Corporate Governance at Schweiter Technologies

Group structure and breakdown of shareholders

Schweiter Technologies assures its customers, shareholders, investors and employees that it is fully committed to good corporate governance based on the Articles of Association of the company and the organizational regulations.

Group structure

Schweiter Technologies specializes in the development, manufacture and global distribution of sophisticated machinery and is organized into four divisions (see also Segment reporting on page 48 of this annual report).

SSM Textile Machinery is a global leader in the manufacture of precision winding machines for yarn treatment. Satis Vacuum makes equipment for applying coatings and anti-reflective treatments to spectacle lenses. Ismeca Automation provides high-quality systems for production automation, while Ismeca Semiconductor makes testing, handling and packaging equipment for the semiconductor industry.

For legal purposes, the companies of the Schweiter Technologies Group come under the umbrella of the holding company Schweiter Technologies AG. The latter's direct wholly owned subsidiaries are Ismeca Holding AG (Automation and Semiconductor divisions) and Satis Holding AG (Satis Vacuum division), which encompass their own Group companies, and the companies of the Textile Machinery division Schärer Schweiter Mettler AG, SSM Vertriebs AG and Hacoba Spultechnik GmbH.

The bearer shares of Schweiter Technologies AG, Horgen are listed on the SWX Swiss Exchange, Zurich in the main segment. Security no.: 1075 492; Telekurs: SWTQ; Reuters: SWTZ. Based on its share price of CHF 80 at the end of 2002, the company's market capitalization stood at CHF 115.5 million as at December 31, 2002.

The scope of consolidation consists of the unlisted companies which were fully consolidated as of December 31, 2002 and is presented on pages 42-43 of the notes to the consolidated annual financial statements. Schweiter Technologies does not have any shareholdings in listed companies.

Major shareholders

As of December 31, 2002 the following shareholders held more than 5% of voting rights (pursuant to Art. 663c of the Swiss Code of Obligations):

Percentage of shares held	**2002**	2001
Dr. Hans Widmer / Hans Widmer Management AG, Baar	24.9 %	29.4 %
CREDIT SUISSE Group, Zurich	16.2 %	-
Basel government employees' pension fund, Basel	> 5.0 %	5.0 %
Tuxedo Invest , Zug	< 5.0 %	< 5.0 %

As far as Schweiter Technologies AG is aware there are no shareholders' pooling contracts linking major shareholders.

Cross-shareholdings

There are no cross-shareholdings with other companies in terms of capital or voting rights.

Capital structure

Capital

As of 31 December, 2002 the ordinary share capital amounted to CHF 14 436 720. As of December 31, 2002, authorized capital of CHF 3 000 000 and conditional capital of CHF 1 326 000 was in place.

Authorized and conditional capital in particular

Authorized capital

Authorized capital amounted to CHF 3 000 000.

Under Article 3 of the Articles of Association, by May 15, 2004 the Board of Directors is authorized to increase the share capital by a maximum of CHF 3 000 000 at any time by issuing a maximum of 300 000 bearer shares to be fully paid up with a par value of CHF 10 each. Increases by way of firm underwriting and increases in installments are permitted. The relevant issuing amount, the timing of the dividend entitlement and the nature of the contributions will be determined by the Board of Directors.

The Board of Directors is authorized to block the shareholders' subscription rights if such new shares are to be used to take over companies by means of share swaps, or to finance the acquisition of companies, parts of companies or shareholdings or to finance new investment projects of the company.

Shares for which subscription rights have been granted but not exercised are to be sold on the market at market conditions.

Conditional capital

Conditional capital amounted to a total of CHF 1 326 000.

The company's share capital may be increased by a maximum of CHF 1 326 000 by issuing up to 132 600 bearer shares with a par value of CHF 10 each which must be fully paid up, including:

a) up to an amount of CHF 326 000 by exercise of option rights, granted to the employees of the company or of one of its subsidiaries at conditions to be determined by the Board of Directors;

b) up to an amount of CHF 1 000 000 by exercise of option or conversion rights granted in conjunction with bonds or similar paper issued by the company or one of its subsidiaries.

Shareholders' subscription rights are excluded in relation to these bearer shares, which may not exceed 1 326 000 in number.

