

# Enclosures to the agenda for the 96<sup>th</sup> Ordinary General Meeting of Forbo Holding Ltd

Agenda item 4 – Amendment of the Articles of Association to the  
new company law

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## **Explanation of the Board of Directors on the proposed amendments to the Articles of Association**

### **Dear shareholders,**

The reform of the company law, which was passed by Parliament in June 2020 and substantiated by amendments to the Swiss Code of Obligations (CO) and the Commercial Register Ordinance (HRegV), has been in force since January 1, 2023.

Companies have two years from the entry into force of the new provisions to adapt their Articles of Association to the new law. The Board of Directors is implementing these new requirements with the proposed amendments to the Articles of Association.

We are pleased to summarize below the most important provisions in connection with Forbo Holding Ltd's proposed implementation of the revised company law.

### **1. Introduction of a capital band**

The revised law makes capital increases and decreases more flexible. With the resolution on the capital band, the General Meeting authorizes the Board of Directors to change the share capital within the framework set by the General Meeting and, if necessary, subject to certain conditions and requirements. This enables the Board of Directors to reduce or increase the share capital within a range of plus/minus 10% of the registered share capital within the capital band within a maximum of five years. In particular, this leads to a more flexible design and adjustment of the capital structure in connection with a share buyback program.

The introduction of the capital band is carried out by a publicly notarized resolution of the General Meeting and must be registered in the commercial register. The key data of the capital band, in particular the lower and upper limits of the capital band, must be set out in the Articles of Association in terms of amount and deleted from the Articles of Association at the end of the term. The resolution of the General Meeting must be passed with a qualified resolution (cumulatively at least two-thirds of the votes represented and a majority of the par value of shares represented). The General Meeting may also amend or cancel the capital band during its term.

## **2. Use of digital technologies at the General Meeting**

The revised company law offers more flexibility in the planning and implementation of General Meetings with regard to meeting venues and the use of digital technologies, whereby virtual General Meetings can now also be held if the Articles of Association provide a corresponding basis for this. Although there are currently no plans to hold General Meetings virtually, a corresponding revision of the Articles of Association is being proposed as a precautionary measure as part of this amendment to the Articles of Association.

## **3. Further amendments to the Articles of Association**

### **3.1 Interim dividends**

The new company law also stipulates that interim dividends can be distributed. Determining the interim dividend and approving the interim accounts required for this are now among the inalienable powers of the General Meeting.

### **3.2 Strengthening the rights of shareholders**

The required share quota for the right to request the convening of an Extraordinary General Meeting was reduced from 10 % to 5 %; the share quota for requesting the inclusion of agenda items was reduced from 1 % to 0.5 %.

Each shareholder can now be represented at the General Meeting by any third party.

### **3.3 Tasks of the Board of Directors**

In addition to monitoring the balance sheet situation regarding a possible loss of capital, the law now also expressly provides for the duty to monitor the solvency, i.e. the liquidity of the company. If the company threatens to become insolvent, the Board of Directors must take measures to ensure its solvency. If necessary, the Board of Directors must take further measures to restructure the company or propose such measures to the General Meeting, insofar as they fall within the competence of the General Meeting. If necessary, the Board of Directors must even submit an application for a debt restructuring moratorium.

### 3.4 Editorial amendments to the Articles of Association

Finally, the Board of Directors is making further amendments to the Articles of Association and editorial changes due to the revised company law.

A complete version of the current and revised Articles of Association can be found on our website at <https://www.forbo.com/en-gl/investors/ordinary-general-meeting/>.

Forbo Holding Ltd

On behalf of the Board of Directors

A handwritten signature in black ink, appearing to read "E. Schneider". The signature is written in a cursive, flowing style.

This E. Schneider  
Chairman

## Enclosure A

### Agenda item 4.1: Introduction of a capital band

#### **CURRENT VERSION**

[yet non-existent]

#### **REVISED VERSION**

##### **§4a Capital band:**

<sup>1</sup> The Board of Directors is entitled, at any time and until December 31, 2028, to apply one or several increases and/or reductions to the share capital within the upper limit of CHF 163,350.00, i.e. 1,633,500 registered shares each with a par value of CHF 0.10 and the lower limit of CHF 133,650.00, i.e. 1,336,500 registered shares each with a par value of CHF 0.10. Capital reductions may be made via a reduction of the par value of the shares as well as the cancellation of shares.

