

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

**Wednesday, March 29, 2017, 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 2016 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 2016

	<u>31.12.2016</u>
Net income carried forward from the previous year	CHF 28 741 383
Profit for the year 2016	CHF 8 987 534
Transfer from reserves for treasury shares	CHF 48 641
Total amount available for dividend distribution	CHF 37 777 558
Dividend distribution	CHF – 11 391 300
Balance to be carried forward	CHF 26 386 258

The Board of Directors recommends that a dividend of CHF 2.70 per share, total CHF 11 391 300, be paid from disposable profit and that the balance of CHF 26 386 258 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 2016 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 Erwin Locher, resident of Muttenz
- Mr Jürgen Rauch, resident of Klaus, Austria
- Mr Matthew Robin, resident of Murten
- Mr Roland Weiger, resident of Arlesheim

4.2 The Board of Directors proposes that Dr. Astrid Waser resident of Zürich 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 re-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 re-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. Michael Schöbi, Attorney at Law, Erlenweg 15, 9450 Altstaetten, 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 2016 in an advisory vote.

### Explanation for agenda item 7.1

The General Meeting of Shareholders in 2015 approved CHF 582 500 as total compensation to the Board of Directors for 2016. In 2016 COLTENE Holding AG paid in total CHF 539 620 to Board of Directors. The paid out amount was therefore below the approved amount.

The General Meeting of Shareholders in 2015 approved CHF 1 600 000 as total compensation to the Group Management for 2016. According to §23 of the articles of incorporation, this amount increased to CHF 4 957 065 because the Group Management team of two members was enlarged to five members in 2015. The total compensation for the Group Management team consisting of five members for 2016 amounted to CHF 2 532 739 and was therefore within the approved boundaries.

Further information in regard of the remuneration of the Board of Directors and the Group Management is available in the section Compensation Report of the annual report.

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 2018.

### 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. The General Meeting of Shareholders approved for the financial year 2017 a total maximum amount of CHF 560 000.

7.3 The Board of Directors proposes that shareholders approve the total maximum amount of CHF 3 100 000 as total compensation for the members of Group Management for the financial year 2018. Thereof CHF 2 100 000 will be paid as maximum fixed compensation and CHF 1 000 000 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 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 the 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 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.

The increase of the compensation for the Group Management compared to the approved total maximum amount of CHF 2 900 000 for the financial year 2017 is due to the revision of the compensation to the Group Management by the Nomination and Compensation Committee every five years.

## Administrative information

### Documents

The printed Annual Report 2016 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 9, 2017 at the registered office of the Company. Registered shareholders will receive the invitation to the Annual General Meeting, the registration and the power of attorney to third parties form and the power of attorney to the independent proxy form as well as the FY 2016 media release by mail. They may order a printed copy of the Annual Report 2016 by marking the appropriate boxes on the registration or proxy form. The printed Annual Report 2016 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](http://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 (fill in the form registration/power of attorney to third parties).

In addition, shareholders may be represented by Dr. iur. Michael Schöbi, Attorney at Law, Erlenweg 15, 9450 Altstaetten, 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 (fill in the form power of attorney to the independent proxy).

### 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 27, 2017 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 forms. 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 forms to add the COLTENE Holding AG General Meeting 2017 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 22, 2017, shall be entitled to vote. No entries will be made in the share register from March 23, 2017 to March 29, 2017. 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 8, 2017

On behalf of the Board of Directors of COLTENE Holding AG

The Chairman

Nick Huber