Capital changes

For changes in consolidated shareholders' equity in fiscal 2002 and fiscal 2001 reference is made to page 39 of the consolidated annual accounts. The development of consolidated shareholders' equity in fiscal 2000 is presented on page 42 of the consolidated annual accounts 2001.

The shareholders' equity of Schweiter Technologies AG underwent the following changes during fiscal 2000 through fiscal 2002:

(in CHF 1000s)	Share capital	Premium	Reserves: statutory	treasury shares	free	Available earnings	Total sharehold-ers' equity
Position as at Jan. 1, 2000	**8800**	**5524**	**2329**	**0**	**1071**	**30023**	**47747**
1999 dividend						- 1440	- 1440
Capital increase *	1086	35857					36943
Net income for 2000						10076	10076
Position as at Dec. 31, 2000	**9886**	**41381**	**2329**	**0**	**1071**	**38659**	**93326**
2000 dividend						- 1812	- 1812
Capital increase **	2038	29157					31195
Formation of reserve for treasury shares				54		- 54	0
Net income for 2001						5189	5189
Position as at Dec. 31, 2001	**11924**	**70538**	**2329**	**54**	**1071**	**41982**	**127898**
Transfer to statutory reserve			71			**- 71**	0
2001 dividend						0	0
Dissolution of reserve for treasury shares				- 54		54	0
Capital increase	2513	36843					39356
Annual loss for 2002						- 37677	- 37 677
Position as at Dec. 31, 2002	**14437**	**107381**	**2400**	**0**	**1071**	**4288**	**129577**

* of which for employee shares issued in 2000: 44 600 shares with a par value of CHF 10 = CHF 446 000, entry in the Commercial Register on March 12, 2001.
** of which for employee shares issued in 2001: 25 400 shares with a par value of CHF 10 = CHF 254 000, entry in the Commercial Register on March 15, 2002.

During the past three financial years, the following capital increases were entered in the Commercial Register:

Date of Comm. Reg.	Transaction	Amount		Amount of share capital	
July 5, 2000	Capital increase	CHF	640 000	CHF	9 440 000
March 12, 2001	Capital increase *	CHF	446 000	CHF	9 886 000
December 10, 2001	Capital increase	CHF	1 783 970	CHF	11 669 970
March 15, 2002	Capital increase **	CHF	2 766 750	CHF	14 436 720

The increase in share capital in 2001 and 2002 primarily relates to the utilization of the authorized capital to finance that part of the purchase price for the Ismeca acquisition that was to be paid in Schweiter Technologies shares. Further details can be found in the 2002 consolidated financial statements, in particular on page 59 under Note 18 Share capital.

Shares and participation certificates

As of December 31, 2002 the share capital consisted of 1 443 672 bearer shares with a par value of CHF 10 each amounting to a total of CHF 14 436 720. All bearer shares have been fully paid up. Each share entitles the holder to one vote at the General Meeting. All bearer shares are entitled to dividends. Schweiter Technologies has no participation certificates or dividend rights certificates outstanding.

Limitations on transferability and nominee registrations

Transferability is not subject to any restrictions under the Articles of Association. There are no restrictions in relation to nominee registrations.

Convertible bonds and options

No convertible bonds were outstanding as of December 31, 2002. As set out in the section on authorized and conditional capital, by drawing on the conditional capital the company's share capital may increase by a maximum of CHF 1 000 000 through the exercise of option or conversion rights granted in conjunction with bonds or similar paper issued by the company, or one of its subsidiaries.

Employee stock option plan

The Group has an employee stock option plan for executive personnel. In defining the conditions of the plan, consideration was given to the objective of securing employees' long-term loyalty and creating incentives. A lock-in period of several years and an exercise price above the current share price was therefore laid down for all plan participants. The expense incurred in issuing shares in connection with the exercise of employee stock options is not taken to income. The exercise prices of the options will not be adjusted.

	2002	2001	2000
Options outstanding at the beginning of the year	**10 000**	**35 400**	**68 000**
Options issued	0	0	12 000
Exercised *	0	- 25 400	- 44 600
Expired	0	0	0
Options outstanding at the end of the year	**10 000**	**10 000**	**35 400**

*** Exercises**	Number	Exercise
2000	44 600	CHF 180.–
2001	23 400	CHF 180.–
	2 000	CHF 380.–
	25 400	
2002	**0**	

Options outstanding as per Dec. 31, 2002	Issue date	Exercise period	Exercise price
3 000	16.3.2000	16.3.2001 - 16.3.2003	CHF 380.–
1 000	16.3.2000	16.3.2002 - 16.3.2003	CHF 380.–
5 000	16.3.2000	16.3.2001 - 31.3.2003	CHF 330.–
1 000	16.3.2000	16.3.2002 - 31.3.2003	CHF 330.–
10 000			

If the outstanding options were exercised they would be equivalent to 0.69% of outstanding shares.

