

METRON TECHNOLOGY N V
Form DEFM14A
November 12, 2004

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934

Filed by the Registrant

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Check the appropriate box:

- Preliminary Proxy Statement
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- Definitive Proxy Statement
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METRON TECHNOLOGY N.V.

(Name of Registrant as Specified In Its Charter)

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METRON TECHNOLOGY N.V.

4425 Fortran Drive
San Jose, California 95134-2300
USA

November 12, 2004

Dear Shareholder:

You are cordially invited to attend the Annual General Meeting of Shareholders (the "Annual Meeting") of Metron Technology N.V., a company organized under the laws of The Netherlands, having its corporate seat at Amsterdam, The Netherlands, and its registered place of business at Ind. Terrein Bijsterhuizen (Noord) 21-01 NL-6604LE Wijchen, ("Metron"). The Annual Meeting will be held on December 10, 2004 at 5:30 p.m. local time at the offices of NautaDutilh, Strawinskylaan 1999, 1077 XV Amsterdam, The Netherlands. Metron will mail the attached proxy statement and accompanying proxy card on or about November 12, 2004 to all shareholders entitled to vote at the Annual Meeting as of the date of the most recent shareholders' register.

The attached formal notice of Annual Meeting and proxy statement describe the proposals Metron expects to act upon at the Annual Meeting. Metron urges you to review these materials carefully and to use this opportunity to take part in the affairs of Metron by voting on the proposals described in the proxy statement. Proposals 1, 2 and 3 relate to the proposed sale of substantially all of Metron's assets to Applied Materials, Inc. and subsequent dissolution and liquidation of Metron. We cannot complete the asset sale, dissolution and related transactions unless all of the conditions to closing are satisfied, including obtaining the approval of the asset sale, dissolution and liquidation and amendment of the Articles of Association of Metron by Metron's shareholders. In addition, there are 9 other proposals for your consideration, which are described in detail in the attached proxy statement.

The members of Metron's Managing Board and Supervisory Board have determined that the asset sale, dissolution and related transactions are reasonable, proper and advisable and are fair to, and in the best interests of Metron and its shareholders, employees and other stakeholders and recommend that you vote **FOR** Proposals 1, 2 and 3 as more fully described in the attached proxy statement, which Metron urges you to read carefully and in its entirety.

Your vote is important. Whether or not you plan to attend the Annual Meeting, please complete the enclosed proxy card and promptly return it in the enclosed postage-paid envelope. The attached proxy statement contains instructions about the methods of voting. If you attend the Annual Meeting, you may have your shares voted as instructed in your proxy card or you may withdraw your proxy at the meeting and vote your shares in person.

On behalf of Metron's Managing Board and Supervisory Board, I thank you for your support and urge you to vote **FOR** Proposals 1, 2 and 3.

/s/ EDWARD D. SEGAL

Edward D. Segal
Chief Executive Officer and Managing Director

METRON TECHNOLOGY N.V.

4425 Fortran Drive
San Jose, California 95134-2300
USA

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

TO BE HELD ON DECEMBER 10, 2004

TO THE SHAREHOLDERS OF METRON TECHNOLOGY N.V.:

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Shareholders (the "Annual Meeting") of Metron Technology N.V., a company organized under the laws of The Netherlands, having its corporate seat at Amsterdam, The Netherlands, and its registered place of business at Ind. Terrein Bijsterhuizen (Noord) 21-01 NL-6604LE Wijchen ("Metron"), will be held on December 10, 2004 at 5:30 p.m. local time at the offices of NautaDutilh, Strawinskylaan 1999, 1077 XV Amsterdam, The Netherlands for the following purposes:

Matters Relating to the Proposed Transaction with Applied Materials:

1. To approve the sale and transfer of substantially all of Metron's assets to Applied Materials, Inc., a Delaware corporation ("Applied Materials"), pursuant to the stock and asset purchase agreement, dated August 16, 2004, entered into between Metron and Applied Materials;
2. To approve: (a) the dissolution and liquidation of Metron immediately following the closing of the asset sale; and (b) the appointment of two liquidators (*vereffenaars*) for Metron;
3. To approve the amendment of the Articles of Association of Metron to: (a) change the name of Metron to "Nortem N.V." in connection with the asset sale; and (b) remove from the Articles of Association provisions that are no longer included in The Netherlands Civil Code, and to designate each of Metron's managing directors and each junior civil law notary working with NautaDutilh to apply for the declaration referred to in article 2:125 of The Netherlands Civil Code, and to have the deed of amendment executed;

Other Matters:

4. To elect supervisory directors to hold office until the next Annual Meeting of Shareholders and until their successors are elected;
5. To approve Metron's ability to issue Metron common shares in an aggregate amount exceeding 19.999% of the outstanding Metron common shares pursuant to convertible debentures and warrants issued in June 2004, and the issuance to any single purchaser of Metron common shares pursuant to convertible debentures or warrants in an aggregate amount that results in a "change of control" of Metron for purposes of the Nasdaq listing standards;
6. To have the Annual Accounts ("*jaarrekening*") of Metron for the fiscal year ended May 31, 2004 drawn up in the English Language and to adopt the Annual Accounts;

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7. To ratify the selection of and to the extent required, to appoint: (a) PricewaterhouseCoopers N.V. as statutory auditors of the Annual Accounts ("*jaarrekening*") of Metron for the fiscal year ending May 31, 2005; and (b) PricewaterhouseCoopers LLP as independent registered public accountants of Metron for the fiscal year ending May 31, 2005;
 8. To approve the preparation of Metron's Annual Report for the fiscal year ended May 31, 2004 in the English language;
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9. To extend the authority of the Supervisory Board, for a period of one year: (a) to issue Metron common shares up to the amount of the authorized capital of Metron; and (b) to restrict or exclude pre-emptive rights in relation thereto;
10. To approve the compensation of the Supervisory Board for the fiscal year ending May 31, 2005;
11. To adopt the compensation policy for Metron's Managing Board;
12. To approve the grant of a discharge from liability to Metron's Managing Board and Supervisory Board for the performance of their duties during the fiscal year ended May 31, 2004; and
13. To transact such other business as may properly come before the meeting or any adjournment or postponement thereof.

The foregoing items of business are more fully described in the attached proxy statement accompanying this Notice.

Metron will mail the attached proxy statement and accompanying proxy card on or about November 12, 2004 to all shareholders entitled to vote at the Annual Meeting as of the date of the most recent shareholders' register.

The members of Metron's Managing Board and Supervisory Board have determined that the asset sale, dissolution and related transactions are reasonable, proper and advisable and are fair to, and in the best interests of Metron and its shareholders, employees and other stakeholders and recommend that you vote **FOR** Proposals 1, 2 and 3 as more fully described in the attached proxy statement, which Metron urges you to read carefully. The Supervisory Board recommends a vote **FOR** each nominee for director named in Proposal 4. The Supervisory Board recommends a vote **FOR** Proposals 5, 6, 7, 8, 9, 10, 11 and 12.

Copies of the Annual Accounts, the Annual Report, the draft deed of amendment and the list of nominees for the Supervisory Board are open for inspection at the principal executive offices of Metron, located at 4425 Fortran Drive, San Jose, California 95134-2300, USA, and Metron's principal offices in The Netherlands, located at Ind. Terrein Bijsterhuizen (Noord) 21-01 NL-6604LE Wijchen, by registered shareholders and other persons entitled to attend meetings of shareholders of Metron. Such copies will be open for inspection from the date hereof until the close of the Annual Meeting. In addition, Metron has enclosed a copy of Metron's Annual Report with the attached proxy statement.

Under the laws of The Netherlands, you are entitled to attend and address the Annual Meeting if, on the date on which the Annual Meeting is held, you are an actual shareholder of Metron. You are entitled to vote at the Annual Meeting the number of Metron common shares which you hold on such date. Accordingly, if prior to the meeting you decide to grant a proxy in order to be represented at the meeting and, after you have granted your proxy, you transfer some or all of the Metron common shares you held at the time that the proxy was granted, your proxy will be deemed to represent the number of Metron common shares you held on the date you granted the proxy *minus* any Metron common shares you subsequently transferred *plus* any Metron common shares you acquired since such date. On the date of and prior to the commencement of the Annual Meeting, Metron will verify who is a shareholder of Metron.

No person has been authorized to give any information or to make any representations other than those set forth in the proxy statement in connection with the solicitation of proxies for the Annual Meeting, and, if given or made, such information must not be relied upon as having been authorized by Metron or any other person.

By Order of the Board of Supervisory Directors

/s/ BRUCE M. JAFFE

Bruce M. Jaffe
Supervisory Director

San Jose, California
November 10, 2004

ALL SHAREHOLDERS ARE CORDIALLY INVITED TO ATTEND THE MEETING IN PERSON. WHETHER OR NOT YOU EXPECT TO ATTEND THE MEETING, PLEASE COMPLETE, DATE, SIGN AND RETURN THE ENCLOSED PROXY AS PROMPTLY AS POSSIBLE IN ORDER TO ENSURE YOUR REPRESENTATION AT THE MEETING. A RETURN ENVELOPE (WHICH IS POSTAGE PREPAID IF MAILED IN THE UNITED STATES) IS ENCLOSED FOR THAT PURPOSE. YOU MAY ALSO SUBMIT YOUR PROXY BY FACSIMILE AS DESCRIBED IN THE ATTACHED PROXY STATEMENT. EVEN IF YOU HAVE GIVEN YOUR PROXY, YOU MAY STILL VOTE IN PERSON IF YOU ATTEND THE MEETING. PLEASE NOTE, HOWEVER, THAT IF YOUR SHARES ARE HELD OF RECORD BY A BROKER, BANK OR OTHER NOMINEE AND YOU WISH TO VOTE AT THE MEETING, YOU MUST OBTAIN FROM THE RECORD HOLDER A PROXY ISSUED IN YOUR NAME.

NEITHER THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES REGULATOR HAS APPROVED OR DISAPPROVED THE ASSET SALE, DISSOLUTION AND RELATED TRANSACTIONS OR ANY OTHER MATTERS DESCRIBED IN THE ATTACHED PROXY STATEMENT OR DETERMINED IF THE ATTACHED PROXY STATEMENT IS ADEQUATE OR ACCURATE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

TABLE OF CONTENTS

	Page
SUMMARY TERM SHEET RELATED TO PROPOSALS 1, 2 AND 3	2
QUESTIONS AND ANSWERS RELATED TO PROPOSALS 1, 2 AND 3	7
RISK FACTORS RELATED TO PROPOSALS 1, 2 AND 3	11
INFORMATION CONCERNING SOLICITATION AND VOTING	13
CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING STATEMENTS IN THIS PROXY STATEMENT	15
PROPOSAL 1 SALE OF SUBSTANTIALLY ALL OF METRON'S ASSETS	16
Background of the Asset Sale	16
Consideration of the Asset Sale, Dissolution and Related Transactions by Metron's Managing Board and Supervisory Board	20
Opinion of Financial Advisor to Metron	22
Interests of Certain Persons	29
Material Provisions of the Stock and Asset Purchase Agreement	31
Stock and Assets Sold	31
Excluded Assets	32
Assumed Liabilities	32
Excluded Liabilities	33
Treatment of Options, Warrants and Debentures	33
Purchase Price	34
Expected Timing of the Asset Sale	34
Representations and Warranties	34
Non-Survivability of Representations and Warranties	36
Covenants and Agreements	36
Limitation on Metron's Ability to Consider Other Acquisition Proposals	38
Indemnification, Exculpation and Insurance	39
Conditions to Closing	39
Termination	41
Material U.S. Federal Income Tax Consequences to U.S. Holders of Metron Common Shares	42
Accounting Treatment	42
Regulatory Matters; Hart-Scott-Rodino Act and Antitrust	42
Dutch Corporate Governance Code	43
Indemnity Agreement	43
Voting Agreements	43
Non-Competition Agreements	45
PROPOSAL 2 DISSOLUTION AND LIQUIDATION OF METRON	46
General Description of the Dissolution and Liquidation of Metron	46
Future Conduct of Metron; Satisfaction of Liabilities	48
Liquidating Distributions	49
Closing of Stock Transfer Books; Cessation of Trading of Metron Common Shares	49
Appointment of Liquidators	49
Material U.S. Federal Income Tax Consequences to U.S. Holders of Metron Common Shares	50
Certain Netherlands Tax Considerations For Shareholders Not Residing In The Netherlands	54
PROPOSAL 3 AMENDMENT TO METRON'S ARTICLES OF ASSOCIATION	57
PROPOSAL 4 ELECTION OF SUPERVISORY DIRECTORS	58
Nominees	58
Supervisory Director Not Continuing in Office after the Annual Meeting	60
Managing Directors	60
Independence	62

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Supervisory Board Committees and Meetings	62
Shareholder Communications with the Supervisory Board	64
Code of Ethics	65
Report of the Audit Committee of the Supervisory Board	65
PROPOSAL 5 APPROVAL TO ISSUE METRON COMMON SHARES IN AN AGGREGATE AMOUNT EXCEEDING 19.999% OF THE OUTSTANDING METRON COMMON SHARES PURSUANT TO OUTSTANDING CONVERTIBLE DEBENTURES AND WARRANTS AND THE ISSUANCE TO ANY SINGLE PURCHASER OF METRON COMMON SHARES PURSUANT TO CONVERTIBLE DEBENTURES OR WARRANTS IN AN AGGREGATE AMOUNT THAT RESULTS IN A "CHANGE OF CONTROL" OF METRON FOR PURPOSES OF THE NASDAQ LISTING STANDARDS	67
PROPOSAL 6 ADOPTION OF ANNUAL ACCOUNTS	70
PROPOSAL 7 SELECTION OF INDEPENDENT AUDITORS	71
PROPOSAL 8 APPROVAL OF THE PREPARATION OF THE ANNUAL REPORT IN ENGLISH	73
PROPOSAL 9 APPROVAL FOR THE SUPERVISORY BOARD TO ISSUE METRON COMMON SHARES UP TO THE AMOUNT OF THE AUTHORIZED CAPITAL OF METRON AND TO RESTRICT OR EXCLUDE PRE-EMPTIVE RIGHTS IN RELATION THERETO	74
PROPOSAL 10 APPROVAL OF THE COMPENSATION FOR THE SUPERVISORY BOARD OF METRON	75
PROPOSAL 11 APPROVAL OF COMPENSATION POLICY FOR METRON'S MANAGING BOARD	76
PROPOSAL 12 GRANT OF A DISCHARGE FROM LIABILITY TO METRON'S MANAGING BOARD AND SUPERVISORY BOARD FOR THE PERFORMANCE OF THEIR DUTIES DURING THE FISCAL YEAR ENDED MAY 31, 2004	77
SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT	78
EXECUTIVE COMPENSATION	82
REPORT OF THE COMPENSATION COMMITTEE OF THE SUPERVISORY BOARD ON EXECUTIVE COMPENSATION	87
CERTAIN TRANSACTIONS	90
HOUSEHOLDING OF PROXY MATERIALS	92
WHERE YOU CAN FIND MORE INFORMATION	93
OTHER MATTERS	94
ANNEX A STOCK AND ASSET PURCHASE AGREEMENT	A-1
ANNEX B OPINION OF PERSEUS ADVISORS, LLC	B-1
ANNEX C FORM OF INDEMNITY AGREEMENT	C-1
ANNEX D FORM OF VOTING AGREEMENT	D-1
ANNEX E FORM OF NON-COMPETITION AGREEMENT	E-1
ANNEX F FORM OF NON-COMPETITION AGREEMENT	F-1
ANNEX G FORM OF NON-COMPETITION AGREEMENT	G-1
ANNEX H FORM OF NON-COMPETITION AGREEMENT	H-1
ANNEX I DEED OF AMENDMENT	I-1

ANNEX J AMENDED AND RESTATED CHARTER OF THE AUDIT COMMITTEE	J-1
ANNEX K CHARTER OF THE NOMINATING AND CORPORATE GOVERNANCE COMMITTEE OF THE SUPERVISORY BOARD OF DIRECTORS	K-1
ANNEX L POLICY WITH RESPECT TO THE COMPENSATION OF METRON'S MANAGING DIRECTORS	L-1
ANNEX M FORM IB 92 USA	M-1

METRON TECHNOLOGY N.V.

4425 Fortran Drive
San Jose, California 95134-2300
USA

**PROXY STATEMENT
FOR ANNUAL GENERAL MEETING OF SHAREHOLDERS**

December 10, 2004

The enclosed proxy is solicited on behalf of the Board of Supervisory Directors (the "Supervisory Board") of Metron Technology N.V., a company organized under the laws of The Netherlands ("Metron"), for use at the annual general meeting of shareholders to be held on December 10, 2004, at 5:30 p.m. local time (the "Annual Meeting"), or at any adjournment or postponement thereof, for the purposes set forth herein and in the accompanying Notice of Annual General Meeting of Shareholders. The Annual Meeting will be held at the offices of NautaDutilh, Strawinskylaan 1999, 1077 XV Amsterdam, The Netherlands. Metron will mail this proxy statement and accompanying proxy card on or about November 12, 2004 to all shareholders entitled to vote at the Annual Meeting as of the date of the most recent shareholders' register.

All amounts reflected in this proxy statement with a "\$" refer to amounts in U.S. dollars unless otherwise indicated.

SUMMARY TERM SHEET RELATED TO PROPOSALS 1, 2, AND 3

The following is a summary of the information contained in Proposals 1, 2 and 3. This summary may not contain all of the information that is important to you. You should carefully read this entire proxy statement and the other documents referred to herein for a more complete understanding of the asset sale, dissolution and related transactions. In particular, you should read the annexes attached to this proxy statement, including the stock and asset purchase agreement Metron entered into with Applied Materials on August 16, 2004, the full text of which is attached as Annex A, and the form of Indemnity Agreement, the full text of which is attached hereto as Annex C.

PARTIES TO THE ASSET SALE

Metron Technology N.V.
4425 Fortran Drive
San Jose, California 95134-2300
<http://www.metrontech.com>

Metron is a leading global provider of marketing, sales, service and support solutions to semiconductor materials and equipment suppliers and semiconductor manufacturers. Metron provides outsource solutions that address the critical non-core areas of the fab and include products and services such as materials management solutions, cleanroom services, specialty and legacy equipment, and facility maintenance. Metron outsource solutions enable customers to increase fab productivity and focus on their core competencies, such as product development, manufacturing and marketing. By partnering with Metron, suppliers can focus on product development and other core competencies while reducing their time to market using Metron's global infrastructure.

For more information on the business of Metron, please refer to Metron's Annual Report on Form 10-K for the fiscal year ended May 31, 2004 filed with the United States Securities and Exchange Commission ("SEC") on August 12, 2004.

Applied Materials, Inc.
3050 Bowers Avenue
PO Box 58039
Santa Clara, California
<http://www.appliedmaterials.com>

Applied Materials is the largest supplier of products and services to the global semiconductor industry.

For more information on the business of Applied Materials, please refer to Applied Materials' Annual Report on Form 10-K for the fiscal year ended October 26, 2003, and Form 10-Q for the quarterly period ended August 1, 2004.

STOCK AND ASSETS TO BE SOLD (SEE PAGE 31)

Under the stock and asset purchase agreement, Metron would sell to Applied Materials the outstanding shares of its worldwide operating subsidiaries and substantially all of the other assets held at the Metron Technology N.V. level, including, but not limited to, Metron's intellectual property and technology and all cash and cash equivalents other than an amount equal to \$2,000,000 plus cash received prior to closing upon exercise of warrants and options.

PURCHASE PRICE (SEE PAGE 34)

Under the stock and asset purchase agreement, Applied Materials would: (a) pay Metron the sum of \$84,567,158; (b) assume certain liabilities of Metron; (c) pay to Metron amounts related to certain Netherlands surtax liabilities and withholding obligations; and (d) reimburse Metron for up to \$2,750,000 in certain reimbursable costs. Metron shareholders would not receive any payments directly from Applied Materials.

ASSUMED LIABILITIES (SEE PAGE 32)

Under the stock and asset purchase agreement, Applied Materials would also acquire substantially all of Metron's liabilities, including, but not limited to, liabilities for taxes related to the asset sale. Metron would retain certain specified liabilities, including, but not limited to, liabilities related to Metron's convertible debentures and warrants, Metron's stock option plans and employee stock purchase plan and liabilities to attorneys, accountants and advisors in connection with the asset sale, dissolution and related transactions.

OPERATION AFTER ASSET SALE; LIQUIDATION AND DISSOLUTION (SEE PAGE 46)

Following the closing of the asset sale and the satisfaction of Metron's liabilities, Metron would expect to distribute cash in two or more distributions to Metron's shareholders. Metron expects that an initial liquidating distribution would be made as soon as practicable after Metron enters into liquidation, which would occur following the closing of the asset sale. At the conclusion of the liquidation process, which Metron expects would be completed approximately six months following the closing of the asset sale, any cash of Metron remaining after the satisfaction of Metron's liabilities would be distributed to Metron's shareholders. Metron estimates that the total amount of distributions to shareholders in connection with the asset sale and the subsequent dissolution and liquidation of Metron would be in the range of approximately \$4.70 to approximately \$4.79 per share, prior to the effect of tax withholding requirements that apply differently to each shareholder, as discussed in the section of this proxy statement entitled "*Proposal 2 Dissolution and Liquidation of Metron Material U.S. Federal Income Tax Consequences to U.S. Holders of Metron Common Shares*" and "*Proposal 2 Dissolution and Liquidation of Metron Certain Netherlands Tax Considerations For Shareholders Not Residing In The Netherlands*." The per share price aggregate distributions to shareholders depend on a number of factors, including the legal and accounting costs to complete the transaction, the costs of operations during the liquidation period, the cost of D&O insurance for Metron's directors and officers during the liquidation period and beyond and other related costs involved in the wind down and liquidation of Metron, and whether Metron is successful in negotiating a cash prepayment or redemption of the convertible debentures or cancellation or amendment of the warrants for an amount less than the holders of the convertible debentures and warrants would be entitled to receive if such holders converted their debentures or exercised their warrants into Metron common shares as of prior to the liquidating distributions.

Metron's Supervisory Board and Managing Board have not established a timetable for any distributions to its shareholders if the asset sale, dissolution and related transactions are approved. Metron is unable at this time to predict the precise amount and timing of any distributions. The amount and timing of the above-described distributions are dependent upon a variety of factors, including the timing of winding up Metron's business and dissolving and the factors discussed above. In the event that Metron's liabilities exceed current estimates or unanticipated issues arise in connection with the satisfaction of Metron's liabilities, the liquidating distribution to Metron's shareholders would be less than currently estimated and may be made later than currently anticipated. See the section of this proxy statement entitled "*Risk Factors Related to Proposals 1, 2 and 3*."

MANAGING BOARD AND SUPERVISORY BOARD RECOMMENDATION TO SHAREHOLDERS (SEE PAGE 20)

After careful consideration, each of Metron's Managing Board and Supervisory Board has unanimously determined, after taking into account the interests of Metron's shareholders, employees and other stakeholders of Metron, that the asset sale, dissolution and related transactions are reasonable, proper and advisable and are fair to, and in the best interests of Metron and its shareholders, employees and other stakeholders. Accordingly, Metron's Managing Board and Supervisory Board recommend that Metron's shareholders vote **FOR** Proposals 1, 2 and 3.

REASONS FOR THE ASSET SALE, DISSOLUTION AND RELATED TRANSACTIONS (SEE PAGE 20)

In the course of reaching of their decisions to approve the stock and asset purchase agreement, asset sale, dissolution and related transactions, Metron's Managing Board and Supervisory Board each considered a number of factors during their deliberations, including, but not limited to, their belief that remaining an independent company was not likely to create greater value for Metron shareholders, the likely premium of the amount to be distributed to shareholders relative to Metron's stock price prior to the announcement of the asset sale and the written opinion of Perseus Advisors LLC ("Perseus"), the financial advisor to Metron's Managing Board and Supervisory Board, dated as of August 16, 2004 as to the fairness, from a financial point of view, to Metron of the purchase price to be paid pursuant to the stock and asset purchase agreement. The factors considered by Metron's Managing Board and Supervisory Board are described in more detail in the section of this proxy statement entitled "*Proposal 1 Sale of Substantially All of Metron's Assets Consideration of the Asset Sale, Dissolution and Related Transactions by Metron's Managing Board and Supervisory Board.*"

OPINION OF FINANCIAL ADVISOR TO METRON (SEE PAGE 22)

In deciding to approve the asset sale, dissolution and related transactions, Metron's Supervisory Board and Managing Board considered an opinion from the financial advisor to Metron, Perseus Advisors LLC ("Perseus"), that, as of August 16, 2004, the purchase price to be paid pursuant to the stock and asset purchase agreement was fair from a financial point of view to Metron.

The full text of Perseus' written opinion is attached to this proxy statement as Annex B. Metron encourages you to read the opinion carefully as well as the section of this proxy statement entitled "*Proposal 1 Sale of Substantially All of Metron's Assets Opinion of Financial Advisor to Metron.*" The opinion of Perseus, provided to Metron's Supervisory Board and Managing Board in connection with Perseus' evaluation of the purchase price, relates only to the fairness, from a financial point of view, of the purchase price and does not address any other aspect of the transaction. The opinion of Perseus does not constitute a recommendation as to how you should vote on Proposals 1, 2 and 3.

VOTE REQUIREMENT FOR THE ASSET SALE, DISSOLUTION AND RELATED TRANSACTIONS (SEE PAGE 13)

In order to complete the asset sale, dissolution and related transactions, described in Proposals 1, 2 and 3, the affirmative vote of at least two-thirds of the valid votes cast at the Annual Meeting either in person or by proxy or any adjournment or postponement thereof, which two-thirds represents more than half of the issued share capital of Metron, in favor of each of Proposals 1, 2 and 3 is required. Holders of Metron common shares will be entitled to cast one vote per share owned on the date of the Annual Meeting.

VOTING AGREEMENTS (SEE PAGE 43)

Concurrent with the execution of the stock and asset purchase agreement on August 16, 2004, Applied Materials initially obtained Voting Agreements and proxies from 13 persons consisting of (i) the six members of the Metron's Supervisory Board of Directors, (ii) four senior executive officers of Metron (and one entity for which Edward D. Segal, the Chairman and CEO of Metron, exercised sole voting and dispositive power) and (iii) two substantial shareholders. These Voting Agreements covered an aggregate of 3,266,189 shares (representing approximately 25.45% of the then outstanding common shares) and 1,061,419 options exercisable within 60 days of August 16, 2004 (representing aggregate beneficial ownership of 31.15%). Subsequently, questions were raised regarding the application of the SEC's proxy rules to the request for and delivery of the Voting Agreements and proxies, and Applied Materials terminated the Voting Agreements and proxies from the six members of Metron's Supervisory Board (covering 84,237 shares and 95,002 options exercisable within 60 days of September 30, 2004 and representing an aggregate of 0.66% of the outstanding common shares and an aggregate beneficial ownership of 1.4% as of September 30, 2004). The currently effective Voting Agreements and proxies cover 3,181,952 shares (representing 24.77% of the outstanding common shares as of September 30,

2004), and 999,230 options (representing aggregate beneficial ownership of 30.20% as of September 30, 2004).

SHARE OWNERSHIP OF MEMBERS OF METRON'S MANAGING BOARD AND THE SUPERVISORY BOARD

As of the close of business on September 30, 2004, members of Metron's Managing Board and Supervisory Board collectively owned approximately 5.58% of the outstanding Metron common shares entitled to vote at the Annual Meeting. This does not include 1,064,229 Metron common shares issuable upon the exercise of options exercisable within 60 days of September 30, 2004, which the members of Metron's Managing Board and Supervisory Board beneficially owned as of such date. If all of these stock options had been exercised prior to September 30, 2004, the members of Metron's Managing Board and Supervisory Board would have collectively beneficially owned approximately 12.80% of the outstanding Metron common shares as of September 30, 2004.

INTERESTS OF MEMBERS OF METRON'S MANAGING BOARD AND SUPERVISORY BOARD IN THE ASSET SALE, DISSOLUTION AND RELATED TRANSACTIONS (SEE PAGE 29)

In considering the recommendation of Metron's Managing Board and Supervisory Board in favor of Proposals 1, 2 and 3, you should be aware that some of the members of Metron's Managing Board and Supervisory Board have interests in the asset sale, dissolution and related transactions that are different from, or in addition to, those of Metron's shareholders generally. These differing interests include acceleration of vesting of stock options, employment arrangements and participation in an employee retention plan with Applied Materials following the closing of the asset sale and continuation of director and officer insurance and indemnification. After the consummation of the asset sale, the following Managing Directors and officers of Metron are expected to join Applied Materials as employees and will receive the following benefits. Edward D. Segal will become a Senior Advisor regarding the acquired Metron business, will receive a salary of \$316,210.08 and options to purchase 150,000 shares of Applied Materials common stock and will be entitled to receive up to \$1.8 million from the Employee Bonus Incentive Plan. Dennis R. Riccio will become the Head of Field Operations and Sales of the acquired Metron business, will receive a salary of \$305,000 and options to purchase 175,000 shares of Applied Materials common stock and will be entitled to receive up to \$0.9 million from the Employee Bonus Incentive Plan. Gregory S. Geskovich will become Head of Fab Solutions Group of the acquired Metron business, will receive a salary of \$190,554.24 and options to purchase 16,000 shares of Applied Materials common stock and will be entitled to receive up to \$0.43 million from the Employee Bonus Incentive Plan. Peter Postiglione will become Head of the Equipment Group of the acquired Metron business, will receive a salary of \$186,409 and options to purchase 16,000 shares of Applied Materials common stock and will be entitled to receive up to \$0.43 million from the Employee Bonus Incentive Plan. Additionally, the unvested options to acquire Metron common shares held by the following Managing Directors, Supervisory Directors and executive officers of Metron will be accelerated: Robert R. Anderson, 7,813 shares, Dana C. Ditmore, 15,000 shares, Joel A. Elftmann, 7,813 shares, William L. George, 15,000 shares, Gregory S. Greskovich, 71,250 shares, Bruce M. Jaffe, 7,813 shares, Douglas J. McCutcheon, 106,750 shares, Sho Nakanuma, 7,813 shares, Peter Postiglione, 50,000 shares, Dennis R. Riccio, 100,157 shares, and Edward D. Segal, 106,563 shares. Metron's Managing Board and Supervisory Board were aware of these interests when they approved the stock and asset purchase agreement and the transactions contemplated thereby. See the section of this proxy statement entitled "*Proposal 1 Sale of Substantially All of Metron's Assets Interests of Certain Persons*" for a description of these arrangements.

LIMITATION ON METRON'S ABILITY TO CONSIDER OTHER ACQUISITION PROPOSALS (SEE PAGE 38)

Metron has agreed not to consider, while the asset sale is pending, certain types of extraordinary transactions, such as a tender offer, merger, consolidation, sale of material assets or similar transaction involving Metron, unless the other party has made an unsolicited, bona fide written offer to purchase a majority of the outstanding common shares of Metron or all or substantially all of the assets of Metron

on terms that Metron's Supervisory Board determines in good faith (after consultation with a financial advisor of nationally recognized reputation) to be more favorable to Metron's shareholders from a financial point of view than the asset sale to Applied Materials (taking into account all the terms and conditions of such proposal and the stock and asset purchase agreement (including any changes to the financial terms of the stock and asset purchase agreement proposed by Applied Materials in response to such offer or otherwise)).

CONDITIONS TO CLOSING (SEE PAGE 39)

Metron's and Applied Materials' obligations to complete the asset sale are subject to conditions specified in the stock and asset purchase agreement, including, but not limited to, the approval of the asset sale and the dissolution and liquidation of Metron by Metron shareholders. In addition, among other conditions, Applied Materials is not obligated to consummate the asset sale if any event or condition has occurred that would reasonably be expected to have a material adverse effect on Metron or its subsidiaries purchased by Applied Materials, Metron fails to meet specified cash, debt and working capital targets or certain specified employees have ceased to be employed by Metron or have directly expressed an intention to terminate their employment. The conditions to Metron's and Applied Materials' obligations to consummate the asset sale are described in the section of this proxy statement entitled "*Proposal 1 Sale of Substantially All of Metron's Assets Material Provisions of the Stock and Asset Purchase Agreement Conditions to Closing.*"

TERMINATION (SEE PAGE 41)

Metron and Applied Materials may terminate the stock and asset purchase agreement under circumstances specified in the stock and asset purchase agreement including, among others, mutual written consent of Metron and Applied Materials, failure to complete the asset sale by a specified date, issuance by a court of a final and nonappealable order that prohibits the asset sale, failure by Metron's shareholders to approve the asset sale, dissolution and related transactions and failure by Metron's Managing Board or Supervisory Board to publicly confirm their recommendation of the advisability of the stock and asset purchase agreement within five (5) business days after a written request by Applied Materials that it do so. The circumstances under which Metron or Applied Materials may terminate the stock and asset purchase agreement are described in the section of this proxy statement entitled "*Proposal 1 Sale of Substantially All of Metron's Assets Material Provisions of the Stock and Asset Purchase Agreement Termination.*"

INDEMNITY AGREEMENT (SEE PAGE 43)

As a condition to the consummation of the asset sale, Metron and Applied Materials would enter into an Indemnity Agreement, pursuant to which Applied Materials would defend, indemnify and hold harmless Metron and certain other affiliated parties from and against any and all liabilities, fees, costs or expenses of any nature arising under, resulting from or relating to any contract of Metron that shall not have been assigned to Applied Materials as of the closing of the asset sale, other than contracts related to Metron's convertible debentures and warrants, Metron's stock option plans and Metron's employee stock purchase plan.

ACCOUNTING TREATMENT (SEE PAGE 42)

If Metron's shareholders approve the asset sale, dissolution and related transactions, Metron would record the asset sale in accordance with accounting principles generally accepted in the United States. Upon the completion of the asset sale, Metron would recognize a financial reporting gain, if any, equal to the net proceeds (the sum of the purchase price received less the expenses relating to the asset sale) less the net book value of the assets purchased.

REGULATORY MATTERS (SEE PAGE 42)

There are no material United States federal or state regulatory approvals required for completion of the asset sale. The asset sale is, however, subject to review by regulatory authorities in China, Germany, Ireland and Israel. Both Metron and Applied Materials have made (or will make) filings, as required by these foreign regulatory authorities. Under these regulations, the asset sale cannot be consummated until the applicable approvals or expiration or termination of any applicable waiting periods have been made or expired or terminated.

QUESTIONS AND ANSWERS RELATED TO PROPOSALS 1, 2 AND 3

Q: **How is the proposed transaction with Applied Materials structured and who will receive the proceeds of the transaction? (See page 31)**

A: Under the stock and asset purchase agreement between Metron and Applied Materials, Metron would sell to Applied Materials the outstanding shares of its worldwide operating subsidiaries and substantially all of the other assets held at the Metron Technology N.V. level, including, but not limited to, Metron's intellectual property and technology and all cash and cash equivalents, other than an amount equal to \$2,000,000 plus cash received prior to closing upon exercise of warrants and options, and Applied Materials would assume certain liabilities of Metron, pay to Metron \$84,567,158 in cash plus amounts related to certain Netherlands surtax liabilities and withholding obligations and reimburse Metron for certain costs and expenses. Following the closing, Metron would enter into liquidation and would ultimately cease to exist. During the process of liquidation, Metron would make an initial liquidating distribution to its shareholders, conclude its business and would then distribute its remaining cash to Metron's shareholders, after satisfying any liabilities not assumed by Applied Materials, including its liabilities to holders of Metron's options, warrants and convertible debentures. Shareholders of record at the time that a liquidating distribution is declared payable by Metron are eligible to participate in that distribution. Metron intends to issue a press release and file a current report on Form 8-K as soon as practicable, and not less than five (5) business days, prior to the dates on which it will declare the liquidating distributions to be payable. Shareholders must retain ownership of their shares until all liquidating distributions have been made in order to receive all distributions made to Metron shareholders in the liquidation of Metron. Please see the section of the proxy statement entitled "*Proposal 1 Sale of Substantially All of Metron's Assets*" for a description of the asset sale and the section of the proxy statement entitled "*Proposal 2 Dissolution and Liquidation of Metron*" for a description of the dissolution and liquidation of Metron.

Q: **Would I own any shares of Applied Materials after the asset sale?**

A: No. Applied Materials would pay the purchase price to Metron. Metron's shareholders would not have the option to receive cash or Applied Materials common stock directly from Applied Materials in exchange for their Metron common shares.

Q: **How would Metron's options, warrants and convertible debentures be treated in the asset sale and subsequent liquidation and dissolution? (See page 33)**

A: Metron would retain all liabilities related to its options, warrants and convertible debentures. All invested Metron options would accelerate and become fully vested as of the closing of the asset sale. Metron expects to offer option holders the choice of either exercising their options for Metron common shares or having their options cashed out by Metron at a price that reflects the difference between the amount that would be distributed to holders of Metron common shares following the closing and the exercise price that would be paid by the option holders without the necessity of actually exercising their options. Holders of Metron's warrants and convertible debentures would be entitled to receive the same amounts as if they had exercised or converted such warrants or convertible debentures, as applicable, prior to the liquidating distributions. Metron may seek to satisfy Metron's obligations under its convertible debentures and warrants prior to the liquidating distributions to Metron shareholders through cash prepayment or redemption of the convertible debentures or cancellation or amendment of the warrants pursuant to arms' length negotiations with the holders of such convertible debentures and warrants on terms that the Managing Board believes would be advantageous or neutral, from a financial point of view, to Metron's shareholders, which could include payments of amounts that would be less than such holders would be entitled to receive if they had converted such debentures or exercised such warrants as of prior to the liquidating distributions.

Q: What are the Tax Consequences of the asset sale? (See page 50)

A: The asset sale would be a taxable transaction that may result in a Netherlands corporate income tax liability and value added tax liability for Metron. Liabilities for corporate income taxes and value added taxes that are attributable to the asset sale are liabilities that Applied Materials has agreed to assume.

Q: What would be The Netherlands tax consequences of the liquidation? (See page 54)

A: The liquidating distributions that would be made by Metron to its shareholders would have tax consequences for Metron and its shareholders. To the extent the liquidating distributions exceed the aggregate paid up capital of Metron common shares, they would be treated as dividends for Netherlands tax purposes. Metron would be subject to a Netherlands surtax of 20% on "excess dividends" distributed by Metron to its shareholders. Dividends paid to Metron shareholders that did not attract corporate level surtax would be subject to a 25% Netherlands dividend withholding tax or such lower rate as may be specified by an applicable income tax treaty (provided Metron has received the appropriate tax form from the shareholder claiming the reduced treaty rate or, alternatively, the shareholder claims a refund of the over withheld amount from the Netherlands tax authorities). Applied Materials would pay to Metron as part of the purchase price in the asset sale an amount equal to the surtax and an amount that approximates The Netherlands dividend withholding tax, to the extent those taxes are imposed on distributions of all or any portion of the \$84,567,158 paid to Metron by Applied Materials upon the closing of the asset sale by Metron. Notwithstanding the foregoing, the recently published Netherlands Tax Bill 2005 proposes to abolish the surtax as of January 1, 2005, which is one year earlier than planned. If Metron does not make any liquidation distributions prior to January 1, 2005 and the proposed legislation is enacted as of January 1, 2005, the above referenced surtax would no longer apply.

