

Agenda for the 87th Ordinary General Meeting of Forbo Holding Ltd

April 24, 2015 at **2.30 p.m.** (doors open 2 p.m.)
Casino Zug, Artherstrasse 2, 6300 Zug

1. Reporting on the 2014 business year

Annual Report, annual statements and consolidated financial statements for the 2014 business year and receipt of the reports of the Statutory Auditor

The Board of Directors proposes to approve the Annual Report, the annual statements and the consolidated financial statements for the 2014 business year.

2. Discharge of the members of the Board of Directors and the Executive Board

The Board of Directors proposes to grant discharge to the members of the Board of Directors and the Executive Board for the 2014 business year.

3. Appropriation of available earnings, allocation from the general capital contribution reserves to free capital contribution reserves and withholding tax-free distribution of a dividend from free capital contribution reserves

The Board of Directors proposes to appropriate the available earnings as follows:

Net profit 2014	CHF	157,429,623
Retained earnings	CHF	42,284,038
Release of general capital contribution reserves	CHF	30,221,600
Total available to the Ordinary General Meeting	CHF	229,935,261
Withholding tax-free distribution of CHF 16 per registered share	CHF	30,221,600
Balance to be carried forward	CHF	199,713,661

Explanatory notes: If the proposal for the appropriation of available earnings is approved, dividends will be paid to all shareholders as of May 4, 2015. No distribution will be made for the treasury shares held by Forbo Holding Ltd or a subsidiary thereof on the record date, which is why the amount definitively specified for the release of general capital contribution reserves and the withholding tax-free distribution may change.

4. Capital reduction as a result of the share buyback program and corresponding amendment to the Articles of Association

The Board of Directors proposes to pass the following resolutions:

- a) The ordinary share capital of the company of CHF 215,000.00 shall be reduced at least by CHF 15,846.70 and at most by CHF 21,500.00 to CHF 199,153.30 respectively CHF 193,500.00 by way of canceling at least 158,467 and at most 215,000 shares with a par value of CHF 0.10 each that were acquired under the share buyback program approved by the Ordinary General Meeting on April 25, 2014 in the period from April 29, 2014 to March 16, 2015 respectively will be acquired until April 23, 2015.

The amount of the capital reduction will be used to reduce the account "treasury shares" (part of "marketable securities") respectively to reduce the reserves made for these treasury shares referred to in Article 659a Paragraph 2 respectively Article 671a of the Swiss Code of Obligations in the amount of the actual capital reduction.

- b) As a result of the audit report of the accredited audit expert PricewaterhouseCoopers Ltd pursuant with Article 732 Paragraph 2 of the Swiss Code of Obligations it is to be declared that the claims of the creditors remain fully covered even after the reduction of the share capital by the maximum reduction amount.
- c) On implementation of the reduction in share capital Clause 3 of the Articles of Association is to be amended in accordance with the following wording (amendments in bold):
Amendment of Clause 3 of the Articles of Association (based on the maximum reduction amount):
"The share capital of the company is **CHF 193,500** and is divided into **1,935,000** fully paid up registered shares with a par value of CHF 0.10 each."

- d) The Board of Directors is to be instructed to carry out the resolutions of the Ordinary General Meeting, in particular to give appropriate notice to the creditors by publishing them three times in the Swiss Official Gazette of Commerce (Schweizerisches Handelsamtsblatt) in accordance with Article 733 of the Swiss Code of Obligations, and to conduct the application to the Commercial Register following completion of the reduction.

Explanatory notes: Under the share buyback program approved by the Ordinary General Meeting on April 25, 2014, Forbo Holding Ltd bought back a total of 158,467 shares between April 29, 2014 and March 16, 2015 for a fixed-price and on the second trading line of the SIX Swiss Exchange. Forbo Holding Ltd may additionally to the shares already repurchased by March 16, 2015 until April 23, 2015 buy back further shares, however not exceeding the total amount of 215,000 shares. All shares repurchased under this share buyback program are now to be canceled. The reduction amount and the resulting share capital will change accordingly in case fewer than 215,000 shares are bought back by April 23, 2015 under the share buyback program. The exact reduction amount will be communicated the day before the Ordinary General Meeting.