Board of Directors (as per December 31, 2002)

Name	Function		Member since	Elected until AGM
Hans Widmer	Chairman,	non-executive	1986	2003
Heinrich Fischer	Member,	non-executive	2002	2003
Marcel M. Meier	Member,	non-executive	1986	2003
Jean-Pierre Nardin	Member,	non-executive *	2001	2003
Rolf-D. Schoemezler	Member,	non-executive	1993	2003
Beat Frey (until May 2002 AGM)	Member,	non-executive (departing)		

* until October 2002 also CEO of Ismeca Group

Members of the Board of Directors

With the exception of Mr Heinrich Fischer, all members of the Board of Directors served throughout the period under review. Mr Heinrich Fischer was elected to the Board of Directors at the Ordinary General Meeting on May 15, 2002 in place of Mr Beat Frey, who stepped down. At the 2003 Ordinary General Meeting elections will be held for all Board members.

With the exception of Mr Jean-Pierre Nardin (until October 2002) no members of the Board of Directors perform operational management tasks in the company. No members of the Board of Directors have any kind of significant business relationship with the company. With the exception of Mr Jean-Pierre Nardin, no members of the Board of Directors belonged to Group management or the management a Group company during the three financial years preceding the period under review.

Hans Widmer (born 1940, Swiss citizen). Chairman of the Board of Directors.

Member of the Board of Directors since 1986. Mr Hans Widmer is an engineering graduate of the Swiss Federal Institute of Technology in Zurich who went on to take a doctorate at MIT (PhD in Nuclear Engineering) in 1970. Mr Hans Widmer worked for McKinsey&Company for 12 years, most recently as McKinsey's executive in charge of Switzerland. In 1986, he took over the majority of shares from Schweiter and has since been Chairman of the Board of Directors. Between 1986 and 1991, he simultaneously served as Schweiter's Board Chairman and CEO. From 1989 until 1991, he served as Board Chairman and CEO of Tecan and from 1991 until 1998 he was Board Chairman and CEO of Oerlikon Bührle.

Heinrich Fischer (born 1950, Swiss citizen). Non-executive member of the Board of Directors since 2002.

Mr Heinrich Fischer graduated from the Swiss Federal Institute of Technology in Zurich (Dipl. El. Ing.) and from the University of Zurich (Lic. oec. publ.). Since 1986, Mr Heinrich Fischer has been CEO of the Saurer Group and a member of the Board of Directors of ESEC.

Marcel M. Meier (born 1942, Swiss citizen). Non-executive member of the Board of Directors since 1986.

After completing a banking apprenticeship and training in Britain and the United States, Mr Marcel M. Meier was employed in a variety of management functions at major Swiss banks in Switzerland and abroad. Most recently (between 1994 and 1997), he served as Senior Vice President and regional manager at Credit Suisse. As a long-standing Member of Senior Management at Credit Suisse, Mr Meier has proven management experience in the financial sector. Since 1998, he has been working as a self-employed corporate consultant.

Jean-Pierre Nardin (born 1950, Swiss citizen). Non-executive member of the Board of Directors.

Mr Nardin has been a member of the Board of Directors since 2001 and was CEO of the Ismeca

Group until October 2002. Mr Jean-Pierre Nardin graduated from the Swiss Federal Institute of Technology with a doctorate in physics and earned an MBA at INSEAD. He was CEO of the company EAO in Olten for ten years and has a thorough technical knowledge of electrical engineering. Since 2001, he has been working as a self-employed corporate consultant.

Rolf-Dieter Schoemezler (born 1941, German citizen). Non-executive member of the Board of Directors since 1993.

Mr R.-D. Schoemezler is a graduate of the Technical University in Stuttgart. He has performed management functions at Procter & Gamble and Union Carbide. Since 1987, he has held diverse positions in the Schweiter Group. He ran various subsidiaries as CEO and between 1994 and 1996 he managed the entire Group as Delegate of the Board of Directors. Since 1997, he has been working as a self-employed corporate consultant.