Q: What would be the U.S. federal income tax consequences of the liquidation? (See page 50)

A: The liquidation of Metron would be treated as a taxable sale in which U.S. shareholders surrender their Metron common shares in exchange for liquidating distributions. The gain or loss recognized with respect to each share would equal: (a) the aggregate of the liquidating distributions received with respect to such share (without reduction for Netherlands dividend withholding tax); minus (b) its adjusted tax basis. U.S. shareholders may claim an income tax deduction or, in certain limited circumstances, a credit against their U.S. federal income tax, for the nonrefundable portion of The Netherlands dividend withholding tax deducted from their distributions.

Q: If I am a resident of the European Union, The Netherlands Antilles, Aruba or a country that has an income tax treaty with The Netherlands (which includes the United States), where do I obtain my tax form so that I will be subject to a reduced withholding rate on my liquidating distributions? (See page 55)

A: For residents of the United States who are individuals and certain entities enclosed in this proxy statement as Annex M is a Netherlands Form IB 92 USA. If you are a resident of the European Union, The Netherlands Antilles, Aruba or a country that has an income tax treaty with The Netherlands (other than the United States), you may call Metron at 408-719-4611 to arrange to have the appropriate tax form sent to you or write to Belastingdienst Centrum voor facilitaire dienstverlening, Afdeling Logistiek reprografisch centrum (postal address: Postbus 1314, 7301 BN Apeldoorn, The Netherlands).

Q: If I qualify for a reduced withholding tax rate, when and where should I submit my tax form? (See page 55)

- A: In order for Metron to apply a reduced withholding tax rate to your liquidation distributions, Metron must receive your completed tax forms prior to the liquidation distributions. You may submit your completed tax form by mail to P.O. Box 2702 Chicago, IL 60690-9402 or by facsimile to 303-262-0700. We urge you to submit your completed tax form as soon as possible.
- Q: What will happen if I qualify for a reduced withholding tax rate but I do not timely submit the proper tax form?**
- A: If you do not have on file a properly completed tax form prior to a liquidating distribution, Metron will withhold at the maximum 25% rate. You may then seek a refund from The Netherlands tax authorities.
- Q: When is the asset sale to Applied Materials expected to be completed?**
- A: Metron expects to complete the asset sale as soon as practicable after all of the conditions to completion contained in the stock and asset purchase agreement have been satisfied or waived. Subsequent to the execution of the stock and asset purchase agreement, Metron and Applied Materials agreed that the closing of the asset sale would take place as promptly as possible following, and in any event within two business days, after the date of the Annual Meeting, assuming that Metron's shareholders approve the asset sale, dissolution and related transactions and that the other conditions to closing are satisfied or waived. However, because the asset sale is subject to specified conditions, some of which are beyond Metron's control, the exact timing of the completion of the asset sale cannot be assured.
- Q: What do I need to do now? (See page 13)**
- A: After carefully reading and considering the information contained in this proxy statement, you should complete and sign your proxy and return it in the enclosed return envelope (or vote by facsimile pursuant to the instructions below) as soon as possible so that your shares may be represented at the Annual Meeting.
- Q: Can I change my vote after I have mailed my signed proxy? (See page 14)**
- A: Yes. You can change your vote at any time before proxies are voted at the Annual Meeting. You can change your vote prior to 5:30 p.m. local time on December 10, 2004 by filing a written notice of revocation or a duly executed proxy bearing a later date with Mr. P.R. Schut, Esq. by mail at the offices NautaDutilh, Strawinskylaan 1999, 1077 XV Amsterdam, The Netherlands, or by facsimile at +31 (0)20 717 11 11. You may revoke a previously signed and delivered proxy by attending the Annual Meeting and voting in person. Attendance at the Annual Meeting will not, by itself, revoke a proxy.
- Q: What happens if I do not either return a Proxy Card or vote in person?**
- A: The failure to return your proxy card or the failure to vote in person will have the same effect as voting against Proposals 1, 2 and 3.
- Q: May I vote in person?**
- A: Yes. If you hold Metron common shares in your name, you may vote in person at the Annual Meeting, rather than signing and returning your proxy card. However, Metron encourages you to return your signed proxy card to ensure that your shares are voted. You may also vote in person at the Annual Meeting if your shares are held in "street name," through a broker or bank provided that you bring a valid proxy from your broker or bank and present it at the Annual Meeting. You may also be asked to present photo identification for admittance.

Q: What would happen to my Metron common shares as a result of the proposed transaction with Applied Materials?

A: Nothing. Your Metron common shares would remain outstanding after the closing of the asset sale and may continue to be traded on Nasdaq. However, after the liquidators make the initial distribution of its assets to Metron's shareholders, Metron may delist from Nasdaq.

Q: Should I send in my Metron share certificates now?

A: No. Metron's shareholders will not be required to surrender or exchange any share certificates that they hold and should not send such certificates to Metron or Metron's transfer agent for exchange. Metron common shares will remain outstanding after the closing of the asset sale.

Q: If my Metron common shares are held in "street name" by my broker, will the broker vote the shares on my behalf? (See page 14)

A: No. Your broker will not vote your shares without instructions from you. You should instruct your broker to vote your shares, following the procedure provided by your broker. Without instructions, your shares will not be voted in favor of any proposal set forth in this proxy statement and will have the effect of a vote against Proposals 1, 2 and 3.

Q: What happens if I don't indicate how to vote my proxy?

A: If you sign and send in your proxy, but do not include instructions on how to vote your properly signed proxy card, your shares will be voted **FOR** each of the proposals submitted to Metron's shareholders pursuant to this proxy statement.

Q: Am I entitled to appraisal rights in connection with the asset sale to Applied Materials?

A: No. Appraisal rights are not available under applicable law in connection with the asset sale.

Q: If I want to approve the asset sale to Applied Materials, do I need to approve each of Proposals 1, 2 and 3?

A: Yes. Any Metron shareholder who votes to approve the asset sale to Applied Materials as described in Proposal 1 should also approve Proposals 2 and 3. Pursuant to the stock and asset purchase agreement, Metron has agreed, among others things, to wind up Metron's affairs as promptly as practicable following the closing and distribute Metron's remaining assets to its shareholders and to change the name of Metron. In addition, Metron will not complete the dissolution and liquidation of Metron if the asset sale to Applied Materials is not approved.

Q: Who can help answer my questions about the proposals?

A: If you have any questions about the proposals presented in this proxy statement, you should contact:

The Altman Group
1275 Valley Brook Ave
Lyndhurst, NJ 07071
1-800-317-8047

In addition, Metron's public filings can be accessed at the SEC web site at www.sec.gov. Shareholders of Metron may obtain copies of the documents filed with the SEC free of charge at the Metron investor relations website <http://www.investor.metrontech.com>.

RISK FACTORS RELATED TO PROPOSALS 1, 2 AND 3

In connection with Proposals 1, 2 and 3, you should consider the following factors in conjunction with the other information included or incorporated by reference in this proxy statement.

Failure to complete the asset sale, dissolution and related transactions could cause Metron's share price to decline.

If the asset sale, dissolution and related transactions are not completed, Metron's share price may decline due to any or all of the following potential consequences:

the current market price of Metron common shares may reflect a market assumption that the asset sale, dissolution and related transactions will be completed;

Metron's costs related to the asset sale, such as legal, accounting and certain financial advisor fees, must be paid even if the asset sale, dissolution and related transactions are not completed;

Metron may have difficulty retaining key personnel; and

Metron's customers may cancel orders and Metron may experience changes in its relationships with suppliers during the pendency of the transaction that could impact Metron's business going forward.

Even if the asset sale is completed, the timing and amounts of distributions to shareholders cannot be assured.

Even if the asset sale is completed, Metron cannot guarantee the amount or timing of any distributions to its shareholders because those determinations depend on a variety of factors, including, but not limited to, the possibility that the costs, expenses and time involved in satisfying Metron's liabilities and obligations and incurred by Metron following the closing of the asset sale, including costs and expenses of winding up Metron's business and dissolving, may exceed current expectations, and whether Metron is successful in negotiating a cash prepayment or redemption of the convertible debentures for an amount less than the holders of the convertible debentures would be entitled to receive if such holders converted their debentures into Metron common shares. For the foregoing reasons, there can be no assurance as to the amount of any distributions to Metron's shareholders, even if the asset sale is completed.

Metron's Managing Board and Supervisory Board may have a potential conflict of interest in recommending approval of the asset sale, dissolution and related transactions.

Members of Metron's Managing Board and Supervisory Board may have a potential conflict of interest in recommending the approval of the asset sale, dissolution and related transactions. See "*Proposal 1 Sale of Substantially All of Metron's Assets Interests of Certain Persons.*"

Metron may agree to prepay or redeem for cash its convertible debentures or cancel or amend the warrants in exchange for a cash payment prior to making any liquidating distributions to Metron shareholders.

If the asset sale occurs, the holders of Metron's convertible debentures will have the right either to convert their debentures into common shares and participate in the liquidating distribution, or to receive a cash payment calculated under the debentures. In addition, if the asset sale occurs, the holders of Metron's warrants may exercise their warrants and receive the same liquidating distribution they would have received if they had exercised their warrants as of the closing of the asset sale. Metron may offer to prepay or redeem the debentures for a negotiated amount and to cancel or amend the warrants in exchange for a cash payment. If Metron prepays or redeems the debentures or cancels or amends the warrants in exchange for a cash payment, pursuant to arms' length negotiations on terms that the Managing Board believes would be advantageous or neutral, from a financial point of view, to

Metron's shareholders, which could include payments of amounts that would be less than such holders would be entitled to receive if they had converted such debentures or exercised such warrants prior to the liquidating distributions, or if the holders of the debentures elect to receive a cash payment, the debentures may be paid before any liquidating distribution is made to Metron shareholders. In such an event, the debentures would not be subject to the risk that any retained or post-closing liabilities of Metron could reduce the amount of funds available for distribution to Metron shareholders, and this risk will be borne entirely by the shareholders of Metron.

Applied Materials' obligation to complete the asset sale is subject to a number of conditions, including Metron's meeting certain cash, debt and working capital targets.

Applied Materials' obligation to complete the asset sale is subject to numerous conditions that must be satisfied or waived as of the closing. In particular, Metron is obligated to meet certain cash, debt and working capital targets. You should carefully review the conditions to closing regarding cash, debt and working capital targets set forth in the stock and asset purchase agreement attached as Annex A. If Metron does not meet these targets and if Applied does not waive this condition, the asset sale may not be completed. Metron can not assure you that it will meet any of the closing conditions of the asset sale, including the cash, debt and working capital targets or that Applied Materials would waive any of the closing conditions. See *"Proposal 1 Sale of Substantially All of Metron's Assets Conditions to Closing."*

Metron may be classified as a passive foreign investment company ("PFIC") for U.S. federal income tax purposes for its current fiscal year.

Classification of Metron as a PFIC can result in adverse tax consequences for certain U.S. shareholders unless such shareholders take certain affirmative steps, including: (a) making a timely election to treat Metron as a "qualified electing fund"; or (b) making a timely election to mark its shares to market. See the section of the proxy statement entitled *"Proposal 2 Dissolution and Liquidation of Metron Material U.S. Federal Income Tax Consequences to U.S. Holders of Metron Common Shares"* for a more detailed discussion of this PFIC risk.

INFORMATION CONCERNING SOLICITATION AND VOTING

SOLICITATION

Metron will bear the entire cost of solicitation of proxies, including preparation, assembly, printing and mailing of this proxy statement, the proxy card and any additional information furnished to shareholders. Metron has retained The Altman Group to aid in the solicitation of proxies and to verify records relating to the solicitation. The Altman Group will receive a retainer of \$5,500 and expense reimbursement for items such as mailing, copying, phone calls, faxes, travel and other related matters, and Metron will indemnify The Altman Group against specified losses arising out of its solicitation services on Metron's behalf. The extent to which these proxy solicitation efforts will be necessary depends on how promptly proxies are received. Copies of solicitation materials will be furnished to banks, brokerage houses, fiduciaries and custodians holding in their names Metron common shares beneficially owned by others to forward to such beneficial owners. Metron may reimburse persons representing beneficial owners of Metron common shares for their costs of forwarding solicitation materials to such beneficial owners. Original solicitation of proxies by mail may be supplemented by telephone, facsimile or personal solicitation by members of Metron's Managing Board or Supervisory Board, officers or other regular employees of Metron. No additional compensation will be paid to the members of Metron's Managing or Supervisory Boards, officers or other regular employees for such services.

REQUIRED VOTES

In order to approve Proposals 1, 2 and 3, the affirmative vote of at least two-thirds of the valid votes cast at the Annual Meeting either in person or by proxy or any adjournment or postponement thereof, which two-thirds represents more than half of the issued share capital of Metron, is required.

In order to approve Proposals 4 through 11, the affirmative vote of the holders of a majority of the shares present in person or represented by proxy and entitled to vote at the Annual Meeting is required, provided that the votes represent more than half of the issued share capital of Metron.

SUBMITTING YOUR PROXY

You may submit your proxy to vote by facsimile. To do so, please follow these three easy steps: (1) read the accompanying proxy statement, (2) complete, sign, and date the proxy card and (3) fax the completed, signed and dated proxy card to (303) 262-0700. Your facsimile transmission must be received prior to 8:30 a.m. Pacific Time on December 10, 2004.

You may also submit your proxy to vote by mail. To do so, please follow these three easy steps: (1) read the accompanying proxy statement; (2) complete, sign and date the proxy card; and (3) mail the completed, signed and dated proxy card in the enclosed return envelope, which is postage prepaid if mailed in the United States. Your return envelope must be received prior to 8:30 a.m. Pacific Time on December 10, 2004.

IF YOU SIGN AND SEND IN YOUR PROXY, BUT DO NOT INCLUDE INSTRUCTIONS ON HOW TO VOTE YOUR PROPERLY SIGNED PROXY CARD, YOUR SHARES WILL BE VOTED FOR EACH OF THE PROPOSALS SUBMITTED TO METRON'S SHAREHOLDERS PURSUANT TO THIS PROXY STATEMENT.

You may also vote your Metron common shares by attending the Annual Meeting, rather than signing and returning your proxy card, if you own shares in your own name on the date of the Annual Meeting. You are requested to inform Metron before the close of business on December 9, 2004 whether you will attend the Annual Meeting. Regardless of whether or not you plan to attend the Annual Meeting, Metron encourages you to return your signed proxy card to ensure that your shares are voted. You may also vote in person at the Annual Meeting if your shares are held in "street name"

through a broker or bank, provided that you bring a valid proxy from your broker or bank and present it at the Annual Meeting. You may also be asked to present photo identification for admittance.

VOTING RIGHTS AND OUTSTANDING SHARES

Only holders of record of Metron common shares at the time of the Annual Meeting will be entitled to vote at the Annual Meeting. At the close of business on September 30, 2004, Metron had 12,843,731 Metron common shares outstanding and entitled to vote.

Each holder of record of Metron common shares on the date of the Annual Meeting will be entitled to one vote for each share held on all matters to be voted upon at the Annual Meeting.

All votes will be tabulated by the inspector of elections appointed for the meeting, who will separately tabulate affirmative and negative votes, abstentions and broker non-votes. Abstentions and broker non-votes are counted towards a quorum for purposes of Nasdaq's quorum requirement. No quorum is required under Netherlands law in order for the Annual Meeting to constitute a valid meeting of shareholders. Broker non-votes are not counted for the purpose of determining whether the approval of the requisite number of shares present in person or represented by proxy and entitled to vote at the meeting has been obtained, however broker non-votes are counted for the purpose of determining the total issued share capital of Metron.

REVOCABILITY OF PROXIES

Any person giving a proxy pursuant to this solicitation has the power to revoke it at any time before it is voted. It may be revoked by filing with Mr. P.R. Schut, Esq. at the offices NautaDutilh, Strawinskylaan 1999, 1077 XV Amsterdam, The Netherlands, or by facsimile at +31 (0)20 717 11 11, a written notice of revocation or a duly executed proxy bearing a later date, however such notice or proxy must be received by Mr. P.R. Schut, Esq. prior to 5:30 p.m. local time on December 10, 2004. You may also revoke a previously signed and delivered proxy by attending the Annual Meeting and voting in person. Attendance at the Annual Meeting will not, by itself, revoke a proxy. If you have instructed a broker to vote your shares, you must follow the directions received from your broker to change your instructions.

SHAREHOLDER PROPOSALS

The deadline for submitting a shareholder proposal for inclusion in Metron's proxy statement and proxy for Metron's 2005 annual general meeting of shareholders pursuant to Rule 14a-8 of the Securities Exchange Act of 1934 (the "1934 Act") is August 1, 2005. If you wish to submit proposals or director nominations that are not to be included in such proxy statement and proxy must do so no earlier than **July 30, 2005** and no later than **August 29, 2005**. You are also advised to review Metron's Articles of Association, which contain additional requirements with respect to advance notice of shareholder proposals and director nominations.

**CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING
STATEMENTS IN THIS PROXY STATEMENT**

This proxy statement and the documents incorporated by reference into this proxy statement contain forward-looking statements about the asset sale, dissolution and related transactions and Metron within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Statements containing the words "believes," "anticipates," "estimates," "expects," "intends," "plans," "seeks," "will," "may," "should," "would," "projects," "predicts," "continues" and similar expressions or the negative of these terms constitute forward-looking statements that involve risks and uncertainties. Metron intends such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995, and are including this statement for purposes of invoking these safe harbor provisions. Such statements are based on current expectations and are subject to risks, uncertainties and changes in condition, significance, value and effect, including those discussed in the section of this proxy statement entitled "*Risk Factors Related to Proposals 1, 2 and 3*" and the section entitled "*Risk Factors*" contained in Metron's Annual Report or Form 10-K for the fiscal year ended May 31, 2004, as amended, and the section entitled "*Risk Factors*" contained in Metron's Quarterly Report on Form 10-Q for the quarter ended August 31, 2004. Such risks, uncertainties and changes in condition, significance, value and effect could cause Metron's actual results to differ materially from those anticipated events. Except as may be required under federal law, Metron undertakes no obligation to update publicly any forward-looking statements for any reason, even if new information becomes available or other events occur.

PROPOSAL 1

SALE OF SUBSTANTIALLY ALL OF METRON'S ASSETS

This Proposal 1 proposes that Metron shareholders approve the sale and transfer of substantially all of Metron's assets to Applied Materials, Inc., a Delaware corporation ("Applied Materials"), pursuant to the stock and asset purchase agreement, dated August 16, 2004, entered into between Metron and Applied Materials.

The following is a description of the material aspects of the asset sale, including the stock and asset purchase agreement entered into between Metron and Applied Materials on August 16, 2004, the full text of which is attached as Annex A, the form of Indemnity Agreement, the full text of which is attached hereto as Annex C, and certain other agreements entered into (or to be entered into) in connection with the stock and asset purchase agreement. While Metron believes that the following description covers the material terms of the asset sale, the description may not contain all of the information that is important to you. You should carefully read this proxy statement and the other documents to which Metron refers for a more complete understanding of the asset sale.

BACKGROUND OF THE ASSET SALE

Metron regularly assesses the competitive position of its business and explores strategic opportunities to strengthen its business. Metron and Applied Materials have been generally familiar with each other's businesses, as the companies are in related businesses. Applied Materials and Metron have, from time to time, discussed the possibility of a strategic transaction between them, but prior to the discussions relating to the currently proposed transaction, they had not had any such discussions since June 2003.

In May of 2003, Metron management discussed with Applied Materials many potential commercial arrangements, including the possibility that Applied Materials would acquire Metron or provide a loan to Metron and in exchange Metron would provide outsourced marketing services to Applied Materials. In addition, in June 2003 Edward D. Segal, Chief Executive Officer of Metron and Menachem Erad, Applied Materials' Chief of Staff and Mergers & Acquisitions, had further discussions regarding an acquisition of Metron by Applied Materials. These discussions were terminated in June of 2003 when Metron and Applied Materials could not reach agreement regarding the terms of a commercial arrangement.

In November 2003, Joe Bronson, Applied Materials' Senior Vice President and Chief Financial Officer, contacted Mr. Segal at an industry event and expressed renewed interest in exploring a potential strategic transaction with Metron, including an agent relationship, an investment in Metron or an acquisition of Metron. Following that discussion, from time to time over the following months, as described below, members of Metron's management met with, and provided non-material information regarding Metron to, representatives of Applied Materials in order to assist Applied Materials' consideration of a potential strategic transaction between the parties.

On February 11, 2004, Mr. Segal met with David Wang, then Applied Materials' Group Vice President; Global Services, and David Fried, then Applied Materials' Vice President; Business Development, to discuss Metron's operations. On March 22, 2004, Mr. Segal met with Mr. Wang to further review Metron's operations and how they might fit within the Applied Materials organization. On March 31, 2004, Dennis Riccio, President and Managing Director of Metron, met with Mr. Fried to discuss Metron's products and personnel and how they might fit with the longer term goals of Applied Materials. On March 31, 2004, Mr. Riccio provided additional information requested by Mr. Fried. On April 14, 2004, Mr. Riccio met with Mr. Fried to assist Mr. Fried in preparing a report related to Metron for analysis by Applied Materials' management. On April 28, 2004, Mr. Segal, Mr. Erad, inside counsel of Applied Materials, a representative of De Brauw Blackstone Westbroek P.C., Dutch legal

counsel to Applied Materials, a representative of Weil, Gotshal & Manges LLP, legal counsel to Applied Materials, and a representative of NautaDutilh, Dutch legal counsel to Metron, discussed issues related to structuring a potential strategic transaction, including Dutch and U.S. securities laws.

On May 10, 2004, Mr. Erad informed Mr. Segal that Applied Materials was interested in pursuing discussions related to a potential acquisition transaction with Metron. Mr. Erad and Mr. Segal met that same day to discuss a potential acquisition. Mr. Segal and Mr. Erad again met on May 13, 2004 to continue the discussion.

On May 18, 2004, at a meeting of Metron's Supervisory Board at which Mr. Segal and Doug McCutcheon, Chief Financial Officer and Managing Director of Metron, were also present, Mr. Segal reported to the board the status of discussions with Applied Materials, and the board determined that Mr. Segal should continue discussions with Applied Materials.

On May 19, 2004, Mr. Segal, Mr. Erad, inside counsel of Applied Materials, a representative of NautaDutilh, a representative of Cooley Godward LLP, U.S. legal counsel to Metron, a representative of Weil Gotshal and a representative of De Brauw Blackstone Westbrook discussed Dutch law relating to various potential acquisition structures.

Mr. Segal and Mr. Erad met again on May 20, 2004, June 2, 2004 and June 8, 2004. At these meetings, Mr. Segal and Mr. Erad discussed the issues involved in structuring an acquisition of a Dutch company, as well as Metron's concern with the level of costs that would be associated with pursuing negotiations with, and due diligence review by, Applied Materials. The parties tentatively determined that the proposed transaction should be structured as a purchase of Metron's assets. Metron expressed that it would be willing to sign a confidentiality agreement and begin due diligence and negotiation of the definitive agreements relating to the proposed transaction only if Applied Materials agreed to reimburse Metron for at least a portion of the fees and expenses that Metron would incur in connection with those activities.

On June 15, 2004, Applied Materials agreed to reimburse Metron for certain fees and expenses incurred by Metron in connection with the investigation of a possible transaction between Metron and Applied Materials. On June 21, 2004, Applied Materials and Metron executed a mutual confidentiality agreement.

On June 22, 2004, an organizational meeting for the commencement of due diligence was held at the offices of Weil Gotshal with representatives of Metron and its legal, accounting and financial advisors and representatives of Applied Materials and its legal, accounting and financial advisors in attendance. Between June 22, 2004 and August 15, 2004, at various different locations, members of Applied Materials' management team, together with its accounting and legal advisors, conducted business, financial, accounting and legal due diligence and participated in discussions with Metron's advisors and management team on various issues related to the diligence review.

On June 30, 2004, Mr. Segal, representatives of Cooley Godward and representatives of Perseus Advisors, LLC, Metron's financial advisor, met to discuss the proposed transaction.

On July 1, 2004, at a meeting of the Supervisory Board at which Mr. Segal was also present, the board again discussed the potential transaction and approved retaining Perseus to provide Metron with financial advisory services in connection with the potential transaction.

Also on July 1, 2004, Applied Materials' counsel provided a draft stock and asset purchase agreement with respect to the proposed transaction to Metron's counsel. Through August 16, 2004, the parties, through meetings and telephone conferences, negotiated and exchanged proposed revised drafts of the stock and asset purchase agreement, as well as related ancillary documents, including an employee retention plan to be implemented by Applied Materials in connection with the proposed transaction and non-competition agreements required to be entered into between Applied Materials

and certain individuals in connection with the proposed transaction. Extensive negotiations took place related to the matters covered by these agreements. Negotiations progressed on a large number of issues through frequent discussions between the parties rather than a series of proposals and counter-proposals. Negotiations initially focused on, among other matters, the structure of the proposed transaction as an acquisition of assets and liabilities rather than an acquisition of stock or a merger transaction, the purchase price and its calculation, determination of the assets (including cash) and liabilities (including contracts) that would be retained by Metron, tax matters, the scope of representations and warranties and covenants related to the period between signing of a definitive agreement and closing, Applied Materials' request for post-closing indemnification by Metron and a related escrow, closing conditions, limitations on Metron's ability to consider competing acquisition transactions, termination rights, the determination of which Metron shareholders would be requested to sign voting agreements and diligence matters, including Metron's contractual arrangements. For a variety of reasons, including considerations related to U.S. and Dutch securities laws, Applied Materials indicated that it was only willing to proceed with a transaction structured as an asset sale. Accordingly, Metron does not believe that a discussion of alternative transactions is material or meaningful to Metron shareholders as there was no alternative transaction proposed. Issues related to the scope of representations and warranties and covenants, the request for post-closing indemnification by Metron (which was withdrawn), numerous closing conditions, limitations on Metron's ability to consider a competing acquisition transaction, termination rights and the determination of which Metron shareholders would be requested to sign voting agreements were largely resolved during July. Negotiations and discussions continued in August related to, among other matters, the purchase price and its calculation, determination of the assets (including cash) and liabilities (including contracts) that would be retained by Metron, tax matters, certain closing conditions, including closing conditions related to Metron's working capital and post-closing employment and noncompetition arrangements, and diligence matters, including Metron's contractual arrangements and the timing of completion of the audit of Metron's fiscal 2004 financial statements.

On July 6, 2004, Metron formally retained Perseus to provide Metron with financial advisory services in connection with the proposed transaction.

At a meeting of Metron's Supervisory Board on July 7, 2004 at which Mr. Segal, Mr. McCutcheon and Mr. Riccio, as well as representatives of Cooley Godward, NautaDutilh and Perseus were also present, the board reviewed the status of the proposed transaction, including progress of the due diligence review, and the status of negotiations. A representative of NautaDutilh advised the board regarding its fiduciary obligations under Dutch law in connection with the proposed transaction. A representative from Perseus reviewed the status of the proposed transaction, strategic alternatives and Perseus' preliminary analysis of financial terms of the transaction.

At a joint meeting of Metron's Supervisory Board and Managing Board on July 11, 2004, at which representatives of Perseus and Cooley Godward were also present for a portion, the boards reviewed the status of the proposed transaction, including progress of the due diligence review and the negotiations of the agreements. A representative of Perseus provided an update on the status of the transaction and an updated preliminary analysis of financial terms of the proposed transaction. Immediately following this joint meeting, the members of Metron's Managing Board other than Mr. Segal held a meeting at which a representative of NautaDutilh was also present, during which the representative of NautaDutilh advised the board regarding its fiduciary obligations under Dutch law in connection with the proposed transaction.

At a meeting of Metron's Supervisory Board on July 23, 2004, at which Mr. Segal was also present, the board reviewed the status of the proposed transaction, including progress of the due diligence review and the negotiation of the transaction agreement. Metron's Supervisory Board was advised that Metron and Applied Materials continued to discuss, among other matters, the purchase price and its calculation, determination of the assets (including cash) and liabilities (including contracts) that would

be retained by Metron, tax matters, certain closing conditions, including closing conditions related to Metron's working capital and post-closing employment and noncompetition arrangements, and diligence matters, including Metron's contractual arrangements and the timing of completion of the audit of Metron's fiscal 2004 financial statements.

At a meeting of Metron's Supervisory Board on July 28, 2004, at which Mr. Segal and representatives from Cooley Godward were also present, the board reviewed the status of the proposed transaction, including progress of the due diligence review, and the negotiation of the transaction agreements. Representatives of Cooley Godward discussed with the board the material terms of the draft stock and asset purchase agreement. Metron's Supervisory Board was advised that Metron and Applied Materials continued to discuss many of the same issues that were discussed during the July 23 meeting, among other matters.

At a meeting of Metron's Managing Board on August 3, 2004, the board reviewed the status of the proposed transaction, including progress of the due diligence review and the negotiation of the transaction agreements, including a discussion of many of the open issues that were discussed at the July 23 and July 28 Supervisory Board meetings. A representative of Cooley Godward discussed with the board the material terms of the draft stock and asset purchase agreement.

On August 6, 2004, Applied Materials provided to Mr. Segal, Mr. Riccio, Greg Geskovich, Metron's Vice President Fab Solutions Group and Managing Director, and Peter Postiglione, Vice President, Fab Solutions Group of Metron, draft offer letters relating to their employment by Applied Materials following the closing of the proposed transaction. These offer letters included provisions related to the payment to such persons under the proposed employee retention plan, and related documents. These offer letters and the non-competition agreements previously provided to these individuals were negotiated through August 16, 2004.

At a joint meeting of Metron's Supervisory Board and Managing Board on August 15, 2004, at which a representative of Cooley Godward and representatives of Perseus were also present, the boards reviewed the status of the proposed transaction, including progress of the due diligence review and the negotiation of the transaction agreements. The terms of the employment and retention arrangements between Applied Materials and Mr. Segal, Mr. Riccio, Mr. Postiglione and Mr. Geskovich, relating to the employment of those individuals by Applied Materials following the closing of the asset sale, were also discussed with the boards. A representative of Cooley Godward discussed with the board the material terms of the draft stock and asset purchase agreement. Representatives of Perseus provided a detailed review of its analysis of financial terms of the proposed transaction.

At a joint meeting of Metron's Supervisory Board and Managing Board on August 16, 2004, at which a representative of Cooley Godward and representatives of Perseus were also present, Mr. Segal and representatives of Cooley Godward and Perseus updated Metron's Managing Board and Supervisory Board on the status of the proposed transaction and informed the Boards that there had been no material changes to the terms of the proposed transaction as it had been presented at the meeting on August 15, 2004. Representatives of Perseus reaffirmed the valuation analysis reviewed with the boards at the previous day's meeting and delivered orally Perseus' fairness opinion, which fairness opinion was subsequently confirmed in writing, that as of August 16, 2004, the purchase price was fair from a financial point of view to Metron. Each of Metron's Managing Board and Supervisory Board unanimously approved Metron's entering into the stock and asset purchase agreement and performing its obligations thereunder and recommended that Metron's shareholders approve the stock and asset purchase agreement and the transactions contemplated thereby.

Immediately following the joint meeting of the Supervisory Board and Managing Board on August 16, 2004, Metron and Applied Materials executed the stock and asset purchase agreement and related ancillary agreements, Applied Materials entered into voting agreements with certain Metron shareholders and Metron and Applied Materials each issued a press release announcing the transaction.

CONSIDERATION OF THE ASSET SALE, DISSOLUTION AND RELATED TRANSACTIONS BY METRON'S MANAGING BOARD AND SUPERVISORY BOARD

Metron's Reasons for the Asset Sale, Dissolution and Related Transactions

The following discussion of Metron's reasons for the asset sale contains a number of forward-looking statements that reflect the current views of Metron with respect to future events. Forward-looking statements are subject to risks and uncertainties. Actual results and outcomes may differ materially from the results and outcomes discussed in the forward-looking statements. Cautionary statements that identify important factors that could cause or contribute to the differences in results and outcomes include those discussed or incorporated by reference in the section of this proxy statement entitled "*Risk Factors Related to Proposals 1, 2 and 3.*"

In considering the transaction with Applied Materials, Metron's Supervisory Board and Managing Board consulted with representatives of Cooley Godward LLP, outside U.S. counsel to Metron, regarding legal due diligence matters and the terms of the stock and asset purchase agreement and related transactions, with NautaDutilh, outside Dutch counsel to Metron, regarding the boards' fiduciary duties and matters related to Dutch law and with Perseus regarding the financial terms of the stock and asset purchase agreement. Metron's Supervisory Board and Managing Board also took into account a number of positive factors in their deliberations concerning the asset sale, including, but not limited to, the following:

their belief that, given the business, market and execution risks associated with remaining independent and successfully implementing a strategy to increase revenues and profitability, remaining an independent operating company was not reasonably likely to create greater value for Metron's shareholders than the prospects presented by the asset sale, in particular because the semiconductor business is highly cyclical, and during its periodic downturns Metron's operating results could deteriorate, which might inhibit the ability of Metron to execute its strategy due to cash constraints and inhibit the ability of Metron to raise additional capital to expand operations or make acquisitions;

their belief, having regularly considered various options to increase revenues and strengthen Metron, including merging with other synergistic suppliers, selling divisions to competitors and seeking potential alternative strategic transactions, that the asset sale represents the most favorable alternative currently available to Metron to maximize shareholder value because in each of the other options presented, the parties were either not willing to go forward at the current time or were not properly capitalized to move forward with a transaction;

their belief that, while no assurances can be given, the asset sale is likely to be completed because of the limited nature of the closing conditions included in the stock and asset purchase agreement, including the absence of any financing condition to Applied Materials' obligation to complete the asset sale;

the fact that the asset sale, dissolution and related transactions would be subject to the approval of Metron's shareholders;

their belief that the asset sale will likely be approved by Metron's shareholders based upon: (a) the potential benefits of the asset sale to Metron and its shareholders identified by the Supervisory Board and Managing Board, as described in this section of the proxy statement; and (b) the voting agreements obtained by Applied Materials from certain holders of Metron common shares to approve the asset sale, the stock and asset purchase agreement, the other actions contemplated thereby and any action in furtherance of those activities;

the fact that Metron's Managing Board and Supervisory Board may, in the exercise of their fiduciary duties and in accordance with the stock and asset purchase agreement, furnish information to, and participate in negotiations or discussions with, another party in connection

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with an unsolicited written proposal that Metron's Supervisory Board and Managing Board determine in good faith constitutes or is reasonably likely to result in a superior proposal in the manner provided in the stock and asset purchase agreement;

the fact that Metron's Managing Board and Supervisory Board may, in the exercise of their fiduciary duties and in accordance with the stock and asset purchase agreement, change their recommendation with respect to the transaction with Applied Materials without the possibility of any termination payment in connection therewith;

their belief that the benefits to Metron contemplated in connection with the asset sale are likely to be achieved within a reasonable time frame;

the fact that the consideration to be paid in the asset sale is cash, which provides certainty of value to Metron;

the likely premium of the amount distributed to shareholders relative to Metron's stock price in the recent period prior to the boards' approval of the transaction;

the opinion of Perseus delivered to the Metron Supervisory Board and Managing Board, as to the fairness, from a financial point of view and as of the date of the opinion, of the purchase price, as more fully described in the section of this proxy statement entitled "*Proposal 1 Sale of Substantially All of Metron's Assets Opinion of Financial Advisor to Metron*";

the terms of the stock and asset purchase agreement; and

the positive treatment of many Metron employees through continued employment by the subsidiaries of Metron, which will become subsidiaries of Applied Materials following the asset sale.

Metron's Managing Board and Supervisory Board also identified and considered a number of potentially countervailing factors in their deliberations concerning the asset sale, including, but not limited to, the following:

the fact that Metron will no longer exist as an independent company and Metron's shareholders will no longer participate in the growth of Metron's business or benefit from any future increases in the value of Metron or from any synergies that may be created by the asset sale;

the uncertainty of the amounts distributable to Metron's shareholders following the closing of the asset sale and in connection with the liquidation;

the fact that gains from a cash transaction would be taxable to Metron's shareholders for U.S. federal income tax purposes;

the risk that the asset sale may not be consummated, including the risks associated with obtaining the necessary approval of Metron's shareholders required to complete the asset sale, notwithstanding the voting agreements obtained by Applied Materials from certain holders of Metron common shares to approve the asset sale, the stock and asset purchase agreement, the other actions contemplated thereby and any action in furtherance of those activities;

the fact that under the stock and asset purchase agreement, Metron is obligated to carry on its business in the ordinary course and, subject to specified exceptions, Metron will not take a number of actions related to the conduct of its business without the prior consent of Applied Materials (which cannot be unreasonably withheld, conditioned or delayed);

the risk of management and employee disruption associated with the asset sale, including the risk that key technical, marketing and management personnel might not remain employed by Metron through the consummation of the asset sale;

the risk of customer and supplier disruption associated with the asset sale, including the risk that customers and suppliers might reduce the amount of business they conduct with Metron, or cease conducting business with Metron, prior to the consummation of the asset sale;

the fact that the asset purchase agreement permits Applied Materials to terminate the agreement if, among other things, Metron's Supervisory Board or Managing Board withdraws their recommendations in favor of the asset sale or recommends another acquisition proposal;

the interests of the members of Metron's Managing Board and Supervisory Board that are different from, or in addition to, those of Metron's shareholders generally (see the section of this proxy statement entitled "*Proposal 1 Sale of Substantially All of Metron's Assets Interests of Certain Persons*");

the potential impact of the asset sale on employees of Metron not offered continued employment by Applied Materials; and

the significant costs involved in negotiating and consummating the asset sale.

Metron's Supervisory Board and Managing Board noted that the voting agreements and the no-shop provisions of the stock and asset purchase agreement could have the effect of discouraging alternative proposals for a business combination or asset sale between Metron and a third party. However, the boards concluded that the voting agreements and the no-shop provisions were necessary to induce Applied Materials to enter into the stock and asset purchase agreement.

This discussion of information and factors considered by Metron's Supervisory Board and Managing Board is not intended to be exhaustive but is intended to summarize the material factors considered by the boards. In view of the variety of factors considered in connection with its evaluation of the asset sale, Metron's Supervisory Board and Managing Board did not find it practicable to, and did not, quantify or otherwise assign relative or specific weight or values to any of these factors, and individual members of Metron's Supervisory Board and Managing Board may have given different weights to different factors. However, the boards concluded that the potential benefits of the asset sale outweighed the potential countervailing factors and that, overall, the proposed asset sale had greater potential benefits to Metron, its shareholders and other stakeholders relative to other strategic alternatives.

After taking into account all of the factors set forth above, Metron's Supervisory Board and Managing Board unanimously agreed that the asset sale, dissolution and related transactions are reasonable, proper and advisable and are fair to, and in the best interest of Metron and its shareholders, employees and other shareholders, approved Metron's entering into the stock and asset purchase agreement and performing its obligations thereunder and recommended that Metron's shareholders approve the stock and asset purchase agreement and the transactions contemplated thereby. Accordingly, each of Metron's Managing Board and Supervisory Board recommend that Metron's shareholders vote **FOR** Proposals 1, 2 and 3.

