

Agenda for the 89th Ordinary General Meeting of Forbo Holding Ltd

Thursday, April 6, 2017, at **2.30 p.m.** (doors open 2 p.m.)
Lorzensaal Cham, Dorfplatz 3, 6330 Cham

1. Reporting on the 2016 business year

Annual Report, annual statements and consolidated financial statements for the 2016 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 2016 business year and to receive the reports of the Statutory Auditor.

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 2016 business year.

3. Appropriation of available earnings and withholding tax-free distribution from free capital contribution reserves

The Board of Directors proposes a total distribution of CHF 19 per registered share and proposes the following appropriation of available earnings and distribution from capital contribution reserves:

Net profit 2016	CHF	203,458,815
Retained earnings	CHF	227,549,421
Release of general capital contribution reserves	CHF	14,191,705
Treasury shares	– CHF	24,241,730
Total at the Ordinary General Meeting's disposal	CHF	420,958,211
Distribution from capital contribution reserves of CHF 8.30 per registered share	CHF	14,191,705
Distribution of an ordinary dividend of CHF 10.70 per registered share	CHF	18,295,331
Balance to be carried forward	CHF	388,471,175
Total at the Ordinary General Meeting's disposal	CHF	420,958,211

Explanatory notes: If agenda item 3 is approved, dividends will be paid to all shareholders as of April 12, 2017. Contrary to the distribution of the ordinary dividend, which is made net of the Federal Withholding Tax of 35%, the distribution from capital contribution reserves is made without deduction of the Federal Withholding Tax. 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 distribution of the ordinary dividend respectively the balance to be carried forward as well as the definitive amount to be released from general capital contribution reserves and the withholding tax-free distribution may change.

4. 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 by other means. 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 has again 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.

5. Adaption of the Articles of Association in connection with the implementation of a long-term incentive plan for the Executive Board

The Board of Directors proposes to adapt Clause 24 Paragraph 2 and Clause 26 Paragraph 2, 3 and 6 of the Articles of Association of Forbo Holding Ltd as follows and to cancel Clause 26 Paragraph 4 of the Articles of Association of Forbo Holding Ltd:

Revised version of the Articles of Associations (amendments in italics and in blue)

Clause 24 Approval of the remuneration

²The 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 Executive Board for the financial year following the General Meeting, ~~and~~ the amount of the variable remuneration to be paid to the Executive Board for the financial year preceding the General Meeting *under a performance-based bonus program and the entire amount of the maximum variable remuneration to be paid to the Executive Board for the current financial year under a long-term incentive plan.*

Clause 26 Principles regarding fixed and *performance-based variable* remuneration and the allocation of *shares participation rights* of the Company

²The members of the Executive Board receive a fixed and variable remuneration. The variable remuneration is composed of the performance-based remuneration ('bonus') and of the allocation of shares of the Company, *reversionary subscription rights on shares of the Company and/or of similar instruments under a long-term incentive plan.* The bonus is associated with the achievement of the individual (qualitative) objectives of the respective Executive Board member, as well as of the financial (quantitative) objectives of the Company, whereby the financial goals may relate to Group and/or divisional objectives, depending on the role and responsibility of the respective member of the Executive Board. The Board of Directors determines and weights the individual and financial objectives. The bonus may be a maximum of 200% of the fixed remuneration of the respective member of the Executive Board. *The allocation of shares of the Company respectively the conversion of reversionary subscription rights or similar instruments into shares of the Company are associated with the achievement of performance indicators during the performance period as well as any further qualitative and quantitative targets. The remuneration under long-term incentive plans may be a maximum of 100% of the fixed remuneration of the respective member of the Executive Board.* The fixed or ~~performance-based~~ variable remuneration can be paid out to the members of the Executive Board partially or wholly in the form of restricted shares of the Company. The bonus can, in specific cases such as the termination of the employment contract, be adjusted *based on with* the assumption that the objectives determined by the Board of Directors have been achieved in full.