Other activities and interests

Mr Heinrich Fischer, who is a member of the Board of Directors of Schweiter Technologies, is CEO of the Saurer Group and a Board member at ESEC. None of the other members of the Board of Directors perform any additional management or permanent consultancy functions or hold directorships at major Swiss or foreign companies, nor do any hold important political offices.

Interlinkages

There are no reciprocal seats on the boards of listed companies.

Election and term of office

Under the company's Articles of Association, the Board of Directors consists of 3 to 7 members. The members of the Board of Directors are elected for a period of office of three years, the period between one Ordinary General Meeting and the next being deemed to constitute one year. Members are eligible for re-election. Members newly elected during a period of office are elected for the remainder of the current period of office.

Internal organization

Division of tasks within the Board of Directors

Mr Hans Widmer acts as Chairman of the Board of Directors. In addition to their regular work as Board members, all members of the Board of Directors are responsible for the supervision of a division of the Group (see also section entitled “How the Board of Directors operates”).

Committees of the Board of Directors

All key decisions are taken by the Board of Directors as a whole (in particular remuneration, appointments, auditors' mandates). The formation of specific Board committees has therefore been considered unnecessary.

How the Board of Directors operates

The Board of Directors is responsible for the strategic management of the Group and for the supervision of those entrusted with management. To this end, the Board of Directors holds meetings at least five times per year. One meeting lasts an average of half a day. In addition to the Board of Directors, these meetings are regularly attended by the CEO and CFO of the Group and by the divisional CEOs as necessary.

A majority of members of the Board of Directors must be present to constitute a quorum for the transaction of business. The Board of Directors adopts resolutions by a majority of votes cast. If there is a tie, the Chairman casts the deciding vote.

As part of their supervisory functions and in the interests of the proper conduct of their duties, all Board members oversee one specific division in detail and attend eight to ten division meetings per year in addition to Board meetings.

At these division meetings, the division's management reports on the operational side of the business. In addition to the relevant Board member, these meetings are also attended by the Group CEO and CFO. In discussing business performance, the division management presents risks that have been identified and are of relevance to the division and assesses their possible impact. The outcome of this assessment and the resulting measures are presented to the Board of Directors as a whole.

Delineation of powers and responsibilities

Unless the law or the Articles of Association provide otherwise, the Board of Directors delegates operational management entirely to Management. The Board of Directors exercises overall leadership and supervises and oversees business operations. It issues business policy guidelines and ensures that it is kept regularly informed of business performance (see also section entitled “How the Board of Directors operates”).

The Board of Directors has in particular the following non-delegable and inalienable duties:
– the ultimate direction of the business of the Group and issuing the necessary directives
– defining the organization
– defining accounting, financial control and financial planning
– appointing and dismissing persons entrusted with the management of the Group and determining management salaries
– the ultimate supervision of the persons entrusted with the management of the Company, specifically in view of their compliance with the law, the Articles of Association, regulations and directives
– deciding on extraordinary investments

Management is responsible for the day-to-day running of the company in accordance with the directives issued by the Board of Directors and having regard for the customary duty of due diligence and the provisions of the law.

At the monthly division meetings, Management reports to the Board member responsible for the division in question on the following matters in particular:
– Progress of business and financial situation
– Outlook and measures to be taken in the near future
– Development projects and status
– Major investments and divestments
– Extraordinary events with a substantial bearing on business
– Personnel policy and planning, information on important personnel decisions

Information and monitoring instruments

The Board of Directors is responsible for overseeing the Group's internal controlling systems which monitor the risk of inadequate business performance, but cannot rule out such a risk. These systems provide appropriate, though not absolute, security against significant inaccuracies and material losses. Management is responsible for identifying and assessing risks that are of significance for the division in question (see also section on Delineation of powers and responsibilities). In addition to quantitative approaches and formal guidelines – which are only part of a comprehensive risk management approach – it is also considered important to maintain a corresponding risk management culture.

In addition to a continuous process of monitoring and assessment, the individual divisions also submit detailed monthly reports to the Board of Directors (MIS). Each member of the Board of Directors is also sent all the minutes of all division meetings.

The Board of Directors subjects the internal information and monitoring systems to periodic reviews to determine their effectiveness in identifying, evaluating and overcoming risks associated with the business activity.

