

Minutes
of
IIIrd ANNUAL GENERAL MEETING
USTER TECHNOLOGIES LTD

of Tuesday, March 31, 2009, 4.30 pm (doors open at 3.45 pm)

Pavillon, Weiherallee 17, 8610 Uster

Unofficial translation – the German version is the only binding

Opening and words of welcome by Chairman

The Chairman, Mr. Max-Ulrich Zellweger, welcomes the shareholders to the IIIrd Ordinary Annual General Meeting of Uster Technologies Ltd and the second Annual General Meeting as a public company.

He notices that all current members of the board of directors and the members of the management are present except for Harold R. Hoke and Hossein Ghorashi.

The Chairman particularly welcomes Mr. Zaugg as representative of the **auditors**, Ernst & Young Ltd, Zurich, the **independent proxy**, Mr. Andreas G. Keller, attorney-at-law, Zurich, and the **notary**, Mr. Widmer, as well as the attending media representatives.

He is pleased that the shareholders as well as several employees and guests have followed the invitation to the second general meeting as a public company in large numbers and herewith show their interest in the business.

The Chairman makes the following **statements**:

- The shareholders were **invited** by ordinary mail of March 4, 2009. The invitation was also published in the Swiss Official Gazette of Commerce of March 4, 2009.
- The shareholders received the **agenda items** together with the proposals of the board of directors. With the answer and proxy form, which was attached to the invitation, the shareholders were able to order the printed **business report** 2008, together with the annual report, the annual financial statements and the group financial statements 2008 and the report on Corporate Governance, as well as the reports of the auditors. In the invitation letter it was pointed out that these reports were also available to the shareholders at the headquarters of the company and on the Internet at www.uster.com as of March 4, 2009.
- Hence, the Annual General Meeting of the Uster Technologies Ltd was **duly called**.
- Attorney-at-law Emanuel Dettwiler takes the **minutes** of the shareholders' meeting. Mr. Beat Gisin supervises the **vote counters**.

- To notarize the resolutions of the meeting on agenda item 4 and 6, i.e., the resolutions on the amendment of the articles of association, Mr. Widmer attends the meeting as **notary** of the Canton of Zurich.
- The **auditors**, Ernst & Young AG, Zurich, are represented by Mr. Zaugg.
- Mr. Andreas G. Keller, attorney-at-law, Zurich, acts as **independent proxy**.
- **Votes and elections** are held openly. There will be confidential, i.e. written elections or votes if the Chairman orders them.

Attendance:

The Chairman announces that 4,036,266 registered shares with a nominal value of CHF 9.40 each and a total value of CHF 37,940,900.40 are directly or indirectly represented at this Shareholders Meeting. This corresponds to 61.53 % of the entire share capital of CHF 61,664,000. Hence, the absolute majority is 2,018,134 votes.

With regard to Item 4 the necessary qualified 2/3 majority according to article 704 paragraph 2 CO is 2,690,845 votes and the absolute majority of the represented nominal values is CHF 18,970,459.60.

In particular, the shares are represented as follows:

- 71 attending shareholders or representatives of shareholders represent 373,711 registered shares.
- The corporate proxy represents 3,262,610 registered shares.
- The independent proxy represents 399,945 registered shares.
- The depository representatives represent 0 registered shares.

Hereafter, the Chairman declares that the shareholders' meeting is, therefore, **validly constituted** and **can validly resolve** on all agenda items.

Subsequently, the Chairman explains the procedure regarding **requests to speak** and the possibility of ordering a **limit to speech time**.

These statements are **not objected**.

Item 1: Approval of the business report 2008; notice of the reports of the auditors

The Chairman presents the business report 2008 of Uster Technologies Ltd and gives an introduction to the Uster Group. Subsequently, Dr Geoffrey Scott, CEO, reports on the past business year and the business prospects of the Company and Dr Naiming Wei, Head of Asian Operations, reports on the textile industry and business developments of Uster Technologies Ltd in Asia.

The Chairman explains the reasons for the development of the share price since the IPO in October 2007.

The Chairman thanks the Executive Committee, the Management, and all employees of the Uster Group for their great commitment and continues with the reports of the auditors.