OPINION OF FINANCIAL ADVISOR TO METRON

In connection with Metron's evaluation of the asset sale, Metron retained Perseus Advisors, LLC ("Perseus") to provide it with certain financial advisory services. Metron selected Perseus based on Perseus' qualifications, expertise, reputation and its knowledge of the business and affairs of Metron. At the meeting of Metron's Supervisory Board and Managing Board on August 16, 2004, Perseus rendered its oral opinion, subsequently confirmed in writing, that as of August 16, 2004, based upon and subject to the various considerations set forth in their opinion, the purchase price to be paid pursuant to the stock and asset purchase agreement, consisting of (a) \$84,567,158; (b) the assumption of certain liabilities of Metron; (c) the payments with respect to certain surtax liabilities and withholding obligations; plus (d) up to \$2,750,000 in reimbursable costs, was fair from a financial point of view to Metron.

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The full text of the written opinion of Perseus, dated August 16, 2004, is attached as Annex B to this proxy statement. The opinion sets forth, among other matters, the assumptions made, procedures followed, matters considered and limitations on the scope of the review undertaken by Perseus in rendering its opinion. Metron urges you to read the entire opinion carefully. Perseus' opinion is directed to Metron's Supervisory Board and Managing Board and addresses only the fairness from a financial point of view of the purchase price pursuant to the stock and asset purchase agreement to Metron as of the date of the opinion. It does not address any other aspect of the transaction and does not constitute a recommendation to any holder of Metron common shares as to how to vote at the Annual Meeting. The summary of the opinion of Perseus set forth in this proxy statement is qualified in its entirety by reference to the full text of the opinion.

In connection with rendering its opinion, Perseus, among other matters:

reviewed the stock and asset purchase agreement and certain related documents;

reviewed certain publicly available financial statements and other business and financial information of Metron and Applied Materials;

reviewed certain internal financial statements and other financial and operating data concerning Metron prepared by the management of Metron, including information regarding outstanding securities, cash balances, tax liabilities, product line revenues and margins and transaction costs;

reviewed certain financial projections relating to Metron prepared by the senior management of Metron;

discussed the past and current operations and financial condition and the prospects of Metron with Metron's senior management;

reviewed and discussed with Metron's senior management certain alternatives to the transaction;

reviewed and discussed with Metron's senior management its view of the rationale for the transaction;

reviewed the recent reported closing prices and trading activity for Metron common shares;

compared the financial performance of Metron and the prices and trading activity of Metron's common shares with that of certain other comparable publicly-traded companies and their securities;

reviewed certain recent equity research analyst reports covering Metron and the analyst projections contained therein;

reviewed the financial terms, to the extent publicly available, of certain comparable transactions;

participated in discussions and negotiations among representatives of Metron and Applied Materials; and

performed such other analyses and considered such other factors as Perseus deemed appropriate.

In rendering its opinion, Perseus assumed and relied upon, without independent verification, the accuracy and completeness of the information reviewed by it for the purposes of its opinion. With respect to the financial projections relating to Metron and prepared by the management of Metron, Perseus assumed that they were reasonably prepared on bases reflecting the best currently available estimates and judgments of Metron's management of the future financial performance of Metron. Perseus did not make any independent valuation or appraisal of the assets or liabilities or technology of Metron, nor was Perseus furnished with any such appraisals. In addition, Perseus assumed that the

transaction would be consummated in accordance with the terms set forth in the stock and asset

purchase agreement. Perseus' opinion was necessarily based on financial, economic, market and other conditions as in effect on, and the information made available to it as of, August 16, 2004.

The following is a brief summary of all material analyses performed by Perseus in connection with its opinion dated August 16, 2004 and reviewed with the boards at their meetings on August 15, 2004 and August 16, 2004. These summaries of financial analyses include information presented in tabular format. In order to fully understand the financial analyses used by Perseus, the tables must be read together with the text of each summary. The tables alone do not constitute a complete description of the financial analyses.

Transaction Multiples

Perseus calculated several values implied by the purchase price pursuant to the stock and asset purchase agreement based on Metron's closing share price on August 13, 2004 (the last full trading day prior to the date of the announcement of the transaction), including the implied equity value of Metron, the implied equity value per Metron Common Share, the implied premium to Metron's closing share price on August 13, 2004, the implied premium to Metron's volume weighted average closing share price during the 30 days prior to and including August 13, 2004 and the implied aggregate value of Metron. The implied equity value of Metron was calculated based upon the cash proceeds to be received by Metron per the stock and asset purchase agreement and assumes the excluded assets and reimbursement arrangements as described in the stock and asset purchase agreement will be equal to or in excess of the excluded liabilities (other than Metron's liabilities under its convertible debentures, warrants and stock options) as described in the stock and asset purchase agreement. The implied equity value per share reflects the implied equity value divided by the number of fully diluted Metron common shares. The number of fully diluted Metron common shares reflects the sum of the number of Metron common shares outstanding as of August 13, 2004 plus the number of Metron common shares to be issued upon the exercise of outstanding and in-the-money (having an exercise price equal to or below the implied equity value per share) stock options, warrants, and convertible debenture, less the number of shares calculated by dividing the aggregate proceeds to be received by Metron from the exercise of such securities by the implied equity value per share (commonly referred to as the treasury method). The number and exercise prices of such securities were based on information provided by Metron. The implied Metron aggregate value reflects the implied equity value less cash plus the value of any debt and capital lease obligations of Metron (commonly referred to as net debt). The table below summarizes Perseus' calculations:

Implied Metron Equity Value	Implied Metron Equity Value per Share	Implied Premium to Closing Price of Metron Common Shares on August 13, 2004	Implied Premium to 30 Day Volume Weighted Average Closing Price	Implied Metron Aggregate Value
\$84.6 million	\$ 4.80	118%	89%	\$ 88 million

Perseus also calculated the implied aggregate value of Metron as a multiple of estimated revenue for calendar year 2005, the implied equity value per share as a multiple of estimated earnings per share for calendar year 2005 and the implied equity value as a multiple of book value. These multiples were calculated using certain publicly available forecasts prepared by securities research analysts. The table below summarizes Perseus' calculations:

	Implied Multiples
Implied Aggregate Value/Calendar Year 2005 Estimated Revenue	0.3x
Implied Equity Value Per Share/Estimated Earnings Per Share for Calendar Year 2005	8.9x
Implied Equity Value/Book Value	1.5x

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Perseus compared the Metron equity value implied by each of the following analyses that it performed to the Metron equity value of \$84.6 million implied by the purchase price pursuant to the stock and asset purchase agreement, as summarized above.

Trading Range Analysis

Perseus reviewed the range of trading prices of Metron common shares and the implied equity value for various periods ended on August 13, 2004, the last full trading day prior to the date of the announcement of the transaction. The purpose of this analysis was to compare the Metron equity value and equity value per share implied by the purchase price pursuant to the stock and asset purchase agreement to the recent trading performance of Metron common shares. The table below summarizes Perseus' calculations:

Period Ending August 13, 2004	Range of Trading Prices of Metron Common Shares	Implied Metron Equity Value
		(millions)
12 months	\$ 2.07 - \$5.20	\$ 34.1 - \$92.6
3 months	\$ 2.07 - \$3.36	\$ 34.1 - \$56.8
30 trading days	\$ 2.07 - \$2.85	\$ 34.1 - \$47.6

As noted above, Perseus calculated that the purchase price pursuant to the stock and asset purchase agreement implied a Metron equity value of \$84.6 million.

Peak Earnings Analysis

The semiconductor industry in which Metron participates is highly cyclical. Perseus reviewed selected financial information for Metron for the period from January 1, 2000 through June 30, 2001, a period selected to include the previous semiconductor industry cyclical peak. For the nine months within this period during which publicly available securities research analyst estimates of Metron's forward twelve month earnings per share were highest (from July 7, 2000 through April 6, 2001), Perseus calculated the ratio of the price of Metron common shares to the estimated forward twelve months earnings per share (the "peak price to forward earnings" ratio). Based on this analysis, Perseus derived a peak price to forward earnings ratio range of 5.4x - 8.4x, reflecting data falling between the 25th and 75th percentiles of the observed statistics. Perseus applied this peak price to forward earnings ratio range to publicly available securities research analyst estimates of calendar year 2005 earnings per share for Metron. The purpose of this analysis was to estimate an equity value for Metron by applying the peak price to forward earnings ratio observed for Metron the last time that analyst estimates of Metron's forward twelve month earnings per share were highest to current estimates of Metron's calendar year 2005 earnings per share. The table below summarizes Perseus' calculations:

Metron Calendar Year 2005 Estimated Earnings Per Share	Peak Price to Estimated Forward Earnings Multiple Range (25th Percentile - 75th Percentile)	Implied Value Per Share of Metron	Implied Metron Equity Value
			(millions)
Price to Forward Twelve Months Estimated Earnings Per Share	\$ 0.54	5.4x - 8.4x	\$ 2.91 - \$4.53
			\$ 48.6 - \$79.1

As noted above, Perseus calculated that the purchase price pursuant to the stock and asset purchase agreement implied a Metron equity value of \$84.6 million.

Comparable Company Analysis

While noting that no comparable public company is identical to Metron, Perseus compared selected financial information for Metron with publicly available information for comparable distribution, semiconductor manufacturing solutions and specialty electronic manufacturing services companies that shared certain characteristics with Metron. The purpose of this analysis was to determine equity values of Metron by applying trading multiples of comparable companies to estimated financial metrics for Metron and to compare such implied equity values to the values implied by the purchase price pursuant to the stock and asset purchase agreement. Based upon publicly available estimates of certain securities research analysts and using closing prices as of August 13, 2004, Perseus calculated, for each of the comparable companies, the ratios of: stock price to estimated calendar year 2004 and 2005 earnings per share, aggregate value to estimated calendar year 2004 and 2005 revenue, and market value of equity (commonly referred to as equity value) to current book value. The aggregate value of a company was defined as equity value less cash plus the value of any debt, capital lease and preferred stock obligations. The companies used in this comparison included the following:

Distribution Companies

Arrow Electronics, Inc.
Avnet, Inc.

Specialty Electronic Manufacturing Services Companies

Benchmark Electronics, Inc.
Celestica Inc.
Plexus Corporation

Semiconductor Manufacturing Solutions Companies

Air Products and Chemicals, Inc.
ATMI, Inc.
Cabot Microelectronics Corporation
DuPont Photomasks, Inc.
Entegris, Inc.
Kulicke and Soffa Industries, Inc.
MEMC Electronic Materials, Inc.
Photronics, Inc.
Ultra Clean Holdings, Inc.

In reviewing the financial multiples calculated for the comparable companies, Perseus considered the fact that Metron's business shares only certain characteristics with the businesses conducted by the comparable companies (such as margin structure and industry focus) and that therefore the full range of the calculated multiples would not apply to an analysis of Metron's business. As a result, Perseus narrowed the ranges calculated for the comparable companies to derive ranges that it deemed appropriate for purposes of this analysis, based on its experience and judgment, for multiples of (i) price to estimated 2005 earnings per share, (ii) aggregate value to estimated 2005 revenue and (iii) equity value to book value. Perseus determined that such multiples to estimated 2005 earnings per share and estimated 2005 revenue were more appropriate for purposes of this analysis than such multiples to estimated 2004 earnings per share and estimated 2004 revenue, considering that 2004 was more than one-half completed at the time of the analysis. Perseus then applied such derived ranges of multiples to publicly available securities research analyst estimates of selected financial statistics for Metron and calculated the Metron equity value and equity value per share implied by such derived ranges of multiples. The table below summarizes this analysis. In the table below, (i) the second column specifies an estimated financial statistic for Metron based on the closing price of Metron common shares on August 13, 2004 and publicly available estimates of securities research analysts for Metron calendar year 2005 revenue and earnings per share, (ii) the third column specifies the range of multiples calculated by Perseus from publicly available information regarding the comparable companies, (iii) the fourth column specifies the range of multiples derived by Perseus that Perseus deemed appropriate for purposes of this analysis from publicly available information regarding the comparable companies and (iv) the final columns specify the ranges of Metron equity values per share and Metron equity values determined, (A) for the stock price to estimated calendar year 2005 earnings per share, by multiplying the Metron financial statistic in the second column by the range of multiples in the fourth column to determine the range of implied values per share of Metron, and multiplying those numbers by the number of Metron fully-diluted common shares outstanding (calculated using the treasury method based on the relevant implied value per share) to determine the range of implied

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Metron equity values, (B) for the aggregate value to estimated calendar year 2005 revenue, by multiplying the Metron financial statistic in the second column by the range of multiples in the fourth column and subtracting the net debt to determine the range of implied Metron equity values, and dividing those numbers by the number of Metron fully-diluted common shares outstanding (calculated using the treasury method based on the relevant implied equity value) to determine the range of implied values per share of Metron, and (C) for the market equity value to current book value, by multiplying the Metron financial statistic in the second column by the range of multiples in the fourth column to determine the range of implied equity values, and dividing that number by the number of Metron fully-diluted common shares outstanding (calculated using the treasury method based on the relevant implied equity value) to determine the range of implied values per share of Metron.

Ratio	Metron Estimated Financial Statistic	Calculated Comparable Company Multiple Range	Derived Comparable Company Multiple Range	Implied Value Per Share of Metron	Implied Metron Equity Value
					(millions)
Price to Estimated Calendar Year 2005 Earnings Per Share	\$ 0.54	4.2x - 16.8x	6.0x - 10.0x	\$3.24 - \$5.40	\$54.4 - \$ 96.5
Aggregate Value to Estimated Calendar Year 2005 Revenue	\$ 274.7 million	0.2x - 1.8x	0.2x - 0.4x	\$3.16 - \$5.97	\$51.4 - \$106.3
Equity Value to Book Value	\$ 55.2 million	0.9x - 5.9x	1.0x - 2.0x	\$3.37 - \$6.17	\$55.2 - \$110.4

As noted above, Perseus calculated that the purchase price pursuant to the stock and asset purchase agreement implied a Metron equity value of \$84.6 million.

No company utilized in the comparable company analysis is identical to Metron. In evaluating the comparable companies, Perseus made judgments and assumptions with regard to industry performance, general business, economic, market and financial conditions and other matters, many of which are beyond the control of Metron, such as the impact of competition on the businesses of Metron and the industry in general, industry growth and the absence of any material adverse change in the financial condition and prospects of Metron or the industry or in the financial markets in general. Mathematical analysis, such as determining the average or median, or the high or low, is not in itself a meaningful method of using comparable company data.

Precedent Transaction Premiums Analysis

Perseus compared certain publicly available statistics for 239 transactions announced between January 1, 2002 and July 15, 2004. This analysis included acquisitions involving publicly-traded target companies with equity values in excess of \$25 million and excluded transactions in which the target share price was less than \$2.00 one day prior to announcement. Based on this analysis, Perseus derived a range of premiums paid above the closing share prices one day before the announcement of the transaction of 15% - 41%. Perseus also derived a range of premiums paid above the average closing share prices over the 30-day period before the announcement of the transaction of 20% - 50%. These ranges reflect the data falling between the 25th and 75th percentiles of the observed statistics. The purpose of this analysis was to compare the premium implied by the purchase price pursuant to the

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stock and asset purchase agreement with the premiums paid in the selected transactions. The table below summarizes Perseus' calculations:

Premium Paid versus the:	Metron Financial Statistic	Precedent Premium Range (25th Percentile - 75th Percentile)	Implied Value per Share of Metron	Implied Metron Equity Value
				(millions)
Share Price One Day Prior to Announcement	\$ 2.20	15% - 41%	\$ 2.53 - \$3.10	\$ 41.9 - \$52.0
30-Day Average Share Price Prior to Announcement	\$ 2.46	20% - 50%	\$ 2.95 - \$3.69	\$ 49.2 - \$62.6

As noted above, Perseus calculated that the purchase price pursuant to the stock and asset purchase agreement implied a Metron equity value of \$84.6 million.

No transaction included in the precedent transaction premiums analysis is identical to the transaction. In evaluating the precedent transactions, Perseus made judgments and assumptions with regard to industry performance, general business, economic, market and financial conditions and other matters. Many of these matters are beyond the control of Metron, such as the impact of competition on the business of Metron and the industry in general, industry growth and the absence of any material adverse change in the financial condition and prospects of Metron or the industry or in the financial markets in general which could affect the public trading value of the companies and the aggregate value of the transactions to which they are being compared. Mathematical analysis, such as determining the average or median, or the high or the low, is not in itself a meaningful method of using precedent transaction data.

In connection with the review of the transaction by Metron's Supervisory Board and Managing Board, Perseus performed a variety of financial and comparative analyses for purposes of rendering its opinion. The preparation of a financial opinion is a complex process and is not necessarily susceptible to a partial analysis or summary description. In arriving at its opinion, Perseus considered the results of all of its analyses as a whole and did not attribute any particular weight to any analysis or factor it considered. Perseus believes that selecting any portion of its analyses, without considering all analyses as a whole, would create an incomplete view of the process underlying its analyses and opinion. In addition, Perseus may have given various analyses and factors more or less weight than other analyses and factors, and may have deemed various assumptions more or less probable than other assumptions. As a result, the ranges of valuations resulting from any particular analysis described above should not be taken to be Perseus' view of the actual value of Metron. In performing its analyses, Perseus made numerous assumptions with respect to industry performance, general business and economic conditions and other matters. Many of these assumptions are beyond the control of Metron. Any estimates contained in Perseus' analyses are not necessarily indicative of future results or actual values, which may be significantly more or less favorable than those suggested by such estimates.

Perseus conducted the analyses described above solely as part of its analysis of the fairness of the purchase price from a financial point of view to Metron and in connection with the delivery of its opinion to Metron's Supervisory Board and Managing Board. These analyses do not purport to be appraisals or to reflect the prices at which Metron common shares might actually trade.

The purchase price was determined through arm's-length negotiations between Metron and Applied Materials and was approved by Metron's Supervisory Board and Managing Board. Perseus provided advice to Metron during these negotiations but did not, however, recommend any specific purchase price to Metron or that any specific purchase price constituted the only appropriate purchase price for the transaction.

Perseus' opinion and its presentation to Metron's Supervisory Board and Managing Board was one of many factors taken into consideration by such Boards of Directors in deciding to approve the transaction. Consequently, the analyses as described above should not be viewed as determinative of

the opinion of Metron's Supervisory Board and Managing Board with respect to the purchase price or of whether they would have been willing to agree to a different purchase price.

The Metron Supervisory Board and Managing Board retained Perseus based upon Perseus' qualifications, experience and expertise. Perseus is an internationally recognized investment banking and advisory firm. Perseus, as part of its investment banking and financial advisory business, is continuously engaged in the valuation of businesses and securities in connection with mergers and acquisitions, negotiated underwriting, competitive bidding, secondary distributions of listed and unlisted securities, private placements and valuations for corporate and other purposes. In the future, Perseus may provide financial advisory and/or financing services for Applied Materials. Pursuant to an engagement letter dated June 29, 2004 and executed by Metron on July 6, 2004, Perseus provided financial advisory services and a financial opinion in connection with the transaction, and Metron agreed to pay Perseus a fee of \$625,000 in connection therewith, of which \$425,000 is contingent upon the consummation of the transaction. Metron has also agreed to reimburse Perseus for its expenses incurred in performing its services. In addition, Metron has agreed to indemnify Perseus and its affiliates, their respective directors, officers, agents and employees against certain liabilities and expenses, including certain liabilities under the federal securities laws, related to or arising out of Perseus' engagement and any related transactions.

INTERESTS OF CERTAIN PERSONS

When considering the recommendation of Metron's Managing Board and Supervisory Board, you should be aware that some of Metron's Supervisory Board members, Managing Board members and executive officers have interests in the asset sale, dissolution and related transactions that are different from, or in addition to, those of Metron's shareholders generally. Each of the members of Metron's Managing Board and Supervisory Board was aware of these interests when they approved the stock and asset purchase agreement.

Certain Employment Arrangements with Managing Directors and Executive Officers

After the consummation of the asset sale, Edward D. Segal, Metron's Chief Executive Officer and Managing Director, will become a Senior Advisor regarding the acquired Metron business, Dennis R. Riccio, Metron's President, Chief Operating Officer and Managing Director, will become Head of Field Operations and Sales of the acquired Metron business, Gregory S. Geskovich, Metron's Vice President Fab Solutions Group and Managing Director, will become Head of Fab Solutions Group of the acquired Metron business and Peter Postiglione, Metron's Vice President Fab Solutions Group, will become Head of the Equipment Group of the acquired Metron business. The following table sets forth the salary, bonus and options to acquire Applied Materials common stock that each of the following persons are expected to receive pursuant to their employment agreements with Applied Materials:

Name	Salary	Employee Bonus Incentive Plan Allocation (see plan description below)	Options	Bonus Target for 2005
Edward D. Segal	\$ 316,210.08	\$ 1,800,000	150,000 shares	50% of Salary
Dennis R. Riccio	\$ 305,000.00	\$ 900,000	175,000 shares	50% of Salary
Gregory S. Geskovich	\$ 190,554.24	\$ 430,000	16,000 shares	45% of Salary
Peter Postiglione	\$ 186,409.00	\$ 430,000	16,000 shares	45% of Salary

Accelerated Vesting of Stock Options of Managing Directors, Supervisory Directors and Executive Officers

As of September 30, 2004, the following Managing Directors, Supervisory Directors and Executive Officers of Metron held unvested options to acquire the following number of Metron common shares that become immediately exercisable upon consummation of the asset sale:

Name	Title	Weighted Average Exercise Price	Number of Metron Common Shares	Estimated Range of Net Amount Payable in the Dissolution and Liquidation	
				\$4.70	\$4.79
Robert R. Anderson	Supervisory Director	\$ 3.22	7,813	\$ 11,563	\$ 12,266
Dana C. Ditmore	Supervisory Director	\$ 4.15	15,000	\$ 8,250	\$ 9,600
Joel A. Elftmann	Supervisory Director	\$ 3.22	7,813	\$ 11,563	\$ 12,266
William L. George	Supervisory Director	\$ 4.15	15,000	\$ 8,250	\$ 9,600
Gregory S. Geskovich	Vice President, Fab Solutions Group and Managing Director	\$ 2.53	71,250	\$ 154,613	\$ 161,025
Bruce M. Jaffe	Supervisory Director	\$ 3.22	7,813	\$ 11,563	\$ 12,266
Douglas J. McCutcheon	Senior Vice President, Chief Financial Officer and Managing Director	\$ 1.98	106,250	\$ 289,000	\$ 289,563
Sho Nakanuma	Supervisory Director	\$ 3.22	7,813	\$ 11,563	\$ 12,266
Peter Postiglione	Vice President, Equipment Solutions Group	\$ 3.45	50,000	\$ 62,500	\$ 67,000
Dennis R. Riccio	President, Chief Operating Officer and Managing Director	\$ 2.44	100,157	\$ 226,355	\$ 235,369
Edward D. Segal	Chief Executive Officer and Managing Director	\$ 2.47	106,563	\$ 237,635	\$ 247,226

- (1) The weighted average exercise price and number of shares held by the Managing Directors, Supervisory Directors and executive officers of Metron does not include options held by such Managing Director, Supervisory Director or executive officer of Metron for which the exercise price is above \$4.79 per share.

Employee Bonus Incentive Plan

If the asset sale is completed, Applied Materials would establish an employee bonus incentive plan (the "Employee Bonus Incentive Plan") in an aggregate amount of \$4.8 million to provide an incentive to certain Metron employees whose employment would continue after the closing of the asset sale. No later than five (5) business days prior to the closing, Metron would provide to Applied Materials a proposal with respect to the allocation of \$1,240,000 of the Employee Incentive Plan among participants of the Employee Bonus Incentive Plan (other than Messrs. Segal, Riccio, Geskovich and Postiglione). Applied Materials would make the final determinations regarding the allocation of the \$1,240,000 among certain employees of Metron (other than Messrs. Segal, Riccio, Geskovich and Postiglione) prior to the closing (the "Bonus Amounts"). Subject to certain specified conditions, Applied Materials would advance twenty-five percent (25%) of the Bonus Amounts in accordance with the allocation described above within thirty (30) days after the closing and pay seventy-five percent (75%) of the Bonus Amounts within 30 days after the earlier of: (a) the second anniversary of the closing of if such participant continues to be an employee of Applied Materials or any of its subsidiaries as of such date; or (b) the effective date of a release of claims signed and not revoked by the such participant for the benefit of Applied Materials following the occurrence of an Early Payment

Event. An "Early Payment Event" means: (a) the death or disability (as defined in the Employee Incentive Plan) of such participant, except to the extent cause (as defined in the Employee Incentive Plan) existed prior to participant's death or disability; (b) the date on which such participant's employment with Applied Materials or any of its subsidiaries is terminated by Applied Materials without cause; or (c) the date on which such participant resigns his or her employment with Applied Materials or any of its subsidiaries for Good Reason (as defined in the Employee Incentive Plan). Messrs. Segal, Riccio, Geskovich and Postiglione are eligible to participate in the Employee Bonus Incentive Plan in the amounts of \$1,800,000, \$900,000, \$430,000 and \$430,000, respectively.

As a result of these interests, the members of Metron's Managing Board and Supervisory Board of Metron could be more likely to vote to approve the stock and asset purchase agreement than if they did not hold these interests. Metron's shareholders should consider whether these interests may have influenced the members of Metron's Managing Board and Supervisory Board to support or recommend the asset sale, dissolution and related transactions.

Continuation of Indemnification Obligations

The stock and asset purchase agreement provides that Applied Materials would continue to indemnify and hold harmless, and provide advancement of expenses to, all past and present members of Metron's Managing Board and the Supervisory Board, officers and employees of Metron and each of its subsidiaries to the extent provided by the applicable charter or other organizational documents or contractual arrangements as in effect at the date of the stock and asset purchase agreement, for acts or omissions occurring at or prior to the closing. See the section of this proxy statement entitled "*Proposal 1 Sale of Substantially All of Metron's Assets Indemnification, Exculpation and Insurance.*"

MATERIAL PROVISIONS OF THE STOCK AND ASSET PURCHASE AGREEMENT

The following section of this proxy statement summarizes the material terms of the stock and asset purchase agreement entered into between Metron and Applied Materials on August 16, 2004, and is qualified in its entirety by reference to the stock and asset purchase agreement, the full text of which is attached as Annex A to this proxy statement and is incorporated herein by reference. You should read the stock and asset purchase agreement and the Indemnity Agreement attached to this proxy statement as Annex C carefully and in their entirety for a description of the terms of the asset sale.

Stock and Assets Sold

The stock and asset purchase agreement provides that Applied Materials will purchase all of the business and assets of Metron, including, without limitation, the following assets:

the outstanding shares of Metron's worldwide operating subsidiaries;

Metron's intellectual property;

Metron's rights under any contract relating to Metron's business other than certain retained contracts described below;

Metron's cash and cash equivalents, other than an amount of retained cash described below;

Metron's accounts receivable and other current assets;

Metron's approvals, authorizations, consents, licenses, permits or certificates issued or given by any governmental body, to the extent transferable under applicable law;

Metron's tangible assets, including, but not limited to, Metron's files and records;

Metron's deposits, prepayments and rights to refunds (including without limitation any refunds relating to taxes); and

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Metron's assets, if any, reflected on the unaudited balance sheet of Metron and its subsidiaries as of May 31, 2004, or otherwise used in connection with Metron's business.

Excluded Assets

The stock and asset purchase agreement provides that Metron will retain certain rights and assets in connection with the asset sale, including:

rights of Metron under any contract that: (a) cannot be assigned to Applied Materials without the consent of a third party (and such consent is not obtained prior to the closing); or (b) that Applied Materials has requested Metron amend or terminate prior to closing (and such amendment or termination has not been obtained prior to closing);

the payment of \$84,567,158 (the "Initial Cash Payment") to be paid to Metron by Applied Materials upon the closing of the asset sale;

cash equal to: (a) the aggregate cash payments received by Metron from and after August 16, 2004, and prior to the closing upon the exercise of warrants to purchase capital stock of Metron and options issued under Metron's Amended and Restated Employee Stock Option Plan, Supervisory Directors Stock Option Plan or Supplemental Stock Option Plan (the "Metron's Stock Plans"); plus (b) \$2,000,000 in cash;

certain specified contracts, including those related to Metron's convertible debentures and warrants and certain of Metron's employee benefit plans and certain indemnity agreements related to Metron's agreement to indemnify certain Metron officers;

all cash received by Metron after the closing under Metron's employee stock purchase plan;

Metron's rights under the stock and asset purchase agreement, the Assignment and Assumption Agreement and the Indemnity Agreement;

treasury shares held by Metron; and

Metron's articles of association, by-laws, minute books, corporate seal and other corporate records relating to Metron's corporate organization and capitalization.

Assumed Liabilities

The stock and asset purchase agreement provides that Applied Materials will assume all of the liabilities of Metron as of the closing (other than certain excluded liabilities (as described below)), and including, without limitation:

any liability for United States federal or Netherlands income taxes arising from the closing of the asset sale including any liabilities for corporate income taxes resulting from payments from Applied Materials to Metron pursuant to: (a) any surtax to be imposed by The Netherlands on: (i) payments made by Metron to holders of Metron's stock options, warrants and convertible debentures; and (ii) distributions to Metron's shareholders; and (b) the amount of dividend tax Metron will be obligated to withhold and remit to The Netherlands from such payments and distributions, to the extent that the surtax liability and the withholding obligations arise from the Initial Cash Payment, and not with respect to the distribution of any other payment;

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any liability for sales, use, value added, transfer, recordation, intangible, documentary, stamp or similar taxes or charges applicable to or resulting from, the transfer of certain purchased assets to Applied Materials;

any liability to indemnify the officers and directors of Metron, its subsidiaries for matters arising prior to or as of the closing;
and

any liability under or with respect to any asset purchased by Applied Materials.

Excluded Liabilities

The stock and asset purchase agreement provides that Applied Materials will not assume the following liabilities of Metron:

except to the extent expressly assumed by Applied Materials, and except for the surtax liability and the withholding obligations, any liability of Metron arising or resulting from events occurring after the closing, including without limitation any liability arising in connection with the liquidation of Metron and/or any dividend or other distribution by Metron to its shareholders; *provided, however*, that Applied Materials has agreed to reimburse Metron for reasonable costs and expenses incurred by Metron arising after the closing that are reasonably necessary for the dissolution and liquidation of Metron and the continued existence of Metron through the date of the final liquidation of Metron in an aggregate amount up to \$2,750,000;

any liability under or with respect to any excluded assets including, without limitation, all liabilities under all of Metron's retained contracts; *provided, however*, that the foregoing does not limit Applied Materials' obligations under the Indemnity Agreement;

any liability of Metron arising under the stock and asset purchase agreement or the voting agreements;

all liabilities of Metron's subsidiaries for fees, expenses and costs of legal, accounting, financial or other advisors incurred in connection with or arising from the stock and asset purchase agreement, the asset sale or any of the other transactions contemplated thereby; *provided, however*, that liabilities of Metron's subsidiaries acquired by Applied Materials for fees, expenses and costs of legal, accounting, financial or other advisors arising after the closing would not be Excluded Liabilities;

all liabilities of Metron related to amounts payable in connection with the asset sale related to the liquidation of Metron with respect to options, awards or other rights under Metron's Stock Plans and Metron's employee stock purchase plan (including, without limitation, any liability with respect to taxes required to be paid or withheld in connection with any grant, exercise or acceleration of any option, award or other such right); and

all liabilities of Metron related to or arising from Metron's convertible debentures and/or warrants to purchase capital stock of Metron.

Treatment of Options, Warrants and Debentures

If the asset sale closes, Metron's outstanding options, awards, warrants and convertible debentures would not be assumed by Applied Materials.

As contemplated by the stock and asset purchase agreement, Metron would accelerate all outstanding vested options under its option plans upon the closing of the asset sale. Metron expects to offer option holders the choice of either converting their options into Metron common shares or having their options cashed out by Metron at a price that reflects the amount that would be distributed to holders of Metron common shares following the closing less the exercise price that would be paid by the option holders without the necessity of actually exercising their options.

Holders of Metron's outstanding warrants and convertible debentures would be entitled to receive, following the asset sale, the same consideration such holders would have received if they had exercised or converted such instruments prior to the closing of the asset sale. As of September 30, 2004, Metron's outstanding warrants were exercisable for 1,633,770 Metron common shares and the convertible debentures were convertible into 3,611,107 Metron common shares. Metron may seek to

satisfy Metron's obligations under its convertible debentures prior to the liquidating distributions to Metron shareholders through cash prepayment or redemption of the convertible debentures or cancellation or amendment of the warrants pursuant to arms' length negotiations with the holders of such convertible debentures and warrants on terms that the Managing Board believes would be advantageous or neutral, from a financial point of view, to Metron's shareholders, which could include payments of amounts that would be less than such holders would be entitled to receive if they had converted such debentures or exercised such warrants as of prior to the liquidating distributions.

Purchase Price

Pursuant to the stock and asset purchase agreement, Applied Materials would: (a) pay Metron \$84,567,158; (b) assume the Assumed liabilities; (c) pay to Metron amounts equal to the surtax liability and withholding obligations to the extent that the surtax liability and the withholding obligations arise from the liquidating distributions of all or any portion of: (i) the payment of \$84,567,158 that would be paid to Metron by Applied Materials upon the closing of the asset sale; and (ii) the payment for surtax that would be reimbursed by Applied Materials to Metron and not with respect to the distribution of any other payment; and (iii) reimburse Metron for reasonable costs and expenses incurred by Metron arising after the closing that are reasonably necessary for the dissolution and liquidation of Metron and the continued existence of Metron through the date of the final liquidation of Metron in an aggregate amount up to \$2,750,000.

Expected Timing of the Asset Sale

Metron expects that the asset sale will close as soon as practicable after the necessary shareholder approval has been obtained and all other conditions to the completion of the asset sale contained in the stock and asset purchase agreement have been satisfied or waived. However, because the asset sale is subject to specified conditions, some of which are beyond Metron's control, the exact time of the completion of the asset sale cannot be assured. The stock and asset purchase agreement provides that either party may terminate the stock and asset purchase agreement if the closing of the asset sale has not occurred on or before December 15, 2004; *provided, however*, that if the asset sale shall not have been consummated on or before December 15, 2004, because all waiting periods under applicable antitrust laws have not been terminated or have expired, then such date shall be automatically extended to January 31, 2005. The asset sale is subject to review by antitrust regulatory authorities in China, Germany, Ireland and Israel. As of the date of the mailing of this proxy statement, Ireland and Germany have reviewed the asset sale and have chosen not take action to enjoin the asset sale. Subsequent to the execution of the stock and asset purchase agreement, Metron and Applied Materials agreed that the closing of the asset sale would take place as promptly as possible following, and in any event within two business days, after the date of the Annual Meeting, assuming that Metron's shareholders approve the asset sale, dissolution and related transactions and that the other conditions to closing are satisfied or waived.

Representations and Warranties

Metron has made a number of representations and warranties to Applied Materials in the stock and asset purchase agreement regarding aspects of its business, financial condition, structure, contracts, intellectual property, and other facts pertinent to the asset sale, including, among other things, representations relating to:

Metron's corporate organization and good standing;

Metron's authority to enter into and perform its obligations under the stock and asset purchase agreement;

Metron's capitalization;

the corporate organization and capitalization of Metron's subsidiaries;

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Metron's corporate records;

the absence of conflicts with Metron's existing agreements resulting from the consummation or performance of the stock and asset purchase agreement;

consents required in connection with the consummation of the asset sale;

Metron's ownership of the shares of its worldwide operating subsidiaries;

Metron's filings with the SEC;

the absence of any undisclosed liabilities;

information to be included in this proxy statement;

the absence of certain developments since May 31, 2004;

Metron's taxes;

Metron's real property;

Metron's tangible personal property;

Metron's intellectual property;

Metron's contracts;

Metron's employee benefits plans;

Metron's employees and labor related matters;

litigation;

the compliance by Metron with applicable laws;

Metron's permits;

environmental matters;

Metron's insurance policies;

Metron's inventories, receivables and payables;

related party transactions;

Metron's customers and suppliers;

Metron's banks and bank accounts;

the requisite vote by Metron's shareholders to approve the asset sale;

Metron's financial advisor;

the opinion of Metron's financial advisor;

the sufficiency of Metron's title to certain purchased assets; and

the absence of any untrue statement of material fact or omission in connection with the stock and asset purchase agreement.

Applied Materials has made a number of representations and warranties to Metron in the stock and asset purchase agreement, including, among other things, representations relating to:

Applied Materials' corporate organization and good standing;

Applied Materials' authority to enter into and perform its obligations under the stock and asset purchase agreement;

the absence of conflicts with Applied Materials' existing agreements resulting from the consummation or performance of the stock and asset purchase agreement;

consents required in connection with the consummation of the asset sale;

litigation;

Applied Materials' investment intention; and

Applied Materials' financial advisors.

Non-Survivability of Representations and Warranties

The respective representations and warranties and the pre-closing covenants of Metron and Applied Materials contained in stock and asset purchase agreement or in any instrument delivered pursuant to stock and asset purchase agreement expire with, and terminate and extinguish upon, the effective time of the closing.

Covenants and Agreements

Under the stock and asset purchase agreement, Metron has agreed that, unless Applied Materials otherwise consents in writing, which consent cannot be unreasonably withheld, conditioned or delayed, it will comply with certain restrictions relating to the operation of its business prior to the closing of the asset sale. These restrictions include provisions relating to Metron's agreement to:

conduct Metron's business in the ordinary course of business;

use commercially reasonable efforts to: (a) preserve the present business operations, organization (including, without limitation, management and the sales force) and goodwill of Metron and its subsidiaries; and (b) preserve its present relationship with persons having business dealings with Metron, the purchased companies and their subsidiaries;

maintain all of the assets and properties of Metron and its subsidiaries in their current condition, ordinary wear and tear excepted;

maintain (to the extent available) insurance upon all of the properties and assets of Metron and its subsidiaries in such amounts and of such kinds comparable to that in effect on the date of the stock and asset purchase agreement;

maintain the books, accounts and records of Metron and its subsidiaries in the ordinary course of business;

continue to collect accounts receivable and pay accounts payable in the ordinary course of business utilizing normal procedures and without discounting, deferring or accelerating payment of such accounts except for such actions taken in the ordinary course of business that individually, and in the aggregate, are not material;

use commercially reasonable efforts to comply with all contractual and other obligations applicable to the operation of Metron and its subsidiaries; and

comply in all material respects with applicable laws, including, without limitation, environmental laws.