<sup>2</sup> In the event of a capital increase:

1. the Board of Directors determines the number of shares, the issue price, the contribution type, date of issue, conditions for exercising subscription rights and the commencement of entitlement to dividends. In doing so, the Board of Directors may issue new shares by means of firm underwriting through a bank or another third party and subsequent offers to previous shareholders. The Board of Directors is entitled to limit or exclude any matters concerning subscription rights. The Board of Directors may forfeit subscription rights or place them or the shares for which the subscription rights are granted, but not exercised, under market conditions or otherwise use them in the interests of the Company;

## CURRENT VERSION

[yet non-existent]

## REVISED VERSION

2. the Board of Directors is entitled to revoke or limit the subscription rights of shareholders in the event of a takeover of the Company, parts of the Company or holdings, as well as in the case of employee participation, and to allocate subscription rights to individual shareholders or third parties.

<sup>3</sup> Within the framework of this capital band, the Board of Directors is also entitled to:

1. apply a capital increase via the conversion of free reserves in share capital;
2. implement capital reductions via reductions in par value up to four times a year and to pay out the reduction amount to shareholders in line with the Articles of Association.

<sup>4</sup> The subscription and acquisition of new shares and any subsequent transfer of shares will be subject to the limitations of Clause 6 of these Articles of Association.

<sup>5</sup> The Board of Directors will remove this provision from the Articles of Association upon expiry of the duration of the capital band.

## **Enclosure B**

### Agenda item 4.2: Use of digital technologies at the General Meeting

#### **CURRENT VERSION**

[yet non-existent]

#### **§12 Eligibility and representation**

[yet non-existent]

#### **§14 Voting procedure**

[yet non-existent]

#### **REVISED VERSION**

##### **§9a Venue**

The Board of Directors shall determine the venue for the General Meeting. The Board may further decide that:

1. the General Meeting be conducted at alternative locations at the same time;
2. shareholders, who are not present at the General Meeting venue, may exercise their rights electronically;
3. the General Meeting be held with no venue by electronic means.

##### **§12 Eligibility and representation; Use of electronic means**

- <sup>6</sup> The Board of Directors regulates the use of electronic means on the occasion of hybrid or virtual General Meetings. It ensures that:
1. the identity of the participants is established;
  2. oral contributions in the General Meeting are transmitted immediately;
  3. each participant can table motions and participate in the debate;
  4. the result of the vote cannot be falsified.

##### **§14 Voting procedure**

- <sup>4</sup> Should substantial technical issues on the part of the Company arise during a hybrid or virtual General Meeting, with the result that the General Meeting cannot be duly conducted, the meeting must be held again. Resolutions passed by the General Meeting prior to the occurrence of technical issues shall remain valid.

## **Enclosure C**

### Agenda item 4.3: Further amendments to the Articles of Association

#### **CURRENT VERSION**

##### **§4 Conditional share capital**

- <sup>1</sup> The registered capital of the Company will be increased by the issue of a maximum of 166,450 registered shares to be fully liberated each with a par value of CHF 0.10 up to a maximum amount of CHF 16,645 by the exercise of option or conversion rights to be granted in connection with loan obligations to the Company or one of its subsidiaries, and by the exercise of option rights to be granted to the shareholders.
- <sup>3</sup> The conditions for options or conversions will be established by the Board of Directors. When granting option or conversion loans, the Board of Directors may remove the shareholders' right of pre-emption on compelling grounds within the meaning of Article 653c Paragraph 2 CO. In that event, the structure, duration and amount of the loan must be established by the Board of Directors in accordance with market conditions at the time of granting.

[yet non-existent]

#### **REVISED VERSION**

##### **§4 Conditional share capital**

- <sup>1</sup> The registered capital of the Company will be increased by the issue of a maximum of 166,450 registered shares to be fully liberated each with a par value of CHF 0.10 up to a maximum amount of CHF 16,645 by the exercise of option or conversion rights to be granted in connection with loan obligations to the Company or one of its subsidiaries (not more than 133,160 registered shares), and by the exercise of option rights to be granted to the shareholders (not more than 32,290 registered shares).
- <sup>3</sup> The conditions for options or conversions will be established by the Board of Directors. When granting option or conversion loans, the Board of Directors may remove the shareholders' right of pre-emption on compelling grounds within the meaning of Article 653c Paragraph ~~2~~<sup>3</sup> CO. In that event, the structure, duration and amount of the loan must be established by the Board of Directors in accordance with market conditions at the time of granting.
- <sup>5</sup> The exercise of conversion or option rights and waiving of said rights must be made in writing or electronically



## CURRENT VERSION

### §5 Shares

- <sup>8</sup> The Company in General Meetings may convert registered shares into bearer shares and bearer shares into registered shares by amendment of the Articles of Association

### §6 Share register, restrictions of registration and Nominees

- <sup>2</sup> On request, acquirers of registered shares will be registered as shareholders with voting rights in the share register if they expressly declare that they have acquired the shares in their own name and for their own account. If the acquirer is not prepared to make such a declaration, registration with voting rights may be refused.

