

Articles of Association of Forbo Holding Ltd

I.

Principles

Clause 1 Business name, registered office and duration

Forbo Holding Ltd

(Forbo Holding AG, Forbo Holding SA)

is a public limited company whose registered office is situated in Baar (canton of Zug); it was incorporated for an unlimited period.

Clause 2 Purpose

¹ The purpose of the Company is holdings in industrial and commercial companies, in particular in the fields of building supplies and related branches of commerce.

² This Company may create branches and subsidiaries both nationally and abroad.

³ It may acquire, encumber, hold, utilise and dispose of land and property rights both nationally and abroad.

⁴ The Company may also exercise all commercial, financial and other activities which are directly or indirectly connected to the purpose of the Company.

⁵ The purpose of the Company also includes the supporting of affiliated companies, particularly from a financial point of view.

II.

Share capital, shares and share register

Clause 3 Share capital

The share capital of the Company is CHF 225,000 and is divided into 2,250,000 fully paid up registered shares with a par value of CHF 0.10 each.

Clause 4 Conditional share capital

¹ 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.

² Shareholders' subscriptions – with the exception of shareholder options – is excluded. Individual holders of option and conversion rights are entitled to subscribe for the new shares. Registration of the new registered shares in the share register in connection with the exercise of option or conversion rights, is subject to the limitations set out in Clause 6.

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³ 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.

⁴ Option rights must be exercised within a maximum of five years, and conversion rights must be exercised within a maximum of ten years from the granting of the loan in question.

Clause 5 Shares

¹ The shares are indivisible. The Company will only recognise one representative for each share. The voting right and associated rights deriving from a registered share may only be exercised vis à vis the Company by a shareholder, beneficiary or nominee, who is registered with a voting right in the share register.

² Ownership of a share comprises acknowledgement of the Article of Association as amended from time to time.

³ Subject to Paragraphs 4 and 6, the registered shares of the Company are issued as uncertificated securities (as defined by the Swiss Code of Obligations) and held as book entry securities (as defined by the Swiss Book Entry Securities Act).

⁴ The Company may withdraw shares held as book entry securities from the custody system.

⁵ The shareholder may at any time request from the Company a confirmation of the registered shares held by him according to the share register.

⁶ The shareholder has no right to request the printing and delivery of certificates or the conversion of registered shares issued in a certain form into another form. The Company may, however, at any time issue certificates (individual share certificates, certificates or global certificates) or convert uncertificated securities and certificates into another form as well as cancel issued certificates that are returned to the Company.

⁷ Book entry securities according to Paragraph 3 cannot be transferred by way of assignment. Security interests in any such book entry securities also cannot be created by way of assignment.

⁸ 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.

Clause 6 Share register, restrictions of registration and Nominees

¹ The Company holds a share register containing the names and addresses of the holders or beneficiaries of registered shares. Relative to the Company, only those persons registered in the share register will be deemed to be registered shareholders or beneficiaries. The Company must be notified if a shareholder changes his address or registered office. As long as such notice is not received, all correspondence will be sent to the address shown in the share register.

² 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.

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³ The restriction on registration under Paragraph 2 will also apply to shares acquired or subscribed for by way of the exercise of a subscription, option or conversion right.

⁴ The Board of Directors may register nominees with voting rights in the share register up to a maximum of 0.3% of the registered share capital registered in the Commercial Register. Beyond this limit, it may register nominees with voting rights in the share register, provided that the nominee supplies the name, address and shareholding of the person for whom he is holding a total of 0.3% or more of the registered share capital registered in the Commercial Register. Nominees within the meaning of this condition are persons who do not expressly declare in their application for registration that they hold the shares on their own account and with whom the Board of Directors has entered into an appropriate agreement.

⁵ Legal entities and partnerships or other associations or joint property relationships linked together by capital or votes, by common directorships or otherwise, as well as natural persons or legal entities or partnerships acting in a concerted manner with a view to avoiding the conditions governing the limits of holdings or nominees (in particular acting as a syndicate) will be deemed to be a single entity or nominee within the meaning of Paragraph 4.

⁶ After hearing the registered shareholder or nominee, the Board of Directors may strike out registrations in the share register with retroactive effect to the date of registration, if the registration was made on the basis of false information. The affected party must be notified immediately of the removal of the registration.