Except as otherwise expressly permitted by the stock and asset purchase agreement, and except to the extent required by applicable law or the regulations or requirements of any stock exchange or regulatory organization applicable to Metron or its subsidiaries, without the prior written consent of Applied Materials, which consent cannot be unreasonably withheld, conditioned or delayed, Metron has agreed to certain restrictions relating to:

dividends and other distributions;

repurchase, redemption and acquisition of outstanding shares of the capital stock or other securities of, or other ownership interests in, Metron or its subsidiaries;

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transfers, issuances or other dispositions of any shares of capital stock or other securities of Metron or any of its subsidiaries or the grant of options, warrants, calls or other rights acquire shares of the capital stock or other securities of Metron;

recapitalizations, reclassifications, stock splits or like change in the capitalization of Metron or any of its subsidiaries;

amendments to the certificate of incorporation, articles of association, bylaws or other organizational documents of Metron or any of its subsidiaries;

compensation (including equity compensation, whether payable in cash, stock or other property) of employees, directors and consultants of Metron or any of its subsidiaries;

grants of any unusual or extraordinary bonuses, benefits or other direct or indirect compensation to any employee, director or consultant of Metron or any of its subsidiaries;

benefits under Metron's employee benefit plans or arrangements;

entering into employment or similar agreements with a director, officer or employee of Metron or any of its subsidiaries;

borrowing of monies, draw downs on existing lines of credit or debt obligations, and becoming a guarantor, surety, endorser or otherwise liable for any debt, obligation or liability (contingent or otherwise) of any other person;

liens on the properties or assets (whether tangible or intangible) of Metron or any of its subsidiaries;

acquisitions of material properties or assets by Metron or any of its subsidiaries and sales or other dispositions of any of the material properties or assets of Metron or any of its subsidiaries;

the cancellation or compromise of any debt or claim and waivers or releases of any material right of Metron or any of its subsidiaries;

commitments for capital expenditures of Metron or any of its subsidiaries;

entering into, or modifying any labor or collective bargaining agreement of Metron or any of its subsidiaries;

the operation of Metron and its subsidiaries;

entering into contracts which by reason of its size, nature or otherwise are not in the ordinary course of business;

entering into or agreeing to enter into any merger or consolidation with any corporation or other entity, or engaging in any new business or investing in, making a loan, advancing or making a capital contribution to, or otherwise acquiring the securities of any other person;

contract or transaction between Metron on one hand and any of its subsidiaries on the other hand;

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elections relating to taxes, settlements or compromises of any claim, action, suit, litigation, proceeding, arbitration, investigation, audit controversy relating to taxes;

changes to any of its tax or reporting or accounting practices, methods or policies;

agreements which restrain, restrict, limit or impede the ability of Metron or any of its subsidiaries to compete with or conduct any business or line of business in any geographic area;

changing Metron's fiscal year, revaluing any of its assets, changes in financial accounting methods, principles or practices;

commencing or settling any legal proceeding;

entering into any contract that would be a material contract; and

agreeing to do anything prohibited above or anything which would reasonably be expected to result in certain closing conditions not being satisfied.

The covenants in the stock and asset purchase agreement relating to the conduct of Metron's business during the pre-closing period are complicated and not easily summarized. You are urged to carefully read Article VI of the stock and asset purchase agreement attached as Annex A to this proxy statement.

Prior to the closing of the asset sale, Metron has also agreed to give Applied Materials reasonable access to, among other things, Metron's books, records, and work papers related to the assets being transferred, and reasonable access to Metron's personnel and properties.

Metron and Applied Materials agreed to certain additional covenants in the stock and asset purchase agreement, including public disclosure regarding the subject matter of the stock and asset purchase agreement, consents to be obtained in order to transfer certain contracts, preparation of this proxy statement, post-closing tax covenants, and certain contracts required by Applied Materials to be amended or terminated by Metron prior to the closing date.

Limitation on Metron's Ability to Consider Other Acquisition Proposals

Metron has agreed it shall not, nor shall it authorize or permit any of its subsidiaries, any of their respective directors, officers or employees or any investment banker, financial advisor, attorney, accountant or other advisor, agent or representative retained by Metron or any of its subsidiaries to, directly or indirectly through another person:

solicit, initiate or knowingly encourage, or take any other action intended to, or which would reasonably be expected to, facilitate, any inquiries or the making of any proposal that constitutes or is reasonably likely to lead to a Company Takeover Proposal (as defined below); or

participate in any discussions or negotiations regarding, or furnish to any person any information, or otherwise cooperate in any way with, any Company Takeover Proposal.

"Company Takeover Proposal" means any, inquiry, proposal or offer from any person for: (a) a merger, consolidation, dissolution, recapitalization or other business combination involving Metron; (b) the issuance of twenty percent (20%) or more of the equity securities of Metron as consideration for the assets or securities of another Person; or (c) the purchase or acquisition in any manner, directly or indirectly, twenty percent (20%) or more of the equity securities of Metron or assets (including equity securities of any subsidiary of Metron) that represent twenty percent (20%) or more of the total consolidated assets of Metron, in each case other than the transactions contemplated by the stock and asset purchase agreement.

However, if Metron receives an unsolicited Company Takeover Proposal that constitutes or is reasonably likely to result in a Company Superior Proposal (as defined below), Metron may in the exercise of its fiduciary duties and subject to certain restrictions: (a) furnish information with respect to Metron and its subsidiaries to the person making such Company Takeover Proposal; and (b) participate in discussions or negotiations with the person making such Company Takeover Proposal.

"Company Superior Proposal" means any bona fide offer made by a third party that if consummated would result in such person (or its shareholders) owning, directly or indirectly, all or substantially all of the Metron common shares then outstanding (or of the surviving entity in a merger or the direct or indirect parent of the surviving entity in a merger) or all or substantially all of the total consolidated assets of Metron, which the Supervisory Board of Metron determines in good faith (after

consultation with a financial advisor of nationally recognized reputation) to be: (a) more favorable to Metron's shareholders from a financial point of view than the asset sale to Applied Materials (taking into account all the terms and conditions of such proposal and the stock and asset purchase agreement (including any changes to the financial terms of the stock and asset purchase agreement proposed by Applied Materials in response to such offer or otherwise)); and (b) reasonably capable of being completed, taking into account all financial, legal, regulatory and other aspects of such proposal.

Metron has also agreed that, except as described below, Metron's Managing Board and the Supervisory Board will not:

withdraw or modify its recommendation in favor of Proposal 1;

recommend, adopt or approve any Company Takeover Proposal;

approve or recommend, or allow Metron or any of its subsidiaries to execute or enter into any agreement constituting or related to a Company Takeover Proposal.

However, under certain circumstances Metron's Managing Board and the Supervisory Board may change their recommendations in favor of Proposals 1, 2 and 3 if it is necessary to do so in order to comply with their fiduciary duties to Metron's shareholders, employees or other stakeholders of Metron under applicable Law.

Indemnification, Exculpation and Insurance

Applied Materials would cause the purchased companies and their subsidiaries to, indemnify and hold harmless, and provide advancement of expenses to, all past and present directors, officers and employees of Metron and each of its subsidiaries to the extent provided by the applicable charter or other organizational documents as in effect at the date of the stock and asset purchase agreement, for acts or omissions occurring at or prior to the closing in their capacities as such, with references to Metron thereafter deemed to refer to Applied Materials; *provided, however,* that neither Applied Materials nor any of the purchased companies or their subsidiaries shall have any obligation to indemnify any individual person with respect to any matter constituting: (a) a breach of the stock and asset purchase agreement or any of the related agreements by such Person; (b) criminal conduct by such person; (c) a material violation of any national, state or foreign securities laws by such person; (d) bad faith conduct or a breach of any applicable duty of loyalty by such person; or (e) any other matter in respect of which indemnification would not be permitted for such person under applicable law.

Conditions to Closing

Metron's and Applied Materials' obligations to complete the asset sale are subject to the fulfillment (or waiver) of the following conditions:

the requisite approval of Proposals 1, 2 and 3 by Metron's shareholders shall have been obtained;

all filings required to be made shall have been made and all waiting periods (and any extension thereof) applicable to the asset sale under applicable antitrust law shall have been terminated or shall have expired; and

there shall not be in effect any order by a governmental body of competent jurisdiction restraining, enjoining or otherwise prohibiting the consummation of the transactions contemplated hereby.

Applied Materials' obligation to consummate the transactions contemplated by the stock and asset purchase agreement is subject to the fulfillment, on or prior to the date of closing, of each of the

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following conditions (any or all of which may be waived by Applied Materials in whole or in part to the extent permitted by applicable law):

the representations and warranties of Metron contained in the stock and asset purchase agreement must be true and correct, as of the date of closing as though made on such date except as would not reasonably be expected to result in a material adverse effect on Metron or its subsidiaries purchased by Applied Materials;

Metron shall have performed and complied in all material respects with all obligations and covenants required by the stock and asset purchase agreement to be performed or complied with by it on or prior to the date of closing;

there shall not have been or occurred any event or condition that would reasonably be expected to have a material adverse effect on Metron or its subsidiaries purchased by Applied Materials;

no legal proceeding shall be pending (or, in the case of legal proceedings in which a governmental body is, or is threatened to become, a party, threatened) against Applied Materials, Metron or any of its subsidiaries, and no legal proceeding in which any resulting liability would be an Assumed Liability shall be pending (or, in the case of legal proceedings in which a governmental body is, or is threatened to become, a party, threatened) against Metron, that in any case seeks to restrain or prohibit, or obtain substantial damages with respect to, the transactions contemplated by the stock and asset purchase agreement, in each case except for any legal proceeding commenced by a supplier of Metron;

the non-competition agreements executed and delivered by Messrs. Segal, Riccio, Postiglione and Greskovich at the time of signing the stock and asset purchase agreement shall be in full force and effect;

Metron shall have provided Applied Materials with evidence, reasonably satisfactory to Applied Materials, as to the termination of certain specified employee benefit plans of Metron in accordance with the terms of the stock and asset purchase agreement;

none of Messrs. Segal, Riccio, Postiglione or Greskovich shall have ceased to be employed by the purchased companies, or shall have directly expressed an intention to terminate his employment with the purchased companies. None of such individuals shall have withdrawn or otherwise terminated or directly expressed any intention to withdraw or otherwise terminate the offers of employment with Applied Materials which they accepted at the time of signing the stock and asset purchase agreement;

Metron shall have met certain cash, debt and working capital targets, including cash balances of at least \$13.0 million, working capital of at least \$52.5 million and debt (excluding convertible debentures) of less than \$23.0 million, which are subject to certain adjustments based on formulas and under the circumstances set forth in the agreement; and

other customary closing conditions.

The closing conditions in the stock and asset purchase agreement are not easily summarized. In particular, the condition related to cash, debt and working capital targets is complicated and was negotiated in depth by Metron and Applied Materials. For example, if the closing were to have occurred on September 30, 2004, Metron would have satisfied the closing condition concerning cash, debt and working capital targets; Metron's cash balance was \$12.2 million, Metron's working capital was \$58.4 million and Metron's debt was \$22.0 million. While Metron would have met the working capital and debt targets as of September 30, 2004, Metron was under the cash balance requirement by \$0.8 million. However the stock and asset purchase agreement provides that, in the event that Metron falls short of the cash, debt and working capital targets, the closing condition relating to the cash, debt and working capital targets would still be satisfied if the sum of the shortfall of each of the targets is

less than \$1.0 million. If the closing occurred on September 30, 2004, Metron's shortfall of the cash, debt and working capital targets would be \$0.8 million, and thus the closing condition relating to cash, debt and working capital would have been met. You are urged to carefully read Article VII of the stock and asset purchase agreement attached as Annex A to this proxy statement.

Metron's obligation to consummate the transactions contemplated by the stock and asset purchase agreement is subject to the fulfillment, on or prior to the date of closing, of each of the following conditions (any or all of which may be waived by Metron in whole or in part to the extent permitted by applicable law):

the representations and warranties of Applied Materials contained in the stock and asset purchase agreement must be true and correct as of the date of closing as though made on such date except as would not reasonably be expected to have a material adverse effect on Applied Materials' ability to consummate the transactions contemplated by the stock and asset purchase agreement;

Applied Materials shall have performed and complied in all material respects with all obligations and covenants required by the stock and asset purchase agreement to be performed or complied with by Applied Materials on or prior to the date of closing;

no legal proceedings shall be pending (or, in the case of legal proceedings in which a governmental body is, or is threatened to become, a party, threatened) against Metron that would reasonably be anticipated to: (i) materially delay the post-closing liquidation of Metron and the distribution of its assets to its shareholders as contemplated by the stock and asset purchase agreement; or (ii) result in substantial damages with respect to the consummation of the transactions contemplated by the stock and asset purchase agreement (other than damages that would be an Assumed Liability or that Applied Materials otherwise agrees to assume); and

other customary closing conditions.

Termination

The stock and asset purchase agreement may be terminated prior to the closing as follows:

by mutual written consent of Metron and Applied Materials;

by either Metron or Applied Materials:

if the asset sale shall not have been consummated on or before December 15, 2004; provided, however, that: (a) if the asset sale shall not have been consummated on or before such date because the closing condition requiring that all waiting periods under applicable antitrust laws shall have been terminated or expired has not been satisfied or waived, then such date shall be automatically extended to January 31, 2005; and (b) the right to terminate the stock and asset purchase agreement hereunder shall not be available to any party whose action or failure to act has been a principal cause of or resulted in the failure of the asset sale to be consummated on or before such date;

if any order restraining, enjoining or otherwise prohibiting the consummation of the transactions contemplated by this stock and asset purchase agreement shall be in effect and shall have become final and nonappealable; or

if the requisite approval by Metron's shareholders of the asset sale has not been obtained at the Annual Meeting duly convened therefor or at any adjournment or postponement thereof;

by Applied Materials, if Metron has breached or failed to perform any of its representations, warranties, covenants or agreements set forth in the stock and asset purchase agreement, which

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breach or failure to perform: (a) would give rise to the failure of Metron to have met the closing conditions relating to its representations and warranties and covenants; and (b) is incapable of being cured, or is not cured, by Metron within sixty (60) calendar days following receipt of written notice of such breach or failure to perform from Applied Materials;

by Metron, if Applied Materials has breached or failed to perform any of its representations, warranties, covenants or agreements set forth in the stock and asset purchase agreement, which breach or failure to perform: (a) would give rise to the failure of Applied Materials to have met the closing conditions relating to its representations and warranties and covenants; and (b) is incapable of being cured, or is not cured, by Applied Materials within sixty (60) calendar days following receipt of written notice of such breach or failure to perform from Metron; or

by Applied Materials, in the event that: (a) a Company Adverse Recommendation Change has occurred; or (b) Metron's Managing Board, Supervisory Board or any committee thereof has failed to publicly confirm their recommendation and declaration of advisability of the stock and asset purchase agreement and the asset sale within five (5) business days after a written request by Applied Materials that it do so.

If the stock and asset purchase agreement is terminated as provided therein, Metron and Applied Materials would each be relieved of its duties and obligations arising under the stock and asset purchase agreement after the date of such termination, and such termination would be without liability to Metron or Applied Materials, except that provisions of the stock and asset purchase agreement regarding confidentiality and expenses, among others, would survive such termination, provided, however, that such termination would not relieve either party of any liability for a willful, knowing or intentional breach of the stock and asset purchase agreement.

MATERIAL INCOME TAX CONSEQUENCES TO U.S. HOLDERS OF METRON COMMON SHARES

The asset sale will have no material U.S. federal income tax consequences to the U.S. Holders or Netherlands income tax consequences to shareholders not residing in the Netherlands.

ACCOUNTING TREATMENT

If the asset sale is approved by Metron's shareholders as described in this proxy statement, Metron will record the asset sale in accordance with accounting principles generally accepted in the United States. Upon the completion of the asset sale, Metron will recognize a financial reporting gain, if any, equal to the net proceeds (the sum of the purchase price received less the expenses relating to the asset sale) less the net book value of the assets purchased.

REGULATORY MATTERS; HART-SCOTT-RODINO ACT AND ANTITRUST

There are no material United States federal or state regulatory approvals required for completion of the asset sale. The asset sale is, however, subject to review by regulatory authorities in China, Germany, Ireland and Israel. Both Metron and Applied Materials have made filings, as required by these foreign regulatory authorities. Under these regulations, the asset sale cannot be consummated until the applicable approvals or expiration or termination of any applicable waiting periods have been made or expired or terminated.

Although the specific rules and regulations vary by jurisdiction, each of the non-United States jurisdictions has the right to review the materials submitted to it, to request additional materials and to initiate a more thorough investigation, which could result in preventing the closing of the transaction or delaying its closing for a period of weeks or months. Metron and Applied Materials could seek to resolve any such foreign competition law concerns by means of a negotiated settlement, which could significantly affect the timing of the closing of the transaction and result in significant structural

changes to the transaction, or could face future legal challenge in these countries resulting in judgments with significant structural changes imposed on the transaction.

At any time before or after the completion of the asset sale, notwithstanding that the applicable waiting periods have ended or approval has been granted, any country, including the United States, could take action to enjoin the asset sale under the antitrust laws as it deems necessary or desirable in the public interest or any private party could seek to enjoin the asset sale on anti-competitive grounds. Metron cannot be sure that a challenge to the asset sale will not be made or that, if a challenge is made, that Metron will prevail.

As of the date of the mailing of this proxy statement, Ireland and Germany have reviewed the asset sale and have chosen not take action to enjoin the asset sale.

DUTCH CORPORATE GOVERNANCE CODE

The Dutch Corporate Governance Code, also known as the "Code Tabaksblat" named after Morris Tabaksblat, former CEO of Unilever and president of the Dutch Corporate Governance Committee, is effective as per the financial year beginning on or after January 1, 2004. Recently the Dutch minister of Finance confirmed that the Code Tabaksblat applies to all listed Dutch entities regardless of where such company is listed. Accordingly, the Code Tabaksblat officially applies to Metron Technology NV as per the 1st of June 2004.

It is recommended by the Code Tabaksblat that all listed Dutch companies include a chapter in their annual report regarding such company's plan to implement and comply with the Code Tabaksblat and discuss problems, if any, such company expects to encounter regarding such compliance. Metron does not intend to implement the Code Tabaksblat as Metron expects that it will be dissolved and liquidated.

INDEMNITY AGREEMENT

The following description of the Indemnity Agreement contained in this proxy statement is qualified in its entirety by reference to the form of Indemnity Agreement, the full text of which is attached to this proxy statement as Annex C and is incorporated herein by reference.

Pursuant to the terms of the stock and asset purchase agreement, Applied Materials has the right to request that Metron seek to amend or terminate certain specified contracts of Metron prior to closing. In addition, certain of Metron's contracts require the consent of a third party in order to effectuate the transfer of such contracts to Applied Materials. If Applied Materials requests that Metron seek to amend or terminate a particular contract and such contract is not amended or terminated prior to closing, or the third party has not consented to an assignment of such contract to Applied Materials, then such contracts would be excluded assets. Accordingly Metron would retain all assets and liabilities associated with such contracts unless and until such amendment, termination or consent is obtained. Under the Indemnity Agreement, Applied Materials has agreed to defend, indemnify and hold Metron and certain other parties affiliated with Metron harmless from and against any and all liabilities, fees, costs or expenses of any nature arising under, resulting from or relating to any contract not assumed by Applied Materials other than contracts related to Metron's convertible debentures and warrants, and Metron's stock option plans and employee stock purchase plan.

VOTING AGREEMENTS

The following description of the Voting Agreements contained in this proxy statement is qualified in its entirety by reference to the form of Voting Agreement, the full text of which is attached to this proxy statement as Annex D and is incorporated herein by reference. Metron urges you to read the form of Voting Agreement carefully and in its entirety.

In connection with the execution of the stock and asset purchase agreement, each of Robert R. Anderson, Dana Ditmore, Joel A. Elftmann, Entegris, Inc., a Minnesota corporation, FSI International, Inc., a Minnesota corporation, William George, Greg Geskovich, Bruce M. Jaffe, Douglas J. McCutcheon, Sho Nakanuma, Dennis R. Riccio, Edward D. Segal and Segal Investments LP executed voting agreements with and delivered proxies to Applied Materials. These Voting Agreements covered an aggregate of 3,266,189 shares (representing approximately 25.45% of the then outstanding common shares) and 1,061,419 options exercisable within 60 days of August 16, 2004 (representing aggregate beneficial ownership of 31.15%). Subsequently, questions were raised regarding the application of the SEC's proxy rules to the request for and delivery of the Voting Agreements and proxies, and Applied Materials terminated the Voting Agreements and proxies from the six members of Metron's Supervisory Board (covering 84,237 shares and 95,002 options exercisable within 60 days of September 30, 2004 and representing an aggregate of 0.66% of the outstanding common shares and an aggregate beneficial ownership of 1.4% as of September 30, 2004). The currently effective Voting Agreements and proxies cover 3,181,952 shares (representing 24.77% of the outstanding common shares as of September 30, 2004), and 999,230 options (representing aggregate beneficial ownership of 30.20% as of September 30, 2004).

Under the Voting Agreements, these Metron shareholders agreed to vote their Metron common shares or other securities and any newly acquired shares or other securities:

in favor of the adoption and approval of the stock and asset purchase agreement, the asset sale and the other actions contemplated by the stock and asset purchase agreement and any matter in furtherance of the foregoing; and

against: (a) any Company Takeover Proposal made by any person other than Applied Materials, without regard to any recommendation from Metron's Managing Board or the Supervisory Board to shareholders concerning such Company Takeover Proposal, and without regard to the terms of such Company Takeover Proposal; (b) any agreement, amendment of any agreement (including Metron's Articles of Association or other organizational documents), or any other action that is intended or could reasonably be expected to prevent, impede, interfere with, delay, postpone, or discourage the asset sale and any of the other transactions contemplated by the stock and asset purchase agreement, and (c) any action, agreement, transaction or proposal that would result in a material breach of any representation, warranty, covenant, agreement or other obligation of Metron, the purchased companies or their subsidiaries in the stock and asset purchase agreement.

Each of these shareholders also agreed not to, without the prior written consent of Applied Materials (except as may be specifically required by order or applicable law), directly or indirectly, sell, offer to sell, give, pledge, encumber, assign, grant any option for the sale of or otherwise transfer or dispose of, or enter into any agreement, arrangement or understanding to sell, any of its shares other than to its affiliates.

Furthermore, each of these shareholders agreed not to, directly or indirectly, disclose to any person other than authorized officers, directors and employees of Applied Materials or Metron or use or otherwise exploit for his or its own benefit or for the benefit of anyone other than Applied Materials or Metron, any Confidential Information (as defined below). "Confidential Information" means any confidential information (whether or not in writing) with respect to the stock and asset purchase agreement, any of the transactions contemplated thereby, and Metron, the purchased companies or their subsidiaries or information of any third party which Metron, the purchased companies or their subsidiaries is under an obligation to keep confidential that is maintained by Metron as confidential.

In addition, the Voting Agreements further restrict each of the shareholder's ability to solicit or participate in any proposals or discussions which could lead to a Company Takeover Proposal.

The Voting Agreements terminate upon the earlier of the consummation of the asset sale or the valid termination of the stock and asset purchase agreement.

NON-COMPETITION AGREEMENTS

Contemporaneously with the execution and delivery of the stock and asset purchase agreement, Messrs. Segal, Riccio, Postiglione and Geskovich entered into non-competition agreements with Applied Materials whereby each such key employee agreed, subject to the closing of the asset sale, not to compete with Applied Materials worldwide in any business activity competitive with Metron's current business without the prior written consent of Applied Materials until the earlier of: (a) two years following the closing; or (b) one year following the termination of such employee's employment with Applied Materials. The non-competition agreements also provide that such key employee may not directly or indirectly: (i) solicit or divert any business, clients or customers away from Applied Materials, any of its subsidiaries or any joint venture of Applied Materials; or (ii) induce customers, clients, suppliers or other persons doing business with Applied Materials, any of its subsidiaries or any joint venture of Applied Materials to reduce or alter any such association or business with Applied Materials, any of its subsidiaries or any joint venture of Applied Materials. The form of non-competition agreements are attached to this proxy statement as Annex E, F, G and H, and you are urged to read them in their entirety.

REQUIRED VOTE

The affirmative vote of two-thirds of the valid votes cast at the Annual Meeting either in person or by proxy or any adjournment or postponement thereof, which two-thirds represents more than half of the issued share capital of Metron, is required to approve this Proposal 1.

AFTER CAREFUL CONSIDERATION, EACH OF METRON'S MANAGING BOARD AND SUPERVISORY BOARD HAS UNANIMOUSLY DETERMINED AFTER TAKING INTO ACCOUNT THE INTERESTS OF METRON'S SHAREHOLDERS, EMPLOYEES AND OTHER STAKEHOLDERS OF METRON THAT THE ASSET SALE IS REASONABLE, PROPER AND ADVISABLE AND IS FAIR TO, AND IN THE BEST INTEREST OF, METRON AND ITS SHAREHOLDERS, EMPLOYEES AND OTHER STAKEHOLDERS. ACCORDINGLY, METRON'S BOARDS RECOMMEND THAT METRON'S SHAREHOLDERS VOTE FOR PROPOSAL 1.

SHAREHOLDERS WHO VOTE TO APPROVE PROPOSAL 1 SHOULD ALSO VOTE TO APPROVE PROPOSALS 2 AND 3. IF THE ASSET SALE TO APPLIED MATERIALS IS COMPLETED, METRON HAS AGREED TO WIND UP ITS AFFAIRS AS PROMPTLY AS PRACTICABLE FOLLOWING THE CLOSING OF THE ASSET SALE, DISTRIBUTE ITS REMAINING ASSETS TO METRON'S SHAREHOLDERS AND CHANGE METRON'S NAME. ACCORDINGLY, APPROVAL OF PROPOSALS 2 AND 3 ARE CONDITIONS TO THE CONSUMMATION OF THE ASSET SALE TO APPLIED MATERIALS.

SHAREHOLDERS WHO VOTE TO APPROVE PROPOSAL 2 SHOULD ALSO VOTE TO APPROVE PROPOSAL 1. METRON WILL NOT CONSUMMATE THE DISSOLUTION AND LIQUIDATION OF METRON IF THE ASSET SALE TO APPLIED MATERIALS IS NOT APPROVED. ACCORDINGLY, APPROVAL OF PROPOSAL 1 IS A CONDITION TO THE CONSUMMATION OF THE DISSOLUTION AND LIQUIDATION OF METRON.

SHAREHOLDERS WHO VOTE TO APPROVE PROPOSAL 3 SHOULD ALSO VOTE TO APPROVE PROPOSAL 1. METRON WILL NOT AMEND METRON'S ARTICLES OF ASSOCIATION IF THE ASSET SALE TO APPLIED MATERIALS IS NOT APPROVED. ACCORDINGLY, APPROVAL OF PROPOSAL 1 IS A CONDITION TO THE AMENDMENT OF METRON'S ARTICLES OF ASSOCIATION.

PROPOSAL 2

DISSOLUTION AND LIQUIDATION OF METRON

At the Annual Meeting, Metron shareholders will be asked to approve the dissolution and liquidation of Metron immediately following the closing of the asset sale to Applied Materials.

DISSOLUTION AND LIQUIDATION OF METRON

General Description of the Dissolution and Liquidation of Metron

If Proposals 1, 2 and 3 are approved by Metron shareholders, Metron would be in dissolution as of immediately following the closing of the asset sale. Metron's liquidators would file a notice of the liquidation for entry in the trade register in The Netherlands. While in liquidation, Metron and its corporate bodies, other than Metron's Managing Board, would continue to exist to the extent required for the purpose of liquidating Metron's assets and liabilities. Under Dutch law, as of Metron's dissolution, Metron would no longer have or be required to have a managing board. When Metron signs documents or issues announcements, Metron would add the words "in liquidatie" to its name. The provisions in Metron's Articles of Association regarding the members of Metron's Managing Board (including their appointment) would apply to Metron's liquidators. The liquidators would have the same powers, duties and liabilities as a member of Metron's Managing Board, to the extent that these are consistent with their duties as liquidators.

The liquidators would prepare accounts showing the amount and composition of the surplus ("liquidation accounts") and a plan of distribution. These documents would be available for public inspection and Metron would publish a notice in a newspaper stating where and until what date the documents would be available for inspection. Within two months after the date of the public notice creditors or other entitled parties may file with the court an opposition to Metron's liquidation. The liquidators shall place any cash funds not disposed of within six months after the last set date on which the same became due and payable in a deposit for judicial consignments. The liquidators would also select a custodian to keep the books and records of Metron for seven years, as required by Dutch law. Metron's existence would end on the date the liquidation is completed.

Metron estimates that the total amount of distributions to shareholders in connection with the asset sale and the subsequent liquidation and dissolution of Metron would be in the range of approximately \$4.70 to approximately \$4.79 per share, excluding the effect of tax withholding requirements that apply differently to each shareholder, as discussed in the section of this proxy statement entitled "*Proposal 2 Dissolution and Liquidation of Metron Material U.S. Federal Income Tax Consequences to U.S. Holders of Metron Common Shares*" and "*Proposal 2 Dissolution and Liquidation of Metron Certain Netherlands Tax Considerations For Shareholders Not Residing In The Netherlands.*" The range of the per share price distribution to shareholders depends on a number of factors, including the legal and accounting costs to complete the transaction, the costs of operations during the liquidation period, the cost of D&O insurance for Metron's directors and officers during the liquidation and beyond, other related costs involved in the wind down and liquidation of Metron and whether Metron is successful in negotiating a cash prepayment or redemption of the convertible debentures for an amount less than the holders the convertible debentures would be entitled to receive if such holders converted their debentures into Metron common shares. The expenses of Metron to complete the asset sale and dissolution and liquidation of Metron are currently estimated to be

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between \$4.95 million and \$6.35 million. The following table sets forth the estimated range of costs associated with the completion of the asset sale and dissolution and liquidation of Metron:

Estimated Costs	Amount
	(in millions)
Legal and accounting fees relating to the asset sale (net of advance)	\$ 2.20 - \$2.95
Investment banking fees (net of prepayment)	\$ 0.45
Costs of operations during the liquidation process	\$ 0.60 - \$0.80
D&O Insurance	\$ 0.80
Legal, accounting and liquidator fees related to the liquidation	\$ 0.90 - \$1.35
Total	\$ 4.95 - \$6.35

Metron would receive \$84,567,158 from Applied Materials in the asset sale and would retain \$2.0 million in cash at the closing of the asset sale, all of which would be available to satisfy Metron's liabilities and, after satisfaction of such liabilities, for distribution to Metron shareholders. In addition, Metron is entitled to be reimbursed by Applied Materials for up to \$2.75 million for certain costs and expenses. If Metron is successful in negotiating a cash prepayment or redemption of the convertible debentures for an amount less than the holders of the convertible debentures would be entitled to receive if such holders converted the debentures into Metron common shares, the aggregate amount of cash available for distribution to Metron shareholders would be reduced, but the effect of the reduction in the number of Metron common shares outstanding upon the liquidation of Metron would have the effect of increasing the aggregate per share amount of the liquidating distributions to Metron shareholders.

Assuming a total of \$4.95 million in currently estimated costs associated with the completion of the asset sale and dissolution and liquidation of Metron, which implies that Metron would be entitled to be reimbursed by Applied Materials for \$2.3 million of such costs, and no prepayment or redemption of the convertible debentures, the cash available to be distributed to shareholders in the liquidating distributions would be approximately \$83.92 million. There are expected to be approximately 17,662,544 Metron shares outstanding upon the liquidation (assuming the conversion of Metron's convertible debentures and the exercise of all warrants the net exercise of all exercised options to purchase Metron common shares with an exercise price less than \$4.79 per share). Based upon the foregoing assumptions, the aggregate cash distribution to Metron shareholders in the liquidating distributions would be approximately \$4.75 per share.

Assuming a total of \$6.35 million in currently estimated costs associated with the completion of the asset sale and dissolution and liquidation of Metron, which implies that Metron would be entitled to be reimbursed by Applied Materials for \$2.75 million of such costs, and no prepayment or redemption of the convertible debentures, the cash available to be distributed to shareholders in the liquidating distributions would be approximately \$82.97 million. The resulting aggregate cash distributions to shareholders of Metron would be approximately \$4.70 per share. If the expenses exceed \$6.35 million, then the cash distribution to Metron shareholders would be less than \$4.70 per share.

The following table sets forth the estimated aggregate per share distribution to shareholders based on Metron's currently estimated range of costs associated with the completion of the asset sale and dissolution and liquidation of Metron:

Cost of completion of the asset sale and dissolution and liquidation of Metron (in millions)	Aggregate amount available for distribution to Metron shareholders (in millions)	Estimated aggregate per share distribution to Metron shareholders
\$4.95	\$83.92	\$4.75
\$6.35	\$82.97	\$4.70

The Company currently has outstanding convertible debentures which are convertible into 3,611,106 shares of Metron common shares. If Metron is successful in negotiating a cash prepayment or

redemption of the convertible debentures for an amount less than the holders of the convertible debentures would be entitled to receive if such holders converted the debentures into Metron common shares at the closing of the asset sale, then the aggregate per share distribution amount to be made to Metron shareholders in the liquidating distributions could increase. The following table sets forth for illustrative purposes the estimated distribution amount to Metron shareholders in the liquidating distributions based on a 3% discount in the cash prepayment or redemption amounts of the convertible debentures (assuming the cost of completion of the asset sale to be \$4.95 million). However, the actual discount may be more or less than this amount.

	Assuming debenture holders accept a 3% discount
Equivalent per share amount paid to debenture holders	\$ 4.61
Aggregate amount paid to debenture holders (in millions)	\$ 16.64
Aggregate amount available for distribution to Metron shareholders (in millions)	\$ 67.28
Remaining Metron common shares	14,051,438
Estimated aggregate per share distribution to Metron shareholders	\$ 4.79

Metron's management currently believes that the aggregate cash distributions to shareholders will be within the range of \$4.70 to \$4.79 per share, with the upper end of this range significantly dependent on the final terms of any prepayment or redemption of the convertible debentures.

Metron's Supervisory Board and Managing Board have not established a timetable for any distributions to its shareholders if the asset sale, dissolution and related transactions are approved. Metron is unable at this time to predict the precise amount and timing of any distributions. The amount and timing of the above-described distributions are dependent upon a variety of factors, including the timing of winding up Metron's business and dissolving and the factors discussed above. In the event that Metron's liabilities exceed current estimates or unanticipated issues arise in connection with the satisfaction of Metron's liabilities, the liquidating distribution to Metron's shareholders would be less than currently estimated and may be made later than currently anticipated. See the section of this proxy statement entitled "*Risk Factors Related to Proposals 1, 2 and 3.*"

In addition, those option holders of Metron who elect to have their options cashed out in lieu of exercising them (as discussed in the section of this proxy statement entitled "*Proposal 1 Sale of Substantially All of Metron's Assets Material Provisions of the Stock and Asset Purchase Agreement Treatment of Options, Warrants and Debentures*"), would also receive an initial payment.

Please note that Metron has not included pro forma financial information giving effect to the asset sale because Metron believes such financial information would not provide useful or otherwise meaningful information to Metron's shareholders.

Future Conduct of Metron; Satisfaction of Liabilities

After the closing of the asset sale, Metron would continue to exist as a public company traded on Nasdaq and would continue to be required to comply with the applicable reporting requirements of the Securities Exchange Act of 1934 and Nasdaq listing standards, and expects to incur costs and expenses as a continuing entity until such time as the liquidation is completed. Metron would also incur liabilities following the asset sale in connection with its compliance with post-closing covenants of the stock and asset purchase agreement and the process of winding up its business, liquidating and dissolving. Moreover, as described above in the section of this proxy statement entitled "*Proposal 1 Sale of Substantially All of Metron's Assets Material Provisions of the Stock and Asset Purchase Agreement Excluded Liabilities*," Metron would be retaining certain liabilities following the asset sale.

Metron expects to maintain a minimum number of employees, and may pay to its officers, directors, employees and agents, or any of them, compensation for services rendered to Metron prior to

Metron's final dissolution and liquidation. Metron would continue to indemnify its officers, directors, employees and agents in accordance with its Articles of Association and contractual obligations. Metron may obtain and maintain insurance to provide for such indemnification. The approval of Proposal 2 by Metron's shareholders would constitute approval of the payment of any such compensation.

Following the closing of the asset sale, the filing and announcement of a notice of liquidation and the initial liquidation distribution described above, the liquidators would cause Metron to pay, or provide for the payment of, its remaining liabilities and obligations to the extent possible and then transfer any surplus assets of Metron to its shareholders and other persons entitled thereto, if any, subject to compliance with applicable law.

Liquidating Distributions

Before Metron may make liquidation distributions to its shareholders, Metron must either satisfy or make arrangements for the satisfaction of Metron's liabilities. Under the stock and asset purchase agreement, Applied Materials would, with certain exceptions, assume all of Metron's liabilities. Metron's liquidators would satisfy or make arrangements to satisfy Metron's remaining liabilities. It is likely that Metron would not be able to make a final distribution to its shareholders until its Dutch tax liabilities are determined, notwithstanding the fact that Applied Materials would be assuming certain of those liabilities and reimbursing Metron for others in connection with the asset sale. Although Metron's Supervisory Board and Managing Board have not established a timetable for any possible liquidating distributions to its shareholders, Metron expects, subject to contingencies inherent in winding-up Metron's business, that it would be approximately six months following the closing of the asset sale before Metron's tax and other liabilities are resolved.

Closing of Stock Transfer Books; Cessation of Trading of Metron Common Shares

Metron intends to close its stock transfer books and discontinue recording transfers of Metron common shares on the earlier of the close of business on the date fixed for the final liquidating distribution or such other date on which Metron's Supervisory Board determines, in accordance with applicable law, to close such stock transfer books. After such date, Metron common shares can only be transferred by a deed executed in front of a civil law notary residing in The Netherlands, and certificates representing Metron common shares would not be assignable or transferable on the books of Metron except by will, intestate succession or operation of law. After the stock transfer books are closed, Metron would not issue any new stock certificates other than replacement certificates. It is also anticipated that no further trading of Metron common shares would occur on or after such date.

Appointment of Liquidators

In approving the dissolution and liquidation of Metron, Metron's shareholders would also be approving the appointment of Peter Verloop and Charles Roffey as Metron's liquidators and approving their authority to select a custodian for Metron's books and records, the remuneration paid to them and to the Supervisory Directors supervising the liquidation. Mr. Roffey would also act as the principal executive officer and principal financial officer of Metron following the closing of the asset sale. Metron would pay Mr. Verloop at an hourly rate of EUR 200 based on time spent and would indemnify him in connection with his position as a liquidator of Metron. Metron would pay Mr. Roffey a monthly fee of the euro equivalent of \$10,000 for the first month of service and \$6,300 for each subsequent month of service, and would indemnify him in connection with his position as a liquidator of Metron. In addition, Metron would pay to Mr. Roffey a completion bonus in the amount of the euro equivalent of (i) \$30,000 if the liquidation of Metron is completed within 180 days of the closing of the asset sale, (ii) \$10,000 if the liquidation is completed within 181 to 240 days of the closing of the asset sale or (iii) \$5,000 if the liquidation is completed after 240 days of the closing of the asset sale. The approval of Proposal 2 by Metron's shareholders would constitute approval of such payments and indemnification.

Mr. Verloop graduated from Leiden University in 1959 and attended INSEAD at Fontainebleau, France. Mr. Verloop became a partner with NautaDutilh N.V. in 1969. Mr. Verloop specializes in mergers and acquisitions. During his career with NautaDutilh, Mr. Verloop was a substitute-judge in the Court of Appeal in Arnhem and wrote many articles on securitization, leveraged buy outs and splitting up of a company into viable and non-viable funds. Mr. Verloop retired from NautaDutilh in January 2003, and has since been involved as investigator in inquiries for the Enterprise Section of the Court of Appeal in Amsterdam into affairs of companies that are unaffiliated with Metron.

Mr. Roffey graduated from Southampton in July 1983 with a second class, grade one qualification. Mr. Roffey joined Metron in July 1995, following the acquisition of Transpacific Technology by Metron. Mr. Roffey was promoted to Corporate Controller in 1998 and remained an employee of Metron until June 2004.

MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES TO U.S. HOLDERS OF METRON COMMON SHARES

The discussion set forth below is a summary of certain U.S. federal income tax considerations that may be relevant to a U.S. Holder (as defined below) in connection with the dissolution and liquidation of Metron. This discussion is based on the provisions of the Internal Revenue Code of 1986, as amended (the "Code"), final, temporary and proposed Treasury regulations thereunder, and administrative and judicial interpretations thereof, all as in effect on the date hereof and all of which are subject to change (possibly on a retroactive basis).

