

Articles of Association of SCHWEIZER ELECTRONIC AG

A. GENERAL PROVISIONS

1 Company, Place of Business, Financial Year

- (1) The name of the Company shall be "SCHWEIZER ELECTRONIC AKTIENGESELLSCHAFT".
- (2) The Company's registered place of business shall be Schramberg.
- (3) The Financial Year shall correspond to the calendar year.

2 Corporate Purpose of the Company

- (1) The corporate purpose of the Company shall be
 - a) developing, manufacturing and selling components, systems and software in the fields of electronics, electrical engineering, power engineering and similar technologies; constructing and operating energy plants and selling energy; providing research, development and consulting services as well as other services, including the granting of licenses in the fields referred to above;
 - b) the management of companies as well as holding and managing the financial participations of the Company in companies doing business in the fields referred to above, including the delivery of intra-group services for these companies.
- (2) The Company shall be entitled to take any and all measures and to conclude any and all transactions which are adequate for serving the corporate purpose directly or indirectly. This shall include the establishment of branch offices as well as the acquisition, the establishment and the sale of and the participation in other companies within Germany and abroad. The Company shall be entitled to have its business activities, in whole or in part, executed by such companies and to restrict its own activities to the management of the participations and any intra-group activities connected thereto.

3 Notifications

The notifications issued by the Company shall be published in the Federal Gazette unless otherwise provided for by law.

B. REGISTERED CAPITAL AND SHARES

4 Amount and Division of Registered Capital

- (1) The Company's registered capital shall amount to EUR 9,664,053.86 and be divided into 3,780,000 non par value shares (shares without nominal value).
- (2) The shares shall be registered. The shareholders, as far as they are natural persons, have to provide to the Company their full name, their date of birth, their address, and, as far as they are legal persons, their company, their business address, their registered place of business and, in both cases, the number of the shares they hold.
- (3) The shareholders shall not be entitled to request securitization of their shares unless the rules of the stock exchange where the shares are listed require securitization. Global certificates for shares may be issued.
- (4) Provided the Supervisory Board consents, the Executive Board shall be entitled to increase the Company's registered capital by up to EUR 4,832,026.93 (in words: four million eight hundred and thirty-two thousand and twenty-six point ninety-three euros) in total until 30 June 2021 by issuing new registered common or preferential shares (non par value shares), once or several times, by way of contributions in cash or in kind (authorized capital). If preferential shares are issued several times, the authorization shall include the right to issue further preferential shares (voting or non-voting shares) which have priority over or are equal to the preferential shares issued previously with respect to the distribution of profits or of the Company's assets.

The new shares shall generally be offered to the shareholders for subscription; they may also be acquired by financial institutes or enterprises within the meaning of Section 186, Paragraph 5, Clause 1 of the German Stock Corporation Act (AktG) with the obligation to offer them to the shareholders for subscription (indirect subscription right).

With the Supervisory Board's consent, the Executive Board shall, however, be entitled

- a) to exclude the shareholders' subscription right, in case of an increase of capital by way of contributions in cash, up to a proportional amount of the registered capital of EUR 966,405.38 (in words: nine hundred and sixty-six thousand four hundred and five point thirty-eight euros) (10 % threshold) in order to issue the new shares for an issue price which is not significantly lower than the stock exchange price (Sections 203, Paragraphs 1 and 2; 186, Para. 3, Clause 4 of the German Stock Corporation Act); for deciding the question as to whether the 10% threshold is to be utilized, the exclusion of the subscription right for other reasons shall also be taken into account in accordance with Section 186, Para. 3, Clause 4 of the German Stock Corporation Act;
- b) to exclude the shareholders' subscription right in case of an increase of capital by way of contributions of kind if the new shares are to be used as consideration for company mergers or for the purpose of the direct or indirect purchase of companies, parts of companies, shares in companies or any other assets or claims with respect to the purchase of assets by the Company;
- c) to exclude the shareholders' subscription right to such an extent as is required for granting to the holders or creditors of option/conversion rights or the corresponding option/conversion obligations issued or to be issued by the Company or a company in which the Company, directly or indirectly, holds the majority rights as a compensation for dilution the same range of subscription rights as they would be entitled to after using their option/conversion rights or fulfilling their option/conversion obligations;
- d) to exclude the shareholders' subscription right in order to issue employee shares to the employees of the Company or its affiliated companies;
- e) to exclude the shareholders' subscription right for implementing a so-called scrip dividend where the shareholders are offered to contribute their dividend claims, in whole or in part, as contribution in kind to the Company in return for the granting of new shares.

