

COLTENE Holding AG: Proposed Changes of Articles of Incorporation (Synoptic Comparison)

<p>Current Wording</p> <p>(Changes erossed-out)</p>	<p>Revised Wording</p> <p>(New provisions and changes bold)</p> <p>(Entry into force following the registration with the Commercial Register)</p>
<p>§ 3, para. 3 and 4</p> <p>³The general meeting of the shareholders may resolve that registered shares be converted into bearer shares and vice versa.</p> <p>⁴ Subject to paragraphs 6 and 8 of this § 3, the registered shares of the company are issued as uncertificated securities and as intermediary-held securities.</p>	<p>§ 3, para. 3</p> <p>³ Subject to paragraphs 5 and 7 of this § 3, the registered shares of the company are issued as uncertificated securities and as intermediary-held securities.</p>
<p>§ 3, para. 9</p> <p>⁹The Board of Directors shall be authorized to increase the share capital in an amount not exceeding CHF 6,842 at any time until September 13, 2020, by way of issuance of up to 68,420 registered shares with a nominal value of CHF 0.10 each to be fully paid in. Increases in partial amounts shall be permitted. The registered shares to be newly issued are subject to the registration restrictions set forth in § 4 of the Articles of Incorporation. The time of issuance of the new shares, the issue price and subscription price, the nature of contributions and the starting date of dividend entitlement will be determined by the Board of Directors. The authorized share capital must be used exclusively for the acquisition of the SciCan group of companies based in Toronto/Canada. In doing so, the Board of Directors shall be authorized to exclude the shareholders' subscription rights and to allocate these to the sellers of the SciCan group of companies based in Toronto/Canada.</p>	<p>[no provision]</p>
<p>§ 4, para. 3</p> <p>³ The registration shall be made upon receipt of a written request. The respective shareholder must provide proof of his acquisition and confirm that he/she/it holds the shares in his/her/its own name and for his/her/its own account. If the acquirer is not willing to give such a confirmation, the board of directors may deny the registration.</p>	<p>§ 4, para. 3</p> <p>³ The registration in the share register shall be made upon receipt of a written or electronically communicated request. The respective shareholder must provide proof of his acquisition and confirm that he/she/it holds the shares in his/her/its own name and for his/her/its own account. If the acquirer is not willing to give such a confirmation, the board of directors may deny the registration.</p>
<p>§ 4, para. 6</p> <p>⁶ The board of directors may set up principles with respect to the registration of fiduciaries/nominees and resolve upon the necessary regulations so that the above-mentioned provisions are complied with.</p>	<p>§ 4, para. 6</p> <p>⁶ The board of directors shall, to the extent permitted by law, register nominees as shareholders with voting rights in the share register up to a maximum of 3% of the total share capital outstanding at the time. Nominees are persons who do not explicitly declare in the registration request to hold the shares for their own account. The board of directors shall, to the extent permitted by law, register a nominee as a shareholder with voting rights in excess of such registration limitation, provided such nominee declares in writing that it will disclose the names, addresses, nationalities and shareholdings of the persons for which it holds 0.5% or more of the total share capital outstanding at the time.</p>

<p>§ 8, para. 3</p> <p>³ Extraordinary general meetings of the shareholders shall be called by resolution of the general meeting of shareholders, of the board of directors, upon request of the auditors or if it is requested by way of a written request to the board of directors, indicating the purpose, by shareholders representing together at least ten percent of the share capital.</p>	<p>§ 8, para. 3 and 4</p> <p>³ Extraordinary general meetings of the shareholders shall be called by resolution of the general meeting of the shareholders, of the board of directors, upon request of the auditors or if it is requested by shareholders representing together at least 5 % of the total share capital outstanding at the time or of the total votes by way of a written request to the board of directors, indicating the agenda items and the associated motions.</p> <p>⁴ Shareholders representing at least 0.5% of the total share capital outstanding at the time or of the votes may request items to be included in the agenda. Such request must be handed in to the board of directors at least 30 days prior to the general meeting in writing by stating the items of the agenda and the motions. Under the same conditions, shareholders may request that motions relating to items on the agenda be included in the notice calling for the general meeting. Shareholders may submit a brief explanation together with the agenda items or motions. Such explanation must be included in the notice calling for the general meeting.</p>
<p>§ 9</p> <p>¹ The invitations to the general meeting of the shareholders shall be dispatched not less than twenty days prior to the day of the meeting. They shall state the agenda items, the motions of the board of directors and the shareholders who have requested the holding of a general meeting of the shareholders or the inclusion of an item in the agenda as well as the details with respect to proxies and instructions.</p> <p>² The business report, the auditors' report and the compensation report accompanied by the report of the auditors shall be available to every shareholder not less than twenty days prior to the ordinary general meeting of the shareholders at the registered office of the company.</p>	<p>§ 9</p> <p>¹ The invitations to the general meeting of the shareholders shall be dispatched not less than twenty days prior to the day of the meeting. They shall state the day, time and place of the meeting, the agenda items, the motions of the board of directors together with a brief explanation and, if applicable, those of the shareholders together with a brief explanation, the name and address of the independent proxy as well as the details with respect to proxies and instructions.</p> <p>² No resolutions may be passed on motions concerning agenda items which have not been duly announced; excepted are motions for the calling of an extraordinary general meeting and the initiation of a special audit (Sonderprüfung).</p> <p>³ No prior notice is required to bring forward motions related to items already on the agenda or for the discussion of matters on which no resolution is to be taken.</p> <p>⁴ The business report, the auditors' report and the compensation report accompanied by the report of the auditors shall be available to every shareholder electronically and at the registered office of the company not less than ten days prior to the expiration of the term during which items may be included in the agenda.</p>
<p>§ 11, para. 3</p> <p>³ Important resolutions of the general meeting of the shareholders in the sense of Art. 704 CO (the change of the company's purpose, the creation of shares with privileged voting rights, the restriction of the transferability of registered shares, an authorized or a conditional share capital increase or an increase of the share capital out of equity or against contributions in kind, or for the purpose of an acquisition of assets and the granting of special benefits, the limitation or withdrawal of pre-emptive rights, the change of the domicile of the company and its dissolution) must be</p>	<p>§ 11, para. 3</p> <p>³ Important resolutions of the general meeting of the shareholders in the sense of Art. 704 CO must be passed by at least two thirds of the votes represented and the absolute majority of the par value of the represented shares.</p>