This summary does not purport to address all of the U.S. federal income tax consequences that may be applicable to holders of Metron common shares. Tax consequences which are different from or in addition to those described herein may apply to a shareholder who is subject to special treatment under the U.S. federal income tax laws, such as a foreign individual or entity, tax-exempt organization, financial institution, insurance company, broker-dealer, a shareholder who holds its shares as part of a hedge, straddle, wash sale, synthetic security, conversion transaction, or other integrated investment comprised of shares and one or more other investments, and a shareholder who acquired shares in a compensatory transaction. This discussion does not address foreign, state or local tax considerations that may apply to U.S. Holders and Non-U.S. Holders except as expressly stated herein. See the section of this proxy statement entitled "*Proposal 2 Dissolution and Liquidation of Metron Certain Netherlands Tax Considerations*" for a discussion of certain Netherlands tax considerations that may be relevant to U.S. Holders and Non-U.S. Holders.

In addition, this discussion only addresses the tax consequences of the transaction for holders who hold their Metron common shares as capital assets within the meaning of Section 1221 of the Code. As used herein, the term "U.S. Holder" means a beneficial owner of Metron common shares who is for U.S. federal income tax purposes (i) a citizen or individual resident of the United States, (ii) a corporation (or other entity treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States or of any political subdivision thereof, (iii) an estate the income of which is subject to U.S. federal income taxation regardless of its source, or (iv) a trust if both: (A) a United States court is able to exercise primary supervision over the administration of the trust, and (B) one or more United States persons have the authority to control all substantial decisions of the trust. This discussion does not consider the tax treatment of holders that are partnerships or other pass-through entities or persons who hold Metron ordinary shares through a partnership or other pass-through entity. As used herein, the term "Non-U.S. Holder" means a beneficial owner of Metron common shares that is not a U.S. Holder.

THIS DISCUSSION IS NOT A SUBSTITUTE FOR AN INDIVIDUAL ANALYSIS OF THE TAX CONSEQUENCES OF THE TRANSACTION TO A SHAREHOLDER. EACH SHAREHOLDER SHOULD CONSULT A TAX ADVISER REGARDING THE PARTICULAR FEDERAL, FOREIGN, STATE AND LOCAL TAX CONSEQUENCES OF THE TRANSACTION IN LIGHT OF SUCH SHAREHOLDER'S OWN SITUATION.

Tax Consequences of the Liquidation

Subject to the discussions below relating to 10% shareholders of Metron and PFICs (as defined below), the liquidation of Metron will be treated as a taxable sale in which U.S. Holders surrender their Metron common shares in exchange for liquidating distributions. A U.S. Holder's gain or loss and holding period must be determined separately for each Metron common share. The gain or loss recognized with respect to each share will equal: (a) the aggregate of the liquidating distributions received with respect to such share (without reduction for Netherlands dividend withholding tax); minus (b) its adjusted tax basis. A U.S. Holder must apply all liquidating distributions to recover adjusted tax basis first, before reporting gain or loss. If a share was held for more than one year at the time of the first liquidating distribution, the gain or loss on that share will be a long-term capital gain or capital loss. Long-term capital gains recognized by U.S. Holders who are individuals and certain non-corporate entities should be subject to U.S. federal income tax at a maximum marginal rate of 15%. Corporations should be subject to U.S. federal income tax on their capital gains at a maximum marginal rate of 35%.

Liquidating distributions received by U.S. Holders will be subject to Netherlands dividend withholding tax (see the section of this proxy statement entitled "*Proposal 2 Dissolution and Liquidation of Metron Certain Netherlands Tax Considerations*" below). A U.S. Holder may claim an income tax deduction or a credit (subject to a number of limitations) for Netherlands dividend withholding tax deducted from liquidating distributions received by the U.S. Holder. The credit is calculated separately for different categories of income and may be claimed only against U.S. federal income tax imposed on income from foreign sources. Gain or loss realized by a U.S. Holder from the sale of Metron common shares generally will be treated as a passive income or loss from U.S. sources. As a consequence, a U.S. Holder will be unable to claim a credit for Netherlands dividend withholding tax unless the U.S. Holder has foreign source income in the appropriate foreign tax credit category. Foreign taxes that may not be claimed as a credit in the year they are deducted from a U.S. Holders' distribution may be carried back two years and forward five years and claimed as a credit in those years subject to the same limitations discussed above.

Ten Percent Shareholders

Under Code Section 1248, gain recognized by a U.S. person from the sale of stock in a foreign corporation (and a liquidation treated as a taxable sale) is recharacterized as dividend income if, immediately before the sale or at some time during the five year period ending on the date of the sale (the "Five Year Period"): (a) the U.S. person owned (directly, indirectly or constructively) at least 10% of the foreign corporation's voting stock (a "10% Shareholder"); and (b) the foreign corporation was then a controlled foreign corporation ("CFC"). A foreign corporation is a CFC if its 10% Shareholders own (directly, indirectly or constructively), stock representing more than 50% of the voting power of the corporation's stock or, more than 50% of the total value of the corporation's stock. Metron was a CFC commencing on the day five years before the anticipated closing (the first day of the Five Year Period) and ending in its fiscal year ending May 31, 2001. Accordingly, U.S. Holders who were 10% Shareholders of Metron during this period ("10% Metron Shareholders") may be required to recharacterize a portion of their gain as dividend income.

The amount of a 10% Metron Shareholder's Section 1248 dividend will equal the lesser of (i) gain recognized from the sale of Metron common shares (determined in the same manner as gain or loss is determined for other U.S. Holders), or (ii) the earnings and profits ("E&P") of Metron (and its foreign subsidiaries) attributable to the shares sold by the 10% Metron Shareholder. For the purpose of calculating a 10% Metron Shareholder's gain, the adjusted basis of its Metron common shares will include the amount of Metron's undistributed E&P the 10% Metron Shareholder was required to include in its gross income under the rules governing CFCs. The limitation of the Section 1248 dividend to Metron's E&P allocable to the shares sold will apply only if a 10% Metron Shareholder can establish the amount of Metron's E&P allocable to the stock sold. Metron intends to determine the E&P allocable to each share of stock within the Five Year Period when Metron was a CFC and provide

that information to 10% Metron Shareholders to allow them to determine the amount of any gain they must recharacterize as a Section 1248 dividend. Gain recharacterized as a Section 1248 dividend should qualify for taxation at the capital gains tax rates that apply to capital gains realized by other U.S. Holders.

A 10% Metron Shareholder may also claim an income tax deduction or a credit against its federal income tax for Netherlands dividend withholding tax deducted from liquidating distributions made to it, subject to the same limitations that apply to other U.S. Holders. However, while capital gain realized by a U.S. Holder from the sale of its Metron common shares will generally be treated as passive gain from U.S. sources, all (in the case of corporate 10% Metron Shareholders) or a portion (in the case of individual and certain non-corporate shareholders) of the Section 1248 dividend, due to the application of the foreign tax credit limitation rules applicable to dividends taxed at capital gains rates, will be treated as income from foreign sources. As a consequence, a 10% Metron Shareholder may be able to offset federal income tax imposed on its Section 1248 dividend with a credit for The Netherlands dividend withholding tax deducted from the liquidating distributions it receives. In addition to the credit for Netherlands dividend withholding tax, 10% Metron Shareholders who are corporations will be allowed, subject to certain limitations, a credit for Netherlands income taxes paid by Metron out of the E&P that gave rise to its Section 1248 dividend. The rules applicable to Section 1248 dividends and foreign tax credits are extremely complex. Accordingly, 10% Metron Shareholders are urged to consult their own tax advisers concerning the application of these rules to their particular circumstances.

Passive Foreign Investment Companies

A foreign corporation is a passive foreign investment company ("PFIC") if in any taxable year either: (a) 75 percent or more of its gross income consists of passive income; or (b) 50 percent or more of the value of its assets is attributable to assets that produce, or are held for the production of, passive income. Subject to certain limited exceptions, if a foreign corporation meets the income test or the asset test in a particular year, shares of the corporation held by a U.S. person in that year (and shares acquired from the exercise of warrants held in that year) are treated as shares of a PFIC, even if the corporation fails to meet either test in a subsequent year. A U.S. person holding shares of the corporation in that year will not however, be treated as holding shares of a PFIC if the U.S. person: (i) made a timely election to treat the foreign corporation as a "qualified electing fund" ("QEF"), (ii) made a timely election to mark its shares to market; or (iii) was a 10% Shareholder in the foreign corporation when the foreign corporation was a CFC and when the asset test or income test was met, and such test was met in a taxable year of the corporation beginning after December 31, 1997.

Under the PFIC regime, federal income tax on a U.S. person's gain from the sale of its PFIC shares is calculated by allocating the gain ratably to each year the U.S. person held the PFIC shares. Gain allocated to years preceding the year in which the foreign corporation became a PFIC and to the year of disposition is treated as gain arising in the year of disposition and taxed as ordinary income. Gain allocated to all other years (the "PFIC Years") is taxed at the highest ordinary income tax rate in effect for each of those years. Interest for the late payment of tax is calculated and added to the tax due for each of the PFIC Years, as if the tax was due and payable with the tax return that was filed for that year.

A U.S. person may avoid taxation under the PFIC regime by making a timely QEF election. An electing U.S. person is required to annually include in gross income, its pro rata share of the PFIC's ordinary income and net capital gains, (the source of which is uncertain due to a lack of guidance from the IRS). The U.S. person's basis in the PFIC shares is increased by the amount of such gross income inclusions. Gain realized from the sale of PFIC shares covered by a QEF election is taxed at capital gain tax rates. A U.S. person is eligible to make a QEF election, only if the foreign corporation agrees to provide the U.S. person, the information necessary to administer the QEF rules. A QEF election is timely if it is made by the due date of the U.S. person's tax return for the first taxable year in which the U.S. person held shares of the foreign corporation and which includes the close of the foreign

corporation's taxable year for which it met the PFIC income or asset test. The QEF election is made on IRS Form 8621.

A U.S. person may also avoid taxation under the PFIC regime by timely making a mark-to-market election. The mark-to-market regime is available solely to U.S. persons whose PFIC shares are included in a class of stock that is publicly traded. An electing U.S. person must include in gross income, an increase in the value of its PFIC shares during the year, or deduct a decrease in the value of its PFIC shares during the year. Amounts included in gross income or deducted by an electing U.S. person are treated as ordinary income and deductions from U.S. sources. Deductions for any year are limited to the amount by which the income inclusions of prior years exceed the income deductions of prior years. A mark-to-market election is timely if it is made by the due date of the U.S. person's tax return for the first taxable year in which the U.S. person held shares of the foreign corporation and the foreign corporation met the PFIC income or asset test. A mark-to-market election is made on IRS Form 8621.

Metron believes that it has not met the income test or the asset test in a prior year and therefore that it was not a PFIC in a prior year. Nevertheless, because the determination is an annual determination and is based in part upon the relative values of Metron's passive assets (such as cash and investments) and its non-passive assets (such as goodwill), the values of which may change significantly throughout each year, the possibility exists that Metron may have been a PFIC in a prior year. In particular, Metron has not made any fair market value determination for its assets for years prior to becoming a publicly traded company.

The asset sale may generate passive income that results in Metron's passive income exceeding 75 percent of its gross income for its fiscal year beginning June 1, 2004. If Metron is a PFIC for its fiscal year beginning June 1, 2004, it will notify U.S. Holders that it is a PFIC and make available the information necessary for a U.S. Holder to make a QEF election. Metron expects that substantially all of its income for the current year that must be included in the gross income of a U.S. Holder who makes a QEF election, would be capital gain income. Because amounts which are included in gross income pursuant to a QEF election increase a U.S. Holder's basis in its shares, such a U.S. Holder may realize a capital loss on its receipt of liquidating distributions. A U.S. Holder may be required to file an amended return for the 2004 calendar year in order to reflect the effect of a QEF election filed with its 2005 tax return.

The PFIC rules are very complex and could, if they apply, have significant, adverse effects on the taxation of gain realized by a U.S. Holder from the sale of its Metron common shares. Accordingly, U.S. Holders are strongly urged to consult their own tax advisers concerning the application of these rules to their particular circumstance.

Backup Withholding

Metron shareholders may be subject, under certain circumstances, to backup withholding with respect to the liquidating distributions received from Metron. In general, the liquidating distributions will be subject to backup withholding only if the payments are made through a U.S. office of a broker or other agent of Metron. Backup withholding will apply to these payments if:

a shareholder fails to furnish a social security or other taxpayer identification number in the manner required by the applicable tax regulations;

a shareholder furnishes an incorrect taxpayer identification number;

Metron is notified by the IRS that a shareholder is subject to backup withholding; or

a shareholder fails, under certain circumstances, to provide a certified statement, signed under penalty of perjury, that the taxpayer identification number provided is the shareholder's correct taxpayer identification number and that the shareholder is not subject to backup withholding.

Any amount withheld from a payment to a shareholder under the backup withholding rules is allowable as a refundable credit against the shareholder's U.S. federal income tax liability, provided

that the required information is timely furnished to the IRS. The backup withholding rate is 28%. Certain shareholders are not subject to back-up withholding, including, among others, a corporation, and a Non-U.S. Holder who has certified its foreign status on properly executed IRS forms or has otherwise established an exemption (provided that neither Metron nor its agent has actual knowledge that the Non-U.S. Holder is a U.S. shareholder or that the conditions of any other exemption are not in fact satisfied).

CERTAIN NETHERLANDS TAX CONSIDERATIONS FOR SHAREHOLDERS NOT RESIDING IN THE NETHERLANDS

The following is a summary of certain Netherlands tax considerations that may be relevant to shareholders not residing in The Netherlands. This summary does not purport to describe all possible tax consequences that may be relevant to such shareholders. Specifically, it is not intended for shareholders which have an actual or deemed substantial interest (statutorily defined term) in Metron. Generally speaking, a shareholder holds a substantial interest in Metron if such shareholder, alone or together with his or her partner (statutory defined term) or certain other related persons, directly or indirectly, holds (i) an interest of 5 per cent or more of the total issued capital of Metron or of 5 per cent or more of the issued capital of a certain class of shares of Metron, (ii) rights to acquire, directly or indirectly, such interest or (iii) certain profit sharing rights in Metron.

Shareholders should consult with their tax advisors with regard to the specific tax consequences of the dissolution and liquidation of Metron applicable to them.

Except as otherwise indicated, this summary only addresses The Netherlands tax legislation, as in effect and in force at the date hereof, as interpreted in published case law, without prejudice to any amendments introduced at a later date and implemented with or without retroactive effect.

Surtax

Liquidating distributions made by Metron will have Netherlands tax consequences for Metron, its U.S. Holders and Non-U.S. Holders. To the extent liquidating distributions exceed the aggregate paid-up capital of Metron's common shares that is recognized for Netherlands tax purposes, the distributions will be treated as dividends. The Netherlands may levy a corporate surtax of 20% on excessive dividends distributed by Metron to its shareholders. Dividend distributions are, inter alia, considered excessive to the extent the total dividends distributed during a calendar year exceed 4% of Metron's market capitalization at the beginning of that calendar year. The surtax liability for Metron will be proportionally reduced to the extent excess dividends are distributed to Qualifying Shareholders. A Qualifying Shareholder is a shareholder that has owned stock representing 5% or more of Metron's paid up share capital on each day of the three year period immediately preceding the date of the dividend distribution and who is a resident of the European Union, the Netherlands Antilles, Aruba or a country that has an income tax treaty with the Netherlands (which includes the United States and most developed countries).

As part of the purchase price, Applied Materials will pay Metron an amount equal to the surtax, to the extent surtax is imposed on liquidating distributions of all or any portion of (i) the \$84,567,158 paid to Metron by Applied Materials upon the closing of the asset sale, and (ii) the payments for surtax and dividend withholding tax (discussed below) received by Metron. Prior to the liquidating distributions, Applied Materials will pay Metron an amount equal to its estimated surtax liability. Once the actual surtax due to The Netherlands has been determined, the payments made by Applied Materials to Metron shall be adjusted to equal the actual surtax liability.

Notwithstanding the foregoing, the recently published Netherlands Tax Bill 2005 proposes to abolish the surtax as of January 1, 2005, which is one year earlier than planned. If Metron does not make any liquidation distributions prior to January 1, 2005 and the proposed legislation is enacted as of January 1, 2005, the above referenced surtax would no longer apply.

Dividend Withholding Tax

To the extent liquidating distributions are treated as dividends by The Netherlands (see the discussion regarding surtax liability above), they will be subject to Netherlands dividend withholding tax at a rate of 25% or such lower rate as may be specified by an applicable income tax treaty. Metron dividends that are paid out of amounts that have been subject to surtax will be exempt from Netherlands dividend withholding tax if such dividends are paid to residents of the European Union, the Netherlands Antilles, Aruba or a country that has an income tax treaty with The Netherlands (which includes the United States). U.S. Holders and Non-U.S. Holders who are residents of a country that has an income tax treaty with The Netherlands will be eligible to claim a reduced rate of withholding or a refund of Netherlands dividend withholding tax.

To obtain a reduced rate of withholding, U.S. Holders who are individuals and certain entities will be required to provide us with a properly-executed Form IB 92 USA (or acceptable substitute form) certifying the U.S. Holder's entitlement to treaty benefits prior to the liquidating distributions. U.S. Holders who fail to provide us with the required form prior to the liquidating distributions may seek a refund from the Netherlands tax authorities for any dividend withholding tax that is levied in excess of 15%. U.S. Holders that are corporations owning stock representing more than 10% of the voting rights in Metron at the time of a liquidating distribution are entitled to a reduced dividend withholding tax rate of 5%. A claim for a reduced rate of withholding or a claim for a refund of dividend withholding tax levied in excess of 5% can be obtained in the form of a written general request provided to us or to the Netherlands tax authorities. No specific form is required, but the request must contain (i) the name, place of residence and address of the company (the "US company"); (ii) the total voting rights held by all shareholders in Metron, (iii) the voting rights held by the US company directly in Metron and (iv) a statement that the US company meets the requirements of article 26 of the US-Netherlands tax treaty (the limitation on benefits article of the treaty). The forms or requests for refunds must be filed with The Netherlands competent authority within a period of 3 years after the expiration of the calendar year in which the tax was withheld. Certain specific rules apply for tax exempt pension funds and certain other tax exempt institutions that wish to claim a reduced rate of withholding or a refund of dividend withholding tax. For U.S. Holders who are individual and certain entities a Form IB 92 USA is enclosed in this proxy statement as Annex M. Residents of the European Union, the Netherlands Antilles, Aruba or a country that has an income tax treaty with The Netherlands (other than the United States) may request a tax form by contacting Metron at 408-719-4611 or writing to Belastingdienst Centrum voor facilitaire dienstverlening, Afdeling Logistiek reprografisch centrum (postal address: Postbus 1314, 7301 BN Apeldoorn, The Netherlands). **NETHERLANDS DIVIDEND WITHHOLDING TAX WILL BE WITHHELD AT THE MAXIMUM RATE OF 25% FROM LIQUIDATING DISTRIBUTIONS MADE TO U.S. HOLDERS AND NON-U.S. HOLDERS WHO DO NOT HAVE A PROPERLY-EXECUTED TAX FORM ON FILE WITH METRON PRIOR TO THE LIQUIDATING DISTRIBUTIONS. IF YOU QUALIFY FOR A REDUCED RATE OF WITHHOLDING WE URGE YOU TO SUBMIT YOUR TAX FORM TO US AS SOON AS POSSIBLE.**

Prior to Metron making the liquidating distributions to its shareholders, Applied Materials will pay Metron an amount estimated to equal the Netherlands dividend withholding tax that will be deducted from the distribution of all or any portion of (i) the \$84,567,158 paid to Metron by Applied Materials upon the closing of the asset sale, and (ii) the surtax payments received by Metron. Due to the manner in which the withholding tax payment is calculated, it is likely that the amount of the withholding tax payment received from Applied Materials will be slightly less than the actual Netherlands dividend withholding tax imposed on Metron shareholders.

THE FOREGOING DISCUSSION IS NOT TAX ADVICE. ACCORDINGLY, EACH SHAREHOLDER SHOULD CONSULT A TAX ADVISOR AS TO THE PARTICULAR TAX CONSEQUENCES TO SUCH SHAREHOLDER OF THE TRANSACTION, INCLUDING THE APPLICABILITY AND EFFECT OF ANY FOREIGN, STATE OR LOCAL TAX LAWS AND ANY RECENT OR PROSPECTIVE CHANGES IN APPLICABLE TAX LAWS.

REQUIRED VOTE

The affirmative vote of two-thirds of the valid votes cast at the Annual Meeting either in person or by proxy or any adjournment or postponement thereof, which two-thirds represents more than half of the issued share capital of Metron, is required to approve this Proposal 2.

AFTER CAREFUL CONSIDERATION, EACH OF METRON'S MANAGING BOARD AND SUPERVISORY BOARD HAS UNANIMOUSLY DETERMINED AFTER TAKING INTO ACCOUNT THE INTERESTS OF METRON'S SHAREHOLDERS, EMPLOYEES AND OTHER STAKEHOLDERS OF METRON THAT THE DISSOLUTION AND LIQUIDATION OF METRON ARE REASONABLE, PROPER AND ADVISABLE AND ARE FAIR TO, AND IN THE BEST INTEREST OF, METRON AND ITS SHAREHOLDERS, EMPLOYEES AND OTHER STAKEHOLDERS. ACCORDINGLY, METRON'S BOARDS RECOMMEND THAT METRON'S SHAREHOLDERS VOTE FOR PROPOSAL 2.

SHAREHOLDERS WHO VOTE TO APPROVE PROPOSAL 1 SHOULD ALSO VOTE TO APPROVE PROPOSALS 2 AND 3. IF THE ASSET SALE TO APPLIED MATERIALS IS COMPLETED, METRON HAS AGREED TO WIND UP ITS AFFAIRS AS PROMPTLY AS PRACTICABLE FOLLOWING THE CLOSING OF THE ASSET SALE, DISTRIBUTE ITS REMAINING ASSETS TO METRON'S SHAREHOLDERS AND CHANGE METRON'S NAME. ACCORDINGLY, APPROVAL OF PROPOSALS 2 AND 3 ARE CONDITIONS TO THE CONSUMMATION OF THE ASSET SALE TO APPLIED MATERIALS.

SHAREHOLDERS WHO VOTE TO APPROVE PROPOSAL 2 SHOULD ALSO VOTE TO APPROVE PROPOSAL 1. METRON WILL NOT CONSUMMATE THE DISSOLUTION AND LIQUIDATION OF METRON IF THE ASSET SALE TO APPLIED MATERIALS IS NOT APPROVED. ACCORDINGLY, APPROVAL OF PROPOSAL 1 IS A CONDITION TO THE CONSUMMATION OF THE DISSOLUTION AND LIQUIDATION OF METRON.

SHAREHOLDERS WHO VOTE TO APPROVE PROPOSAL 3 SHOULD ALSO VOTE TO APPROVE PROPOSAL 1. METRON WILL NOT AMEND METRON'S ARTICLES OF ASSOCIATION IF THE ASSET SALE TO APPLIED MATERIALS IS NOT APPROVED. ACCORDINGLY, APPROVAL OF PROPOSAL 1 IS A CONDITION TO THE AMENDMENT OF METRON'S ARTICLES OF ASSOCIATION.

PROPOSAL 3

AMENDMENT TO METRON'S ARTICLES OF ASSOCIATION

At the Annual Meeting, Metron's shareholders will be asked to approve the amendment of the Articles of Association of Metron to: (a) change the name of Metron to "Nortem N.V." in connection with the asset sale; and (b) remove from the Articles of Association provisions that are no longer included in The Netherlands Civil Code, and to designate each of Metron's Managing Directors and each junior civil law notary working with NautaDutilh to apply for the declaration referred to in article 2:125 of The Netherlands Civil Code, and to have the deed of amendment executed.

Pursuant to the terms of the stock and asset purchase agreement, Metron has agreed to change its name to a name not including the word "Metron," effective as of the closing of the asset sale. If the asset sale is consummated, Metron would amend its Articles of Association for the purpose of changing Metron's name to "Nortem N.V." In addition, to comply with two recent changes to The Netherlands Civil Code, Metron would amend its Articles of Association to remove the age limit for supervisory directors and remove the provisions in Metron's Articles of Association regarding automatic discharge from liability for the members of Metron's Managing Board and Supervisory Board upon the adoption of the annual accounts of Metron.

A copy of the draft deed of amendment which would effect these changes is attached as Annex I to this proxy statement. Metron intends to file the deed of amendment as soon as practicable after shareholder approval is obtained and the deed of amendment is executed, subject to the consummation of the asset sale to Applied Materials. In the event that the asset sale to Applied Materials is not consummated, each of Metron's Managing Board and the Supervisory Board has reserved the right to abandon the amendment or modify it to retain the name "Metron Technology N.V."

The name change will not affect the validity of currently outstanding share certificates. Metron's current shareholders will not be required to surrender or exchange any share certificates that they now hold and should not send such certificates to Metron or its transfer agent for exchange.

REQUIRED VOTE

The affirmative vote of two-thirds of the valid votes cast at the Annual Meeting either in person or by proxy or any adjournment or postponement thereof, which two-thirds represents more than half of the issued share capital of Metron, is required to approve this Proposal 3.

AFTER CAREFUL CONSIDERATION, EACH OF METRON'S MANAGING BOARD AND SUPERVISORY BOARD HAS UNANIMOUSLY DETERMINED AFTER TAKING INTO ACCOUNT THE INTERESTS OF METRON'S SHAREHOLDERS, EMPLOYEES AND OTHER STAKEHOLDERS OF METRON THAT THE AMENDMENT OF METRON'S ARTICLES OF ASSOCIATION IS REASONABLE, PROPER AND ADVISABLE AND IS FAIR TO, AND IN THE BEST INTEREST OF, METRON AND ITS SHAREHOLDERS, EMPLOYEES AND OTHER STAKEHOLDERS. ACCORDINGLY, METRON'S BOARDS RECOMMEND THAT METRON'S SHAREHOLDERS VOTE FOR PROPOSAL 3.

SHAREHOLDERS WHO VOTE TO APPROVE PROPOSAL 1 SHOULD ALSO VOTE TO APPROVE PROPOSALS 2 AND 3. IF THE ASSET SALE TO APPLIED MATERIALS IS COMPLETED, METRON HAS AGREED TO WIND UP ITS AFFAIRS AS PROMPTLY AS PRACTICABLE FOLLOWING THE CLOSING OF THE ASSET SALE, DISTRIBUTE ITS REMAINING ASSETS TO METRON'S SHAREHOLDERS AND CHANGE METRON'S NAME. ACCORDINGLY, APPROVAL OF PROPOSALS 2 AND 3 ARE CONDITIONS TO THE CONSUMMATION OF THE ASSET SALE TO APPLIED MATERIALS.

SHAREHOLDERS WHO VOTE TO APPROVE PROPOSAL 2 SHOULD ALSO VOTE TO APPROVE PROPOSAL 1. METRON WILL NOT CONSUMMATE THE DISSOLUTION AND LIQUIDATION OF METRON IF THE ASSET SALE TO APPLIED MATERIALS IS NOT APPROVED. ACCORDINGLY, APPROVAL OF PROPOSAL 1 IS A CONDITION TO THE CONSUMMATION OF THE DISSOLUTION AND LIQUIDATION OF METRON.

SHAREHOLDERS WHO VOTE TO APPROVE PROPOSAL 3 SHOULD ALSO VOTE TO APPROVE PROPOSAL 1. METRON WILL NOT AMEND METRON'S ARTICLES OF ASSOCIATION IF THE ASSET SALE TO APPLIED MATERIALS IS NOT APPROVED. ACCORDINGLY, APPROVAL OF PROPOSAL 1 IS A CONDITION TO THE AMENDMENT OF METRON'S ARTICLES OF ASSOCIATION.

PROPOSAL 4**ELECTION OF SUPERVISORY DIRECTORS**

There are five (5) nominees for the five (5) Supervisory Board positions presently authorized by the Supervisory Board and Metron's Articles of Association. Each supervisory director to be elected will hold office until the next annual general meeting of shareholders and until his successor is elected and has qualified, or until such director's earlier death, resignation or removal. Each nominee listed below is currently a supervisory director of Metron and was elected by Metron's shareholders. See "*Duties of Metron Management*" for a discussion of the duties of the Supervisory Board.

Supervisory directors are elected by a majority of the votes present in person or represented by proxy and entitled to vote, provided that the votes represent more than half of the issued share capital of Metron. Shares represented by executed proxies will be voted, if authority to do so is not withheld, for the election of the five nominees named below. In the event that any nominee should be unavailable for election as a result of an unexpected occurrence, such shares will be voted for the election of such substitute nominee as the Supervisory Board may propose. Each person nominated for election has agreed to serve if elected, and the Supervisory Board has no reason to believe that any nominee will be unable to serve.

**THE SUPERVISORY BOARD RECOMMENDS A VOTE
FOR EACH NAMED NOMINEE.**

NOMINEES

The names of the nominees and certain information about them as of May 31, 2004 is set forth below:

Name	Age	Position
Robert R. Anderson	66	Supervisory Director
Dana C. Ditmore	63	Supervisory Director
Joel A. Elftmann	64	Supervisory Director
William L. George	61	Supervisory Director
Bruce M. Jaffe	60	Supervisory Director

Robert R. Anderson has been a supervisory director of Metron since November 1995. From October 1998 through October 2000, Mr. Anderson was Chairman of the Board and, from October 1998 through April 2000, Chief Executive Officer of Yield Dynamics, Inc., (YDI) a semiconductor yield management software company. Mr. Anderson was Chairman of the Board of Silicon Valley Research, a semiconductor design automation software company, from January 1994 and served as Chief Executive Officer from April 1994 until July 1995 and from December 1996 until October 1997 and as Chief Financial Officer from September 1994 to November 1995. Mr. Anderson co-founded KLA Instruments Corporation, now KLA-Tencor Corporation, a supplier of equipment for semiconductor process control, in 1975 and, until his retirement in 1994, served in various capacities including Chief Operating Officer, Chief Financial Officer, Vice Chairman and Chairman. Mr. Anderson also serves as a director of MKS Instruments, Inc., a manufacturer of systems components for the semiconductor industry, Trikon Technologies, Inc., a manufacturer of semiconductor process equipment, and AEHR Test Systems, Inc., a manufacturer of semiconductor test and burn-in equipment.

Dana C. Ditmore, has been a supervisory director of Metron since October 2003. Following his retirement from Applied Materials in 1997, has served as President of Oak Valley Consulting, Inc., which specializes in senior executive coaching and mentoring in business and operations management and capital equipment sales and service. From 2000 through 2002, Mr. Ditmore served as President and

Chief Operating Officer of Tru-Si Technologies, Inc., with the responsibility to transition the company from the product development of its semiconductor capital equipment to a manufacturing and service organization. Between 1998 and 2000, Mr. Ditmore served as Vice President and General Manager for Lam Research, Inc. for its Customer Support Business Group. Mr. Ditmore was employed with Applied Materials from 1979 and served as its President of North America between 1992 and 1995, with global responsibility for capital equipment systems and service business for all customer companies headquartered in North America. Prior to this position, from 1982, Mr. Ditmore served as Vice President & General Manager for Applied Materials Customer Service Division, with worldwide responsibility for service business and operations. Mr. Ditmore held various senior positions with General Electric for 17 years prior to his employment with Applied Materials. Mr. Ditmore received his Bachelor's and Master's Degrees in Mechanical Engineering from the University of California at Berkeley. Mr. Ditmore graduated from General Electric Advanced Engineering Training Program, and has served as Chairman of the National Society of Professional Engineers for its Santa Clara Valley Chapter. Additionally, Mr. Ditmore had served as Chairman of the Industry Advisory Council for San Jose State University College of Engineering.

Joel A. Elftmann, a co-founder of Metron, has been a supervisory director of Metron since November 1995 and was a managing director from October 1975 until November 1995. He currently serves as President of Custom Fab Solutions LLC, a custom manufacturer of components and sub assemblies for industry. Mr. Elftmann was previously the Chairman of the Board of FSI International, Inc., a principal and a large minority shareholder of Metron. Mr. Elftmann was a co-founder of FSI and served as a director of FSI from 1973 until January 2002. During that period he served at various times as President, Chief Executive Officer and Chairman of the Board. Mr. Elftmann also serves as a director of Veeco, Inc. Mr. Elftmann is a Director Emeritus and past Chairman of the Board of Directors of Semiconductor Equipment & Materials International, a trade association for suppliers to the semiconductor industry.

William L. George, has been a supervisory director of Metron since October 2003. Since 1999, has served as the Vice President of worldwide manufacturing operations and order fulfillment for ON Semiconductor where he oversees technology development, manufacturing, quality and reliability and order fulfillment operations at Metron's facilities in the United States, China, Czech Republic, Slovakia, Japan, Philippines and Malaysia. From 1968 to 1999, Mr. George was employed by Motorola where his assignments included various positions in engineering, research and manufacturing. In 1996, Mr. George was appointed Corporate Vice President and Director of Manufacturing of the Motorola Semiconductor Products Sector, with responsibility for directing investment and operational strategy for Motorola's worldwide semiconductor manufacturing operations. In 1992, Mr. George was appointed Corporate Vice President and Director of Manufacturing for Motorola's Semiconductor Components Group, where he headed the worldwide manufacturing operations of the group, including fabrication and final manufacturing plants in Asia, Europe and the Americas. Mr. George received his Bachelor's Degree in Metallurgical Engineering in 1964 from the University of Oklahoma and earned a Ph.D. in Materials Science from Purdue University in 1968. He has authored ten papers on electronic materials and devices and has been granted seven patents on semiconductor devices. In 1996, Purdue recognized Mr. George as a "Distinguished Engineering Alumnus."

Bruce M. Jaffe has been a supervisory director of Metron since November 2000. Mr. Jaffe is currently the Chief Financial Officer and Vice President of LogicVision, Inc., San Jose, CA. LogicVision is a provider of software tools used in the design and manufacture of complex semiconductors. He has been a director of Pemstar, Inc., a Minnesota-based global contract electronics manufacturer, since August 2000. Mr. Jaffe served as Senior Vice President and Chief Financial Officer of Bell Microproducts, Inc., a California-based distributor of mass storage and computer products, from 1997 to 1999. From 1967 to 1996, Mr. Jaffe was employed by Bell Industries, a California-based distributor of electronic components, where he held several management positions, most recently as

President, Chief Operating Officer and a member of the Board of Directors. From 1965 to 1967, Mr. Jaffe was employed as an accountant by Price Waterhouse & Co. (now PricewaterhouseCoopers LLP). Mr. Jaffe holds a B.S. degree in Business from the University of Southern California and is a certified public accountant. Mr. Jaffe currently serves on the board of advisors for the University of Southern California School of Business.

Supervisory Director Not Continuing in Office after the Annual Meeting

The following Supervisory Director who is not continuing in office after the Annual Meeting and certain information about him as of May 31, 2004 is set forth below:

Name	Age	Position
Sho Nakanuma	72	Supervisory Director

Sho Nakanuma has been a supervisory director of Metron since November 1999. Mr. Nakanuma is not standing for re-election to the Supervisory Board. From 1997 to 2001, Mr. Nakanuma served as Chairman of the Board of Directors of Ando Electric Company in Japan. From 1988 to 1997, Mr. Nakanuma served as President of Ando Electric Company. From 1984 to 1986, Mr. Nakanuma served as President of NEC Electronics Inc. in the United States. From 1985 to 1988, Mr. Nakanuma served as a member of the Board of Directors of NEC Corporation in Japan. Mr. Nakanuma served as a member of the Board of Directors of Semiconductor Equipment and Materials International in the United States from 1996 to 2002. Mr. Nakanuma holds a B.S. degree in Chemical Engineering from Kyoto University and a Ph.D. in Engineering from Tokyo University.

In order to approve Proposal 4, the affirmative vote of a majority of the votes present at the Annual Meeting either in person or by proxy or any adjournment or postponement thereof is required, provided that the votes represent more than half of the issued share capital of Metron.

**THE SUPERVISORY BOARD RECOMMENDS A VOTE
FOR EACH NAMED NOMINEE.**

MANAGING DIRECTORS

There are six positions on Metron's Managing Board presently authorized by the Supervisory Board and Metron's Articles of Association. There are currently 4 managing directors continuing in office and 2 vacancies. The persons named below serve as a managing director A or a managing director B, as indicated below. For a description of the powers and duties of managing directors A and managing directors B, see "*Duties of Metron Management.*"

The names of Metron's managing directors and certain information about them as of May 31, 2004 are set forth below:

Name	Age	Positions Held With Metron
Edward D. Segal	64	Chief Executive Officer and Managing Director A
Dennis R. Riccio	53	President, Chief Operating Officer and Managing Director A
Douglas J. McCutcheon	55	Senior Vice President, Chief Financial Officer and Managing Director A
Gregory S. Greskovich	39	Vice President, Fab Solutions Group and Managing Director B

Managing Directors A

Edward D. Segal has been a managing director of Metron since November 1995. He joined Metron as President and Chief Executive Officer in July 1995. Prior to joining Metron, Mr. Segal served as President and Chief Executive Officer of Transpacific Technology Corporation, a company that he founded in 1982. Mr. Segal is Vice Chairman of the Board of Directors of Semiconductor

Equipment & Materials International, a trade association for suppliers to the semiconductor industry. Mr. Segal was a recipient of SEMI's prestigious Bob Graham Award in 2002, given for marketing contributions to the semiconductor materials and equipment industry. Mr. Segal holds a B.S. degree in Metallurgical Engineering from Rensselaer Polytechnic Institute.

Dennis R. Riccio has been a managing director of Metron since October 2003 and has served as President and Chief Operating Officer of Metron since January 2002. Mr. Riccio served as Senior Vice President, Global Customer Operations, for Asyst Technologies, Inc from August 1998 to December 2001. From January 1997 to August 1998, he served as President of USA Operations of Novellus Systems, Inc., a semiconductor equipment manufacturer. From 1989 to January 1997, he held various senior management positions at Applied Materials, Inc. Mr. Riccio holds a B.S. degree in Public Administration from the University of Arizona.

Douglas J. McCutcheon has been a managing director of Metron since November 2002, and has served as Senior Vice President and Chief Financial Officer since January 2003. Mr. McCutcheon has over 25 years of experience in financial management in high-tech industries. Prior to joining Metron he served as Senior Vice President, Chief Financial Officer of Asyst Technologies, where he oversaw corporate financial management, acquisitions and capital-raising events. He has held senior financial management positions with Cadence Design Systems, and with Dasonics, and he was the President of Toshiba America Medical Credit (the financing arm of Toshiba's billion-dollar medical equipment business). Mr. McCutcheon holds a B.S. degree in physics from Stanford University and an M.B.A. in finance from the University of California, Berkeley, and has served as a commissioned officer in the U.S. Navy nuclear submarine service.

Managing Director B

Gregory S. Greskovich has been a managing director of Metron since October 2003. Mr. Greskovich has held senior management positions in the semiconductor equipment industry for the last 10 years, and, prior to joining Metron, held senior management positions at Asyst Technologies, Inc., where he most recently served as Vice President of Europe Customer Operations and Managing Director. Previously, he served as Vice President of sales for Asyst's Austin, Texas, division. Prior to joining Asyst, Mr. Greskovich spent six years as the Vice President of Marketing and Sales for Progressive System Technologies, Inc. Mr. Greskovich holds an M.B.A. from Mercer University (Atlanta, Georgia) and a J.D. from the University of Miami in Florida.