Management

Beat Siegrist (born 1960, Swiss citizen). CEO of Schweiter Technologies and CEO of Ismeca Semiconductor.

Mr Beat Siegrist has been working for Schweiter Technologies since 1996. As CEO, he personally managed the divisions SSM Textile Machinery (until 1998) and Satis Vacuum (until mid-2001) and currently manages Ismeca Semiconductor. He previously worked as a consultant at McKinsey&Co., most recently in the capacity of a senior consultant. He obtained a degree in engineering (Dipl. Ing.) at the Swiss Federal Institute of Technology and went on to take an MBA at INSEAD Fontainebleau.

Heinz O. Baumgartner (born 1963, Swiss citizen) CFO Schweiter Technologies.

Mr Heinz O. Baumgartner has been CFO at Schweiter Technologies since 1996. From 1992 to 1995 he worked as a controller at Asea Brown Boveri Switzerland. He holds a degree in business management (majoring in accountancy) and a doctorate in economics from the University of St. Gallen.

Walter Nadalin (born 1956, Swiss and Italian citizen) CEO of the SSM Textile Machinery division.

Mr Walter Nadalin has been working in the SSM Textile Machinery division in various capacities since 1989. As an HTL graduate engineer (Dipl. Ing. HTL), his work on the development side was instrumental in bringing about the turnaround of this division in the early 1990s. He has been CEO of SSM Textile Machinery since the beginning of 2002.

Urs A. Meyer (born 1964, Swiss citizen) CEO of Satis Vacuum.

Urs A. Meyer has been COO since July 1, 2001 and CEO of the Satis Vacuum division since January 1, 2002. Mr Meyer holds a doctorate in technical sciences (Dr. sc. techn.) from the Swiss Federal Institute of Technology and from 1990 to 1997 he initially worked for Rieter Textile Systems, before going on to become Managing Director of Rieter India in Delhi. Between 1997 and mid-2001 he was Managing Director of Otto Suhner AG.

Serge Peguiron (born 1961, Swiss and Italian citizen) CEO of Ismeca Automation.

Mr Serge Peguiron is an HTL graduate engineer (Dipl. Ing. HTL) specializing in precision engineering. Since 1990, he has worked in various management positions at Ismeca, and since the beginning of 2000 he has been CEO of the Ismeca Automation division.

Other activities and interests

No member of management is engaged in any significant other activities or functions worthy of mention or holds any important political offices.

Management contracts

There are no management contracts.

Compensation, shareholdings and loans

Content and determining procedures for compensation and stock option schemes

The Group's salaries policy is based around progressive and future-oriented remuneration aimed at attracting and motivating qualified management staff with the necessary technical expertise and experience and at securing their long-term services to the company.

Total remuneration is guided by standard market rates. Importance is attached to a variable remuneration component that depends on the achievement of corporate and personal targets. The amount of this variable element of overall pay mainly depends on the results of the Group and the individual division and on the extent to which employees meet their personal performance targets.

The total remuneration per management member is finally fixed by the Board of Directors as a whole in a detailed performance appraisal at the end of the year.

Compensation for serving members of governing and executive bodies

Compensation for members of the Board of Directors

All members of the Board of Directors, including the Chairman, received an annual fee of CHF 50 000 (previous year: CHF 20 000). For 2002, the total compensation paid to the five-member Board of Directors amounted to CHF 250 000 (previous year: CHF 100 000). This fee covers attendance of the periodic Board meetings (at least five per year) and of the corresponding division meetings. The increase compared with the previous year relates to the increase in the amount of time spent and in the number of meetings (additional division meetings).

For his executive duties as CEO of the Ismeca Group, Mr J.-P. Nardin received a fee of CHF 122 128 in 2002 (January 1 - September 30, 2002).

Compensation for members of Management

Total remuneration covers basic salaries, bonuses for the business year in question and the estimated value of other benefits of a remunerative nature. For the 2002 business year, the total remuneration for the five management members amounted to CHF 1.794 million (previous year: CHF 1.472 million). The maximum compensation amounted to CHF 543 000 (previous year: CHF 430 000). The contracts of employment of the acting members of management contain no agreement on the payment of a severance benefit in the event of their departure. There are no contracts of employment with unusual periods of notice (more than one year). No pecuniary benefits were paid other than those listed. In particular, no options or shares were allocated in 2001 and 2002.