As far as the Executive Board does not make use of the above-mentioned authorizations for an exclusion of subscription rights, the shareholders' subscription right may only be excluded for fractional amounts.

The Executive Board may make use of the authorizations to which it is entitled as defined above only to such an extent that the proportionate amount of the total of shares issued under exclusion of the subscription right does not exceed 20 % of the registered capital (20 % threshold), neither at the date when the decision about the authorization is taken nor at the date when it is applied. If, during the term of the authorized capital up to its utilization, other authorizations are made use of as regards issuing or selling shares of the Company or issuing rights permitting or requiring the subscription of shares of the Company and subscription rights are excluded in the process, this shall be taken into account when determining the 20 % threshold referred to above.

The Executive Board, with the Supervisory Board's consent, shall be entitled to determine any further details concerning the implementation of capital increases from the authorized capital. The Supervisory Board shall be entitled to adjust the wording of the Articles of Association according to the utilization of the authorized capital.

- (5) The registered capital of the Company is increased by up to EUR 4,832,026.93 by issuing up to 1,890,000 new registered non par value shares (conditional capital). The conditional capital increase shall be implemented only in so far as the holders and/or creditors of conversion or option rights or persons obliged to convert bonds which are issued by the Company or a company of the group from 1 July 2016 to 30 June 2021 on the basis of an authorizing resolution by the Annual General Meeting make use of their conversion or option rights or the holders or creditors of bonds issued with the obligation of conversion fulfil their conversion obligations or as far as the Company exercises its right to permit non par value shares instead of the payment of the financial amount due and as far as no own shares or other forms of performance are used for settlement. The new shares shall be issued at the conversion or option price to be determined in the bond/option conditions in accordance with the authorizing resolution referred to above. The new shares shall participate in the profits as of the start of the Financial Year in which they are generated by the exercise of conversion or option rights, by the fulfilment of conversion obligations or by the exercise of the option to sell. The Executive Board, with the Supervisory Board's consent, shall be authorized to determine the further details for implementing the conditional capital increase.

C. Executive Board

5 Composition and Rules of Procedure

- (1) The Executive Board shall consist of one member minimum.
- (2) The determination of the number and the appointment of the members of the Executive Board as well as the revocation of an appointment shall fall within the responsibility of the Supervisory Board as well as the appointment of one member of the Executive Board as Chief Executive Officer. It shall be possible to appoint deputy members of the Executive Board.
- (3) The Supervisory Board shall issue the rules of procedure for the Executive Board.

6 Legal Representatives of the Company

- (1) The Company shall be legally represented by two members of the Executive Board or by one member of the Executive Board together with one person having full power of attorney.
- (2) If the Executive Board consists of one member only, he/she shall have sole power of representation.

D. SUPERVISORY BOARD

7 Composition, Term of Office

- (1) The Supervisory Board shall consist of six members.
- (2) The members of the Supervisory Board shall be elected for the longest period permitted by the provisions of the German Stock Corporation Act unless a shorter term of office is explicitly determined when the members of the Supervisory Board are appointed. Re-election shall be admissible. For the dismissal of a member of the Supervisory Board pursuant to Section 103, Para. 1 of the German Stock Corporation Act (AktG), a resolution adopted by a simple majority of the votes cast shall suffice.
- (3) Two members of the Supervisory Board shall be elected by the Company's employees in accordance with the provisions of the German Act on One Third Participation of Employees in the Supervisory Board (One-Third Participation Act). The other four members of the Supervisory Board shall be elected by the General Meeting as representatives of the shareholders in the Supervisory Board.
- (4) Deputy members may be elected at the same time as the members of the Supervisory Board to be elected by the General Meeting. The deputy member shall join the Supervisory Board if the member of the Supervisory Board for whom he/she has been elected as deputy member leaves the Supervisory Board before the end of the term of office. The Supervisory Board mandate of the elected deputy member shall expire when the next General Meeting that takes place after his/her coming into office is closed. If no replacement election takes place at the next regular General Meeting, the mandate shall be extended until the end of the term of office of the member of the Supervisory Board who has left the Board prematurely. Replacement elections shall relate to the remaining term of office of the member of the Supervisory Board who has left the Board.