⁷ The Board of Directors will agree the details and pass the resolutions necessary for compliance with the above conditions. In certain circumstances, it may grant exemptions from the nominee regulations. It may delegate its tasks.

III.

Organisation of the Company

Clause 7 Governing bodies

The Company authorities are:

1. The General Meeting
2. The Board of Directors
3. The Statutory Auditor

1. The General Meeting

Clause 8 Powers

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

1. Establishment and variation of the Articles of Association;
2. Election and removal of the Chairman of the Board of Directors, the members of the Board of Directors, the members of the Remuneration Committee, the Statutory Auditor and the independent proxy;
3. Approval of the management report and the Group Accounts;

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4. Approval of the Annual Accounts and passing resolutions relating to the distribution of the balance sheet profits, in particular the setting of dividends and directors' emoluments;
5. Voting on the remuneration of the Board of Directors and the Executive Board as per Clause 24;
6. Discharge of the members of the Board of Directors and the Executive Board;
7. Passing resolutions on items reserved for the General Meeting by law or the Articles of Association, or which are submitted to it by the Board of Directors.

Clause 9 Convocation and agenda items

¹ The General Meeting will be called by the Board of Directors or, if necessary, by the Statutory Auditor. Liquidators are also entitled to call General Meetings.

² 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.

³ 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.

⁴ 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.

Clause 10 Form of the convocation

¹ The General Meeting will be called by way of a and 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.

² 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.

³ 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.

Clause 11 Chairing of the Meeting

¹ The General Meeting will be presided over by the Chairman of the Board of Directors. In his absence, the meeting will be chaired by the Vice-Chairman or another member of the Board of Directors.

² The Chairman will appoint a secretary and scrutineers. The minutes will be signed by the Chairman and the Secretary.

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Clause 12 Eligibility and representation

- ¹ At General Meetings, every share carries one vote.
- ² In the invitation to the General Meeting, the Board of Directors shall state the record date by which shareholders must be registered in the share register to be eligible to participate and vote at the General Meeting.
- ³ 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.
- ⁴ The shareholder can also be represented by the independent proxy elected by the General Meeting on an annual basis, whereby proxies and voting instructions can also be issued electronically to the independent proxy. If the post of the independent proxy is vacant, the Board of Directors appoints one for the next General Meeting.
- ⁵ The Board of Directors establishes the requirements and details regarding issuing written and electronic proxies and voting instructions. The Board of Directors can also waive a qualified electronic signature for electronic proxies.

Clause 13 Resolution and elections

- ¹ Subject to compelling statutory provisions, the General Meeting will be quorate regardless of the number of shareholders present and the amount of registered capital represented.
- ² The General Meeting will pass resolutions and conduct elections on the basis of an absolute majority of the voting shares represented, unless otherwise provided by law or the Articles of Association.
- ³ In the event that the first ballot in an election does not take place, a second ballot will be held which will be decided by a relative majority.
- ⁴ Resolutions of the General Meeting on the remuneration of the Board of Directors and the Executive Board must, differently from Paragraph 2, be passed by an absolute majority of the votes cast. Abstentions, blank and invalid votes are thereby considered to have not been cast.
- ⁵ Resolutions within the meaning of Article 704 CO must always be passed by a majority of two thirds of the voting shares represented at the General Meeting as well as by an absolute majority of the share par values represented.

Clause 14 Voting procedure

- ¹ The Chairman of the General Meeting will determine the nature and order of votes and elections.
- ² 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.
- ³ 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.

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2. The Board of Directors

Clause 15 Composition, election and term of office

- ¹ The Board of Directors will comprise at least four members.
- ² The Chairman of the Board of Directors as well as the members of the Board of Directors are elected by the General Meeting on an annual and individual basis. The term of office of the members of the Board of Directors ends in each case with the conclusion of the next Ordinary General Meeting. Re-election is permitted.
- ³ If the position of the Chairman is vacant, the Board of Directors appoints a new Chairman from among the members of the Board of Directors for the remaining term of office.