Compensation for former members of governing and executive bodies

During the year under review no compensation was paid to former members of governing and executive bodies.

Share allocations during the year under review

During the year under review (2002), no shares were allocated either to members of the Board of Directors or to members of Management.

In 2001, a total of 25 400 shares were allocated and newly created as a result of exercised options under existing contracts (date of entry in Commercial Register: March 15, 2002, see section entitled “Capital changes”). Taken as a whole, members of management accounted for a total of 20 000 of these shares. Other employees accounted for 5 400 shares. No shares were allocated to members of the Board of Directors.

Share ownership

As of December 31, 2002, a total of 376 950 shares were held by members of the Board of Directors or members of management as a result of exercised options or private purchases:

Surname	First name	Function	Number of shares
Widmer, Dr.	Hans	Chairman Schweiter Technologies	360 000
Schoemezler	Rolf-D.	Member of the Board of Directors Schweiter Technologies	50
Siegrist	Beat	CEO SchweiterTechnologies	15 000
Nadalin	Walter	CEO SSM Textile Machinery	1 800
Peguiron	Serge	CEO Ismeca Automation	100

Dr. Hans Widmer holds his shares both privately and through Hans Widmer Management AG.

At the beginning of 2003, Mr Beat Siegrist, CEO of Schweiter Technologies, increased his shareholding from 15 000 to 40 000 shares through private purchases. Schweiter Technologies is not aware of any shares held by persons closely associated with members of the Board of Directors or management.

Options

In fiscal 2002 and 2001, no options were allocated to present or former members of governing and executive bodies (Board of Directors and Management) or other employees. As of December 31, 2002, no options were held by any member of a governing or executive body. The 10 000 options still outstanding at the end of 2002 were held by other employees.

Additional fees and payments

No member of the Board of Directors or Management charged any additional fees or payments during the year under review.

Loans to governing or executive bodies

No loans to governing or executive bodies have been made to members of the Board of Directors or Management.

Mr Hans Widmer, Chairman of the Board of Directors has granted the company a shareholder loan. As of December 31, 2002 the loan amounted to CHF 12.5 million. In 2002, the interest rate stood at 2.5% (previous year 3%). The interest is paid annually. The repayment date is open. No collateral was lodged.

Maximum total remuneration

During the year under review (2002), all members of the Board of Directors received a standard fee of CHF 50 000 per annum (see also section entitled “Compensation for members of the Board of Directors”).

Shareholders' participation rights

Restriction of voting rights and representation

There are no voting-right restrictions under the Articles of Association. Under Art. 689 para. 2 of the Swiss Code of Obligations, every shareholder can represent his shares at the General Meeting in person or have them represented by a third party of his choice. The Articles of Association do not lay down any restrictions on the representation of voting rights.

Statutory quorum

Under Art. 703 of the Swiss Code of Obligations, resolutions of the General Meeting must be passed strictly by an absolute majority of the voting rights represented. Exceptions to this rule are the eight resolutions listed in Art. 704 of the Swiss Code of Obligations, which require a minimum of two thirds of the votes represented and an absolute majority of the nominal values of the shares represented. The Articles of Association do not provide for any divergent arrangements.

Convening of the General Meeting and inclusion of items on the agenda

The General Meeting is called by the Board of Directors, or if necessary by the statutory auditors. The Ordinary General Meeting takes place each year within six months of the end of the financial year. The time limits for adding items to the agenda of the General Meeting are governed by the provisions of the Swiss Code of Obligations. Extraordinary General Meetings should be called as frequently as is necessary, particularly in the cases provided for by the law.

The convening of a General Meeting may also be requested in writing by one or more shareholders representing at least ten percent of the share capital, specifying the subject to be tabled for discussion and the proposals to be put forward. In this case, the Board of Directors must convene the General Meeting within four weeks.

Registrations in the share register

As only bearer shares are issued, there is no share register.

Change of control and countermeasures

Obligation to submit a purchase offer

A party acquiring shares in the company is not obliged to submit a public purchase offer pursuant to Articles 32 and 52 of the Federal Act on Stock Exchanges and Securities Trading (Art. 4 Articles of Association, “Opting out”).

Clauses on changes of control

There are no clauses on changes of control (“golden parachutes” etc.) for members of the Board of Directors, Management or other executive staff.