8 Resignation

Each member of the Supervisory Board may resign from office by submitting a written statement to the Chairman or the Deputy Chairman of the Supervisory Board with a notice period of four weeks.

9 Chairman and Deputy

- (1) After the General Meeting in which all representatives of the shareholders in the Supervisory Board are newly elected, a meeting of the Supervisory board shall take place without a special invitation in order to elect a Chairman and a Deputy Chairman for the Supervisory Board's term of office.
- (2) For the election, the oldest member of the Supervisory Board present shall chair the meeting.
- (3) If the Chairman or the Deputy Chairman leaves the Supervisory Board during the term of office, the Supervisory Board shall immediately conduct a by-election for the remaining term of office of the Chairman/Deputy Chairman who has left the Supervisory Board.

10 Convocation and Adoption of Resolutions

- (1) Meetings of the Supervisory Board shall be convened by the Chairman or, if he is not available, by the Deputy Chairman; the issues to be discussed shall be specified in the invitation which must be sent to the members two weeks in advance. The date of dispatch of the invitation and the date of the Meeting shall not be included when

calculating the two-weeks period. In urgent cases, the Chairman may shorten this invitation period and, if necessary, invite the members orally, by phone, fax, e-mail or any other usual means of telecommunications. The discussions and resolutions of the Supervisory Board shall be recorded in minutes, which must be signed by the chairman of the meeting or - in case of resolutions adopted outside a meeting - by the chairman of the voting procedure and then forwarded to all members of the Supervisory Board. Meetings shall be chaired by the Chairman of the Supervisory Board or, if he is unable to attend, by the Deputy Chairman.

- (2) The documents required for the resolutions to be adopted and, where applicable, the draft resolutions shall be sent to the members of the Supervisory Board as early as possible. Adopting a resolution concerning drafts and applications which have not been made known to all members of the Supervisory Board at least one week before the meeting shall only be admissible if none of the members present at the meetings objects to the voting.
- (3) The Supervisory Board shall have the required quorum if at least three members, including the Chairman or the Deputy Chairman, take part in the voting. Resolutions of the Supervisory Board shall require the majority of the votes cast. In case of a tied vote, the vote of the Chairman or, if he is not taking part in the voting, the vote of the Deputy Chairman shall be decisive.
- (4) Members of the Supervisory Board who are not present at the meeting may take part in the voting by having another member of the Supervisory Board submit their written vote.
- (5) Usually, resolutions of the Supervisory Board shall be adopted at meetings. On request of the Chairman of the Supervisory Board, resolutions may also be adopted orally, by phone, fax, e-mail or any other usual means of telecommunications, in particular by a video conference, if no member objects to this procedure within an adequate period of time to be fixed by the Chairman. Such an objection period shall not be admissible if the adoption of a resolution is carried out in such a way that all members participating in the voting procedure are able to see and hear each other by way of telecommunications and can thus discuss the subject matter of the resolution to be adopted.
- (6) A member of the Supervisory Board shall not be entitled to take part in the voting on an item on the agenda if the resolution to be adopted relates to the transaction of a legal business with legal effects for the member concerned or the institution or settlement of legal proceedings between the member and the Company.
- (7) The effectiveness of a resolution adopted by the Supervisory Board may only be contested in a lawsuit within one month after the resolution became known, the longest possible period being three years after the adoption of the resolution.
- (8) Declarations of intent of the Supervisory Board and its committees shall be issued by the Chairman on behalf of the Supervisory Board.

11 Rules of Procedure, Responsibility of the Members of the Supervisory Board, Committees

- (1) The Supervisory Board shall determine its rules of procedure within the framework of the statutory provisions and the provisions of the Articles of Association.
- (2) The members of the Supervisory Board shall keep in secrecy any confidential information and secrets of the Company, in particular any business or trade secrets, of which they have gained knowledge in the framework of their activity as a member of the Board. If a member of the Supervisory Board intends to inform any Third Party about the contents of a meeting and the meeting itself, he/she shall inform the Chairman of the Supervisory Board in advance in order to clarify any possible disagreements concerning the confidentiality of the information.
- (3) The Supervisory Board may constitute committees from among its members and define their competences. As far as this is legally admissible, the decision-making powers of the Supervisory Board may also be assigned to the committees; if the voting in the committees results in a tie, the vote of the chairman of the committee shall be decisive.