DUTIES OF METRON MANAGEMENT

Metron has a Board of Supervisory Directors and a Board of Managing Directors. Under the laws of The Netherlands, supervisory directors cannot be managing directors of a company at the same time. The primary responsibilities of Metron's Supervisory Board are supervising Metron's Managing Board and the general affairs and business of Metron and advising Metron's Managing Board. Metron's Managing Board is responsible for the management of the day-to-day operations of Metron and is required to keep the Supervisory Board informed about such operations. Under Metron's Articles of Association, Metron's Managing Board is required to obtain the prior approval of the Supervisory Board for such resolutions of Metron's Managing Board as the Supervisory Board has designated by resolution and so informed Metron's Managing Board. No resolution to this effect has been passed to date. Generic references to directors refer to members of either the Supervisory Board or Managing Board. Other executives do not bear the responsibilities attributed to members of Metron's Managing Board and the Supervisory Board, or the related liabilities, if any.

Metron's Articles of Association provide for a Supervisory Board of one or more persons. Metron's Articles of Association also provide for the appointment of one or more managing directors A, and one or more managing directors B, under the supervision of the Supervisory Board.

The number of supervisory directors and the number of managing directors is determined by the Supervisory Board. Metron presently has six supervisory directors, three managing directors A and one managing director B.

The general meeting of shareholders appoints the supervisory directors and at all times has the power to suspend or dismiss any supervisory director. A resolution to appoint a supervisory director can only be passed upon recommendation by the Supervisory Board. Under Metron's Articles of Association, each member of the Supervisory Board holds office for a one-year term following that member's election as a member of the Supervisory Board, or until that member's earlier resignation, death or removal by a decision of a general meeting. However, a member of the Supervisory Board elected not at the annual general meeting of shareholders but at an extraordinary meeting of shareholders serves until the next annual general meeting of shareholders or until that member's earlier resignation, death or removal by a decision of the annual general meeting. Under Metron's Articles of Association, each supervisory director is required to resign as of the date of the annual general meeting of shareholders held in the year in which that director attains the age of 72. A shareholders' resolution to suspend or dismiss a supervisory director must be adopted by a two-thirds majority of the valid votes cast representing more than half of the issued share capital.

The entire Managing Board, as well as each managing director A individually, has the power to represent Metron and bind Metron in agreements with third parties. A managing director B may only represent Metron together with another managing director. The general meeting of shareholders appoints Metron's managing directors for an unlimited period of time, determines whether Metron's managing director shall serve as a managing director A or as a managing director B and at all times has the power to suspend or dismiss any managing director. A resolution to appoint a managing director can only be passed upon recommendation by the Supervisory Board. Each managing director can at all times also be suspended by the Supervisory Board for a period of up to three months. A shareholders' resolution to suspend or dismiss a managing director must be adopted by a two-thirds majority of the valid votes cast representing more than half of the issued share capital. The Supervisory Board decides on the remuneration and further terms and conditions of employment for each of Metron's managing directors. Managing directors, along with other employees of subsidiaries of Metron, are eligible for options under the terms of Metron's employee option plans. Any grants of options to managing directors will be approved by Metron's shareholders.

If Proposals 1, 2 and 3 are approved by Metron shareholders, Metron will be in dissolution as of immediately following the closing of the asset sale. Under Dutch law, as of Metron's dissolution, Metron would no longer have or be required to have a managing board and its current managing directors are deemed to have ceased to hold office.

Independence

As required under Nasdaq listing standards, a majority of the members of a listed company's supervisory directors must qualify as "independent," as affirmatively determined by the Supervisory Board. After review of all relevant transactions or relationships between each supervisory director, or any of his or her family members, and Metron, its senior management and its independent auditors, the Supervisory Board affirmatively has determined that all of Metron's supervisory directors are independent directors within the meaning of the applicable Nasdaq listing standard.

SUPERVISORY BOARD COMMITTEES AND MEETINGS

During the fiscal year ended May 31, 2004, the Supervisory Board held 6 meetings and acted by Unanimous Written Consent 1 time. The Supervisory Board has an Audit Committee, a Nominating and Corporate Governance Committee and a Compensation Committee.

As required under new Nasdaq listing standards, Metron's independent directors will meet in regularly scheduled executive sessions at which only independent directors are present. The Chairpersons of the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee will each preside over at least one executive session. Persons interested in communicating with the independent directors with their concerns or issues may address correspondence to a particular director, or to the independent directors generally, in care of Metron Technology N.V. at 4425 Fortran Drive, San Jose, California 94134-2300. If no particular director is named, letters will be forwarded, depending on the subject matter, to the Chair of the Audit, Compensation, or Nominating and Corporate Governance Committee.

The Audit Committee of the Supervisory Board has responsibility for overseeing Metron's financial reporting process, including responsibility for the appointment, compensation, retention and oversight of the work of Metron's independent auditors and any other registered public accounting firm providing services to Metron. The Audit Committee shall also be responsible for reviewing Metron's systems of internal control over corporate accounting procedures. The Audit Committee met four times during such fiscal year. The Supervisory Board has adopted a written charter for the Audit Committee, which is attached hereto as Annex J. The following supervisory directors are members of the Audit Committee: Messrs. Anderson, Ditmore and Jaffe. All members of Metron's Audit Committee are independent (as independence is defined in Rule 4200(a)(14) of the NASD listing standards). The Board of Directors has determined that each of Messrs. Anderson and Jaffe qualify as an "audit committee financial expert," as defined in applicable SEC rules. The Board made a qualitative assessment of each of Messrs. Anderson and Jaffe's level of knowledge and experience based on a number of factors, including their formal education and experience.

The Compensation Committee of the Supervisory Board has responsibility for Metron's overall compensation strategy and determines and approves the compensation of Metron's Chief Executive Officer, Edward D. Segal, and its other executive officers and managing directors. The Compensation Committee is also responsible for reviewing and approving the compensation of the supervisory directors and for the administration of Metron's employee benefit plans and insurance policies for the officers and directors of Metron. The Compensation Committee met two times during such fiscal year. The following supervisory directors are members of the Compensation Committee: Messrs. Anderson, Elftmann and George. All members of the Compensation Committee are independent (as independence is currently defined in Rule 4200(a)(15) of Nasdaq listing standards).

The Nominating and Corporate Governance Committee of the Supervisory Board is responsible for identifying, reviewing and evaluating candidates to serve as supervisory directors of Metron (consistent with criteria approved by the Supervisory Board), reviewing and evaluating incumbent supervisory directors, recommending to the Supervisory Board for selection candidates for election to the Supervisory Board, making recommendations to the Supervisory Board regarding the membership of the committees of the Supervisory Board, assessing the performance of the Supervisory Board, and developing a set of corporate governance principles for Metron. Metron's Nominating and Corporate Governance Committee charter is attached hereto as Annex K. Three (3) directors comprise the Nominating and Corporate Governance Committee: Messrs. Ditmore, Elftmann and Jaffe. All members of the Nominating and Corporate Governance Committee are independent (as independence is currently defined in Rule 4200(a)(15) of the Nasdaq listing standards). The Nominating and Corporate Governance Committee did not meet during the fiscal year.

The Nominating and Corporate Governance Committee believes that candidates for supervisory director should have certain minimum qualifications, including being able to read and understand basic financial statements, being over 21 years of age and having the highest personal integrity and ethics. The Nominating and Corporate Governance Committee also intends to consider such factors as possessing relevant expertise upon which to be able to offer advice and guidance to management, having sufficient time to devote to the affairs of Metron, demonstrated excellence in his or her field,

having the ability to exercise sound business judgment and having the commitment to rigorously represent the long-term interests of Metron's shareholders. However, the Nominating and Corporate Governance Committee retains the right to modify these qualifications from time to time. Candidates for supervisory director nominees are reviewed in the context of the current composition of the Supervisory Board, the operating requirements of Metron and the long-term interests of shareholders. In conducting this assessment, the Nominating and Corporate Governance Committee considers diversity, age, skills and such other factors as it deems appropriate given the current needs of the Supervisory Board and Metron, to maintain a balance of knowledge, experience and capability. In the case of incumbent supervisory directors whose terms of office are set to expire, the Nominating and Corporate Governance Committee reviews such supervisory directors' overall service to Metron during their term, including the number of meetings attended, level of participation, quality of performance and any other relationships and transactions that might impair such supervisory directors' independence. In the case of new supervisory director candidates, the Nominating and Corporate Governance Committee also determines whether the nominee must be independent for Nasdaq purposes, which determination is based upon applicable Nasdaq listing standards, applicable SEC rules and regulations and the advice of counsel, if necessary. The Nominating and Corporate Governance Committee then uses its network of contacts to compile a list of potential candidates, but may also engage, if it deems appropriate, a professional search firm. The Nominating and Corporate Governance Committee conducts any appropriate and necessary inquiries into the backgrounds and qualifications of possible candidates after considering the function and needs of the Supervisory Board. The Nominating and Corporate Governance Committee meets to discuss and consider such candidates' qualifications and then selects a nominee for recommendation to the Supervisory Board by majority vote. To date, the Nominating and Corporate Governance Committee has not paid a fee to any third party to assist in the process of identifying or evaluating director candidates. To date, the Nominating and Corporate Governance Committee has not rejected a timely supervisory director nominee from a shareholder or shareholders holding more than 5% of Metron's voting stock.

The Supervisory Board does not have a formal policy with respect to the attendance of members of the Supervisory Board at the annual general meetings of shareholders of Metron. No supervisory directors attended the 2003 annual general meeting of shareholders.

At this time, the Nominating and Corporate Governance Committee does not consider director candidates recommended by shareholders. The Nominating and Corporate Governance Committee believes that it is in the best position to identify, review, evaluate and select qualified candidates for Supervisory Board membership, based on the comprehensive criteria for Board membership approved by the Supervisory Board.

During the fiscal year ended May 31, 2004, each Supervisory Board member attended at least 75% of the aggregate of the meetings of the Supervisory Board and of the committees on which he served, held during the period for which he was a director or committee member, respectively.

Shareholder Communications with the Supervisory Board

Historically, Metron has not adopted a formal process for shareholder communications with the Supervisory Board. Nevertheless, every effort has been made to ensure that the views of shareholders are heard by the Supervisory Board or individual supervisory directors, as applicable, and that appropriate responses are provided to shareholders in a timely manner. Metron believes its responsiveness to shareholder communications to the Supervisory Board has been excellent. Nevertheless, during the upcoming year, the Supervisory Board will give full consideration to the adoption of a formal process for shareholder communications with the Supervisory Board and, if adopted, publish it promptly and file it with the Securities and Exchange Commission on Form 8-K.

Code of Ethics

Metron has adopted the Metron Technology N.V. Code of Business Conduct and Ethics that applies to all officers, supervisory and managing directors and employees, including Metron's principal executive officer, principal financial officer and principal accounting officer. The Code of Business Conduct and Ethics was filed as exhibit 14.1 to Metron's annual report on Form 10-K/A, filed on September 10, 2004. If Metron makes any substantive amendments to the Code of Business Conduct and Ethics or grants any waiver from a provision of the Code of Business Conduct and Ethics to any executive officer or director, Metron will promptly disclose the nature of the amendment or waiver by filing a Current Report on Form 8-K with the SEC, disclosing such information.

REPORT OF THE AUDIT COMMITTEE OF THE SUPERVISORY BOARD(1)

The Supervisory Board's Audit Committee consists of three directors who are not employees or managing directors of Metron.

(1)

The material in this report is not "soliciting material," is not deemed "filed" with the SEC, and is not to be incorporated by reference into any filing of Metron under the 1933 Act or 1934 Act, whether made before or after the date hereof and irrespective of any general incorporation language contained in such filing.

During the Audit Committee's meeting to review the financial statements for the fiscal year ended May 31, 2004, the Audit Committee reviewed and discussed the audited financial statements with management and PricewaterhouseCoopers LLP. In connection with the completion of their audit of, and the issuance of their report on, Metron's consolidated financial statements for the year ended May 31, 2004, Metron's independent registered public accountants identified deficiencies that existed in the design or operation of Metron's internal controls that they consider to be a material weakness in the effectiveness of Metron's internal controls pursuant to standards established by the Public Company Accounting Oversight Board (United States). A significant deficiency is defined as a control deficiency, or combination of deficiencies, that adversely affects Metron's ability to initiate, authorize, record, process or report external financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of Metron's financial statements that is more than inconsequential will not be prevented or detected. A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected. Metron's independent registered public accountants advised the Audit Committee of Metron's Supervisory Board of the following matter, which they consider to be a material weakness: Metron's internal controls over revenue recognition were not sufficient to ensure transactions were properly recorded in accordance with management's criteria and generally accepted accounting principles. Specifically, Metron's independent registered public accountants identified six instances where revenue had been recognized in the books of Metron's subsidiaries even though the transactions did not meet Metron's established revenue recognition policy and generally accepted accounting principles. Metron's independent registered public accountants did acknowledge that adjustments were properly recorded by Metron prior to the reporting of financial results for the respective period.

Metron's independent registered public accountants have discussed the areas of weakness described above with the Audit Committee. The Audit Committee is taking an active role in responding to the deficiencies identified by Metron's independent registered public accountants, including overseeing management's implementation of the remedial measures described below. To this end, management of Metron is working with the Audit Committee to identify and implement corrective actions where required to improve the effectiveness of Metron's internal controls, including the enhancement of systems and procedures. Metron is implementing the following measures:

reviewing financial controls and procedures for revenue recognition;

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assigning an individual in Metron's equipment solutions group to be the revenue recognition manager;

conducting revenue recognition training of personnel responsible for authorizing and recording revenue transactions throughout Metron;

such other remedial measures as deemed necessary by the Audit Committee and management;

requiring the review and approval by certain officers of Metron for revenue transactions above a specified level;

engaging an independent internal controls consultant to assist Metron to document, test and develop current and expanded internal controls and procedures; and

assigning Company employees to directly assist the independent internal controls consultant.

Management believes that the measures noted above will address the matter identified by Metron's independent registered public accountants as a material weakness. The Audit Committee and management plan to continue to monitor the effectiveness of Metron's internal controls and procedures on an ongoing basis and will take further action, as appropriate. The Audit Committee Believes that management maintains an effective system of internal controls that results in fairly resented financial statements. Based on these discussions, the Audit Committee recommended to the Supervisory Board that the audited financial statements be included in Metron's Annual Report on Form 10-K.

The discussions with PricewaterhouseCoopers LLP also included the matters required by Statement on Auditing Standards No. 61. The Audit Committee received from PricewaterhouseCoopers LLP written disclosures and the letter regarding its independence as required by Independence Standards Board Standard No. 1. This information was discussed with PricewaterhouseCoopers LLP.

Audit Committee

Robert R. Anderson
Dana C. Ditmore
Bruce M. Jaffe

66

PROPOSAL 5

APPROVAL TO ISSUE METRON COMMON SHARES IN AN AGGREGATE AMOUNT EXCEEDING 19.999% OF THE OUTSTANDING METRON COMMON SHARES PURSUANT TO OUTSTANDING CONVERTIBLE DEBENTURES AND WARRANTS AND THE ISSUANCE TO ANY SINGLE PURCHASER OF METRON COMMON SHARES PURSUANT TO CONVERTIBLE DEBENTURES OR WARRANTS IN AN AGGREGATE AMOUNT THAT RESULTS IN A "CHANGE OF CONTROL" OF METRON FOR PURPOSES OF THE NASDAQ LISTING STANDARDS

OVERVIEW

On June 16, 2004, Metron completed the sale to certain institutional investors, in a transaction exempt from registration under the Securities Act, of convertible debentures in an aggregate principal amount of \$6,000,000, bearing interest at the rate of 6.5% per annum and having a maturity date of June 16, 2008 (the "Debentures"), and warrants to purchase an aggregate of 766,768 Metron common shares (the "Warrants"), of which 50% have an exercise price of \$3.79 per share and 50% have an exercise price of \$3.92 per share, and all of which are exercisable until June 16, 2009 (the "Financing"). The Debentures and Warrants were issued under a Subscription Agreement, dated May 26, 2004.

The Debentures are initially convertible into 1,666,665 Metron common shares at a price of \$3.60 per share. Metron is entitled to issue Metron common shares in lieu of the cash payment of interest on the Debentures, subject to certain conditions, including shareholder approval of this Proposal 5. Metron common shares issued in lieu of cash to pay interest are valued at 90% of the average of the volume-weighted average trading prices for the 20 trading days preceding the relevant interest payment date. Metron is entitled to force conversion of the Debentures into Metron common shares in the event the Metron Common Share price exceeds \$11.00 per share for 20 consecutive trading days, provided certain conditions are met. Generally, these conditions are that:

1. Metron has duly honored all conversions occurring prior to the date the holders of the Debentures receive notice of the forced conversion;
2. there is an effective registration statement (and Metron believes, in good faith, that such effectiveness will continue uninterrupted for the foreseeable future) for all of the Metron common shares issued or issuable pursuant the Debentures (the "Underlying Shares") or all the Underlying Shares can be sold immediately pursuant to Rule 144;
3. the Metron common shares are listed for trading on Nasdaq (and Metron believes, in good faith, that trading of the Metron common shares on Nasdaq will continue uninterrupted for the foreseeable future);
4. all liquidated damages and other amounts owing in respect of the Debentures and Underlying Shares have been paid or will, concurrently with the issuance of the Underlying Shares, be paid in cash;
5. a sufficient number of Metron common shares are reserved from Metron's authorized share capital to provide for the issuance of all Underlying Shares issuable under the Debentures subject to forced conversion;
6. no event of default nor any event that with the passage of time would constitute an event of default under the Debentures has occurred and is continuing; and
7. the forced conversion would not result, when aggregated with all other prior issuances of Metron common shares pursuant to the Warrants and the Debentures, in the issuance of more than 19.999% of the number of Metron common shares outstanding immediately prior to the Financing, unless shareholder approval has been obtained for such issuance.

The conversion price of the Debentures is subject to adjustments under certain circumstances. If certain changes occur to Metron's capitalization, such as a stock split, dividend of Metron common shares or other capital reorganization, then the conversion price of the Debentures will be adjusted appropriately. In addition, the conversion price will be adjusted downward if Metron issues securities at

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a per share price less than the then-applicable conversion price (a "Debenture Adjustment Issuance"), excluding, among other things, issuances in connection with certain strategic transactions and issuances of options to employees, managing directors and supervisory directors. After a Debenture Adjustment Issuance, the new conversion price of the Debentures would equal the per share price of such Debenture Adjustment Issuance.

Enable Capital, LLC acted as placement agent in connection with the Financing and received a fee equal to \$354,000, paid in cash.

The exercise prices of the Warrants are subject to adjustments under certain circumstances. If certain changes occur to Metron's capitalization, such as a stock split, dividend of Metron common shares or other capital reorganization, then the exercise prices of the Warrants will be adjusted appropriately. In addition, the exercise prices will be adjusted downward if Metron issues securities at a per share price less than the applicable exercise prices, respectively (a "Warrant Adjustment Issuance"), excluding, among other things, issuances in connection with certain strategic transactions and issuances of options to employees, managing directors and supervisory directors. After a Warrant Adjustment Issuance, the new exercise prices of the Warrants would be based on a weighted-average formula. Metron may give notice of mandatory termination of the Warrants provided that (i) the Metron common shares issuable upon conversion of the Warrants are registered for resale pursuant to the Securities Act of 1933 or are freely tradable without restriction or legend and have been continuously for at least the 20-trading day period immediately preceding the date of the notice of termination, (ii) the Metron common shares are listed or quoted for trading on Nasdaq National Market continuously during the 20-trading day period immediately preceding the date of the notice of mandatory termination and (iii) the price of Metron's common shares is equal to or greater than \$11.00 for each of the 20 trading days immediately preceding the date of notice of termination (subject to adjustment for reverse and forward stock splits, stock dividends, stock combinations and other similar transactions).

Metron entered into a Registration Rights Agreement, dated June 16, 2004, with the investors that purchased the Debentures and the Warrants, under which Metron agreed to file with the SEC within 30 days following the sale of the Debentures a registration statement covering the resale of the Metron common shares underlying the Debentures and the Warrants, which was extended to August 12, 2004. Accordingly, Metron filed a registration statement on Form S-3 on August 12, 2004 with respect to the resale of such shares from time to time.

A copy of the subscription agreement entered into in connection with the sale of the Debentures and the Warrants was filed by Metron with the SEC as an exhibit to a Current Report on Form 8-K, filed on May 27, 2004, and a copy of the form of Debenture, form of Warrant and registration rights agreement entered into in connection with the sale of the Debentures and the Warrants were filed by Metron with the SEC as exhibits to Metron's Annual Report on Form 10-K, filed on August 12, 2004. Metron's audited consolidated financial statements, management's discussion and analysis of financial condition and results of operations and certain supplementary financial information are incorporated by reference to pages 26 through 71 of Metron's Annual Report on Form 10-K filed with the SEC on August 12, 2004 and delivered with this proxy statement.

REASONS FOR SHAREHOLDER APPROVAL

Companies listed on Nasdaq, including Metron, are required to comply with NASD rules with respect to the listing of shares with Nasdaq. Section 4350(i)(1)(D)(ii) of the NASD Rules requires Nasdaq-listed companies to obtain shareholder approval prior to the issuance of "common stock (or securities convertible into or exercisable for common stock) equal to 20% or more of the common stock or 20% or more of the voting power outstanding before the issuance for less than the greater of book value or market value of the stock" (the "20% Rule"). Prior to the Financing, Metron had 12,831,996 Metron common shares outstanding (the "Outstanding Shares"). Assuming no adjustments to the conversion price of the Debentures or the exercise prices of the Warrants, the Debentures are convertible into 1,666,665 Metron common shares and the Warrants are exercisable for 766,768 Metron

common shares, for a total of 2,433,433 Metron common shares. This total constitutes 18.96% of the Outstanding Shares. While the conversion price of the Debentures and the exercise prices of the Warrants were set at premiums to the average prices of Metron's common shares during a period prior to the closing of the Financing, the conversion price of the Debentures and the exercise prices of Warrants were less than the market value of Metron's common shares on the closing date of the Financing. In addition, if there is a Debenture Adjustment Issuance or a Warrant Adjustment Issuance, Metron will be required to issue more than 18.96% of the Outstanding Shares under the terms of the Debentures and the Warrants. Accordingly, under the 20% Rule and pursuant to the terms of the Debentures and the Warrants, Metron is required to obtain shareholder approval before it can issue Metron common shares in excess of 19.999% of the Outstanding Shares (the "Issuable Maximum"), pursuant to the Debentures and the Warrants.

In addition, Section 4350(i)(1)(B) of the NASD Rules requires shareholder approval "when the issuance or potential issuance will result in a change of control of the issuer." While Metron does not believe that the issuance of the Debentures and the Warrants will result in a change of control, and therefore Metron does not believe that Section 4350(i)(1)(B) applies to this issuance, a substantial adjustment to the conversion price of the Debentures or the exercise prices of the Warrants could result in a sufficient number of Metron common shares being issued and issuable upon conversion of the Debentures and exercise of the Warrants to constitute a change in control.

See "*Proposal 1 Sale of Substantially All of Metron's Assets Material Provisions of the Stock and Asset Purchase Agreement Treatment of Options, Warrants and Debentures*" regarding the effect of the sale of the assets of Metron to Applied Materials on the Debentures and the Warrants.

Absent shareholder approval of this Proposal 5, Metron will not be able to convert the Debentures or exercise Warrants to the extent such conversion or exercise, when combined with all prior Debenture conversions, Warrant exercises and issuances of Common shares in payment of interest, would exceed the Issuable Maximum or result in a change of control of Metron. In addition, Metron's ability to pay interest on the Debentures in Metron common shares will be substantially limited unless shareholder approval of this Proposal 5 has been obtained.

Any amount of the Debentures that holders of Debentures are unable to convert in excess of the Issuable Maximum or any amount of interest not payable in Metron common shares would remain a cash liability of Metron, due and payable at maturity or on the interest payment date. In that event, Metron may be required to raise additional funds in order to meet this obligation. Metron may not be able to raise sufficient funds at that time, and, even if Metron is able to raise sufficient funds, the terms of such financing may not be favorable to Metron.

Edward D. Segal, FSI International, Inc. ("FSI"), Entegris, Inc. ("Entegris") and Broadview Advisors, LLC have entered into voting agreements with the investors who purchased the Debentures and the Warrants under which these shareholders have agreed to vote their Metron common shares **FOR** Proposal 5. Together, these shareholders held approximately 25.67% of the outstanding Metron common shares as of September 30, 2004.

The affirmative vote of the holders of a majority of the shares present in person or represented by proxy and entitled to vote at the meeting will be required to approve this Proposal 4, provided that the votes represent more than half of the issued share capital of Metron.

**THE SUPERVISORY BOARD RECOMMENDS
A VOTE FOR PROPOSAL 5.**

PROPOSAL 6

ADOPTION OF ANNUAL ACCOUNTS

At the Annual Meeting, Metron's shareholders will be asked to resolve to have the Annual Accounts ("jaarrekening") of Metron for the fiscal year ended May 31, 2004, drawn up in the English language and to adopt the Annual Accounts and to allocate Metron's profits to Metron's reserves or charge any losses against Metron's cash reserves, as required under Netherlands law and Metron's Articles of Association. In accordance with Article 2:362 of The Netherlands Civil Code, the Annual Accounts are the annual statutory accounts of Metron prepared in accordance with generally accepted accounting principles of The Netherlands. These Annual Accounts do not represent the consolidated accounts of Metron and all of its subsidiaries prepared in accordance with generally accepted accounting principles of the United States, as presented in the Consolidated Financial Statements contained in the Annual Report of Metron for the year ended May 31, 2004. Copies of the Annual Accounts are open for inspection at the principal executive offices of Metron, located at 4425 Fortran Drive, San Jose, California 95134-2300, USA, and Metron's principal office in The Netherlands, located at Ind. Terrein Bijsterhuizen (Noord) 21-01 NL-6604LE Wijchen, by registered shareholders and other persons entitled to attend meetings of shareholders of Metron. Such copies will be open for inspection from the date hereof until the close of the Annual Meeting.

The affirmative vote of the holders of a majority of the shares present or represented by proxy and entitled to vote at the Annual Meeting is required to have the Annual Accounts ("jaarrekening") of Metron for the fiscal year ended May 31, 2004 drawn up in the English language and to adopt the Annual Accounts and to allocate Metron's profits to Metron's reserves or charge any losses against Metron's cash reserves, provided that the votes represent more than half of the issued share capital of Metron.

**THE SUPERVISORY BOARD RECOMMENDS
A VOTE FOR PROPOSAL 6.**

PROPOSAL 7**SELECTION OF INDEPENDENT AUDITORS**

The Audit Committee of the Supervisory Board has selected (a) PricewaterhouseCoopers N.V. as statutory auditors of the Annual Accounts ("jaarrekening") of Metron for the fiscal year ending May 31, 2005 and (b) PricewaterhouseCoopers LLP as Metron's independent registered public accountants for the fiscal year ending May 31, 2005 and has further directed that the selection of auditors of the Annual Accounts and independent registered public accountants be submitted to Metron's shareholders for ratification at the Annual Meeting. PricewaterhouseCoopers LLP audited Metron's financial statements for the fiscal years ended May 31, 2004, 2003 and 2002. Representatives of PricewaterhouseCoopers N.V. are expected to be present at the Annual Meeting, will have an opportunity to make a statement if they so desire and will be available to respond to appropriate questions.

Shareholder ratification of the selection of PricewaterhouseCoopers LLP as Metron's independent registered public accountants is not required by Metron's Articles of Association or otherwise. However, the Supervisory Board is submitting the selection of PricewaterhouseCoopers LLP as independent registered public accountants to Metron's shareholders for ratification as a matter of good corporate practice. If Metron's shareholders fail to ratify the selections, the Audit Committee and the Supervisory Board will reconsider whether or not to retain that firm. Even if the selection is ratified, the Audit Committee and the Supervisory Board in their discretion may direct the appointment of different auditors of the Annual Accounts and/or independent accountants at any time during the year if they determine that such a change would be in the best interests of Metron and its shareholders.

The affirmative vote of the holders of a majority of the shares present in person or represented by proxy and entitled to vote at the Annual Meeting will be required to ratify the selection of PricewaterhouseCoopers N.V. as statutory auditors of the Annual Accounts and PricewaterhouseCoopers LLP as independent accountants, provided that the votes represent more than half of the issued share capital of Metron.

Metron's Supervisory Board has approved the continuing appointment of PricewaterhouseCoopers LLP as Metron's independent accountants to audit Metron's financial statements for the year ending May 31, 2005.

INDEPENDENT AUDITORS' FEES

Independent Auditors' Fees

The following table represents aggregate fees billed to Metron for fiscal years ended May 31, 2004 and May 31, 2003, by PricewaterhouseCoopers LLP, Metron's principal accountant.

	Fiscal Year Ended May 31,	
	2004	2003
	(in thousands)	
Audit Fees	\$ 971	\$ 782
Audit-Related Fees	35	84
Tax Fees	537	296
All Other Fees		
Total Fees	\$ 1,543	\$ 1,162

All fees described above were approved by the Audit Committee.

Metron's Audit Committee has a policy for the pre-approval of non-audit services provided by PricewaterhouseCoopers LLP. According to Metron's pre-approval policy, the Audit Committee chairman can approve non-audit services up to a specified limit. Thereafter, any non-audit services provided by PricewaterhouseCoopers LLP, must be approved by the Audit Committee.

The Audit Committee has determined that the rendering of non-audit services by PricewaterhouseCoopers LLP is compatible with maintaining the auditor's independence.

The affirmative vote of the holders of a majority of the shares present or represented by proxy and entitled to vote at the Annual Meeting is required to ratify the selection of and to appoint PricewaterhouseCoopers N.V. as the statutory auditors of the Annual Accounts of Metron for the fiscal year ending May 31, 2005, and PricewaterhouseCoopers LLP as Metron's independent registered public accountants for the fiscal year ending May 31, 2005, provided that the votes represent more than half of the issued share capital of Metron.

**THE SUPERVISORY BOARD RECOMMENDS
A VOTE FOR PROPOSAL 7.**

PROPOSAL 8

APPROVAL OF THE PREPARATION OF THE ANNUAL REPORT IN ENGLISH

Metron has prepared its Annual Accounts and Annual Report for the fiscal year ended May 31, 2004 in the English language. Netherlands law requires that Metron's shareholders authorize the preparation of Metron's Annual Report in a language other than Dutch. Such authorization will not constitute approval of any matter referred to in Metron's Annual Report.

The affirmative vote of the holders of a majority of the shares present in person or represented by proxy and entitled to vote at the Annual Meeting is required to approve the preparation of Metron's Annual Report in English, provided that the votes represent more than half of the issued share capital of Metron.

**THE SUPERVISORY BOARD RECOMMENDS
A VOTE FOR PROPOSAL 8.**

PROPOSAL 9

APPROVAL FOR THE SUPERVISORY BOARD TO ISSUE METRON COMMON SHARES UP TO THE AMOUNT OF THE AUTHORIZED CAPITAL OF METRON AND TO RESTRICT OR EXCLUDE PRE-EMPTIVE RIGHTS IN RELATION THERETO

Metron's Articles of Association provide that the Supervisory Board of Metron has the authority to resolve upon (i) the issue of Metron common shares up to the amount of the authorized share capital and (ii) the restriction or exclusion of pre-emptive rights in respect of an issue of Metron common shares and that such authority will terminate five years after the date of execution of the deed of amendment, unless the general meeting of shareholders has extended such authority. This authority will expire in November of 2004. Metron's shareholders are being asked to approve the extension, for a period of one year, of the authority of the Supervisory Board to (i) issue Metron common shares up to the amount of the authorized share capital and (ii) restrict or exclude of pre-emptive rights in respect of an issue Metron common shares.

The affirmative vote of the holders of a majority of the shares present in person or represented by proxy and entitled to vote at the Annual Meeting, provided that the votes represent more than half of the issued share capital of Metron, is required to approve the extension, for a period of one year, of the authority of the Supervisory Board to (i) issue Metron common shares up to the amount of the authorized share capital and (ii) restrict or exclude pre-emptive rights in respect of an issue of Metron common shares.

**THE SUPERVISORY BOARD RECOMMENDS
A VOTE FOR PROPOSAL 9.**

PROPOSAL 10

APPROVAL OF THE COMPENSATION FOR THE SUPERVISORY BOARD OF METRON

Recent amendments to The Netherlands Civil Code, which will become effective on October 1, 2004, require that the compensation of the members of Metron's Supervisory Board must be approved by Metron's shareholders. Each supervisory director of Metron currently receives an annual retainer of \$10,000 (paid quarterly), a meeting fee of \$1,000 (\$500 for telephonic attendance and \$500 for each committee meeting attended by committee members on a separate day and an extra \$500 committee meeting fee for a committee chairman). The members of the Supervisory Board are also eligible for reimbursement for expenses incurred in connection with attendance at Supervisory Board meetings in accordance with Company policy. In the fiscal year ended May 31, 2004, the total compensation and expenses paid to non-employee supervisory directors was \$126,712.

Each supervisory director of Metron also receives stock option grants under the Amended and Restated 1997 Supervisory Directors' Stock Option Plan (the "Directors' Plan"). Only non-employee supervisory directors of Metron are eligible to receive options under the Directors' Plan. Options granted under the Directors' Plan are intended by Metron not to qualify as incentive stock options under the United States Internal Revenue Code (the "Code").

Option grants under the Directors' Plan are non-discretionary. On April 13, 1997, each supervisory director then in office was automatically granted an option to purchase 15,000 Metron common shares from the Directors' Plan. Subsequently, each person who was or is elected or appointed for the first time to serve as a supervisory director is granted an option to purchase 15,000 Metron common shares from the Directors' Plan. In addition, on the date of each annual general meeting of shareholders, commencing with the 2003 annual general meeting of shareholders, each member of the Supervisory Board who has served as a director for at least six months and who is reelected at such annual general meeting of shareholders, is automatically granted an option to purchase 5,000 Metron common shares under the Director's Plan. Prior to the 2003 annual general meeting of shareholders, the annual automatic grant was an option to purchase 3,750 shares rather than 5,000. The exercise price of each option granted under the Directors' Plan may not be less than one hundred percent (100%) of the fair market value of the shares subject to such option on the date such option is granted. Options granted under the Directors' Plan generally may not be exercised until such options have vested. Options vest at a rate of 25%, at the end of the first year where such optionee has provided one year of continuous service to Metron or its affiliates as a director following the date of such option grant, and 25% each year thereafter in accordance with the terms of the grant. The term of each option granted under the Directors' Plan commences on the date it is granted and, unless sooner terminated as set forth in the option grant, expires on the date ten (10) years from the date of grant. In the event of certain mergers of Metron with or into another corporation or a consolidation, acquisition of assets or other change-in-control transactions involving Metron, the vesting of each option will accelerate and the option will terminate if not exercised prior to the consummation of the transaction.

Metron intends to maintain the same level of annual compensation for members of the Supervisory Board during the fiscal year ending May 31, 2005 as was paid to members of the Supervisory Board during the fiscal year ended May 31, 2004. The affirmative vote of the holders of a majority of the shares present in person or represented by proxy and entitled to vote at the Annual Meeting is required to approve the annual compensation of the Supervisory Board, provided that the votes represent more than half of the issued share capital of Metron.

**THE SUPERVISORY BOARD RECOMMENDS
A VOTE FOR PROPOSAL 10.**

PROPOSAL 11

APPROVAL OF COMPENSATION POLICY FOR METRON'S MANAGING BOARD

Due to recent amendments to The Netherlands Civil Code, which will become effective on October 1, 2004, Metron is required to have a compensation policy for its Managing Board, and such policy must be approved by Metron's shareholders.

The compensation committee of Metron's Supervisory Board has responsibility for Metron's overall compensation strategy and determines the compensation for the members of Metron's Managing Board. The compensation committee has adopted the compensation policy attached hereto as Annex L, to govern the compensation of Metron's managing directors beginning October 1, 2004.

The affirmative vote of the holders of a majority of the shares present in person or represented by proxy and entitled to vote at the Annual Meeting is required to approve the compensation policy for Metron's Managing Board, provided that the votes represent more than half of the issued share capital of Metron.

**THE SUPERVISORY BOARD RECOMMENDS
A VOTE FOR PROPOSAL 11.**

PROPOSAL 12

GRANT OF A DISCHARGE FROM LIABILITY TO METRON'S MANAGING BOARD AND SUPERVISORY BOARD FOR THE PERFORMANCE OF THEIR DUTIES DURING THE FISCAL YEAR ENDED MAY 31, 2004

Due to amendments to The Netherlands Civil Code, the provision of Metron's Articles of Association which permits a discharge of liability of the members of Metron's Managing Board and Supervisory Board for the exercise of their duties during the fiscal year covered by the adoption by the shareholders of those annual accounts is no longer valid. The Netherlands Civil Code now requires that such discharge of liability be approved separately by the shareholders. The discharge of liability would be limited to liability for the duties of the members of Metron's Managing Board and the Supervisory Board which have been disclosed to the shareholders in the Annual Accounts.

The affirmative vote of the holders of a majority of the shares present or represented by proxy and entitled to vote at the Annual Meeting is required to discharge the members of Metron's Managing Board and the Supervisory Board from liability for the exercise of their duties during the fiscal year ended May 31, 2004, provided that the votes represent more than half of the issued share capital of Metron.

**THE SUPERVISORY BOARD RECOMMENDS
A VOTE FOR PROPOSAL 12.**

**SECURITY OWNERSHIP OF
CERTAIN BENEFICIAL OWNERS AND MANAGEMENT**

The following table sets forth certain information regarding the ownership of the Metron common shares as of September 30, 2004 by: (i) each managing director named in the Summary Compensation Table; (ii) each supervisory director; (iii) each executive officer named in the Summary Compensation Table; (iv) all Managing Directors, Supervisory Directors and executive officers of Metron as a group; and (v) all those known by Metron to be beneficial owners of more than five percent of the Metron common shares. Unless otherwise indicated, to Metron's knowledge, all persons listed below have sole voting and investment power with respect to their Metron common shares, except to the extent authority is shared by spouses under applicable law. Unless otherwise noted, the address of each shareholder is c/o Metron Technology N.V., 4425 Fortran Drive, San Jose, California 94010.

Name and Address	Total Ownership(1)		
	Metron Common Shares as of September 30, 2004	Total Shares Beneficially Owned(2)	Percentage
FSI International, Inc.(3) 3455 Lyman Boulevard, Chaska, MN 55318	1,497,003	1,527,003	11.86
Entegris, Inc.(4) 3500 Lyman Boulevard Chaska, MN 55318	1,052,887	1,052,887	8.12
MMCAP International Inc. SPC, LLC(5) P.O. Box 32021 SMB, Anchorage Centre, 2 nd Floor Grand Cayman, Cayman Islands, BWI	665,925	840,411	6.54
Robert R. Anderson(6)	82,237	118,175	*
Dana C. Ditmore(7)	0	3,750	*
Joel A. Elftmann(8)	0	5,938	*
William L. George(9)	0	3,750	*
Bruce M. Jaffe(10)	2,000	22,938	*
Sho Nakanuma(11)	0	24,688	*
Edward D. Segal(12)	588,487	1,215,373	9.02
Dennis R. Riccio(13)	21,437	275,031	2.10
Douglas J. McCutcheon(14)	22,138	82,138	*
Gregory S. Greskovich(15)	0	28,750	*
Peter Postiglione(16)	0	3,750	*
All Managing Directors, Supervisory Directors and executive officers of Metron as a group (11 persons)(17)	716,299	1,784,278	12.83

* Represents beneficial ownership of less than one percent of Metron's common shares.