5. Approval of a new share buyback program

The Board of Directors proposes to pass the following resolution:

The Board of Directors is to be authorized to buy back own shares up to the maximum of 10% of the share capital registered in the Commercial Register over a period of three years optionally on a second trading line at the SIX Swiss Exchange or otherwise. These shares are definitely intended to be canceled and therefore do not fall under the 10% threshold for own shares as defined by Article 659 of the Swiss Code of Obligations. The necessary amendment to the Articles of Association (reduction of share capital) is then to be submitted to the shareholders for approval.

Explanatory notes: The Board of Directors proposes the approval of the authorization to carry out a share buyback program over a period of three years in order to repatriate to the shareholders liquid funds not required for operational purposes. Forbo thereby gains greater flexibility in the interest of efficient capital management. The scope for action for internal and external growth is not restricted due to the existing net cash position and the strong cash flow. However, the Board of Directors reserves the right to interrupt or terminate the share buyback program, should this be necessary for financing increased external growth. The Board of Directors has chosen a two-stage process, in which the shareholders pass the fundamental resolution at this Ordinary General Meeting and pass a resolution concerning the cancellation of the repurchased shares at one of the next General Meetings. In case the proposal for the capital reduction according to agenda item 4 is approved this authorization corresponds to 10% of the share capital registered in the Commercial Register following the execution of the capital reduction proposed by the Board of Directors.

6. Approval of remunerations

6.1 Consultative vote on the 2014 remuneration report

The Board of Directors proposes to approvingly take note of the 2014 remuneration report in a consultative vote.

6.2 Approval of the variable remuneration for the Executive Board for 2014

The Board of Directors proposes to approve the amount of the variable remuneration to be paid to the Executive Board for the 2014 business year of CHF 1,780,000 (including thereon accumulated old age and survivors' contributions contained in column «Other remuneration» in the 2014 remuneration report).

6.3 Approval of the maximum total remuneration for the Board of Directors for 2016

The Board of Directors proposes to approve the amount of the maximum total remuneration to be paid to the Board of Directors for the 2016 business year of CHF 3,980,000 (including usual social insurance contributions, the private company car use as well as lump sum or local expenses).

6.4 Approval of the maximum fixed remuneration for the Executive Board for 2016

The Board of Directors proposes to approve the amount of the maximum fixed remuneration to be paid to the Executive Board for the 2016 business year of CHF 2,250,000 (including usual social insurance and pension fund contributions as well as private company car use).

Explanatory notes: The relevant information on the remuneration report is to be found in the 2014 Annual Report on pages 75 to 91. In accordance with Article 18 Ordinance against Excessive Remuneration in Listed Public Companies (OaER) and Article 24 Paragraph 1 and 2 of the Articles of Association of Forbo Holding Ltd of April 25, 2014, the Ordinary General Meeting approves on an annual basis, separately and with binding effect, the entire amount of the maximum fixed remuneration to be paid to the Board of Directors and the Executive Board for the business year that follows the Ordinary General Meeting as well as the entire amount of variable remuneration to be paid to the Executive Board for the business year preceding the Ordinary General Meeting. Additional information on agenda items 6.2 to 6.4 can be found in the 2014 remuneration report on pages 86 and 87.

7. Elections to the Board of Directors

7.1 Re-election of This E. Schneider as Executive Chairman of the Board of Directors

The Board of Directors proposes that This E. Schneider be re-elected as a member and Executive Chairman of the Board of Directors.

7.2 Re-election of Dr. Peter Altorfer as a member of the Board of Directors

The Board of Directors proposes that Dr. Peter Altorfer be re-elected as a member of the Board of Directors.

7.3 Re-election of Michael Pieper as a member of the Board of Directors

The Board of Directors proposes that Michael Pieper be re-elected as a member of the Board of Directors.

7.4 Re-election of Claudia Coninx-Kaczynski as a member of the Board of Directors

The Board of Directors proposes that Claudia Coninx-Kaczynski be re-elected as a member of the Board of Directors.

