completed and signed power of attorney to the attention of areg.ch ag at the address indicated above. The admission card and the voting material will then be sent directly to the address of their designated representative.

## V. Language

The annual general meeting of shareholders will be held in English.

Yverdon-les-Bains, 18 April 2019

For the Board of Directors

The Chairman

Stefan A. Müller

### A. Annex 1: Explanations to Agenda Item 11

As required by the Ordinance against Excessive Compensation in Listed Stock Corporation (OaEC) and the Articles of Association, the Board of Directors will propose for shareholders' approval:

1. the maximum aggregate amount of Board of Directors' compensation for the period until the next AGM in 2020<sup>[3]</sup>
2. the maximum aggregate amount of the Executive Committee's compensation for the financial year 2020<sup>[4]</sup>

The proposed amounts submitted for approval at this year's Annual General Meeting of Shareholders are aligned with our compensation policy.

Also, we have given you the opportunity to vote under agenda item 1.2 on a consultative basis on the compensation report 2018.

### **Explanations Concerning the Proposed Maximum Compensation Amount of the Board of Directors (Agenda Item 11.1)**

The proposed aggregate maximum compensation amount of CHF 600,000.00 is payable to the Board of Directors and, as an indication, consists of fixed fees. This amount is identical to that of the prior period.

In addition, the Company pays compulsory social security insurance contributions to Board Directors who get paid through the Swiss payroll, as required by law. No variable compensation or pension benefits are awarded to members of the Board of Directors.

### **Explanations Concerning the Proposed Maximum Compensation Amount of the Executive Committee for the Financial Year 2020 (Agenda Item 11.2)**

The Board of Directors is seeking approval for CHF 4,700,000.00 as the maximum aggregate amount of the Executive Committee's compensation for the financial year 2020. This amount is identical to that approved for financial year 2019.

In accordance with the Articles of Association, the Board of Directors submits at each year to the Annual General Meeting of Shareholders for approval the maximum compensation of the Executive Committee for the next financial year. The proposed aggregate maximum compensation amount includes the base salary, the variable short-term compensation (bonus) as well as the variable long-term compensation paid or awarded in that year.

As disclosed in the compensation report 2018, the compensation of the Executive Committee amounted to CHF 3,622,423.00 in the financial year 2018. The proposed aggregate maximum compensation amount is in line with the Company's current compensation policy.

The aggregate maximum compensation amount is a budget and based on the assumption that each member of

the Executive Committee and the Company will have fully achieved all the targets. It should not be regarded as the compensation amount that will be actually paid or awarded. In addition, the Company pays compulsory social security insurance contributions as required by law.

## About Leclanché

Headquartered in Switzerland, Leclanché SA is a leading provider of high-quality energy storage solutions designed to accelerate our progress towards a clean energy future. Leclanché's history and heritage is rooted in over 100 years of battery and energy storage innovation and the Company is a trusted provider of energy storage solutions globally. This coupled with the Company's culture of German engineering and Swiss precision and quality, continues to make Leclanché the partner of choice for both disruptors, established companies and governments who are pioneering positive changes in how energy is produced, distributed and consumed around the world. The energy transition is being driven primarily by changes in the management of our electricity networks and the electrification of transport, and these two end markets form the backbone of our strategy and business model. Leclanché is at the heart of the convergence of the electrification of transport and the changes in the distribution network. Leclanché is the only listed pure play energy storage company in the world, organised along three business units: stationary storage solutions, e-Transport solutions and specialty batteries systems. Leclanché is listed on the Swiss Stock Exchange (SIX: LECN).

SIX Swiss Exchange: ticker symbol LECN | ISIN CH 011 030 311 9

## Disclaimer

This press release contains certain forward-looking statements relating to Leclanché's business, which can be identified by terminology such as "strategic", "proposes", "to introduce", "will", "planned", "expected", "commitment", "expects", "set", "preparing", "plans", "estimates", "aims", "would", "potential", "awaiting", "estimated", "proposal", or similar expressions, or by expressed or implied discussions regarding the ramp up of Leclanché's production capacity, potential applications for existing products, or regarding potential future revenues from any such products, or potential future sales or earnings of Leclanché or any of its business units. You should not place undue reliance on these statements. Such forward-looking statements reflect the current views of Leclanché regarding future events, and involve known and unknown risks, uncertainties and other factors that may cause actual results to be materially different from any future results, performance or achievements expressed or implied by such statements. There can be no guarantee that Leclanché's products will achieve any particular revenue levels. Nor can there be any guarantee that Leclanché, or any of the business units, will achieve any particular financial results.

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[\[1\]](#) A part of the debt to be converted in connection with the Debt-to-Equity-Conversion is convertible at 85% of the Volume Weighted Average Price (VWAP) calculated over the 15 days preceding the 10th trading day (i.e. April 24, 2019) before the date of the annual general meeting 2019 (i.e. the VWAP calculated from the 25<sup>th</sup> day to the 16<sup>th</sup> day before the annual general meeting 2019). Accordingly, the exact conversion price – and, as a consequence, the exact number of shares issued to FEFAM and the exact amount of contributions to be made – cannot be calculated at the date of this invitation. However, because the conversion price will in no event be lower than the nominal value of CHF 1.50, this invitation provides for maximum amounts and numbers which are calculated on the basis of a conversion price of CHF 1.50. The amounts and numbers marked with <sup>1</sup> will have to be adjusted based on the exact amounts and numbers which will be communicated at the annual shareholders meeting.

[\[2\]](#) With respect to art. 3quater, the date of May 8, 2021 is included under the assumption that the "Partial amendment of the Articles of Association / Renewal of period for exercising the authorized share capital (Art. 3quater)" as per agenda item 7 is approved by the shareholders' meeting. If the partial amendment is not approved, the date is May 1, 2020. With respect to art. 3ter, the maximum amount of CHF 9,000,000.00 and the maximum number of shares of 6,000,000 are included under the assumption that the "Partial amendment of the Articles of Association / Creation of Conditional Share Capital to employees (Art. 3ter)" as per agenda item 8 is approved by the shareholders' meeting. If the partial amendment is not approved, the maximum amount is CHF 4,500,000.00 and the maximum number of shares of 3,000,000 (prior to the capital reduction) and CHF 300,000.00 and the maximum number of shares of 3,000,000 (following the capital reduction).

[\[3\]](#) This amount does not include compulsory social charges contributions, estimated to approximately CHF 7,500.00.

[\[4\]](#) This amount does not include compulsory social charges contributions, estimated to approximately CHF 650,000.00.

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