He briefly summarizes the reports of the **auditors**: Based on the results of their audit, the auditors recommend the approval of the present annual financial statements and the present group financial statements. The attending auditor of Ernst & Young Ltd, Mr. Zaugg, confirms this statement.

There are the following requests to speak under agenda item 1:

- Ms. Stücheli from Lommis asks why there will be no dividend paid for the business year 2008. The Chairman refers to Item 2.
- Mr. Petermann from Rapperswil comments, that China is, besides India, an important market and enquires about the proportions of China/India. Dr Geoffrey Scott explains that India is the second most important market after China and a very important market for Uster Technologies Ltd. Direct sales in both markets are strong.
- Mr. Ott from Steg in the Tösstal asks, whether, during the restructuring measures, which began last year, there were dismissals besides early retirements and natural fluctuation and whether the research & development department was downsized disproportionately. Dr Geoffrey Scott confirms that there were dismissals and explains that the reductions in staff were proportional throughout the company.

The board of directors **proposes** to approve the annual report, the annual financial statements and the group financial statements for the year 2008 and to take note of the reports of the auditors.

Results of the vote under agenda item 1:

The Chairman declares that the shareholders' meeting has **approved** the proposal of the board of directors in an open vote with a large majority, some counter-votes, and a few abstentions.

Item 2: Appropriation of available earnings

Under the current item the board of directors **proposes** to appropriate the available earnings of CHF 8,345,428 as follows:

Transfer to general legal reserves	CHF	323,958
To be carried forward on new account	CHF	8,021,470

The Chairman refers to the reports of the auditors, which states that the proposal of the board of directors on the appropriation of the profit is in accordance with Swiss law and the articles.

There are the following requests to speak under agenda item 2:

- The Chairman answers Ms. Stücheli's question brought forward during Item 1 as follows: Uster Technologies Ltd is facing difficult times. Not paying a dividend is a precautionary measure to keep the company sufficiently solvent.
- Mr. Petermann from Rapperswil understands the company's situation. He wants to know how high the total distributions were, if the same amount were distributed per share as last year. According to the Chairman this would be approximately CHF 3.9 millions.
- The Chairman asks, whether Ms. Stücheli would like to make a proposal. Ms. Stücheli proposes to distribute CHF 0.60 per share as dividend.

The Chairman explains that first there will be a vote on the board of directors' proposal and, in case it was rejected, there will be a vote on Ms. Stücheli's proposal. Should the board of directors' proposal be approved, this would render Ms. Stücheli's proposal obsolete.

Results of the vote under agenda item 2:

The Chairman declares that the shareholders' meeting has **approved** the proposal of the board of directors in an open vote with a large majority, some counter-votes, and a few abstentions.

Item 3: Discharge of the members of the board and the persons entrusted with management

The Chairman points out that due to statutory requirements persons who have in any manner participated in the management have no right of vote with regard to this resolution. Therefore, he asks the members of the board of directors and the management *not* to vote with their own shares under this item.

There are no requests to speak under agenda item 3.

The board of directors **proposes** to give discharge to the members of the board of directors and the persons entrusted with management for the year 2008.

Results of the vote under agenda item 3:

The Chairman declares that the shareholders' meeting has **approved** the proposal of the board of directors in an open vote with a large majority, some counter-votes, and a few abstentions.

Item 4: Increase and extension of the duration of the authorized share capital

The current authorized share capital consists of 950,000 registered shares with a nominal value of CHF 9.40 each and will expire on October 4, 2009. The increase of the amount of the existing authorized share capital would allow therefore Uster Technologies Ltd. to increase its flexibility to quickly react to business opportunities by providing it with additional financial means. Therefore, the board of directors proposes to increase the authorized share capital from CHF 8,930,000 to CHF 17,860,000 and to set the duration of such authorization until March 31, 2011 by an amendment of article 3a paragraph 1 of the articles of association.

There are the following requests to speak under agenda item 4:

- Mr. Petermann from Rapperswil asks if there is an intention to exclude the subscription right when issuing the authorized capital. The Chairman explains, that the board of directors wants to keep a maximum degree of flexibility to be prepared if need be. Should the subscription right be excluded, this would happen in the sole interest of the company. At the moment no concrete plans exist that require the use of the authorized capital. Mr. Petermann proposes to limit the duration of the authorization to March 31, 2010.
- Mr. Honegger from Wald would like to know, if Uster will remain a Swiss corporation or become a Chinese corporation. The Chairman explains that he cannot guarantee that Uster Technologies will remain a Swiss corporation. However there are no concrete intentions or plans in this regard.
- Mr. Albrecht from Uitikon Waldegg asks, whether there will be a vote on Mr. Petermann's proposal.