12 Editorial Amendments to the Articles of Association

The Supervisory Board shall be authorized to decide about any modifications and amendments to the Articles of Association which relate to their wording only.

13 Supervisory Board Remuneration

- (1) In addition to the reimbursement of his/her expenses, each member of the Supervisory Board shall receive a fixed annual remuneration of EUR 15,000 to be paid after the end of the Financial Year.
- (2) Furthermore, each member shall receive a variable remuneration of EUR 300 for each dividend of EUR 0.01 per share determined by the General Meeting exceeding a dividend of EUR 0.40 per share with full dividend entitlement distributed to the shareholders. If preferential shares are issued, the variable remuneration shall depend on the dividend per common share. The variable remuneration shall be limited to a maximum amount of EUR 18,000.
- (3) The Chairman shall receive twice the amount, the Deputy Chairman one and a half times the amount of the remunerations specified in Paragraphs 1 and 2.
- (4) Members of Supervisory Board Committees shall receive additionally a fixed annual amount of EUR 15,000 to be paid after the end of the Financial Year. The Chairman of a Committee shall receive twice the amount and the Deputy Chairman one and a half times the amount of the remuneration specified in Clause 1.
- (5) If the remuneration and the reimbursement of expenses are subject to VAT, the applicable tax amount shall be reimbursed by the Company if the individual member of the Supervisory Board can invoice this amount separately.
- (6) Each member of the Supervisory Board may request that the Company reimburse the expenses incurred for basic and advanced training measures required for his/her tasks up to an amount of EUR 2,500 per year.

E. GENERAL MEETING

14 Place and Convocation

- (1) The General Meeting shall be convened by the Executive Board or the Supervisory Board. The General Meeting, at the option of the convening body, shall take place at the Company's place of business, at the place of a German stock exchange where the Company's shares are listed for official trading, in Stuttgart or in a municipality of Baden-Wuerttemberg that is not more than 100 kilometers away from the Company's place of business.
- (2) Unless there are any deviating statutory provisions, the General Meeting shall be convened at least 36 days in advance, the agenda must be specified and any other information required by law must be included in the invitation. The day of the General Meeting and the day of the convocation shall not be included in the invitation period. The convocation must be published in the Federal Gazette. The convocation may also be published by registered letter or by e-mail.
- (3) The regular General Meeting shall take place within the first eight months of each Financial Year.

15 Participation in the General Meeting, Exercising the Right to Vote, Authorization

- (1) Each share entitles to one vote.
- (2) All shareholders who have been entered into the share register and have registered for the Meeting with the Company pursuant to Section 15, Paragraph 3, shall be entitled to participate in the General Meeting and exercise the right to vote.
- (3) The registration for the Meeting must be submitted to the Company at the address specified for this purpose in the convocation at least six days before the General Meeting. The day of the General Meeting and the day when the registration is received shall not be included in the calculation. After the closing date for the registration, no changes shall be made in the entries in the share register until the end of the General Meeting. The registration for the General Meeting shall be made in written form (Section 126 b of the German Civil Code (BGB)).
- (4) The Executive Board shall be entitled to stipulate
 - a) that the shareholders may participate in the General Meeting without being present at the location of the Meeting and without having an authorized representative and that they may exercise all or part of their rights, in whole or in part, by way of electronic communication; the Executive Board shall be entitled to determine provisions regarding the extent of electronic participation in the General Meeting and the applicable procedure therefor; these provisions are to be announced in the convocation for the General Meeting;

and/or

 - b) that the shareholders may cast their votes without being present at the General Meeting in writing or by electronic communication (absentee ballot); the Executive Board shall be entitled to determine provisions concerning the procedure of the absentee ballot; these provisions are to be announced in the convocation for the General Meeting.
- (5) The right to vote may also be exercised by authorized representatives. If a shareholder authorizes more than one person, the Company may reject one or several of them. The granting of the authorization, its revocation and the evidence for the authorization shall require written form unless otherwise provided for by law. The evidence of authorization may also be transmitted to the Company by electronic communications, the details of which are to be determined by the Executive Board. The details shall be announced in the convocation for the General Meeting. Section 135 of the German Stock Corporation Act (AktG) shall remain unaffected.