7.5 Re-election of Dr. Reto Müller as a member of the Board of Directors

The Board of Directors proposes that Dr. Reto Müller be re-elected as a member of the Board of Directors.

7.6 Re-election of Vincent Studer as a member of the Board of Directors

The Board of Directors proposes that Vincent Studer be re-elected as a member of the Board of Directors.

Explanatory notes: In accordance with Article 3 respectively Article 4 OaER the General Meeting elects the members of the Board of Directors as well as the Chairman of the Board of Directors. Each election will then be valid until the close of the next Ordinary General Meeting.

8. Elections to the Remuneration Committee

8.1 Re-election of Dr. Peter Altorfer as a member of the Remuneration Committee

The Board of Directors proposes to re-elect Dr. Peter Altorfer as a member of the Remuneration Committee.

8.2 Re-election of Claudia Coninx-Kaczynski as a member of the Remuneration Committee

The Board of Directors proposes to re-elect Claudia Coninx-Kaczynski as a member of the Remuneration Committee.

8.3 Re-election of Michael Pieper as a member of the Remuneration Committee

The Board of Directors proposes to re-elect Michael Pieper as a member of the Remuneration Committee.

Explanatory notes: In accordance with Article 7 OaER the General Meeting elects the members of the Remuneration Committee. Each election will then be valid until the close of the next Ordinary General Meeting.

9. Election of the Statutory Auditor

For corporate governance reasons, the Board of Directors proposes a change of the Statutory Auditor from PricewaterhouseCoopers Ltd to KPMG Ltd and to elect them for the 2015 business year.

10. Election of the independent proxy

The Board of Directors proposes that René Peyer, attorney-at-law and notary public in Zug, be re-elected as independent proxy.

Explanatory notes: In accordance with Article 8 OaER the General Meeting elects the independent proxy. The election will be valid until the close of the next Ordinary General Meeting. The independent proxy meets the requirements placed on the independence prescribed in Article 8 OaER.



Annual Report

The 2014 Annual Report including the business report, the annual statements and the consolidated financial statements, the remuneration report as well as the reports of the Statutory Auditor will be available for inspection by the shareholders at the registered office of the company from April 1, 2015. The Annual Report can also be downloaded from Forbo's website at www.forbo.com – Investors and will be sent by the company to any shareholder on request.

Access to the Ordinary General Meeting

The shareholders entered in the share register will receive notice of this meeting by regular mail. A reply card (attendance at the Ordinary General Meeting) as well as a summary of the Annual Report is attached to that notice. The entries in the share register on April 20, 2015 shall determine the rights to attend the Ordinary General Meeting and powers of representation of the shareholders. The last transfers of share ownership will be accepted up to April 17, 2015, 4 p.m. After that the share register will be closed.

Granting of proxies and instructions

Shareholders, who do not wish to attend the Ordinary General Meeting in person may be represented by another shareholder registered in the share register. To grant the proxy, shareholders can either use the reply card enclosed with the invitation, or they can use the proxy form on the back of the admission card. Shareholders will receive the admission card after they have returned the reply card.

In addition, shareholders may appoint Mr. René Peyer, attorney-at-law and notary public, Schweiger Advokatur/Notariat, Dammstrasse 19, 6300 Zug, as an independent proxy exercising voting rights as defined by Article 689c of the Swiss Code of Obligations. To grant power, the proxy provided on the reply card is to be signed and sent to the independent proxy together with the relevant instructions. If no instructions are given, the independent proxy will abstain from voting.

The shareholders can grant proxies and instructions to the independent proxy electronically via the indirect voting platform (IDVS) of our share register. Furthermore the shareholders can thereon subscribe for the Ordinary General Meeting, order the admission card and other documents. Shareholders who don't have an IDVS account have to subscribe therefore first. The relevant personalized access data, along with all other information on the registration, will be sent to shareholders along with the invitation documents as well.

Baar, April 1, 2015

Forbo Holding Ltd
On behalf of the Board of Directors

A handwritten signature in black ink, appearing to read 'E. Schneider', is positioned above the printed name.

This E. Schneider
Executive Chairman

flooring. movement.