(1)

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This table is based upon information supplied by supervisory directors, managing directors and officers and with respect to the principal shareholders solely on Schedules 13D and 13G filed with the SEC.

- (2) Beneficial ownership is determined in accordance with the rules of the SEC. Applicable percentage ownership is based on 12,843,731 Metron common shares outstanding as of September 30, 2004, together with applicable options for such shareholder. Metron common shares subject to options currently exercisable, or exercisable within 60 days of September 30, 2004, are not deemed outstanding for computing the percentage ownership of any other person. The number of Metron common shares outstanding as of September 30, 2004, does not include: (1) 3,150,403 Metron common shares issuable upon exercise of outstanding stock options under the Amended and Restated Employee Stock Option Plan (the "Option Plan"); (2) 799,234 Metron common shares available for grant pursuant to the Option Plan; (3) 411,460 Metron common shares issuable upon exercise of outstanding stock options under the Amended and Restated Metron Technology Supplemental Stock Option Plan (the "Supplemental Plan"); (4) 82,040 Metron common shares available for grant under the Supplemental Plan; (5) 10,785 Metron common shares reserved for sale under the Metron Technology Employee Stock Purchase Plan; (6) 154,951 Metron common shares reserved for sale under the 2003 Metron Technology Employee Stock Purchase Plan; (7) 173,750 Metron common shares issuable upon exercise of outstanding stock options under the 1997 Supervisory Directors' Stock Option Plan; (8) 51,250 Metron common shares available for grant under the 1997 Supervisory Directors' Stock Option Plan; (9) 867,002 Metron common shares issuable upon exercise of warrants issued on August 25, 2003; (10) 766,768 Metron common shares issuable upon exercise of warrants issued on June 16, 2004; (11) 1,944,442 Metron common shares issuable upon conversion of convertible debentures issued on August 25, 2003; and (12) 1,666,665 Metron common shares issuable upon conversion of convertible debentures issued on June 16, 2004.
- (3) Includes 30,000 shares issuable to Joel A. Elftmann pursuant to options exercisable within 60 days of September 30, 2004. Mr. Elftmann has assigned such options to FSI International, Inc. We believe that the board of directors of FSI International, Inc. has voting and investment authority with respect to these shares. According to documents filed by FSI International, Inc. with the SEC, the board of directors of FSI International, Inc. is comprised of James A. Bernards, Terrence W. Glarner, Willem D. Maris, Donald S. Mitchell, Krishnamurthy Rajagopal, and Charles R. Wofford, none of whom has individual voting or investment authority with respect to these shares.
- (4) We believe that the board of directors of Entegris, Inc. has voting and investment authority with respect to these shares. According to documents filed by Entegris, Inc. with the SEC, the board of directors of Entegris, Inc. is comprised of James E. Dauwalter, Stan Geyer, Paul L. H. Olson, Gary F. Klingl, Roger D. McDaniel, Brian F. Sullivan, Donald M. Sullivan and James A. Bernards, none of whom has individual voting or investment authority with respect to these shares.
- (5) Based upon a Schedule 13G filed with the SEC on October 1, 2004, Matthew MacIsaac is the president of MMCAP International Inc. SPC, LLC and has voting and investment authority with respect to these shares.
- (6) Consists of 82,237 shares held by Mr. Anderson and 35,938 shares issuable pursuant to options exercisable within 60 days of September 30, 2004.
- (7) Consists of 3,750 shares issuable pursuant to options exercisable within 60 days of September 30, 2004.
- (8) Consists of 5,938 shares issuable pursuant to options exercisable within 60 days of September 30, 2004.
- (9) Consists of 3,750 shares issuable pursuant to options exercisable within 60 days of September 30, 2004.
- (10) Consists of 2,000 shares held by Mr. Jaffe and 20,938 shares issuable pursuant to options exercisable within 60 days of September 30, 2004.

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- (11) Consists of 24,688 shares issuable pursuant to options exercisable within 60 days of September 30, 2004.
- (12) Consists of 458,959 shares held by Mr. Segal, 129,528 shares held by Segal Investments LP, an investment partnership of which Mr. Segal is the Managing Partner and 626,886 shares issuable pursuant to options exercisable within 60 days of September 30, 2004. Mr. Segal disclaims beneficial ownership of the shares held by Segal Investments LP.
- (13) Consists of 21,437 shares held by Mr. Riccio and 253,594 shares issuable pursuant to options exercisable within 60 days of September 30, 2004.
- (14) Consists of 22,138 shares held by Mr. McCutcheon and 60,000 shares issuable pursuant to options exercisable within 60 days of September 30, 2004.
- (15) Consists of 28,750 shares issuable pursuant to options exercisable within 60 days of September 30, 2004.
- (16) Consists of 3,750 shares issuable pursuant to options exercisable within 60 days of September 30, 2004.
- (17) Includes an aggregate of 716,299 shares held by Managing Directors, Supervisory Directors and executive officers of Metron and 1,067,979 shares issuable pursuant to options exercisable within 60 days of September 30, 2004. The aggregate 716,299 shares held by Managing Directors, Supervisory Directors and executive officers of Metron includes 129,528 shares owned by the investment partnership of Mr. Segal.

CHANGES IN CONTROL

2003 Debentures

On August 25, 2003, Metron completed the sale to certain institutional investors, in a transaction exempt from registration under the Securities Act, of convertible debentures in an aggregate principal amount of \$7,000,000, bearing interest at the rate of 8% per annum and having a maturity date of February 25, 2007 (the "Debentures"), and warrants to purchase an aggregate of 867,002 Metron common shares (the "Financing Warrants"), of which 50% have an exercise price of \$3.79 per share and 50% have an exercise price of \$4.09 per share, and all of which are exercisable until August 25, 2007 (the "Financing"). The Debentures and Warrants were issued under a Subscription Agreement, dated August 25, 2003.

Metron is entitled to issue Metron common shares in lieu of the cash payment of interest on the Debentures. Metron common shares issued in lieu of cash to pay interest are valued at 90% of the average of the volume-weighted average trading prices for the 20 trading days preceding the relevant interest payment date.

The conversion price of the Debentures is subject to adjustments under certain circumstances. If certain changes occur to Metron's capitalization, such as a stock split, dividend of Metron common shares or other capital reorganization, then the conversion price of the Debentures will be adjusted appropriately. In addition, the conversion price will be adjusted downward if Metron issues securities at a per share price less than the then-applicable conversion price (a "Debenture Adjustment Issuance"), excluding, among other things, issuances in connection with certain strategic transactions and issuances of options to employees, managing directors and supervisory directors. After a Debenture Adjustment Issuance, the new conversion price of the Debentures would equal the per share price of such Debenture Adjustment Issuance. If the conversion price of the Debentures are adjusted, upon conversion of the Debentures more Metron common shares will be issued, and a change of control of Metron may occur.

2004 Debentures

On June 16, 2004, Metron completed the sale to certain institutional investors, in a transaction exempt from registration under the Securities Act, of convertible debentures in an aggregate principal amount of \$6,000,000, bearing interest at the rate of 6.5% per annum and having a maturity date of June 16, 2008 (the "2004 Debentures"), and warrants to purchase an aggregate of 766,768 Metron common shares (the "2004 Warrants"), of which 50% have an exercise price of \$3.79 per share and 50% have an exercise price of \$3.92 per share, and all of which are exercisable until June 16, 2009 (the "2004 Financing"). The 2004 Debentures and 2004 Warrants were issued under a Subscription Agreement, dated May 26, 2004.

The 2004 Debentures are initially convertible into 1,666,665 Metron common shares at a price of \$3.60 per share. Metron is entitled to issue Metron common shares in lieu of the cash payment of interest on the 2004 Debentures, subject to certain conditions, including shareholder approval of the issuance of additional Metron common shares. Metron common shares issued in lieu of cash to pay interest are valued at 90% of the average of the volume-weighted average trading prices for the 20 trading days preceding the relevant interest payment date.

The conversion price of the Debentures is subject to adjustments under certain circumstances. If certain changes occur to Metron's capitalization, such as a stock split, dividend of Metron common shares or other capital reorganization, then the conversion price of the 2004 Debentures will be adjusted appropriately. In addition, the conversion price will be adjusted downward if Metron issues securities at a per share price less than the then-applicable conversion price (a "2004 Debenture Adjustment Issuance"), excluding, among other things, issuances in connection with certain strategic transactions and issuances of options to employees, managing directors and supervisory directors. After a 2004 Debenture Adjustment Issuance, the new conversion price of the 2004 Debentures would equal the per share price of such 2004 Debenture Adjustment Issuance. If the conversion price of the 2004 Debentures are adjusted, upon conversion of the 2004 Debentures more Metron common shares will be issued and a change of control of Metron may occur.

Edward D. Segal, FSI International, Inc. ("FSI"), Entegris, Inc. ("Entegris"), Broadview Associates have entered into voting agreements with the investors who purchased the Debentures, pursuant to which they have agreed to vote their Metron common shares in favor of the approval of the issuance of additional Metron common shares, in an aggregate amount exceeding 19.999% of the outstanding Metron common shares, at Metron's 2004 Annual Meeting of Shareholders. Together, these shareholders hold approximately 29.3% of the outstanding Metron common shares as of July 31, 2004.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the 1934 Act requires Metron's directors and executive officers, and persons who own more than ten percent of a registered class of Metron's equity securities, to file with the SEC initial reports of ownership and reports of changes in ownership of Metron common shares and other equity securities of Metron. Officers, directors and greater than ten percent shareholders are required by SEC regulation to furnish Metron with copies of all Section 16(a) forms they file.

To Metron's knowledge, based solely on a review of the copies of such reports furnished to Metron all Section 16(a) filing requirements applicable to its officers, directors and greater than ten percent beneficial owners were complied with during the fiscal year ended May 31, 2004.

EXECUTIVE COMPENSATION

Compensation of Supervisory Directors

Each Supervisory Director of Metron receives an annual retainer of \$10,000 (paid quarterly), a meeting fee of \$1,000 (\$500 for telephonic attendance and \$500 for each committee meeting attended by committee members on a separate day and an extra \$500 committee meeting fee for a committee chairman). The members of the Supervisory Board are also eligible for reimbursement for expenses incurred in connection with attendance at Supervisory Board meetings in accordance with Company policy. In the fiscal year ended May 31, 2004, the total compensation and expenses paid to non-employee supervisory directors was \$126,712.

Each supervisory director of Metron also receives stock option grants under the Directors' Plan. Only non-employee supervisory directors of Metron are eligible to receive options under the Directors' Plan. Options granted under the Directors' Plan are intended by Metron not to qualify as incentive stock options under the Code.

Option grants under the Directors' Plan are non-discretionary. On April 13, 1997, each supervisory director then in office was automatically granted an option to purchase 15,000 Metron common shares from the Directors' Plan. Subsequently, each person who was or is elected or appointed for the first time to serve as a supervisory director is granted an option to purchase 15,000 Metron common shares from the Directors' Plan. In addition, on the date of each Annual Meeting, commencing with the 2003 Annual Meeting, each member of the Supervisory Board who has served as a director for at least six months and who is reelected at such Annual Meeting, is automatically granted an option to purchase 5,000 Metron common shares under the Director's Plan. Prior to the 2003 Annual Meeting, the annual automatic grant was an option to purchase 3,750 shares rather than 5,000. The exercise price of each option granted under the Directors' Plan may not be less than one hundred percent (100%) of the fair market value of the shares subject to such option on the date such option is granted. Options granted under the Directors' Plan generally may not be exercised until such options have vested. Options vest at a rate of 25%, at the end of the first year such optionee has provided one year of continuous service to Metron or its affiliates as a director following the date of such option grant, and 25% each year thereafter in accordance with the terms of the grant. The term of each option granted under the Directors' Plan commences on the date it is granted and, unless sooner terminated as set forth in the option grant, expires on the date ten (10) years from the date of grant. In the event of certain mergers of Metron with or into another corporation or a consolidation, acquisition of assets or other change-in-control transactions involving Metron, the vesting of each option will accelerate and the option will terminate if not exercised prior to the consummation of the transaction.

During the fiscal year 2004, Metron granted options covering 50,000 shares to the supervisory directors of Metron, at an exercise price per share of \$4.15. The fair market value of such Metron common shares on the date of grant was \$4.15 per share (based on the closing sales price reported on Nasdaq for the date of grant). As of July 31, 2004, no options had been exercised under the Directors' Plan.

Compensation of Managing Directors

The following table shows for the fiscal years ended May 31, 2004, 2003 and 2002 compensation awarded or paid to, or earned by, Metron's Chief Executive Officer and its other four most highly compensated officers (the "Named Executive Officers"):

Summary Compensation Table

Name and Principal Position	Year	Annual Compensation			Long Term Compensation	All Other Compensation (\$)
		Salary (\$)	Bonus (\$)	Other Annual Compensation (\$)	Securities Underlying Options/SARS (#)	
Edward D. Segal Chief Executive Officer and Managing Director	2004	276,788			80,000	16,301(1)
	2003	276,300			50,000	34,425(1)
	2002	286,533			120,000	129,832(1)
Dennis R. Riccio President, Chief Operating Officer and Managing Director	2004	252,000		29,400(2)	100,000	1,188(3)
	2003	252,000		40,425(2)	35,000	1,172(3)
	2002	101,285			300,000	425(3)
Douglas J. McCutcheon Senior Vice President and Chief Financial Officer and Managing Director	2004	225,000			50,000	1,085(3)
	2003	96,000(4)		62,800(5)	100,000	360(3)
Gregory S. Greskovich Vice President, Fab Solutions Group and Managing Director	2004	181,446(6)			90,000	875(3)
Peter Postiglione Vice President, Equipment Solutions Group	2004	120,416(7)			50,000	582(3)

- (1) For 2004, represents \$12,920 in interest on advances made pursuant to the Tax Indemnification Agreement "TIA", filed as an exhibit to the Annual Report on Form 10-K/A filed with the SEC on September 15, 2000, \$2,214 in car allowance and \$1,167 in insurance premiums. For 2003, represents \$31,704 in interest on advances made pursuant to the TIA, \$1,624 in car allowances and \$1,097 in insurance premiums. For 2002, represents \$3,150 in payments to a defined contribution plan, \$1,611 in car allowances, \$1,277 in insurance premiums, \$80,307 in interest on advances made pursuant to the TIA and \$43,487 in tax services.
- (2) Represents housing allowance.
- (3) Represents insurance premiums.
- (4) Mr. McCutcheon was appointed Senior Vice President and Chief Financial Officer of Metron in January 2003.
- (5) Represents consulting arrangement prior to employment.
- (6)

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Mr. Greskovich was appointed the Vice President, Fab Solutions Group of Metron in June 2003.

(7)

Mr. Postiglione was appointed Vice President, Equipment Solutions Group in March 2004.

Stock Option Grants And Exercises

Metron grants options to its executive officers under its Amended and Restated Employee Stock Option Plan (the "Option Plan") and Supplemental Stock Option Plan (the "Supplemental Plan"). As of July 31, 2004, options to purchase a total of 2,953,858 shares were outstanding under the Option Plan and options to purchase 1,001,274 shares remained available for grant thereunder, and options to purchase a total of 427,310 shares were outstanding under the Supplemental Plan and options to purchase 72,440 shares remained available for grant thereunder.

The following tables show, for the fiscal year ended May 31, 2004, certain information regarding options granted to, exercised by, and held at year-end by, the Named Executive Officers:

OPTION/SAR GRANTS IN FISCAL 2004

Name	Individual Grants		Exercise Or Base Price (\$/Sh)(2)	Expiration Date	Potential Realizable Value at Assumed Annual Rates of Stock Price Appreciation for Option Term(3)	
	Number of Securities Underlying Options/SARs Granted (#)	% of Total Options/SARs Granted to Employees in Fiscal Year(1)			5% (\$)	10% (\$)
Edward D. Segal(4)	80,000	7.8%	\$ 2.45	May 31, 2013	\$ 319,263	\$ 508,374
Dennis R. Riccio(4)	100,000	9.7%	\$ 2.45	May 31, 2013	399,079	635,467
Douglas J. McCutcheon(4)	50,000	4.9%	\$ 2.45	May 31, 2013	199,540	317,733
Gregory S. Greskovich(4)	90,000	8.7%	\$ 2.45	May 31, 2013	359,171	571,920
Peter Postiglione(5)	15,000	1.5%	\$ 4.30	October 25, 2013	39,908	63,547
Peter Postiglione(6)	35,000	3.4%	\$ 3.09	March 31, 2014	176,165	280,513

- (1) Based on options to purchase an aggregate of 1,028,900 shares granted to employees (including employee directors) during the fiscal year ended May 31, 2004. The foregoing total excludes options granted to consultants and non-employee directors.
- (2) The exercise price per share of each option was equal to the quoted fair market value of the Metron common shares on the date of grant.
- (3) The potential realizable value is calculated based on the term of the option at its time of grant. It is calculated by assuming that the stock price on the date of grant appreciates at the indicated annual rate, compounded annually for the entire term of the option and that the option is exercised and sold on the last day of its term for the appreciated stock price. The 5% and 10% rates represent certain assumed rates of appreciation only, in accordance with the rules of the Securities and Exchange Commission, and do not reflect Metron's estimate or projection of future stock price performance. Actual gains, if any, are dependent on the actual further performance of the common shares, and no gain to the optionee is possible unless the stock price increases over the option term.
- (4) 6.25% of the shares subject to the option granted vested on September 1, 2003 and 6.25% of such shares vest every quarter during the four years thereafter.
- (5) 25% of the shares subject to the option granted vest on October 26, 2004 and 25% of such shares vest annually for the three years thereafter.
- (6) 25% of the shares subject to the option granted vest on April 1, 2005 and 25% of such shares vest annually for the three years thereafter.

**AGGREGATED OPTION/SAR EXERCISES IN LAST FISCAL YEAR,
AND FISCAL YEAR-END OPTION/SAR VALUES**

Name	Shares Acquired on Exercise (#)	Value Realized \$(1)	Number of Securities Underlying Unexercised Options/SARs at Fiscal Year-End (#)		Value of Unexercised In-the-Money Options/SARs at Fiscal Year-End \$(2)	
			Exercisable	Unexercisable	Exercisable	Unexercisable
Edward D. Segal	10,000	(3)	38,750	91,250	\$ 33,238	\$ 72,463
Dennis R. Riccio			38,125	96,875	30,306	71,844
Douglas J. McCutcheon			43,750	106,250	56,125	129,875
Gregory S. Greskovich			22,500	67,500	14,400	43,200
Peter Postiglione						

- (1) The value realized is based on the fair market value of the Metron common shares on the exercise date minus the exercise price.
- (2) The valuations are based on the fair market value of the Metron common shares on May 31, 2004 of \$2.45, minus the exercise price of the options.
- (3) On the day Mr. Segal exercised his options, the market price of the shares purchased was less than the exercise price.

Equity Compensation Plan Information

The following table provides certain information with respect to all of Metron's equity compensation plans in effect as of May 31, 2004.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance
	(a)	(b)	(c)
Equity compensation plans approved by security holders	3,127,608	6.42	1,052,524
Equity compensation plans not approved by security holders	427,310	2.83	72,440
Total	3,554,918	5.99	1,124,964

Employment Agreements and Termination of Employment Arrangements

Edward D. Segal, Dennis R. Riccio and Douglas J. McCutcheon are each employed pursuant to an employment contract with a subsidiary of Metron, which is incorporated in their country of residence. As a consequence of the fact that Metron was reporting operating losses, all Named Executive Officers agreed to accept a 10% reduction in their current base salaries effective October 1, 2001 for an indefinite period. The reductions remained in effect as of the end of fiscal year 2004.

Edward D. Segal is employed pursuant to an employment contract entered into in September 1999 with Metron Technology Corporation, a California corporation and wholly-owned subsidiary of Metron ("MTC"), and with Metron. The employment contract provides that Mr. Segal will serve as a managing director of Metron and as Metron's Chief Executive Officer at an annual salary of not less than \$295,000. The agreement also provides for Mr. Segal's participation in an annual incentive compensation plan approved by the Supervisory Board and for other usual and customary benefits. Metron and MTC agreed to indemnify Mr. Segal against any liability to which he may be subject for

judgments, settlements, penalties, fees and expenses of defense, including attorney's fees, bonds and costs of investigation, arising out of or in any way related to acts or omissions as a member of Metron's Managing Board, or an executive officer, or in any other capacity in which services are rendered to Metron or MTC and its subsidiaries. However, Mr. Segal would not be entitled to indemnification under this agreement under certain circumstances, including if indemnification is unlawful. If Mr. Segal's employment is terminated by MTC without cause or by Mr. Segal for good reason or due to disability, in exchange for Mr. Segal's signing a release of all claims, he will continue to receive his base salary for a period of 12 months in addition to other customary benefits.

Dennis R. Riccio is employed pursuant to an employment contract entered into in November 2001 with MTC and with Metron. The employment contract provides that Mr. Riccio will serve as a managing director of Metron and as Metron's President and Chief Operating Officer at an annual salary of not less than \$280,000. The agreement also provides for Mr. Riccio's participation in an annual incentive compensation plan approved by the Supervisory Board and for other usual and customary benefits. Metron and MTC agreed to indemnify Mr. Riccio against any liability to which he may be subject for claims, damages, judgments, losses, liabilities, fees and expenses of defense, including attorney's fees, bonds and costs of investigation, arising out of or in any way related to acts or omissions as a member of Metron's Managing Board, or an executive officer, or in any other capacity in which services are rendered to Metron or MTC and its subsidiaries. However, Mr. Riccio would not be entitled to indemnification under this agreement under specified circumstances including if indemnification is unlawful. If Mr. Riccio's employment is terminated by MTC without cause or by Mr. Riccio for good reason or due to disability, in exchange for Mr. Riccio's signing a release of all claims, he will continue to receive his final base salary for a period of 12 months in addition to other customary benefits.

Douglas J. McCutcheon is employed pursuant to an employment contract entered into in January 2003 with MTC and with Metron. The employment contract provides that Mr. McCutcheon will serve as a managing director of Metron and as Metron's Senior Vice President and Chief Financial Operating Officer at an annual salary of not less than \$225,000. Metron granted Mr. McCutcheon an option to purchase 100,000 Metron common shares and an additional option to purchase 50,000 Metron common shares in June 2003. The agreement also provides for Mr. McCutcheon's participation in an annual incentive compensation plan approved by the Supervisory Board and for other usual and customary benefits. Metron and MTC agreed to indemnify Mr. McCutcheon against any liability to which he may be subject for claims, damages, judgments, losses, liabilities, fees and expenses of defense, including attorney's fees, bonds and costs of investigation, arising out of or in any way related to acts or omissions as a member of Metron's Managing Board, or an executive officer, or in any other capacity in which services are rendered to Metron or MTC and its subsidiaries. However, Mr. McCutcheon would not be entitled to indemnification under this agreement under specified circumstances including if indemnification is expressly prohibited under applicable law or prohibited by Metron's Articles of Association or MTC's Articles of Incorporation. If Mr. McCutcheon's employment is terminated by MTC without cause or by Mr. McCutcheon for good reason or due to disability, in exchange for Mr. McCutcheon's signing a release of all claims, he will continue to receive his final base salary for a period of 12 months in addition to other customary benefits.

Compensation Committee Interlocks and Insider Participation

Metron's compensation committee consists of Messrs. Anderson, Elftmann and George.

None of the current members of Metron's compensation committee is an officer or employee of Metron. Mr. Elftmann is President of Custom Fab Solutions LLC and was recently the Chairman of the Board of FSI, one of Metron's suppliers and shareholders. See "*Item 13 Certain Relationships and Related Transactions.*" for a more detailed description of the relationship between Metron and each of FSI and Custom Fab Solutions LLC.

**REPORT OF THE COMPENSATION COMMITTEE OF THE SUPERVISORY BOARD
ON EXECUTIVE COMPENSATION(1)**

(1)

The material in this report is not "soliciting material," is not deemed "filed" with the SEC, and is not to be incorporated by reference into any filing of Metron under the 1933 Act or 1934 Act, whether made before or after the date hereof and irrespective of any general incorporation language contained in such filing.

The Compensation Committee (the "Committee") of the Supervisory Board generally makes decisions regarding the compensation of Metron's Chief Executive Officer, Edward D. Segal, and its other executive officers. During fiscal 2004, the Committee consisted of the following serving members of the Supervisory Board: Messrs. Anderson, Elftmann and George, all three are outside directors. The Committee has furnished the following report on the 2004 compensation of Edward D. Segal and Metron's other executive officers.

In setting the compensation levels, the Committee considers the standard practices in the semiconductor equipment and materials industry, including data from surveys, as well as the practices of companies with whom Metron competes for executive talent. In addition, the Committee considers the overall performance of Metron in setting the compensation levels of Metron's executive officers. As a consequence of the fact that Metron was reporting operating losses since fiscal year 2002, the Committee recommended, and all executive officers agreed to accept, a 10% reduction in the current base salaries of all executive officers, effective October 1, 2001 and to continue for an indefinite period. The reductions remained in effect as of the end of fiscal year 2004. Metron believes that its total executive compensation package is near the median among its peers.

ELEMENTS OF ANNUAL COMPENSATION

Salary

The Committee determines base salaries, incentive compensation and stock option grants of the executive officers in part in reliance on the Radford Survey (the "Survey") or the prevailing competitive salaries in the technology sector for similar positions and by evaluating those salary standards against the achievement by Metron of its corporate goals. The Committee compared the compensation of Metron's executive officers to equivalent data in the Survey and competitive market compensation levels to determine base salary, target bonuses and target total cash compensation. The Committee also reviewed and compared the practices of such companies with respect to stock option grants. Increases in annual salaries are based on actual corporate and individual performance against targeted performance and various subjective performance criteria. Targeted performance criteria vary for each executive officer based on his area of responsibility. Subjective performance criteria include an executive officer's ability to motivate others, develop the skills necessary to mature with Metron and recognize and pursue new business opportunities to enhance Metron's growth and success. The Committee does not use a specific formula based on these targeted performance and subjective criteria, but instead makes an evaluation of each executive officer's contributions in light of all of the criteria.

Stock Options

The Committee grants stock options under Metron's stock option plans to foster executive ownership and to provide direct linkage with shareholder interests. The Committee considers the current level of equity holdings in Metron, stock options previously granted, industry practices, the executive's accountability level and assumed potential share value when determining stock option grants. The Committee relies upon competitive guideline ranges of retention-effective, target-gain objectives to be derived from option gains based upon relatively aggressive assumptions relating to planned growth and earnings. In this manner, potential executive gains parallel those of other shareholders over the long term. Therefore, the stock option program serves as Metron's primary

long-term incentive and retention tool for executives and other key employees. The exercise prices of stock options granted to executive officers are equal to the market value of the shares on the date of grant.

CEO COMPENSATION

Mr. Segal joined Metron as President and Chief Executive Officer in July 1995. In general, the factors utilized in determining Mr. Segal's compensation are the same as those applied to the other executive officers in the manner described in the preceding paragraphs, although achievement of Company financial performance goals have a greater impact on his total compensation.

In establishing Mr. Segal's base salary, it was the Committee's intent to provide him with a level of stability and certainty each year. His base salary for the 2004 fiscal year before the 10% reduction for managing directors was \$307,000 and is comparable to the reported base salaries for Chief Executive Officers in the Survey. Mr. Segal's compensation for the 2004 fiscal year did not contain an annual bonus component.

In June 2003, the Committee awarded Mr. Segal additional options to purchase 80,000 Metron common shares.

The Committee believes that Mr. Segal's compensation for the 2004 fiscal year is consistent with the criteria described above and the Committee's evaluation of his overall leadership and management of Metron.

COMPLIANCE WITH INTERNAL REVENUE CODE SECTION 162(M)

Section 162(m) of the Code limits Metron to a deduction for federal income tax purposes of no more than \$1 million of compensation paid to certain Named Executive Officers in a taxable year. Compensation above \$1 million may be deducted if it is "performance-based compensation" within the meaning of the Code.

The statute containing this law and the applicable proposed Treasury regulations offer a number of exceptions to this deduction limit for pre-existing compensation plans, arrangements and binding contracts. As a result, the Committee believes that at the present time it is quite unlikely that the compensation paid to any Named Executive Officer in a taxable year which is subject to the deduction limit will exceed \$1 million.

CONCLUSION

In summary, it is the opinion of the Committee that the adopted executive compensation policies and plans provide the necessary total remuneration program to properly align Metron's performance and the interest of Metron's shareholders with competitive and equitable executive compensation in a balanced and reasonable manner, for both the short and long term.

Compensation Committee
Robert R. Anderson
Joel A. Elftmann
William L. George

PERFORMANCE MEASUREMENT COMPARISON

The following graph shows the total shareholder return of an investment of \$100 in cash on November 18, 1999 for (i) Metron's common shares, (ii) the Standard & Poor's SmallCap Index of 600 companies (the "S&P SmallCap 600") and (iii) the peer group as published by SEMI in their SEMIndex for United States companies with a market cap of less than \$250 million.

The SEMIndex peer group with a market cap of \$250 million consists of 21 companies in the semiconductor industry as follows: Aehr Test Systems; Aetrium, Inc., Amtech Systems Inc., August Technology Corporation, BE Semiconductor Industries N.V., Btu International Inc., Electroglas Inc., Emcore Corporation, Focus Entmt International Inc., FSI International Inc., Genus Inc., Ibis Technology Corporation, Inficon, Intest Corporation, Metron Technology N.V., Micro Component Technology Inc., Nanometrics Inc., Nova Measuring Instruments, Robotic Vision Sys Inc., Therma-Wave Inc., and Zygo Corporation.

COMPARISON OF 54 MONTH CUMULATIVE TOTAL RETURN*
AMONG METRON TECHNOLOGY N.V., THE S & P SMALLCAP 600 INDEX
AND PEER GROUP

*

\$100 invested on 11/18/99 in stock or on 10/31/99 in index-including reinvestment of dividends. Fiscal year ending May 31.

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www.researchdatagroup.com/S&P.htm

CERTAIN TRANSACTIONS

Transactions with FSI

As of May 31, 2004, FSI held approximately 11.7% of Metron's outstanding shares. In fiscal 2004, 2003 and 2002 FSI products sold accounted for 1%, 11% and 13% of Metron's revenue, respectively. In addition, Mr. Elftmann, a Supervisory Director of Metron, was Chairman of the Board of FSI until January 2002.

In October 2002, Metron and FSI entered into a transition agreement, providing for the early termination of their distribution agreements in Europe and Asia. Pursuant to the agreement, effective March 1, 2003, FSI assumed direct sales, service and applications support and logistics responsibilities for its surface conditioning and microlithography products in Europe and Asia, except that Metron continued to take purchase orders for spare parts until April 15, 2003 in accordance with the terms of the distribution agreements, while Metron continues to represent FSI products in Israel.

As a Supervisory Director of Metron, Mr. Elftmann receives yearly option grants. In addition, Mr. Elftmann agreed to convey title to these options (if this is permitted by their terms) and any shares received upon exercise of the option to FSI or to sell the shares and remit the proceeds to FSI upon FSI's request.

Transactions with Entegris

As of May 31, 2004, Entegris held approximately 8.21% of the outstanding Metron common shares.

On January 8, 2001 Metron and Entegris entered into an agreement to modify their existing distribution relationship. Pursuant to that agreement, Entegris agreed to transfer to Metron 1,125,000 Metron common shares and make cash payments totaling \$1.75 million to Metron over a 15-month period. On February 13, 2001, Metron and Entegris entered into a transition agreement whereby Entegris assumed direct sales responsibility for products from its Microelectronics Group in Europe beginning April 1, 2001, and in Asia beginning May 1, 2001. Pursuant to the transition agreement, Metron received revenue (either in the form of a 10% sales commission or a discount off the sales list price, which ranges from 5% to 40% depending on the product) for orders received before the above dates and shipped within the 90 days following these dates. In addition, on March 1, 2001, Metron and Entegris entered into a new distribution agreement, under which Metron will continue to distribute Entegris' Fluid Handling Group product line in all regions in Europe, Asia and parts of the United States covered under the previous distribution agreements. The distribution agreement will continue until August 31, 2005 and renew automatically for successive 5-year terms. The parties may terminate the agreement early under certain circumstances or, with 12 months' notice, at the end of the then-current term. Pursuant to the distribution agreement, Entegris has agreed to sell products to Metron at a 10% to 40% discount from the published list price, depending on the product. If Entegris asks Metron to act as a manufacturer's sales representative, Entegris will provide Metron with a commission structure for those sales. On August 30, 2004, Metron received a letter from Entegris notifying Metron of Entegris' intent to terminate the distribution agreement at the end of the current term of the agreement, which term ends on August 31, 2005.

Indebtedness of Management

In July 1995, Edward D. Segal, President and Chief Executive Officer entered into a Tax Indemnification Agreement ("TIA") with Metron as part of its acquisition of Transpacific Technology Corporation. At the time of the acquisition and until it completed its initial public offering in November 1999, Metron was a "controlled foreign corporation" under Subpart F of the US Internal Revenue Code ("Subpart F"), and as a "US person" the officer/director was liable for personal income tax on income imputed to him under Subpart F. Under the agreement, Metron has provided cash

advances for taxes due for Subpart F income that totaled \$270,000 at May 31, 2004. Under the TIA, Mr. Segal is required to repay these advances only to the extent that he benefits from the increase in the tax basis of his holding of Metron stock. Accordingly, in fiscal 2001, Metron recorded a reserve of \$160,000 against these advances. Repayment of a portion of the advances is required beginning with the first sale of shares owned by Mr. Segal. The completion of the asset sale and liquidation would be considered a sale of the shares owned by Mr. Segal. Accordingly upon the liquidation, Mr. Segal will be required to repay a portion of the advances.

Indemnity Agreements

See *"Employment Agreements and Termination of Employment Arrangements"* for a description of indemnification provisions contained in agreements with Named Executive Officers.

Employment Agreements

See *"Employment Agreements and Termination of Employment Arrangements"* for a description of employment agreements with Named Executive Officers.

HOUSEHOLDING OF PROXY MATERIALS

The SEC has adopted rules that permit companies and intermediaries (e.g. brokers) to satisfy the delivery requirements for proxy statements and annual reports with respect to two or more shareholders sharing the same address by delivering a single proxy statement addressed to those shareholders. This process, which is commonly referred to as "householding," potentially means extra convenience for shareholders and cost savings for companies.

This year, a number of brokers with account holders who are Metron shareholders will be "householding" Metron's proxy materials. A single proxy statement will be delivered to multiple shareholders sharing an address unless contrary instructions have been received from the affected shareholders. Once you have received notice from your broker that they will be "householding" communications to your address, "householding" will continue until you are notified otherwise or until you revoke your consent. If, at any time, you no longer wish to participate in "householding" and would prefer to receive a separate proxy statement and annual report, please notify your broker or direct your written request to Julie Carlson, Metron Technology N.V., 4425 Fortran Drive, San Jose, California 95134-2300, USA. Shareholders who currently receive multiple copies of the proxy statement at their address and would like to request "householding" of their communications should contact their broker.

A copy of Metron's Annual Report to the Securities and Exchange Commission on Form 10-K, as amended, for the fiscal year ended May 31, 2004 is available without charge upon written request to: Julie Carlson, Metron Technology N.V., 4425 Fortran Drive, San Jose, California 95134-2300, USA.

WHERE YOU CAN FIND MORE INFORMATION

Metron files reports, proxy statements and other information with the Securities and Exchange Commission. Metron shareholders may read and copy any reports, proxy statements or other information filed by Metron at the Securities and Exchange Commission's Public Reference Room at 450 Fifth Street, N.W., Washington, D.C. 20549. You may obtain information on the operation of the Public Reference Room by calling the Securities and Exchange Commission at (800) SEC-0330.

Copies of these materials can also be obtained by mail at prescribed rates from the Public Reference Section of the Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549 or by calling Securities and Exchange Commission at (800) SEC-0330. The Securities and Exchange Commission maintains a website that contains reports, proxy statements and other information regarding Metron. The address of the Securities and Exchange Commission website is <http://www.sec.gov>.

The Securities and Exchange Commission allows Metron to "incorporate by reference" information into this proxy statement, which means that Metron can disclose important information to its shareholder by referring them to another document filed separately with the Securities and Exchange Commission. The documents incorporated by reference into this proxy statement contain important information that you should read about Metron.

The following documents, which have been filed by Metron with the Securities and Exchange Commission, are incorporated by reference into this document:

1. Metron's Form 10-K Annual Report for the fiscal year ended May 31, 2004 filed on August 12, 2004;
2. Metron's Current Report on Form 8-K filed on August 17, 2004;
3. Metron's Current Report on Form 8-K filed on September 2, 2004;
4. Metron's Form 10-K/A Annual Report for the fiscal year ended May 31, 2004 filed on September 10, 2004; and
5. Metron's Form 10-Q Quarterly Report for the quarter ended August 31, 2004 filed on October 15, 2004.

Metron also incorporates by reference into this proxy statement all documents filed with the Securities and Exchange Commission by Metron pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act from the date of this proxy statement to the date of the Annual Meeting. These documents include periodic reports, such as Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K.

You may have previously received some of the documents incorporated by reference in this proxy statement, but you can obtain any of them through us, the Securities and Exchange Commission or the Securities and Exchange Commission's Internet world wide web site as described above. Documents incorporated by reference are available from us without charge, excluding all exhibits, unless Metron has specifically incorporated by reference an exhibit in this proxy statement. Metron shareholders may obtain copies of documents filed with the SEC free of charge at the Metron investor relations website <http://www.investor.metrontech.com>.

Any statement contained herein or in a document incorporated or deemed to be incorporated by reference into this document will be deemed to be modified or superseded for purposes of the document to the extent that a statement contained in this document or any other subsequently filed document that is deemed to be incorporated by reference into this document modifies or supersedes the statement. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this document.

You should rely only on the information contained or incorporated by reference in this proxy statement to vote on matters considered at the Annual Meeting. Metron has not authorized anyone to provide you with information that is different from what is contained in this proxy statement. This proxy statement is dated November 10, 2004. You should not assume that the information contained in this proxy statement is accurate as of any date other than November 10, 2004, and the mailing of the proxy statement to Metron shareholders after this date create any implication to the contrary.

OTHER MATTERS

The Board of Supervisory Directors knows of no other matters that will be presented for consideration at the Annual Meeting. If any other matters are properly brought before the Annual Meeting, it is the intention of the persons named in the accompanying proxy to vote on such matters in accordance with their best judgment.

By Order of the Board of Supervisory Directors

/s/ BRUCE M. JAFFE

Supervisory Director

November 10, 2004

STOCK AND ASSET PURCHASE AGREEMENT

BY AND BETWEEN

APPLIED MATERIALS, INC.

AND

METRON TECHNOLOGY N.V.