Statutory auditors

Duration of mandate and term of office of lead auditor

Since 1994, the statutory auditors/group auditors have been Deloitte & Touche AG, Zurich (formerly Experta). The auditors responsible for the Ismeca Group are PricewaterhouseCoopers AG. The lead auditor of Deloitte & Touche AG, Gerhard Ammann, took office in 1994. The statutory auditors are elected for a term of office of three years. The next election will take place at the Ordinary General Meeting on May 14, 2003.

Auditors' fees

The auditors' fees charged by the firms of auditors during the year under review broke down as follows:

(in CHF 1000s)	**2002**	2001
Auditing services	589	594
of which relating to the Group auditors Deloitte & Touche	266	248

Additional fees

(in CHF 1000s)	**2002**	2001
Audit-related services	154	321
Other services	378	507
Total	532	828
of which relating to the Group auditors Deloitte & Touche	370	499

The audit-related services consist primarily of services relating to acquisitions (due diligence), the presentation of accounts or restructuring measures.

The other services mainly consist of services relating to compliance with tax legislation and tax obligations.

Supervisory and control instruments vis-à-vis the auditors

Auditing services are defined as standard tasks in an audit, with a view to preparing reports on the annual financial statements pursuant to the Articles of Association and being able to provide an assessment of the consolidated financial statements.

The Board of Directors as a whole is responsible for supervising and monitoring the audit. The auditors periodically prepare a comprehensive report on the outcome of their auditing activities. The auditors' report is supported by an accompanying management letter.

The auditors may not be members of the Board of Directors or company employees. Neither may they carry out any other work for the company which would be incompatible with the audit assignment. They must be independent of the Board of Directors and of any shareholder holding more than five percent of voting rights. The auditors must adhere to the guidelines on independence promulgated by their profession. The Board of Directors as a whole periodically verifies the auditors' qualifications as part of its supervisory and monitoring functions.

Information policy

The Group maintains a dialogue with all current and potential shareholders as part of its investor relations activities. Reports on business performance are published at periodic, normally quarterly, intervals. The address for investor relations matters is:

Schweiter Technologies AG
Dr. Heinz Baumgartner
P.O. Box, 8812 Horgen
Tel. +41 1 718 33 11, Fax +41 1 718 34 51
info@schweiter.com
www.schweiter.com.

The next General Meeting will take place in Horgen on May 14, 2003.

Addresses

Schweiter Technologies AG
Neugasse 10
CH-8812 Horgen
Tel. +41 1 718 33 11
Fax +41 1 718 34 51
info@schweiter.com
www.schweiter.com

SSM
Schärer Schweiter Mettler AG
Neugasse 10
CH-8812 Horgen
Tel. +41 1 718 33 11
Fax +41 1 718 34 51
info@ssm.ch
www.ssm.ch

SSM Vertriebs AG
Schärer Schweiter Mettler Vertriebs AG
Neuhofstrasse 12
CH-6340 Baar
Tel. +41 41 766 16 26
Fax +41 41 766 16 10

SSM Americas Corp.
Schärer Schweiter Mettler Corp.
P.O. Box 266 858
Fort Lauderdale, FL, 33326, USA
Tel. +1 954 349 6433
Fax +1 954 349 6434
ssm_amer@ix.netcom.com

SSM
Schärer Schweiter Mettler AG
Far East Representative Office
Room 1002, Park Tower
15 Austin Road, Tsimshatsui,
Kowloon, Hong Kong
Tel. +852 2736 2698
Fax +852 2730 2399

SSM Stähle Eltex GmbH
Mittnachtstrasse 9-11
D-72960 Reutlingen
Tel. +49 7121 93 880
Fax +49 7121 93 8824
info@ssm-airtex.de

Hacoba Spultechnik GmbH
Hatzfelderstrasse 161
D-42281 Wuppertal
Tel. +49 202 7091 257
Fax +49 202 7091 255
info@hacoba.com
www.hacoba.com

Satis Vacuum Holding AG
Neuhofstrasse 12
CH-6340 Baar
Tel. +41 41 766 16 16
Fax +41 41 766 16 10

Satis Vacuum
Industries Vertriebs AG
Neuhofstrasse 12
CH-6340 Baar
Tel. +41 41 766 16 16
Fax +41 41 766 16 10
sales@satis-vacuum.ch
www.satis-vacuum.ch