The Chairman explains that first will be a vote on the board of directors' proposal and in case it was rejected, there will be a vote on Mr. Petermann's proposal. Should the board of directors' proposal be approved, this would render Mr. Petermann's proposal obsolete.

The Chairman explains that the detailed **proposal** of the board of directors is set out in the invitation to the shareholders' meeting under item 4.

Results of the vote under agenda item 4:

The Chairman declares that the shareholders' meeting has **approved** the proposal of the board of directors in an open vote with a large majority, counter-votes, and a few abstentions and fulfil the conditions of art. 704 CO.

The Chairman asks the attending notary, Mr. Widmer, whether he considers the requirements for the notarization of the resolution under this item 4 being met. Mr. Widmer confirms.

Item 5: Re-election of members to the board of directors

The Chairman explains that the terms of Dr. Barry James Mulady and Mr. Harald Rönn expire at this shareholders' meeting. The Chairman appreciate that his colleagues stand for re-election. Dr. Barry James Mulady stands for another term of 3 years and Mr. Harald Rönn for a term of 2 years.

The members of the board of directors, which stand for re-election, are known to the shareholders and the Chairman gives just a short introduction to the shareholders' meeting. The re-election shall occur individually.

There are neither requests to speak under agenda item 5 nor other proposed candidates.

The board of directors **proposes** to re-elect Dr. Barry James Mulady for a period of 3 years as a member of the board of directors.

Result of the vote of Dr. Barry James Mulady

The Chairman declares that the shareholders' meeting has **approved** the proposal of the board of directors in an open vote with a large majority, some counter-votes, and a few abstentions.

The board of directors **proposes** to re-elect Mr. Harald Rönn for a period of 2 years as a member of the board of directors.

Result of the vote of Mr. Harald Rönn:

The Chairman declares that the shareholders' meeting has **approved** the proposal of the board of directors in an open vote with a large majority, some counter-votes, and a few abstentions.

The Chairman thanks the shareholders for their trust in Dr. Barry James Mulady and Mr. Harald Rönn and congratulates them to their election.

Item 6: Formal changes of the articles of association

The Chairman explains the amendment of the articles of association in relation to the comprehensive revision of the audit obligations for all legal entities as of January 1, 2008. As a listed company, Uster Technologies Ltd is now subject to an audit performed by a state-supervised audit company under the provisions of the Audit Supervision Act. The new law provides that such audit company shall review both the consolidated and the statutory accounts. This requires formal amendments to the articles of association.

There are no requests to speak under agenda item 6:

The Chairman explains that the detailed **proposal** of the board of directors is set out in the invitation to the shareholders' meeting under item 6.

Results of the votes under agenda item 6:

The Chairman declares that the shareholders' meeting has **approved** the proposal of the board of directors in an open vote with a large majority, some counter-votes, and a few abstentions.

The Chairman asks the attending notary, Mr. Widmer, whether he considers the requirements for the notarization of the resolutions under this item 6 being met. Mr. Widmer confirms.

Item 7: Election of the auditors

There are neither requests to speak under agenda item 7 nor other proposed candidates.

The board of directors **proposes** to re-elect Ernst & Young Ltd as the auditors for the fiscal year 2009.

Results of the vote under agenda item 7:

The Chairman declares that the shareholders' meeting has **approved** the proposal of the board of directors in an open vote with a large majority, some counter-votes, and a few abstentions.

Mr. Zaugg already informed the Chairman prior to the meeting that Ernst & Young Ltd accepts the election. The Chairman congratulates Ernst & Young Ltd to their re-election and thanks them for their diligent work in the interest of the shareholders and is looking forward to a continuing constructive collaboration.

At **6.07 pm** the Chairman declares the third Annual General Meeting of Uster Technologies Ltd closed.

Uster, April 2, 2009

Max-Ulrich Zellweger
Chairman

Dr. Emanuel Dettwiler
Secretary