16 Chairmanship in the General Meeting

- (1) The General Meeting shall be chaired by the Chairman of the Supervisory Board or, if he unable to attend, by the Deputy Chairman or, if both are unable to attend, by another member of the Supervisory Board who belongs to the Board as a representative of the shareholders. In case that none of these persons can chair the Meeting, the Chairman shall be elected by the General Meeting under the chairmanship of the oldest shareholder present.
- (2) The Chairman shall preside over the Meeting and determine the order in which the items on the agenda are discussed as well as the manner and the order of the oral statements and the voting procedure. The Chairman shall be entitled to restrict the shareholders' right to ask questions and to make oral statements to an adequate time limit. The Chairman, at the beginning or during the course of the Meeting, shall be entitled in particular to fix an adequate time frame for the entire General Meeting, for individual items on the agenda or for individual questions and speeches.
- (3) The Chairman shall be entitled to permit video and audio transmission of the entire General Meeting or of a part of it.

17 Voting Right, Elections and Resolutions

- (1) Each share entitles to one vote in the General Meeting. In all cases, the simple majority of the votes cast shall suffice unless otherwise provided for by law or the Articles of Association.
- (2) To resolutions of the General Meeting concerning a modification of the Articles of Association or the dissolution of the Company, the minimum requirements provided for by law shall apply.

F. ANNUAL FINANCIAL STATEMENT AND APPROPRIATION OF ACCUMULATED PROFITS

18 Annual Financial Statement and Appropriation of Profits

- (1) Within the first three months of a Financial Year, the Executive Board shall prepare the annual financial statement as well as the management report for the preceding Financial Year and submit them to the auditor. The annual financial statement, the management report, the auditor's report and the Executive Board's suggestion concerning the appropriation of the accumulated profits shall be submitted without delay to the Supervisory Board after receipt of the auditor's report.
- (2) The General Meeting shall decide on the appropriation of the accumulated profits stated in the approved annual financial statement.
- (3) In case of a capital increase, the profit-sharing of the new shares may be determined in derogation of Section 60, Para. 2 of the German Stock Corporation Act (AktG).

19 Stipulations

- (1) In the framework of the change of corporate form, the following stipulations in Section 4, Paragraphs 2 and 3 of the Articles of Association with respect to a preceding capital increase through contribution in kind were adopted; they shall remain part of the Articles of Association pursuant to Section 27, Para. 5 in conjunction with Section 26, Para. 5 of the German Stock Corporation Act (AktG):

In the framework of a capital increase of Schweizer Electronic GmbH,

Mr Gerhard Schweizer made an initial contribution of	DM	3,570,000
Mr Christoph Schweizer made an initial contribution of	DM	3,570,000
Mr Bernd Schweizer,		
Mr Marc Schweizer,		
Mr Nicolas Schweizer,		
Miss Kristina Schweizer		
made an initial contribution of	DM	1,190,000 each.

The full amount of the initial contributions was paid to Schweizer Electronic GmbH by the assignment of the interests held in the limited partnership of Schweizer Electronic-GmbH & Co. Vertriebsgesellschaft amounting to DM 11,900,000. The interest in the limited partnership held by Mr Gerhard Schweizer and Mr Christoph Schweizer amounted to DM 450,000 each, the interests in the limited partnership held by the other partners amounted to DM 150,000 each.

Pursuant to the Resolution of Transformation, the initial contributions of nominal DM 11,900,000 in total adopted in the framework of the capital increase correspond to 238,000 shares with a nominal value of DM 50 each.

(2) When the Company was established, the following provision in Section 19 of the Articles of Association concerning the expenses incurred for the transformation was stipulated; it shall remain part of the Articles of Association in accordance with Section 26, Para. 5 of the German Stock Corporation Act (AktG).

19 (old) Transformation Costs

The Corporation shall bear the costs for the transformation which are determined to amount to DM 200,000 (in words: two hundred thousand German marks).

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