### §8 Powers

The most senior authority for the Company is the General Meeting, which has the following unassignable powers:

3. Approval of the management report and the Group Accounts;

[yet non-existent]

## REVISED VERSION

### §5 Shares

- ~~<sup>8</sup> The Company in General Meetings may convert registered shares into bearer shares and bearer shares into registered shares by amendment of the Articles of Association.~~

### §6 Share register, restrictions of registration and Nominees

- <sup>2</sup> On request, acquirers of registered shares, which may also be transferred electronically, will be registered as shareholders with voting rights in the share register if they expressly declare that (i) they have acquired ~~the~~ those registered shares in their own name and for their own account, (ii) no agreements exist regarding the redemption or return of those registered shares, (iii) they bear all risks associated with the shares and (iv) the reporting obligations pursuant to the Swiss Financial Market Infrastructure Act of 19 June 2015 have been fulfilled. If the acquirer is not prepared to make such a declaration, registration with voting rights may be refused.

### §8 Powers

The most senior authority for the Company is the General Meeting, which has the following unassignable powers:

3. Approval of the management report, ~~and~~ the Group Accounts and further reports to be submitted to the General Meeting;
5. Establishment of interim dividends and approval of the necessary interim accounts;

## CURRENT VERSION

[yet non-existent]

5. [...]

6. [...]

[yet non-existent]

7. [...]

### §9 Convocation and agenda items

<sup>2</sup> The Ordinary General Meeting will take place annually within six months of the end of the financial year. The Annual Report, the Remuneration Report including the Audit Certificate and the Auditors Report must be made available for inspection by the shareholders at the registered office of the company at least 20 days prior to the Ordinary General Meeting. The availability of the reports should be referred to in the notice of the General Meeting.

<sup>3</sup> Extraordinary General Meetings will be called as often as necessary, in particular in the events provided for by law. The Board of Directors will call an Extraordinary General Meeting by resolution of the General Meeting or if one or more shareholders who represent at least 10% of registered capital so request in writing, giving the reasons for calling the meeting and the agenda items.

## REVISED VERSION

6. Passing resolutions on repaying the statutory capital reserves;

~~5.7.~~ [new numbering]

~~6.8.~~ [new numbering]

9. Delisting the equity securities of the Company;

~~7.10.~~ [new numbering]

### §9 Convocation and agenda items

<sup>2</sup> The Ordinary General Meeting will take place annually within six months of the end of the financial year. ~~The Annual Report, the Remuneration Report including the Audit Certificate and the Auditors Report must be made available for inspection by the shareholders at the registered office of the company at least 20 days prior to the Ordinary General Meeting.~~ The availability of the reports should be referred to in the notice of the General Meeting.

<sup>3</sup> Extraordinary General Meetings will be called as often as necessary, in particular in the events provided for by law. The Board of Directors will call an Extraordinary General Meeting by resolution of the General Meeting or if one or more shareholders who collectively represent at least ~~10%~~5% of registered capital or votes so request in writing, giving the reasons for calling the meeting and the agenda items.

### CURRENT VERSION

- <sup>4</sup> Shareholders, who represent at least 1% of the registered capital, may request items to be listed on the agenda. An appropriate written request setting out the proposals must be submitted to the Board of Directors at least 45 days prior to the meeting.

[yet non-existent]

### §10 Form of the convocation

- <sup>1</sup> The General Meeting will be called by way of a one-time publication in the Swiss Official Gazette of Commerce at least 20 days before the day of the meeting. The convocation can also occur via non-registered letter to the addresses entered in the share register or, at the request of the registered shareholders, electronically.
- <sup>2</sup> The notice of the meeting must contain the items for discussion and proposals by the Board of Directors and the shareholders seeking a General Meeting or the listing of an item on the agenda and, in the case of elections, the names of the candidates.

### REVISED VERSION

- <sup>4</sup> Shareholders, who collectively represent at least ~~1%~~0.5% of the registered capital or votes, may request items to be listed on the agenda. An appropriate written request setting out the proposals must be submitted to the Board of Directors at least 45 days prior to the meeting.

- <sup>5</sup> The Annual Report and the Auditor's Report must be made accessible to shareholders at least 20 days prior to the General Meeting. Should it not be possible to access the documents electronically, each shareholder can request the prompt delivery thereof.