Satis Vacuum Industries S.p.A.
Via del Campaccio 13
I-20019 Settimo Milanese
Tel. +39 02 33 55 61
Fax +39 02 33 50 12 00
sales@satis.it

Satis Vacuum Deutschland GmbH
Beethovenstrasse 30
D-63526 Erlensee
Tel. +49 6183 730 81
Fax +49 6183 727 70

Satis Vacuum of America Inc.
2400 Spiegel Drive, Unit D2
P.O. Box 180
Groveport, Ohio, 43125, USA
Tel. +1 614 409 9401
Fax +1 614 409 9306

Satis Vacuum Asia Pte. Ltd.
19 Tanglin Road # 04-18
Tanglin Shopping Center
Singapore 24 7909
Tel. +65 737 97 11
Fax +65 735 07 11
satis@cyperway.com.sg

Satis Vacuum (UK) Ltd.
Futura Park, Middlebrook
Bolton, Greater Manchester
BL6 6PG, GB
Tel. +44 1204 698955
Fax +44 1204 469147

Satis Photonics AG
Neugasse 10
CH-8812 Horgen
Tel. +41 43 244 15 44
Fax +41 43 244 15 40
www.satic-vacuum.ch

Ismeca Holding SA
Rue de l'Helvétie 283
CH-2301 La Chaux-de-Fonds
Tel. +41 32 925 71 11
Fax +41 32 925 72 15
Ismeca@ismeca.ch

Ismeca Group Mgmt
Rue Louis-Joseph Chevrolet 5
CH-2301 La Chaux-de-Fonds
Tel. +41 32 925 71 11
Fax +41 32 925 72 15
Ismeca@ismeca.ch

Ismeca Europe SA
Rue de l'Helvétie 283
CH-2301 La Chaux-de-Fonds
Tel. +41 32 925 71 11
Fax +41 32 925 72 15
Ismeca@ismeca.ch
www.ismeca.com

Ismeca GmbH
Daimlerstrasse 30
D-75392 Deckenpfronn
Tel. +49 70 56-80 92
Fax +49 70 56-43 40

Ismeca France S.à.r.l.
3, Place de Montrapon
F-25000 Besançon
Tel. +33 3 81 88 27 50
Fax +33 3 81 88 27 51

Ismeca Europa Succursale Italiana
Viale Papiniano 10
I-20123 Milano
Tel. +39 02 48 51 60 06
Fax +39 02 46 94 399

Ismeca (UK) Limited
113 Promenade
Cheltenham
GB - Gloucestershire, GL50 1NW
Tel. +44 1242 571004
Fax +44 1242 260388

Ismeca USA Semiconductor, Inc.
2365 Oak Ridge Way
Vista, CA 92083-8348, USA
Tel. +1 760 305 6200
Fax +1 760 305 6290

Ismeca USA Automation, Inc.
2365 Oak Ridge Way
Vista, CA 92083-8348, USA
Tel. +1 760 305 6200
Fax +1 760 305 6290

Ismeca Malaysia Sdn. Bhd.
Plot 3-61
Cheng Industrial Estate
75250 Melaka, Malaysia
Tel. +60 6 335 28 82
Fax +60 6 335 29 00

Ismeca Asia, Limited
Room 5, 22nd Floor
Fullagar Industrial Building
234 Aberdeen Main Road
Aberdeen, Hong Kong
Tel. +852 2873 3213
Fax +852 2873 1027

Ismeca Asia, Ltd. Shanghai
Representative Office
Room 703, Pine City Hotel
8 Dong An Road
Shanghai, 200032
P.R. China
Tel. +86 21 6443 8587 / 6443 2826
Fax +86 21 6443 6918

Masthead

Design/Production	Mike Aschwanden, Zurich
Photography	Pia Zanetti, Zurich
Lithograph	Altamont, Zurich
Translation	bmp translations ag, Zurich
Printed by	Fotorotar AG, Egg/ZH
	Printed in Switzerland;
	This is an English translation of the German Annual Report. The German text is the official version.

Additional copies may be ordered from
Schweiter Technologies.

Schweiter Technologies AG
Neugasse 10   CH-8812 Horgen
Telefon +41 1 718 33 11
Fax +41 1 718 34 51
E-mail info@schweiter.com
www.schweiter.com