

COLTENE Holding AG
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Date:
Altstaetten, March 3, 2016

Invitation to the Annual General Meeting of Shareholders of COLTENE Holding Ltd.

**Wednesday, March 30, 2016, 4 p.m. (doors open at 3.30 p.m.)
Hotel-Restaurant Sonne, Sonnensaal, Kugelgasse 2, 9450 Altstaetten**

Agenda and proposals of the Board of Directors

1. Approval of 2015 Management Report, the Annual Financial Statements of COLTENE Holding Ltd. and the Consolidated Financial Statements

After reviewing the reports of the auditors, the Board of Directors recommends approval.

2. Appropriation of disposable profit 2015

	<u>31.12.2015</u>
Net income carried forward from the previous year	CHF 35 722 611
Profit for the year 2015	CHF 2 596 497
Transfer from reserves for treasury shares	CHF – 301 303
Total amount available for dividend distribution	CHF 38 017 805
Dividend distribution	CHF – 9 281 800
Balance to be carried forward	CHF 28 736 005

The Board of Directors recommends that a dividend of CHF 2.20 per share, total CHF 9 281 800, be paid from disposable profit and that the balance of CHF 28 736 005 be carried forward to the next accounting period.

3. Granting of discharge from liability of members of the Board of Directors and the Group Management

The Board of Directors proposes that discharge be granted to the members of the Board of Directors and the Group Management for the 2015 fiscal year.

4. Elections to the Board of Directors, the Chair of the Board and the Compensation Committee

4.1 The Board of Directors proposes that the following persons be re-elected to the Board of Directors for a one-year term of office ending at the close of the next Annual General Meeting:

- Mr Nick Huber, resident of Balgach
- Mr Robert Heberlein, resident of Zumikon
- Mr Erwin Locher, resident of Muttenz
- Mr Matthew Robin, resident of Murten
- Mr Roland Weiger, resident of Arlesheim

4.2 The Board of Directors proposes that Mr. Jürgen Rauch, resident of Klaus, Austria be elected to the Board of Directors for a one-year term of office ending at the close of the next Annual General Meeting.

4.3 The Board of Directors proposes that Mr. Nick Huber, resident of Balgach, be elected Chairman of the Board of Directors for a one-year term of office ending at the close of the next Annual General Meeting.

4.4 The Board of Directors proposes that the following persons be elected to the Compensation Committee for a one-year term of office ending at the close of the next Annual General Meeting:

- Mr Nick Huber, resident of Balgach
- Mr Matthew Robin, resident of Murten
- Mr Roland Weiger, resident of Arlesheim

5. Re-election of independent proxy holder

The Board of Directors recommends the re-election of Dr. iur. Adrian Weder, Attorney at Law and Notary Public, Grenzstrasse 24, 9430 St. Margrethen, as Independent Proxy Holder for a period of one year ending at the close of the next Annual General Meeting.

6. Re-election of auditors

The Board of Directors recommends that Ernst & Young AG, St. Gallen, be re-elected as auditors for a period of one year ending at the close of the next Annual General Meeting.

7. Compensation of members of the Board of Directors and the Group Management

- 7.1 The Board of Directors proposes that the General Meeting approve the Compensation Report 2015 in an advisory vote.
- 7.2 The Board of Directors proposes that shareholders approve the total maximum amount of CHF 560 000 in fixed compensation for the members of the Board of Directors for the financial year 2017.

Explanation for agenda item 7.2

The Chairman of the Board of Directors will be paid CHF 20 000 and the other members of the Board of Directors will each be paid CHF 10 000 of the fixed compensation in Company shares, subject to a mandatory holding period of at least three years. The number of shares granted will be based on the market price at the time of grant. The remainder of the fixed compensation will be paid in cash.

- 7.3 The Board of Directors proposes that shareholders approve the total maximum amount of CHF 2 900 000 as total compensation for the members of Group Management for the financial year 2017. Thereof CHF 2 050 000 will be paid as maximum fixed compensation and CHF 850 000 as maximum variable compensation to the Group Management.

Explanation for agenda item 7.3

The fixed compensation will be paid out in cash and includes among others base salary, contributions to statutory social security schemes (AHV, IV, ALV, NBU, KTG, pension plan contributions) and company vehicle expenses. The increase of the maximum compensation for the Group Management originates in the expansion of the Group Management from two members to five members on October 1, 2015. The variable compensation paid will depend on the attainment of the targets that have been set for the members of the Group Management. With regard to the quantitative elements, which will generally account for 60% to 80% of variable compensation, compensation will be paid according to the following schedule:

Target attainment	<80%	80% to 100%	>100% to 120%
Portion of variable compensation paid	No variable compensation paid	Variable compensation from 0% to 100% paid on a linear basis	Variable compensation from 100% to 150% paid on a linear basis

With regard to the qualitative components, which will generally account for 20% to 40% of variable compensation, compensation will be paid on a linear basis in relation to the target attainment in percent. The total amount of variable compensation may not exceed 100% of the approved variable compensation even if the attainment of the quantitative targets exceeds the given quotas. 20% of variable compensation will be paid in shares subject to a holding period of three years.

Administrative information

Documents

The printed Annual Report 2015 consisting of the Management Report, the Annual Financial Statements, the Consolidated Financial Statements, and the Compensation Report as well as the Reports of the Auditors, will be available for inspection as of Thursday, March 3, 2016 at the registered office of the Company. Registered shareholders will receive the invitation to the Annual General Meeting, the registration and proxy form as well as the FY 2015 media release by mail. They may order a printed copy of the Annual Report 2015 by marking the appropriate boxes on the registration and proxy form. The printed Annual Report 2015 is available only in English. A German translation of the reporting section and the entire report in English can be downloaded from the website www.coltene.com.

Representation / Proxy

According to Paragraph 10 of the Articles of Incorporation, a shareholder can attend the Annual General Meeting in person and vote his or her shares or be represented by a third party by written proxy.

In addition, shareholders may be represented by Dr. iur. Adrian Weder, Attorney at Law and Notary Public, Grenzstrasse 24, 9430 St. Margrethen, as the independent proxy holder as set forth in Art. 689c CO, with the right of substitution to a third person should compelling circumstances so require.

Use of the online platform of ShareCommService AG

COLTENE Holding AG offers its shareholders the opportunity to register on ShareCommService AG's online platform ("Indirect Voting Systems - IDVS") and to order their entrance card electronically or to grant the independent proxy a power of attorney and issue instructions for the exercise of voting rights until the close of the online voting period on March 28, 2016 at 4 p.m.

Shareholders who wish to receive invitations to the Annual General Meeting only by email in future can download a corresponding form from the platform which they must then sign and return to the Company.

Shareholders who are not yet registered on the platform can open a personal IDVS account using the personal access data included with the enclosed registration and authorization form. Shareholders who already have an IDVS account can login with their personal access data (user name and password) and use the codes on the enclosed registration and authorization form to add the COLTENE General Meeting 2016 to their account. Should you have any questions, please contact the support center on the homepage of the platform.

Share register

Shareholders who are registered in the share register on March 23, 2016, shall be entitled to vote. No entries will be made in the share register from March 24, 2016 to March 30, 2016. If any of the shares printed on the admission ticket are removed from the share register prior to the General Meeting, the registered shareholder will no longer be entitled to exercise the voting rights of said shares. The admission ticket and the voting material must therefore be presented for correction at the desk of the share transfer office before the General Meeting begins.

We invite all shareholders attending the Annual General Meeting to join us for refreshments afterwards.

Altstaetten, March 3, 2016

On behalf of the Board of Directors of COLTENE Holding AG

The Chairman

Nick Huber