### §10 Form of the convocation

- <sup>1</sup> The Convocation to the General Meeting will be called ~~by way of a one-time publication in the Swiss Official Gazette of Commerce~~ at least 20 days before the day of the meeting in the manner prescribed in Clause 32 concerning correspondence to shareholders. ~~The convocation can also occur via non-registered letter to the addresses entered in the share register or, at the request of the registered shareholders, electronically.~~
- <sup>2</sup> The following information must be included in the notice of convening the meeting: ~~must contain the items for discussion and proposals by the Board of Directors and the shareholders seeking a General Meeting or the listing of an item on the agenda and, in the case of elections, the names of the candidates.~~

## CURRENT VERSION

- <sup>3</sup> Resolutions may not be passed in respect of agenda items which are not submitted in this way, subject to the conditions governing universal meetings, with the exception of proposals for calling an Extraordinary General Meeting or to carry out a special audit.

### §12 Eligibility and representation

- <sup>1</sup> At General Meetings, every share carries one vote.
- <sup>3</sup> Every shareholder may be represented by its statutory representative or another shareholder. If the representative is not a statutory representative, he must be identified by a written proxy.

## REVISED VERSION

1. the date, the starting time, the form and the location of the general meeting;
  2. the business to be discussed;
  3. the motions of the board of directors and a short explanation for these motions;
  4. if applicable, the shareholders' motions with a short explanation of each;
  5. the name and the address of the independent voting representative.
- <sup>3</sup> Resolutions may not be passed in respect of proposals which have not been announced on the agenda, with the exception of proposals for calling an Extraordinary General Meeting or to carry out a special audit and to elect a statutory auditor. ~~Resolutions may not be passed in respect of agenda items which are not submitted in this way, subject to the conditions governing universal meetings, with the exception of proposals for calling an Extraordinary General Meeting or to carry out a special audit.~~

### §12 Eligibility and representation; Use of electronic means

- <sup>1</sup> At General Meetings, every share registered in the share register on the definitive reference date carries one vote.
- <sup>3</sup> Every shareholder may be represented by its statutory representative or another shareholder or a third party. ~~another shareholder or a third party~~. If the representative is not a statutory representative, he must be identified by a written proxy.

## CURRENT VERSION

### §14 Voting procedure

- <sup>2</sup> Votes and elections will be held either openly (on a show of hands), secretly or electronically. In principle, votes and elections will be held electronically, unless the General Meeting resolves to hold them secretly or open or if the Chairman so decides.
- <sup>3</sup> The Chairman may order an election or a vote to be repeated either secretly or electronically if, in his mind, there is any doubt about the result of the vote. In that event, the initial election or vote will be deemed not to have taken place

### §16 Formation, meetings and resolution

- <sup>5</sup> Resolutions can also be made by way of circulars, or by telegram, fax, e-mail or another form of transmission which enables written proof to be provided, unless any one member requires the Board to meet in person.

### §17 Responsibilities

- <sup>2</sup> [...]
8. Notification of the judge in case of over-indebtedness.

## REVISED VERSION

### §14 Voting procedure

- <sup>2</sup> ~~Votes and elections will be held either openly (on a show of hands), secretly or electronically.~~ In principle, votes and elections will be held electronically, unless the General Meeting resolves to hold them secretly or open or if the Chairman so decides.
- <sup>3</sup> The Chairman may order an election or a vote to be repeated ~~either secretly or electronically~~ if, in his mind, there is any doubt about the result of the vote. In that event, the initial election or vote will be deemed not to have taken place

### §16 Formation, meetings and resolution

- <sup>5</sup> Resolutions can also be made by way of circulars, ~~or by telegram, fax, e-mail~~ or another form of transmission which enables written proof to be provided, unless any one member requires the Board to meet in person.

### §17 Responsibilities

- <sup>2</sup> [...]
8. Filing an application for a debt restructuring moratorium and notification ~~Notification~~ of the judge court in case of over-indebtedness.

## CURRENT VERSION

### §22 Mandates outside the Forbo Group

- <sup>1</sup> Members of the Board of Directors are permitted to hold a maximum of five mandates in listed legal entities and twenty mandates in non-listed legal entities.
- <sup>2</sup> Members of the Executive Board are permitted to hold a maximum of two mandates in listed legal entities and seven mandates in non-listed legal entities. Members of the Executive Board require the advance consent of the Board of Directors before accepting any mandates.
- <sup>3</sup> Mandates in the most senior management or administration bodies of legal entities that require entry into the commercial register or comparable foreign registers, and which are not part of the Forbo Group, is considered a mandate in the sense of this Clause. Mandates in companies that are associated with one another outside the Forbo Group are in each case viewed as one mandate.