Clause 16 Formation, meetings and resolution

- ¹ From among its members, the Board of Directors will appoint one or several a Vice-Chairmen and a Secretary. The Secretary need not be a member of the Board of Directors.
- ² At the invitation of the Chairman it will meet as often as the Company's business requires. Meetings of the Board of Directors may also be held by telephone or video conference.
- ³ The agenda, quorum (presence of) and the terms and conditions for passing resolutions of the Board of Directors will be carried out in accordance with the rules of organisation.
- ⁴ For conformity and assessment resolutions requiring public documentation to be passed by the Board of Directors in connection with capital increases, it will suffice for one single member of the Board of Directors to be present.
- ⁵ 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.
- ⁶ In the event of an equality of votes, the Chairman will have the casting vote.
- ⁷ Minutes of the meetings of the Board of Directors must be taken, and will be signed by the Chairman and the Secretary.

Clause 17 Responsibilities

- ¹ The Board of Directors is responsible for the supervision and direction of the Company and for the supervision of management. The Board will represent the Company externally and will deal with all matters which are not assigned to another Company authority by law, the Articles of Association or the regulations.
- ² The Board of Directors has the following nontransferable and inalienable duties:
 1. Ultimate management of the Company and the giving of the necessary directions;
 2. Establishment of the organisation;
 3. Structuring of the accounting system and of the financial controls as well as the financial planning to the insofar as this is necessary to manage the Company;
 4. Appointment and removal of persons entrusted with the management and representation of the Company, and regulation of the authority to sign;

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5. Ultimate supervision of persons entrusted with management, in particular in view of compliance with the law, the Articles of Association, regulations and directives;
6. Preparation of business report as well as the preparation of the General Meeting and the implementing of its resolutions;
7. Preparation of the Remuneration Report;
8. Notification of the judge in case of over-indebtedness;

³ Further, the Board of Directors may pass resolutions on all matters not attributed to the General Meeting by law or the Articles of Association.

Clause 18 Remuneration Committee

¹ The Remuneration Committee consists of at least two members of the Board of Directors.

² The members of the Remuneration Committee are elected by the General Meeting on an annual and individual basis. The term of office of the members of the Remuneration Committee ends in each case with the conclusion of the next Ordinary General Meeting. Re-election is permitted.

³ If the Remuneration Committee is not at full capacity, the Board of Directors appoints the missing members of the Remuneration Committee from among its members for the remaining term of office.

⁴ The Remuneration Committee supports the Board of Directors in determining the principles for the remuneration policy and in determining the remuneration for the members of the Board of Directors as well as the Executive Board in the framework of the overall remuneration amount approved by the General Meeting. It supports the Board of Directors in designing participation schemes and in fulfilling all other tasks in the area of remuneration. The Remuneration Committee develops appropriate recommendations for the attention of the Board of Directors. The Board of Directors may delegate other individual tasks and powers to the Remuneration Committee.

⁵ The Board of Directors appoints the Chairman of the Remuneration Committee and regulates all other matters in a separate set of regulations.

Clause 19 Further committees of the Board of Directors

From amongst its members the Board of Directors may appoint one or more other committees to deal with the preparation and execution of its resolutions or with the supervision of specific commercial operations. The Board of Directors will ensure appropriate reporting.

Clause 20 Delegation of the company management

The Board of Directors may assign the management of the Company or parts thereof, as well as the external representation of the Company to individual members of the Board of Directors or to other natural persons, who need not be shareholders. The asset management may also be assigned to legal entities. It will issue the rules of organisation and will stipulate the corresponding contractual relationships.

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Clause 21 Contracts regarding remuneration

The employment contracts of the members of the Executive Board or of the Board of Directors, and other contracts regarding their remuneration, may have a term of a maximum of 12 months, or be valid indefinitely with a notice period of a maximum of 12 months.

Clause 22 Mandates outside the Forbo Group

¹ 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.

² 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.

³ 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.

3. The Statutory Auditor

Clause 23 The Statutory Auditor

¹ The General Meeting appoints a state supervised audit company as Statutory Auditor in accordance with the provisions of the law governing the supervision of corporate audits of December 16, 2005.

² The Statutory Auditor must have its registered office or registered branch office in Switzerland. In the event that the Company has different Statutory Auditors, at least one of them must fulfill these requirements.

³ The Statutory Auditor must be independent.