³ If the fixed or ~~performance-based variable~~ remuneration is not paid out partially or wholly in cash, but in the form of shares, ~~of reversionary subscription rights on shares~~ of the Company ~~and/or of similar instruments~~, the Board of Directors defines factors that are decisive for the valuation of the shares issued, ~~respectively the allocated reversionary subscription rights on shares of the Company or similar instruments~~, such as the time and method of valuation as well as the duration of ~~the performance periods and~~ lock-up periods associated with them. The duration of the ~~performance period~~ ~~respectively the~~ lock-up period is generally three to five years. The Board of Directors may arrange ~~that conditions precedent and for the~~ lock-up periods ~~are~~ being omitted entirely or partially if certain events occur (such as a change of control, termination of the employment contract respectively mandate, retirement or death).

⁴ ~~[canceled]~~

⁶⁵ Taking into account the above paragraphs, the Board of Directors regulates all details of ~~performance-based variable~~ remuneration ~~and the awarding of shares of the Company under participation schemes~~ in ~~a~~ separate sets of regulations.

Explanatory notes: The entire version of the currently valid Articles of Association of Forbo Holding Ltd is available on the Forbo website at www.forbo.com – Investors – Ordinary General Meeting.

6. Approval of remunerations

6.1 Consultative vote on the 2016 remuneration report

The Board of Directors proposes to approvingly take note of the 2016 remuneration report in a consultative vote.

6.2 Approval of the maximum total remuneration of the Board of Directors for 2018

The Board of Directors proposes to approve the amount of the maximum total remuneration to be paid to the Board of Directors for the 2018 business year of **CHF 4,000,000** (including the usual social insurance contributions, private company car use as well as lump sum or local expenses).

6.3 Approval of the maximum fixed remuneration of the Executive Board for 2018

The Board of Directors proposes to approve the amount of the maximum fixed remuneration to be paid to the Executive Board for the 2018 business year of **CHF 2,300,000** (including the usual social insurance and pension fund contributions as well as private company car use).

6.4 Approval of the variable remuneration of the Executive Board for 2016

The Board of Directors proposes to approve the amount of the variable remuneration to be paid to the Executive Board for the 2016 business year of **CHF 1,460,000** (including thereon accumulated old-age and survivor's contributions contained in column 'Other remuneration' in the 2016 remuneration report).

6.5 Approval of the maximum variable long-term remuneration of the Executive Board for 2017 (allocation of reversionary subscription rights)

The Board of Directors proposes to approve the amount of the maximum variable long-term remuneration to be paid to the Executive Board for the 2017 business year of **CHF 225,000** (including the usual social insurance contributions).

Explanatory notes: The relevant information on the remuneration report is to be found in the 2016 Annual Report on pages 75 to 91. In accordance with Article 18 of the Ordinance against Excessive Remuneration in Listed Public Companies (OaER) and Clause 24 Paragraph 1 and 2 of the Articles of Association of Forbo Holding Ltd, 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 and the entire amount of variable remuneration to be paid to the Executive Board for the business year preceding the Ordinary General Meeting. If agenda item 5 is accepted, the Ordinary General Meeting will additionally approve the amount of the maximum variable remuneration to be paid to the Executive Board under the long-term incentive plan for the current business year. Additional information on agenda items 6.2 to 6.5 can be found in the 2016 remuneration report on pages 78, 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

The Board of Directors proposes that the mandate of KPMG Ltd as Statutory Auditor be extended for a further 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 mandatory requirements on independence according to Article 8 OaER.



Annual Report

The 2016 Annual Report including the business report, the annual statements and the consolidated financial statements, the remuneration report, the corporate governance 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 March 14, 2017. 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 or via the indirect voting platform if they have renounced to receive notifications by regular mail. A reply card (attendance of 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 March 31, 2017, 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 March 30, 2017, 4 p.m. After that the share register will be closed.

Granting of proxies and instructions

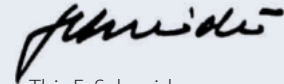
Shareholders who do not wish to attend the Ordinary General Meeting in person may be represented by another shareholder registered in the share register. To grant the proxy, shareholders can either use the reply card enclosed with the invitation, or they can use the proxy form on the back of the admission 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 8 ff. OaER. 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.

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

Baar, March 14, 2017

Forbo Holding Ltd
On behalf of the Board of Directors

A handwritten signature in black ink, appearing to read 'E. Schneider', written in a cursive style.

This E. Schneider
Executive Chairman

flooring. movement.