passed by at least two thirds of the votes represented and the absolute majority of the par value of the represented shares.	
§ 13 The general meeting of the shareholders has the following inalienable powers:	§ 13 The general meeting of the shareholders has the following inalienable powers:
<ol style="list-style-type: none"> 1. adoption and amending of the articles of incorporation 2. election and dismissal of the Chairman and further members of the board of directors, the members of the compensation committee (who have to be members of the board of directors), the independent proxy and the auditors 3. approval of the compensation of the members of the board of directors and any other person who has been, fully or partially, entrusted with the management of the company (the management board) 4. approval of the management report, the annual financial statement and the consolidated financial statements as well as the resolution on the allocation of the disposable balance sheet profit 5. discharge of the members of the board of directors and the management board 6. passing of resolutions on matters which are by law or by the articles of incorporation reserved to the general meeting of the shareholders or which are submitted to it by the board of directors. 	<ol style="list-style-type: none"> 1. adoption and amending of the articles of incorporation 2. election and dismissal of the Chairman and further members of the board of directors, the members of the compensation committee (who have to be members of the board of directors), the independent proxy and the auditors 3. approval of the compensation of the members of the board of directors and any other person who has been, fully or partially, entrusted with the management of the company (the management board) 4. approval of the management report, the annual financial statement and the consolidated financial statements as well as the resolution on the allocation of the disposable balance sheet profit 5. discharge of the members of the board of directors and the management board 6. passing of resolutions on matters which are by law or by the articles of incorporation reserved to the general meeting of the shareholders or which are submitted to it by the board of directors 7. delisting of the shares of the company from the SIX Swiss Exchange or its successor. <p>In the event of a delisting decision within the meaning of paragraph 1 number 7, the board of directors shall determine the date and the other modalities of the delisting, in accordance with the applicable rules and regulations of SIX Swiss Exchange or its successor.</p>
§ 14 The board of directors shall be composed of at least three members. The members of the board of directors, the Chairman of the board of directors as well as the members of the compensation committee will each be elected annually and individually. The term of office ends at the closing of the following ordinary general meeting of the shareholders. Re-election is possible. Resignation prior to the end of the term and dismissal are reserved.	§ 14 The board of directors shall be composed of at least five and in the maximum of nine members. The members of the board of directors, the Chairman of the board of directors as well as the members of the compensation committee will each be elected annually and individually. The term of office ends at the closing of the following ordinary general meeting of the shareholders. Re-election is possible. Resignation prior to the end of the term and dismissal are reserved.
§ 18, para. 1 and 2 ¹ A member of the board of directors may assume at maximum 5 mandates and a member of the management board upon consent by the board of directors at maximum 2 mandates as a member of the supreme management or administration body of other listed companies which are subject to registration in the commercial register or a comparable foreign register.	§ 18, para. 1 and 2 ¹ A member of the board of directors may assume at maximum 5 additional mandates and a member of the management board upon consent by the board of directors one additional mandate as a member of the supreme management or administration body of other listed companies which are subject to registration in the commercial register or a comparable foreign register.