## REVISED VERSION

### §22 Mandates outside the Forbo Group

- <sup>1</sup> Members of the Board of Directors are permitted to hold a maximum of ~~five~~ sixteen mandates outside the Forbo Group, thereof not more than five mandates in listed legal entities and a total of eight ~~twenty~~ mandates in ~~non-listed~~ legal entities subject to ordinary audit.
- <sup>2</sup> Members of the Executive Board are permitted to hold a maximum of ~~two~~ five mandates outside the Forbo Group, thereof not more than one mandate in a listed legal entity ~~entities~~ and a total of two ~~seven~~ mandates in ~~non-listed~~ legal entities subject to ordinary audit. Members of the Executive Board require the advance consent of the Board of Directors before accepting any mandates.
- <sup>3</sup> Mandates ~~in the most senior management or administration bodies of legal entities that require entry into the commercial register or comparable foreign registers, and~~ in comparable positions in other undertakings with commercial objects which are not part of the Forbo Group, are considered a mandate in the sense of this Clause. Mandates in companies that are associated with one another outside the Forbo Group are in each case viewed as one mandate.

## CURRENT VERSION

### §23 The Statutory Auditor

- <sup>4</sup> The Statutory Auditor will be appointed for one financial year. The appointment will end on the date of approval of the last annual accounts. The Statutory Auditor may be re-appointed. The Statutory Auditor may be dismissed at any time without notice.

### §24 Approval of the remuneration

[yet non-existent]

### §26 Principles regarding fixed and variable remuneration and the allocation of participation rights of the Company

- <sup>2</sup> [...]. 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. [...].

### §27 Loans, credits and benefits beyond occupational pensions

- <sup>1</sup> The Company may pay members of the Executive Board loans, credits and benefits beyond occupational pensions up to a maximum amount equal to the annual remuneration of the relevant member.

## REVISED VERSION

### §23 The Statutory Auditor

- <sup>4</sup> The Statutory Auditor will be appointed for one financial year. The appointment will end on the date of approval of the last annual accounts. The Statutory Auditor may be re-appointed. The Statutory Auditor may only be dismissed for good cause at any time without notice.

### §24 Approval of the remuneration

- <sup>5</sup> The Remuneration Report must be submitted to the General Meeting for an advisory vote.

### §26 Principles regarding fixed and variable remuneration and the allocation of participation rights of the Company

- <sup>2</sup> [...].The remuneration under long-term incentive plans may be a maximum of ~~100%~~200% of the fixed remuneration of the respective member of the Executive Board. [...].

### §27 Loans, credits and benefits beyond occupational pensions

- <sup>1</sup> The Company may pay current and former members of the Executive Board loans, credits and benefits beyond occupational pensions up to a maximum amount equal to the annual remuneration of the relevant member.

## CURRENT VERSION

### §29 Distribution of Profits

- <sup>2</sup> Dividends which are not drawn will be at the Company's disposal after five years.

### §32 Notices

- <sup>1</sup> The official body of publication for the Company is the Swiss Official Gazette of Commerce. The Board of Directors may also appoint other publishing bodies.
- <sup>2</sup> Notices to shareholders will be given by publication in the official body of publication of the Company, to the extent no provision is made by law for another form of notice. Written notices to the shareholders will be given by ordinary letter to the address shown in the share register.
- <sup>3</sup> Notices to individual shareholders can also occur electronically if their written permission has been obtained.

## REVISED VERSION

### §29 Distribution of Profits

- <sup>2</sup> Dividends, interim dividends and repayments of statutory capital reserves which are not drawn will be at the Company's disposal after five years.

### §32 Notices

- <sup>1</sup> ~~The official body of publication for the Company is the Swiss Official Gazette of Commerce. The Board of Directors may also appoint other publishing bodies.~~
- <sup>2</sup> ~~Notices to shareholders will be given by publication in the official body of publication of the Company, to the extent no provision is made by law for another form of notice. Written notices to the shareholders will be given by ordinary letter to the address shown in the share register.~~
- <sup>3</sup> ~~Notices to individual shareholders can also occur electronically if their written permission has been obtained.~~

Convocations and correspondence to shareholders may, at the Board of Directors' option, be rendered effective by means of publication in the Swiss Official Gazette of Commerce, by letter or e-mail or in any other form, which acts as proof by text, to the shareholder contact details last entered in the share register.