

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

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Check the appropriate box:

- Preliminary 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.

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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