Dated as of August 16, 2004

TABLE OF CONTENTS

	Page
ARTICLE I PURCHASE AND SALE OF ASSETS; ASSUMPTION OF LIABILITIES	A-1
1.1 Purchase and Sale of Assets	A-1
1.2 Excluded Assets	A-2
1.3 Assumption of Liabilities	A-2
1.4 Excluded Liabilities	A-3
1.5 Purchase Price Allocation	A-3
ARTICLE II PURCHASE PRICE AND PAYMENT	A-4
2.1 Amount of Purchase Price	A-4
2.2 Payment of Purchase Price	A-4
ARTICLE III CLOSING AND TERMINATION	A-4
3.1 Closing Date	A-4
3.2 Termination of Agreement	A-4
3.3 Procedure Upon Termination	A-5
3.4 Effect of Termination	A-5
ARTICLE IV REPRESENTATIONS AND WARRANTIES OF THE COMPANY	A-5
4.1 Organization and Good Standing	A-6
4.2 Authorization of Agreement	A-6
4.3 Capitalization	A-6
4.4 Purchased Companies and their Subsidiaries	A-7
4.5 Corporate Records	A-8
4.6 Conflicts; Consents of Third Parties	A-8
4.7 Ownership and Transfer of Shares	A-9
4.8 SEC Documents; No Undisclosed Liabilities	A-9
4.9 Information Supplied	A-11
4.10 Absence of Certain Developments	A-11
4.11 Taxes	A-13
4.12 Real Property	A-15
4.13 Tangible Personal Property	A-16
4.14 Intellectual Property	A-17
4.15 Material Contracts	A-20
4.16 Employee Benefits Plans	A-21
4.17 Employees and Labor	A-24
4.18 Litigation	A-25
4.19 Compliance with Laws; Permits	A-25
4.20 Environmental Matters	A-26
4.21 Insurance	A-26
4.22 Inventories; Receivables; Payables	A-27
4.23 Related Party Transactions	A-27
4.24 Customers and Suppliers	A-27
4.25 Banks	A-27
4.26 Vote Required	A-28
4.27 Financial Advisors	A-28
4.28 Opinion of Financial Advisor	A-28
4.29 Title to Purchased Assets; Sufficiency	A-28
4.30 No Misrepresentation	A-28

ARTICLE V	REPRESENTATIONS AND WARRANTIES OF PURCHASER	A-28
5.1	Organization and Good Standing	A-28
5.2	Authorization of Agreement	A-28
5.3	Conflicts; Consents of Third Parties	A-29
5.4	Litigation	A-29
5.5	Investment Intention	A-29
5.6	Financial Advisors	A-29
ARTICLE VI	COVENANTS AND AGREEMENTS	A-29
6.1	Access to Information; Confidentiality	A-29
6.2	Conduct of the Business Pending the Closing	A-30
6.3	Consents	A-33
6.4	Filings with Governmental Bodies	A-34
6.5	Other Actions	A-35
6.6	Non Negotiation; Non-Solicitation	A-35
6.7	Publicity	A-37
6.8	Company Stock Options and Other Awards	A-37
6.9	Use of Name	A-37
6.10	Environmental Matters	A-37
6.11	Employee Bonus Incentive Plan	A-38
6.12	Updated Schedules	A-38
6.13	Preparation of the Company Proxy Statement; Shareholders Meeting	A-38
6.14	Employee Benefits	A-39
6.15	Insurance	A-40
6.16	Intercompany Items	A-40
6.17	Liquidation and Satisfactions of Claims	A-40
6.18	Indemnification, Exculpation and Insurance	A-40
6.19	Certain Contracts	A-41
6.20	Agreements Regarding Certain Taxes	A-42
ARTICLE VII	CONDITIONS TO CLOSING	A-44
7.1	Conditions Precedent to Each Party's Obligations	A-44
7.2	Conditions Precedent to Obligations of Purchaser	A-45
7.3	Conditions Precedent to Obligations of the Company	A-47
ARTICLE VIII	DOCUMENTS TO BE DELIVERED	A-48
8.1	Documents to be Delivered by the Company	A-48
8.2	Documents to be Delivered by the Purchaser	A-48
ARTICLE IX	MISCELLANEOUS	A-48
9.1	Certain Definitions	A-48
9.2	Non-Survivability of Representations and Warranties	A-56
9.3	Payment of Sales, Use or Similar Taxes	A-56
9.4	Expenses	A-56
9.5	Specific Performance	A-56
9.6	Further Assurances	A-56
9.7	Submission to Jurisdiction; Consent to Service of Process;	A-56
9.8	Entire Agreement; Amendments and Waivers	A-57
9.9	Governing Law	A-57
9.10	Table of Contents and Headings	A-57
9.11	Notices	A-57
9.12	Severability	A-58

9.13	Binding Effect; Assignment	A-58
9.14	Counterparts	A-58

Exhibits

Exhibit A Form of Voting Agreement

Exhibit B Form of Non-Competition Agreement

Exhibit C Form of Employee Bonus Incentive Plan

Exhibit D Form of Assignment and Assumption Agreement

Exhibit E Form of Indemnity Agreement

Annexes

Annex A Purchased Companies

Annex A-1 Subsidiaries

Annex A-2 Joint Ventures

Annex B Shareholders

STOCK AND ASSET PURCHASE AGREEMENT

This STOCK AND ASSET PURCHASE AGREEMENT is dated as of August 16, 2004 (the "*Agreement*") by and between Applied Materials, Inc., a Delaware corporation (the "*Purchaser*") and Metron Technology N.V., a company organized under the laws of The Netherlands (the "*Company*"). Capitalized terms used but not otherwise defined herein have the meanings ascribed to such terms in *Section 9.1*.

RECITALS:

A. The Company is principally engaged in the business of marketing, sales, service and support solutions to semiconductor materials and equipment suppliers and semiconductor manufacturers and the marketing, sale, manufacture and support of early generation semiconductor equipment (the "*Business*") which operates through the direct or indirect ownership of (i) all of the issued and outstanding shares (collectively, the "*Shares*") of capital of the companies set forth on *Annex A* under "*Purchased Companies*" hereto (each a "*Purchased Company*" and collectively, the "*Purchased Companies*"); and (ii) the Subsidiaries of the Purchased Companies listed on *Annex A-1* and *Annex A-2*.

B. The Company desires to sell, transfer and assign to Purchaser, and Purchaser desires to purchase, acquire and assume from the Company, the Purchased Assets and the Assumed Liabilities (each as defined below), for the purchase price and on the terms and subject to the conditions hereinafter set forth (the "*Transaction*").

C. Each of the Managing Board of the Company (the "*Managing Board*") and the Supervisory Board of the Company (the "*Supervisory Board*") and together with the Managing Board, the "*Company Boards*") has unanimously determined after taking into account the interests of the shareholders, employees and other stakeholders of the Company that this Agreement and the Transaction are reasonable, proper and advisable and are fair to, and in the best interests of the Company, the Business and the Company's shareholders, employees and other stakeholders.

D. In order to induce the Company and Purchaser to enter into this Agreement, concurrent with the execution of this Agreement, certain shareholders of the Company, listed on *Annex B*, have entered into Voting Agreements, in substantially the form attached hereto as *Exhibit A* (the "*Voting Agreements*").

E. As soon as practicable following the Closing, the Company intends to: (1) wind up its affairs, satisfy all valid claims of creditors and others having claims against the Company, and distribute any remaining assets (including any remaining Purchase Price) to its shareholders; (2) request delisting of its shares from Nasdaq; and (3) be dissolved and liquidated.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements hereinafter contained, the parties hereby agree as follows:

ARTICLE I

PURCHASE AND SALE OF ASSETS; ASSUMPTION OF LIABILITIES

1.1 *Purchase and Sale of Assets.* On the terms and subject to the conditions set forth in this Agreement, at the Closing Purchaser shall (or shall cause its designated Affiliate or Affiliates to) purchase, acquire and accept from the Company and the Company shall (and in the case of Third Party Shares as defined in *Section 4.7*, the Company shall cause the holders of such Third Party Shares to) sell, transfer, assign, convey and deliver to Purchaser (or its designated Affiliate or Affiliates) all of the Company's (or such holder of Third Party Shares'), right, title and interest in, to and under the Purchased Assets, free and clear of all Liens except for Permitted Exceptions. "*Purchased Assets*" shall mean all of the business, assets, properties, contractual rights, goodwill, going concern value, rights and claims of the Company, wherever situated and of whatever kind and nature, real or personal, tangible

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or intangible, whether or not reflected on the books and records of the Company (other than the Excluded Assets), including without limitation each of the following assets:

- (a) all stock or equity interests in any Person, including without limitation the Shares and the Third Party Shares;
- (b) all of the Company's rights in, to and under the Company Intellectual Property and the Company Technology, including without limitation the Company Intellectual Property and the Company Technology set forth on *Schedule 1.1(b)*;
- (c) all rights of the Company under any Contracts relating to the Business, including, without limitation, those Contracts set forth on *Schedule 1.1(c)* (other than those Contracts which become Excluded Assets pursuant to *Section 6.3*), *provided*, with respect to the Contracts set forth or referred to in *Schedule 6.19*, only to the extent such Contracts become Purchased Assets in accordance with *Section 6.19* (the "*Purchased Contracts*");
- (d) all cash and cash equivalents, except to the extent expressly provided in *Section 1.2(c)*;
- (e) all accounts receivable and other current assets;
- (f) all Permits, to the extent transferable under applicable Law;
- (g) all Documents;
- (h) all deposits, prepayments and rights to refunds (including without limitation any refunds relating to Taxes); and
- (i) all other assets, if any, reflected on the Balance Sheet or otherwise used in connection with the Business.

1.2 Excluded Assets Nothing herein contained shall be deemed to sell, transfer, assign or convey the Excluded Assets to Purchaser, and the Company shall retain all right, title and interest to, in and under the Excluded Assets. "*Excluded Assets*" shall mean each of the following assets:

- (a) any Contracts that become Excluded Assets in accordance with *Section 6.3* or *Section 6.19*;
- (b) the Initial Cash Payment;
- (c) other cash and cash equivalents of the Company at the Effective Time, in an amount equal to the sum of (i) the aggregate cash payments received by the Company from and after the date of this Agreement and prior to the Effective Time upon the exercise of Warrants (as defined in *Section 4.3(a)*) and options issued under the Company Stock Plans (as defined in *Section 4.3(a)*) and (ii) Two Million Dollars (\$2,000,000) in cash held by the Company as of the Effective Time;
- (d) the Contracts set forth on *Schedule 1.2(d)* (the "*Specified Contracts*");
- (e) all cash received by the Company after the Effective Time under the ESPP and upon the exercise of Warrants and options issued under the Company Stock Plans;
- (f) the Company's rights under this Agreement, the Assignment and Assumption Agreement and the Indemnity Agreement;
- (g) treasury shares in the Company; and
- (h) the Company's articles of association, by-laws, minute books, corporate seal and other corporate records relating to its corporate organization and capitalization.

1.3 Assumption of Liabilities On the terms and subject to the conditions set forth in this Agreement, at the Closing, Purchaser shall (or shall cause its designated Affiliate or Affiliates to)

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assume, effective as of the Closing, all of the Liabilities of the Company as of the Effective Time (other than Excluded Liabilities (as defined in *Section 1.4* hereof)), and including, without limitation:

(a) any Liability for United States federal or Netherlands income taxes arising from the Closing of the transactions contemplated by this Agreement including any Liabilities for corporate income Taxes resulting from payments from the Purchaser to the Company pursuant to *Section 6.20* but excluding any Liability for any withholding obligations or surtax except as provided for under *Section 6.20*;

(b) any Liability for sales, use, value added, transfer, recordation, intangible, documentary, stamp or similar Taxes or charges applicable to or resulting from, the transfer of the Purchased Assets to Purchaser as contemplated by this Agreement;

(c) any Liability to indemnify the officers and directors of the Company, the Purchased Companies or their Subsidiaries for matters arising prior to or as of the Effective Time; and

(d) any Liability under or with respect to any Purchased Asset (including, without limitation, all Liabilities under Contracts that become Purchased Assets in accordance with *Section 6.3* or *Section 6.19*) (collectively, the "Assumed Liabilities").

1.4 Excluded Liabilities Purchaser will not assume or be liable for any Excluded Liabilities. The Company shall timely perform, satisfy and discharge in accordance with their respective terms all Excluded Liabilities. "Excluded Liabilities" shall mean the following Liabilities of the Company:

(a) except to the extent expressly included as an Assumed Liability, and except for the Surtax Liability and the Withholding Obligations pursuant to *Section 6.20*, any Liability arising or resulting from events occurring after the Effective Time, including without limitation any Liability (including Liabilities for surtax, withholding tax or other Taxes that do not become Assumed Liabilities under *Section 6.20*) arising in connection with the liquidation of the Company and/or any dividend or other distribution by the Company to its shareholders; *provided*, that the foregoing shall not limit the Purchaser's obligations under *Section 6.20*;

(b) except as provided in *Section 1.3(c)*, any Liability under or with respect to any Excluded Assets including, without limitation, all Liabilities under all Contracts that become Excluded Assets in accordance with *Section 6.3* or *Section 6.19*); *provided*, *however*, that the foregoing shall not limit Purchaser's obligations under the Indemnity Agreement;

(c) any Liability arising under this Agreement or the Voting Agreements;

(d) all Liabilities of the Company, the Purchased Companies or any of their Subsidiaries for fees, expenses and costs of legal, accounting, financial or other advisors incurred in connection with or arising from this Agreement, the Transaction or any of the other transactions contemplated hereby; *provided, however*, that Liabilities of the Purchased Companies and any of their Subsidiaries for fees, expenses and costs of legal, accounting, financial or other advisors arising after the Effective Time shall not be Excluded Liabilities;

(e) all Liabilities related to amounts payable in connection with the Transaction and related liquidation of the Company with respect to options, awards or other rights under the Company Stock Plans and the ESPP (including, without limitation, any Liability with respect to Taxes required to be paid or withheld in connection with any grant, exercise or acceleration of any option, award or other such right); and

(f) all Liabilities related to or arising from the Convertible Securities and/or the Warrants.

1.5 Purchase Price Allocation. Not later than sixty (60) days after the Closing Date, the Purchaser shall prepare and deliver to the Company copies of Form 8594 and any required exhibits thereto (the "Asset Acquisition Statement") allocating the Purchase Price among the Purchased Assets.

The Purchaser shall prepare and deliver to the Company from time to time revised copies of the Asset Acquisition Statement (the "*Revised Statements*") so as to report any matters on the Asset Acquisition Statement that need updating (including purchase price adjustments, if any). The Purchase Price paid by the Purchaser for the Purchased Assets shall be allocated in accordance with the Asset Acquisition Statement or, if applicable, the last Revised Statements, provided by the Purchaser to the Company, and all income Tax Returns and reports filed by the Purchaser and the Company shall be prepared consistently with such allocation.

ARTICLE II

PURCHASE PRICE AND PAYMENT

2.1 *Amount of Purchase Price.* The purchase price for the Purchased Assets (the "*Purchase Price*") shall be the sum of (a) an amount of cash equal to Eighty-Four Million Five Hundred Sixty-Seven Thousand One Hundred Fifty-Eight Dollars (\$84,567,158) (the "*Initial Cash Payment*"), (b) assumption of the Assumed Liabilities, (c) the payments with respect to certain Taxes described in *Section 6.20*, and (d) the Reimbursable Costs pursuant to *Section 9.4(b)*.

2.2 *Payment of Purchase Price.*

(a) On the Closing Date, the Purchaser shall pay to the Company the Initial Cash Payment, which shall be paid by the delivery to the Company by wire transfer of immediately available funds into an account designated by the Company, and Purchaser shall assume the Assumed Liabilities by executing and delivering the Assignment and Assumption Agreement described in *Section 8.1*. The additional payments in respect of certain Taxes described in *Section 6.20* shall be made at the times provided in such Section.

(b) The Transaction shall be deemed effective with respect to each Purchased Company and their Subsidiaries as of 12:01 a.m. local time on the Closing Date in the jurisdiction of such Purchased Company or Subsidiary (the "*Effective Time*").

ARTICLE III

CLOSING AND TERMINATION

3.1 *Closing Date.* Subject to the satisfaction of the conditions set forth in *Section 7.1*, *Section 7.2* and *Section 7.3* hereof (or the waiver thereof by the party entitled to waive that condition), the closing of the sale and purchase of the Purchased Assets and the assumption of the Assumed Liabilities provided for in *Section 1.1* and *Section 1.3* hereof (the "*Closing*") shall take place at 8:00 a.m. at the offices of Weil, Gotshal & Manges LLP, 201 Redwood Shores Parkway, Redwood Shores, California, or at such other location as the parties hereto agree as promptly as possible upon, and in any event within five (5) Business Days after, the satisfaction or waiver of the conditions set forth in *Section 7.1*, *Section 7.2* and *Section 7.3* (other than those conditions that by their nature are to be satisfied at the Closing, but subject to the satisfaction or waiver of such conditions). The date on which the Closing shall be held is referred to in this Agreement as the "*Closing Date*".

3.2 *Termination of Agreement.* This Agreement may be terminated prior to the Closing as follows:

(a) by mutual written consent of the Purchaser and the Company;

(b) by either Purchaser or the Company:

- (i) if the Transaction shall not have been consummated on or before December 15, 2004 (the "*Initial Outside Date*"); *provided, however*, that: (A) if the Transaction shall not have been consummated on or before such date because the condition set forth in *Section 7.1(b)* has

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not been satisfied or waived, then such date shall be automatically extended to January 31, 2005 (the "*Outside Date*") and (B) the right to terminate this Agreement under this *Section 3.2.(b)(i)* shall not be available to any party whose action or failure to act has been a principal cause of or resulted in the failure of the Transaction to be consummated on or before such date;

(ii)

if any Order having the effect set forth in *Section 7.1(c)* shall be in effect and shall have become final and nonappealable; or

(iii)

if the Company Shareholder Approval shall not have been obtained at the Company Shareholders Meeting duly convened therefor or at any adjournment or postponement thereof;

(c) by Purchaser, if the Company shall have breached or failed to perform any of its representations, warranties, covenants or agreements set forth in this Agreement, which breach or failure to perform (A) would give rise to the failure of a condition set forth in *Section 7.2(a)* or *Section 7.2(b)* and (B) is incapable of being cured, or is not cured, by the Company within sixty (60) calendar days following receipt of written notice of such breach or failure to perform from Purchaser;

(d) by the Company, if Purchaser shall have breached or failed to perform any of its representations, warranties, covenants or agreements set forth in this Agreement, which breach or failure to perform (i) would give rise to the failure of a condition set forth in *Section 7.3(a)* or *Section 7.3(b)* and (ii) is incapable of being cured, or is not cured, by Purchaser within sixty (60) calendar days following receipt of written notice of such breach or failure to perform from the Company; or

(e) by Purchaser, in the event that (i) a Company Adverse Recommendation Change shall have occurred or (ii) the Company Boards or any committee thereof shall have failed to publicly confirm their recommendation and declaration of advisability of this Agreement and the Transaction within five (5) business days after a written request by Purchaser that it do so.

3.3 Procedure Upon Termination. In the event of termination and abandonment by the Purchaser or the Company or both, pursuant to *Section 3.2* hereof, written notice thereof shall forthwith be given to the other party or parties, and this Agreement shall terminate, and the purchase of the Purchased Assets hereunder shall be abandoned, without further action by the Purchaser or the Company.

3.4 Effect of Termination. If this Agreement is terminated as provided herein, then each of the parties shall be relieved of their duties and obligations arising under this Agreement after the date of such termination and such termination shall be without liability to the Purchaser or the Company, other than pursuant this *Section 3.4* (Effect of Termination), *Section 6.1(b)* (Confidentiality), *Section 9.4* (Expenses), and *Article IX* (Miscellaneous), which provisions shall each survive such termination, *provided, however*, that nothing in this *Section 3.4* shall relieve (i) the Purchaser of any liability for a willful, knowing or intentional breach of this Agreement or (ii) the Company of any liability for a willful, Knowing or intentional breach of this Agreement.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF THE COMPANY

Except as disclosed in a document of even date herewith and delivered by the Company to Purchaser prior to the execution and delivery of this Agreement and referring by numbered section (and, where applicable, by lettered subsection) of the representations and warranties in this Agreement (the "*Company Disclosure Schedule*") (it being understood that any matter disclosed in any section of the Company Disclosure Schedule shall be considered disclosed for other sections of the Company

Disclosure Schedule, but only to the extent such matter on its face would reasonably be expected to be pertinent to other sections of the Company Disclosure Schedule in light of the disclosure made), the Company represents and warrants to Purchaser as follows:

4.1 *Organization and Good Standing.*

Each of the Company, the Purchased Companies and their Subsidiaries is a corporation or other entity duly organized, validly existing and in good standing (or its equivalent, if any) under the Laws of the jurisdiction of its incorporation as set forth on *Annex A* hereto, and has all requisite corporate or other applicable organizational power and authority to own, lease and operate its properties and to carry on its business as now conducted. Each of the Company, the Purchased Companies and their Subsidiaries is duly qualified or authorized to do business as a foreign corporation (or other applicable entity) and is in good standing under the Laws of each jurisdiction in which it owns or leases real property and each other jurisdiction in which the conduct of its respective business or the ownership of its respective properties requires such qualification or authorization.

4.2 *Authorization of Agreement.* The Company has all requisite power and authority to execute and deliver this Agreement, the Assignment and Assumption Agreement, the Indemnity Agreement and each other agreement, document, or instrument or certificate contemplated by this Agreement or to be executed by the Company in connection with the consummation of the transactions contemplated by this Agreement, and to consummate the transactions contemplated hereby (assuming the Company Shareholder Approval is obtained). The execution, delivery and performance by the Company of this Agreement, the Assignment and Assumption Agreement and the Indemnity Agreement have been duly authorized by all necessary corporate action on behalf of the Company (assuming the Company Shareholder Approval is obtained). This Agreement has been, and at or prior to the Closing, the Assignment and Assumption Agreement and the Indemnity Agreement will be, duly executed and delivered by the Company and (assuming the due authorization, execution and delivery by the other parties hereto and thereto) this Agreement constitutes, and the Assignment and Assumption Agreement and the Indemnity Agreement (when so executed and delivered) will constitute legal, valid and binding obligations of the Company, enforceable against the Company in accordance with their respective terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium and similar laws affecting creditors' rights and remedies generally, and subject, as to enforceability, to general principles of equity, including principles of commercial reasonableness, good faith and fair dealing (regardless of whether enforcement is sought in a proceeding at law or in equity).

4.3 *Capitalization.*

(a) The authorized capital stock of the Company consists of forty million (40,000,000) common shares, par value 0.44 Euro per share ("*Company Common Stock*"), and ten million (10,000,000) preferred shares, par value 0.44 Euro per share (rounded off as permitted by Section 2:67c of the Dutch Civil Code) ("*Company Preferred Stock*"). At the close of business on August 13, 2004, (i) 14,226,897 shares of Company Common Stock were issued and outstanding (of which 1,394,901 shares of Company Common Stock were held by the Company in its treasury), (ii) four million seven hundred fifty thousand (4,750,000) shares of Company Common Stock were reserved for issuance under the Company's Amended and Restated Employee Stock Option Plan (the "*Employee Option Plan*"), 794,868 of which have been issued pursuant to the exercise of options granted under the Employee Option Plan, 3,272,267 of which are subject to outstanding options granted under the Employee Option Plan and 682,865 of which remain available for issuance under the Employee Option Plan, (iii) two hundred twenty-five thousand (225,000) shares of Company Common Stock were reserved for issuance under the Company's 1997 Supervisory Directors Stock Option Plan (the "*Director Option Plan*"), none of which have been issued pursuant to the exercise of options granted under the Director Option Plan, 173,750 of which are subject to outstanding options granted under the Director Option Plan and 51,250 of which remain available for issuance under the Director Option

Plan, (iv) five hundred thousand (500,000) shares of Company Common Stock were reserved for issuance under the Company's Supplemental Stock Option Plan (the "*Supplemental Option Plan*," together with the Employee Option Plan and the Director Option Plan, collectively the "*Company Stock Plans*"), 250 of which have been issued pursuant to the exercise of options granted under the Supplemental Option Plan, 426,560 of which are subject to outstanding options granted under the Supplemental Option Plan and 73,190 of which remain available for issuance under the Supplemental Option Plan, (v) two hundred thousand (200,000) shares of Company Common Stock were reserved for issuance under the Company's Employee Stock Purchase Plan (the "*ESPP*"), 45,049 of which have been issued pursuant to the ESPP, (vi) no shares of Company Preferred Stock were issued or outstanding, (vii) warrants to purchase an aggregate of 1,633,770 shares of Company Common Stock were outstanding ("*Warrants*"), and 1,633,770 shares of Company Common Stock were reserved for issuance upon exercise of the Warrants (correct and complete copies of which have been delivered to Purchaser) and (viii) 3,611,106 shares of Company Common Stock were reserved for issuance upon conversion of the Company's convertible debentures (correct and complete copies of which have been delivered to Purchaser) ("*Convertible Securities*"). All shares of Company Common Stock have been duly authorized and validly issued and are fully paid, nonassessable and free of preemptive rights. Included in *Section 4.3(a)* of the Company Disclosure Schedule is a correct and complete list, as of August 13, 2004, of all outstanding options or other rights to purchase or receive shares of Company Common Stock granted under the Company Stock Plans or otherwise (other than under the Warrants, Convertible Securities or the ESPP), and, for each such option or other right, the number of shares of Company Common Stock subject thereto, the terms of vesting, the grant and expiration dates and exercise price thereof and the name of the holder thereof. The current "Purchase Period" (as defined in the ESPP) commenced under the ESPP on June 1, 2004 and will (but for the transactions contemplated by this Agreement) end on December 1, 2004, and except for the purchase rights granted on such commencement date to the participants in the current Purchase Period, there are no other purchase rights outstanding under the ESPP as of the date of this Agreement. Since May 31, 2004, the Company has not issued any shares of its capital stock, voting securities or equity interests, or any securities convertible into or exchangeable or exercisable for any shares of its capital stock, voting securities or equity interests, other than (i) pursuant to the outstanding options, Warrants and Convertible Securities, in each case, referred to above in this *Section 4.3(a)* and (ii) as expressly permitted by *Section 6.2* hereof. Except (i) as set forth above in this *Section 4.3(a)* or (ii) as otherwise expressly permitted by *Section 6.2* hereof, as of the date of this Agreement there are not, and as of the Effective Time there will not be, any shares of capital stock, voting securities or equity interests of the Company issued and outstanding or any subscriptions, options, warrants, calls, convertible or exchangeable securities, rights, commitments or agreements of any character providing for the issuance of any shares of capital stock, voting securities or equity interests of the Company, including any representing the right to purchase or otherwise receive any Company Common Stock or Company Preferred Stock.

(b) Except for this Agreement, none of the Company, any of the Purchased Companies or any of their Subsidiaries has issued or is bound by any outstanding subscriptions, options, warrants, calls, convertible or exchangeable securities, rights, commitments or agreements of any character providing for the issuance or disposition of any shares of capital stock, cash based on the value of capital stock, voting securities or equity interests of any Purchased Company or any of their Subsidiaries. There are no outstanding obligations of the Company, the Purchased Companies or any of their Subsidiaries to repurchase, redeem or otherwise acquire any shares of capital stock, voting securities or equity interests (or any options, warrants or other rights to acquire any shares of capital stock, voting securities or equity interests) of the Company, the Purchased Companies or any of their Subsidiaries.

4.4 *Purchased Companies and their Subsidiaries.* *Section 4.4* of the Company Disclosure Schedule sets forth the name of each Purchased Company and each of its Subsidiaries, and, with respect to each Purchased Company and each of its Subsidiaries, the jurisdiction in which it is incorporated or

organized, the jurisdictions, if any, in which it is qualified to do business, the number of shares of its authorized capital stock, the number and class of shares thereof duly issued and outstanding, the names of all shareholders or other equity owners and the number of shares of stock owned by each shareholder or the amount of equity owned by each equity owner. The outstanding shares of capital stock or equity interests of each Subsidiary are validly issued, fully paid and non-assessable, and all such shares or other equity interests represented as being owned by Company are owned by it free and clear of any and all Liens. No shares of capital stock are held by any Purchased Company or any of their Subsidiaries as treasury stock. There is no existing option, warrant, call, commitment or agreement to which any Purchased Company or Subsidiary is a party requiring, and there are no convertible securities of any Purchased Company or any of their Subsidiaries outstanding which upon conversion would require, the issuance of any additional shares of capital stock or other equity interests of any Purchased Company or any of their Subsidiaries or other securities convertible into shares of capital stock or other equity interests of any Purchased Company or any of their Subsidiaries or other equity security of any Purchased Company or any of their Subsidiaries.

4.5 *Corporate Records.*

(a) The Company has delivered or made available to the Purchaser true, correct and complete copies of the articles of association and by-laws or comparable organizational documents of the Company, the Purchased Companies and each of their Subsidiaries.

(b) The minute books of the Company, the Purchased Companies and each of their Subsidiaries previously made available to the Purchaser contain complete and accurate records of all meetings and accurately reflect all other corporate action of the shareholders and Company Boards (including committees thereof) of the Company or the equivalent governing body of each of the Purchased Companies and each of their Subsidiaries. All stock transfer taxes levied or payable with respect to all transfers of shares of the Company, the Purchased Companies and their Subsidiaries prior to the date hereof have been paid and appropriate transfer tax stamps affixed.

4.6 *Conflicts; Consents of Third Parties.*

(a) None of the execution and delivery by the Company of this Agreement, the Assignment and Assumption Agreement, the Indemnity Agreement and the consummation of the transactions contemplated hereby and thereby, or compliance by the Company with any of the provisions hereof or thereof will conflict with, or result in any violation of or default by the Company, the Purchased Companies or any of their Subsidiaries (with or without notice or lapse of time, or both) under, or give rise to a right of termination, cancellation or acceleration of any obligation or to loss of any material benefit under, or give rise to any obligation of the Company to make any payment under, or to the increased, additional, accelerated or guaranteed rights or entitlements of any Person under, or result in the creation of any Liens upon any of the properties or assets of the Company, the Purchased Companies or any of their Subsidiaries under any provision of (i) the articles of association and comparable organizational documents of the Company, the Purchased Companies or any of their Subsidiaries (assuming the Company Shareholder Approval is obtained); (ii) any Material Contract, or material Permit to which the Company, any of the Purchased Companies or any of their Subsidiaries is a party or by which any of the properties or assets of the Company, the Purchased Companies or any of their Subsidiaries are bound; (iii) any Order of any court, Governmental Body or arbitrator applicable to the Company, the Purchased Companies or any of their Subsidiaries; or any of the properties or assets of the Company, the Purchased Companies or any of their Subsidiaries as of the date hereof; and (iv) any applicable Law (other than Antitrust Laws).

(b) No consent, waiver, approval, Order, Permit or authorization of, or declaration or filing with, or notification to, any Person or Governmental Body is required on the part of the Company, the Purchased Companies or any of their Subsidiaries in connection with the execution and delivery of this Agreement, the Assignment and Assumption Agreement, the Indemnity Agreement or the compliance

by the Company, the Purchased Companies or any of their Subsidiaries with any of the provisions hereof or thereof, the consummation of the transactions contemplated hereby or thereby or the taking of any other action contemplated hereby or thereby, or the continuing validity and effectiveness immediately following the Closing of any material Permit or material Contract of the Company, the Purchased Companies or any of their Subsidiaries, except for (i) compliance with the applicable requirements of the Hart-Scott-Rodino Antitrust Improvements Act of 1976 and the rules and regulations promulgated thereunder (the "*HSR Act*"); (ii) the filing with the United States Securities and Exchange Commission (the "*SEC*") of (A) a proxy statement relating to the Company Shareholders Meeting (as amended or supplemented from time to time, the "*Company Proxy Statement*") and (B) such reports under Section 13(a), 13(d), 15(d) or 16(a) of the Securities Exchange Act of 1934, as amended (the "*Exchange Act*"), as may be required in connection with this Agreement and the transactions contemplated by this Agreement; (iii) filings with and approvals of the Nasdaq National Market; and (iv) filings under Antitrust Laws.

4.7 *Ownership and Transfer of Shares.* The Company or a Purchased Company, as shown in *Annex A*, is the record and beneficial owner of the Shares free and clear of any and all Liens. The Company has the corporate power and authority to sell, transfer, assign and deliver the Shares held by the Company as provided in this Agreement (assuming the Company Shareholder Approval is obtained), and such delivery will convey to the Purchaser good and marketable title to such Shares, free and clear of any and all Liens. A Purchased Company is the record and beneficial owner of all of the outstanding shares of capital stock of the Subsidiaries of the Purchased Companies as set forth on *Annex A-1* (other than those shares of capital stock set forth on *Annex A-1* as not being held by a Purchased Company, (such shares of capital stock not held by a Purchased Company, but excluding the capital stock of Metron Technology Holding Limited and Metron Technology (Thailand) Limited being referred to as "*Third Party Shares*")), free and clear of any and all Liens. Each party shown on *Annex A-1* as the owner of any Third Party Shares has the requisite power and authority to sell, transfer, assign and deliver such Third Party Shares as provided in this Agreement, and such delivery will convey to the Purchaser good and marketable title to such Third Party Shares, free and clear of any and all Liens. Metron Technology (Europa) is the record and beneficial of the number of outstanding shares of Metron Atkins Partnership set forth on *Annex A-2*, free and clear of any and all Liens.

4.8 *SEC Documents; No Undisclosed Liabilities.*

(a) The Company has filed all required reports, schedules, forms, prospectuses, and registration, proxy and other statements with the SEC since June 1, 2001 (collectively, and in each case including all exhibits and schedules thereto and documents incorporated by reference therein, the "*Company SEC Documents*"). None of the Purchased Companies or any of their Subsidiaries is required to file periodic reports with the SEC pursuant to the Exchange Act. As of their respective effective dates (in the case of Company SEC Documents that are registration statements filed pursuant to the requirements of the Securities Act of 1933, as amended (the "*Securities Act*")) and as of their respective SEC filing dates (in the case of all other Company SEC Documents), the Company SEC Documents complied in all material respects with the requirements of the Exchange Act and the Securities Act, as the case may be, and the rules and regulations of the SEC promulgated thereunder, applicable to such Company SEC Documents, and none of the Company SEC Documents as of such respective dates, nor any other communication disseminated by the Company to its securityholders since June 1, 2001 as of its respective dissemination date, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. The Company has timely filed all required filings and forms with the Netherlands Authority for the Financial Markets (Stichting Autoriteit Financiële Markten) and the Company is in compliance in all material respects with the applicable provisions of the 1995 Act on the Supervision of the Securities Trade (Wet toezicht effectenverkeer).

(b) The consolidated financial statements of the Company included in the Company SEC Documents complied as to form in all material respects with applicable accounting requirements and the published rules and regulations of the SEC with respect thereto as of their respective effective dates (in the case of Company SEC Documents that are registration statements filed pursuant to the requirements of the Securities Act) and as of their respective SEC filing dates (in the case of all other Company SEC Documents), have been prepared in all material respects in accordance with GAAP (except, in the case of unaudited quarterly statements, as indicated in the notes thereto) applied on a consistent basis during the periods involved (except as may be indicated in the notes thereto) and fairly present in all material respects the consolidated financial position of the Company and its consolidated Subsidiaries as of the dates thereof and the consolidated results of their operations and cash flows for the periods then ended (subject, in the case of unaudited quarterly statements, to normal year-end audit adjustments, none of which has been or will be, individually or in the aggregate, material to the Company and its Subsidiaries taken as a whole). Without limiting the generality of the foregoing, with respect to each Annual Report on Form 10-K and each Quarterly Report on Form 10-Q included in the Company SEC Documents, the financial statements and other financial information included in such reports fairly present (within the meaning of the Sarbanes-Oxley Act of 2002) in all material respects the financial condition and results of operations of the Company as of, and for, the periods presented in such Company SEC Documents.

(c) The Company has established and maintains disclosure controls and procedures (as such term is defined in Rule 13a-15 and Rule 15d-15 under the Exchange Act); such disclosure controls and procedures are designed to ensure that material information relating to the Company, including its consolidated Subsidiaries, required to be disclosed by the Company in the reports that it files under the Exchange Act is accumulated and communicated to the Company's principal executive officer and its principal financial officer to allow timely decisions regarding disclosure; and such disclosure controls and procedures are effective to ensure information required to be disclosed in the Company's reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC rules and forms. The Company's principal executive officer and its principal financial officer have disclosed, based on their most recent evaluation, to the Company's auditors and the audit committee of the Supervisory Board (x) all significant deficiencies in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial data and have identified for the Company's auditors any material weaknesses in internal controls over financial reporting and (y) any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal controls over financial reporting. Neither the Company, any of the Purchased Companies nor any of their Subsidiaries nor any of their respective directors, officers, employees, auditors or accountants has received or otherwise had or obtained knowledge of any material complaint, allegation, assertion or claim, whether written or oral, regarding the accounting or auditing practices, procedures, methodologies or methods of the Company or any of its Subsidiaries or their respective internal accounting controls, including any material complaint, allegation, assertion or claim that the Company, any of the Purchased Companies or any of its Subsidiaries has engaged in questionable accounting or auditing practices. No attorney representing the Company, any of the Purchased Companies or any of their Subsidiaries, whether or not employed by the Company, any of the Purchased Companies or any of their Subsidiaries, has reported evidence of a material violation of securities Laws, breach of fiduciary duty or similar violation by the Company, any of the Purchased Companies or any of their Subsidiaries or any of its officers, directors, employees or agents to the Company Boards or any committee thereof. With respect to each Annual Report on Form 10-K, each Quarterly Report on Form 10-Q and each amendment of any such report included in the Company SEC Documents filed since the enactment of the Sarbanes-Oxley Act of 2002, the principal executive officer and the principal financial officer of Company have made all certifications required by the

Sarbanes-Oxley Act of 2002 and any related rules and regulations promulgated by the SEC, and the statements contained in such certifications were complete and correct when made.

(d) The Company is in compliance in all material respects with the provisions of Section 13(b) of the Exchange Act. None of the Company, the Purchased Companies or any of their Subsidiaries or, to the Company's knowledge, any director, officer, agent, employee or other Person acting on behalf of the Company or any of its Subsidiaries, has, in any material respect, (i) used any corporate or other funds for unlawful contributions, payments, gifts, or entertainment, or made any unlawful expenditures relating to political activity to government officials or others or established or maintained any unlawful or unrecorded funds in violation of Section 30A of the Exchange Act or (ii) accepted or received any unlawful contributions, payments, gifts or expenditures. Except as set forth in the Company SEC Documents or for events (or series of related matters) as to which the amounts involved do not exceed \$60,000, since the Company's proxy statement dated September 29, 2003, no event has occurred that would be required to be reported as a "Certain Relationship or Related Transaction" pursuant to Item 404 of Regulation S-K promulgated by the SEC.

(e) Neither the Company nor any of its Subsidiaries has any Liabilities or obligations of any nature (whether accrued, absolute, contingent or otherwise) whether or not required, if known, to be reflected or reserved against on a consolidated balance sheet of the Company prepared in accordance with GAAP or the notes thereto, except Liabilities (i) as and to the extent set forth on the unaudited balance sheet of the Company and its Subsidiaries as of May 31, 2004 (the "*Balance Sheet Date*") furnished with the Company's Form 8-K filed with the SEC on July 8, 2004 (the "*Balance Sheet*") (ii) incurred after the Balance Sheet Date in the Ordinary Course of Business that, individually or in the aggregate, are not material or (iii) arising under this Agreement.