<p>² Further, a member of the board of directors may assume at maximum 20 mandates and a member of the management board upon consent by the board of directors at maximum 7 mandates as a member of the supreme management or administration body of other non-listed companies which are subject to registration in the commercial register or a comparable foreign register.</p>	<p>² Further, a member of the board of directors may assume at maximum 5 mandates and a member of the management board upon consent by the board of directors at maximum 3 mandates as a member of the supreme management or administration body of other non-listed companies which are subject to registration in the commercial register or a comparable foreign register.</p>
<p>§ 20, para. 2, subpara. 3 and 4</p>	<p>§ 20, para. 2, subpara. 3 and 4</p>
<p>² The compensation committee shall have the following duties and responsibilities (principles):</p> <ol style="list-style-type: none"> 1. preparation of decisions of the board of directors with respect to the compensation of members of the board of directors and the management board, submission of proposals to the board of directors with respect to the type and the amount of the annual compensation of the members of the board of directors and the management board and preparation of the proposal for the respective maximum aggregate amount 2. determination and periodic review of the compensation policy and compensation strategy in accordance with the corporate strategy and the corporate goals of the COLTENE group. Periodic review of the implementation of such goals and submission of proposals and recommendations to the board of directors 3. submission of proposals to the board of directors with respect to the allocation of shares, options or other equity securities as well as with respect to the issue price in connection with the fixed compensation of the board of directors and the bonus and/or participation plans of the company 4. proposal of bonus and/or participation plans for success and performance based compensations 5. proposal of the compensation report to the board of directors. 	<p>² The compensation committee shall have the following duties and responsibilities (principles):</p> <ol style="list-style-type: none"> 1. preparation of decisions of the board of directors with respect to the compensation of members of the board of directors and the management board, submission of proposals to the board of directors with respect to the type and the amount of the annual compensation of the members of the board of directors and the management board and preparation of the proposal for the respective maximum aggregate amount 2. determination and periodic review of the compensation policy and compensation strategy in accordance with the corporate strategy and the corporate goals of the COLTENE group. Periodic review of the implementation of such goals and submission of proposals and recommendations to the board of directors 3. submission of proposals to the board of directors with respect to the allocation of shares, options or other equity securities as well as with respect to the issue price in connection with the fixed compensation of the board of directors and the variable compensation and/or participation plans of the company 4. proposal of variable compensation and/or participation plans for success and performance based compensations (variable compensations) 5. proposal of the compensation report to the board of directors.
<p>§ 21</p>	<p>§ 22</p>
<p>¹ The board of directors proposes to the general meeting of the shareholders on an annual basis the approval of a maximum amount of the compensation for the forthcoming fiscal year for each of the board of directors and the management board separately.</p> <p>² The approval of the annual compensation to members of the board of directors and the management board who have entered into an employment agreement with the company includes also the approval of the compensation basis for the remuneration during the contractually agreed notice period, even if such period lasts into the following fiscal year.</p> <p>³ Members of the board of directors and the management board who have been given notice of termination under their respective employment relationship qualify for the purpose of this § 24 as "former members of corporate bodies"; their compensation is no longer</p>	<p>¹ The board of directors proposes to the general meeting of the shareholders on an annual basis the approval of the following maximum aggregate amounts:</p> <ol style="list-style-type: none"> 1. The fixed compensation of the board of directors for the period until the next ordinary general meeting 2. The fixed compensation of the management board for the following fiscal year 3. The success and performance based compensation (variable compensation) payable to the members of the board of directors for the previous term of office 4. The success and performance based compensation (variable compensation) payable

<p>subject to approval but has to be disclosed in the annual compensation report.</p>	<p>to the members of the management board for the previous fiscal year.</p> <p>² The board of directors may submit proposals to the general meeting regarding the maximum aggregate amounts and/or the individual compensation components for other periods and/or the payment of additional amounts for exceptional performance of individual or all members of the management board or the board of directors.</p> <p>³ In case a member of the board of directors is acting also as a member of the management board, its compensation shall be based on the provisions applicable to the compensation of members of the management board.</p> <p>⁴ The approval of the annual compensation to members of the board of directors and the management board who have entered into an employment agreement with the company includes also the approval of the basis for the compensation during the contractually agreed notice period, even if such period lasts into the following fiscal year.</p> <p>⁵ Members of the board of directors and the management board who have been given notice of termination under their respective employment relationship qualify for the purpose of this § 22 as "former members of corporate bodies"; their compensation is no longer subject to approval but has to be disclosed in the annual compensation report.</p>
<p>§ 22</p> <p>¹ The members of the board of directors receive a fixed compensation which may be paid in cash and/or shares, options or any other equity securities of the company (pursuant to § 25 of the articles of incorporation) as well as a success and performance based compensation under the respective bonus and/or participation plans of the company (pursuant to § 25 and § 26 of the articles of incorporation). The success and performance based compensation of a member of the board of directors may not exceed the value of the fixed compensation.</p> <p>² The members of the management board receive a fixed compensation to be paid in cash as well as a success and performance based compensation under the respective bonus and/or participation plans of the company (pursuant to § 25 and § 26 of the articles of incorporation). The success and performance based compensation of a member of the management board may not exceed the value of the fixed compensation.</p> <p>³ In case a member of the board of directors is acting also as a member of the management board, its compensation shall be based on the provisions applicable to the compensation of members of the management board.</p>	<p>§ 21</p> <p>¹ The members of the board of directors are entitled to (a) a fixed compensation independent of the business result which may be paid in cash and/or shares, options or any other equity securities of the company (pursuant to § 25 of the articles of incorporation) as well as (b) a success and performance based compensation (variable compensation) under the respective variable compensation and/or participation plans of the company (pursuant to § 25 and § 26 of the articles of incorporation). The success and performance based compensation of a member of the board of directors, which may be paid in cash and/or shares, options or any other equity securities of the company, may not exceed the value of the fixed compensation.</p> <p>² The members of the management board are entitled to (a) a fixed compensation independent of the business result to be paid in cash as well as (b) a success and performance based compensation (variable compensation) under the respective variable compensation and/or participation plans of the company (pursuant to § 25 and § 26 of the articles of incorporation). The success and performance based compensation of a member of the management board, which may be paid in cash and/or shares, options or any other equity securities of the company, may exceed the value of the fixed compensation.</p>
<p>§ 23</p> <p>For the compensation of the members of the management board who are appointed after the approval of the respective maximum aggregate amount, there is an additional compensation amount. Such additional compensation amount may, for each new member of</p>	<p>§ 23</p> <p>For the compensation of the members of the management board who are appointed after the approval of the maximum aggregate compensation of the management board, there is an additional compensation amount. Such additional compensation amount may,</p>

<p>the management board, exceed the average aggregate compensation of a member of the management board for the respective fiscal year by at maximum 50 %.</p>	<p>for each new member of the management board, exceed the average aggregate compensation of a member of the management board for the respective fiscal year by at maximum 50 %. The aggregate additional compensation amount may not exceed 50% of the maximum aggregate compensation of the management board last approved.</p>
<p>§ 25</p> <p>Based on the following criteria it shall be determined whether and which number of shares, options or other equity securities shall be allocated to the members of the board of directors as a part of the fixed compensation and success and performance based compensation and to the members of the management board as part of the success and performance based compensation, respectively:</p> <ol style="list-style-type: none"> 1. Number of shares, options and other equity securities and their value will be determined by the board of directors based on the proposal by the compensation committee. 2. Depending on the seniority of each of the members of the management board, a part of the success and performance based compensation may, generally, be paid in shares, options or other equity securities in the company. The board of directors may approve exemptions. 3. Allocated shares are subject to a holding period which is determined by the board of directors. The board of directors may approve exemptions. 	<p>§ 25</p> <p>Based on the following criteria it shall be determined whether and which number of shares, options or other equity securities shall be allocated to the members of the board of directors as a part of the fixed compensation and success and performance based compensation (variable compensation) and to the members of the management board as part of the success and performance based compensation (variable compensation), respectively:</p> <ol style="list-style-type: none"> 1. Number of shares, options and other equity securities and their value will be determined by the board of directors based on the proposal by the compensation committee. 2. Depending on the seniority of each of the members of the management board, a part of the success and performance based compensation may, generally, be paid in shares, options or other equity securities in the company. The board of directors may approve exemptions. 3. Allocated shares are subject to a holding period which is determined by the board of directors. The board of directors may approve exemptions.
<p>§ 26</p> <p>¹ The success and performance based compensation of the members of the board of directors and of the management board under the bonus and/or participation plan of the company which may consist of payments in cash and portions in shares, options or other equity securities in the company depends on the level of achievement of objectively measurable values with different priorities such as profitability and turnover of the company as well as individual goals.</p> <p>² All parameters, performance goals and calculation formula which are relevant for the calculation of the success and performance based compensation shall be proposed by the compensation committee to the board of directors for its approval.</p>	<p>§ 26</p> <p>¹ The success and performance based compensation (variable compensation) of the members of the board of directors and of the management board under the variable compensation and/or participation plan of the company which may consist of payments in cash and portions in shares, options or other equity securities in the company depends on the level of achievement of objectively measurable values with different priorities such as profitability and turnover of the company as well as individual goals.</p> <p>² All parameters, performance goals and calculation formula which are relevant for the calculation of the success and performance based compensation (variable compensation) shall be proposed by the compensation committee to the board of directors for its approval.</p>

Due to the changes to the articles of incorporation set forth above the numbering of the titles and paragraphs has to be amended accordingly. Besides the changes outlined above, the articles of incorporation shall remain in force unchanged (except for certain clean-up changes which relate to the English translation only and, hence, are not marked herein).