⁴ 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.

IV.

Approval of remuneration as well as principles of remuneration, participation schemes and loans

Clause 24 Approval of the remuneration

¹ The 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 for the financial year that follows the General Meeting.

² The General Meeting approves, on an annual basis, separately, and with binding affect, 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

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Board for the financial year preceding the General Meeting.

³ The Board of Directors may, in deviation from the above Paragraphs, also propose the General Meeting the approval of the entire amount of fixed and variable remuneration. It may also propose the approval of the remuneration for periods other than those defined in the previous Paragraphs.

⁴ If the General Meeting does not accept a proposal of the Board of Directors for the approval of the remuneration in accordance with the previous Paragraphs, the Board of Directors is entitled to, on the occasion of the same General Meeting make new proposal, or to adjourn the vote regarding the approval of the remuneration to an Extraordinary or the next Ordinary General Meeting. Until the approval of the fixed remuneration by the General Meeting, the Board of Directors may pay out the remuneration subject to the approval.

Clause 25 Additional amount for members of the Executive Board

The additional amount for the remuneration of members of the Executive Board, which are named in accordance with the vote regarding remuneration as per Clause 24, is a maximum of 40% of the entire amount of the remuneration to be paid to the Executive Board, approved in advance by the General Meeting.

Clause 26 Principles regarding fixed and performance-based remuneration and the allocation of shares of the Company

¹ The members of the Board of Directors receive a fixed remuneration, the amount of which is graded in accordance with each individual's position as Chairman or member, as well as on the basis of memberships in committees of the Board of Directors. Remuneration can be paid out to the members of the Board of Directors partially or wholly in the form of restricted shares of the Company.

² The 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. 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 fixed or performance-based 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 with the assumption that the objectives determined by the Board of Directors have been achieved in full.

³ If the fixed or performance-based remuneration is not paid out partially or wholly in cash, but in the form of shares of the Company, the Board of Directors defines factors that are decisive for the valuation of the shares issued, such as the time and method of valuation as well as the duration of the lock-up period associated with them. The duration of the lock-up period is generally three to five years. The Board of Directors may arrange for the lock-up periods 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).

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⁴ The Company can contribute to management commitment and motivation to ensure sustainable company success by awarding shares of the Company to members of the Executive Board under participation schemes as part of their variable remuneration in addition to the performance-based components. The value of the shares awarded may not exceed half of the fixed remuneration of the relevant member of the Executive Board. The corresponding performance incentives can be short-, medium- or long-term. The Board of Directors can provide for a lock-up period of between three and five years and/or conditions precedent for shares awarded under participation schemes. Lock-up periods and conditions precedent can fully or partially cease to apply if certain events occur (such as change of control, termination of the employment contract, retirement or death). The value of the shares awarded is appraised at the time the shares are awarded as per the valuation method stipulated by the Board of Directors.

⁵ In accordance with the provisions above, the remuneration may also be paid out wholly or partially from directly and/or indirectly held subsidiaries.

⁶ Taking into account the above Paragraphs, the Board of Directors regulates all details of performance-based remuneration and the awarding of shares of the Company under participation schemes in a separate set of regulations.

Clause 27 Loans, credits and benefits beyond occupational pensions

¹ 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.

² The Board of Directors shall, as far as necessary, adopt the provisions on the regulation of granting loans, credits and benefits beyond occupational pensions.

V.

Annual Report, Distribution of Profits, Reserves

Clause 28 Financial year and Annual Report

¹ The financial year will begin on January 1 and will end on December 31.

² The Annual Accounts, which will comprise the Profit and Loss Account, the Balance Sheet, the cash flow statement and the Appendix, the Group Accounts as well as the management report, will be prepared in accordance with the provisions of the Swiss Code of Obligations.

Clause 29 Distribution of Profits

¹ Subject to the statutory conditions governing the distribution of profits, in particular Article 671 et seq. OR, the balance sheet profit will be at the disposal of the General Meeting.

² Dividends which are not drawn will be at the Company's disposal after five years.

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Clause 30 Reserves

The statutory reserve is intended to cover losses, although the General Meeting will be entitled, upon application by the Board of Directors, to dispose of the reserve for other purposes, provided such purposes are admissible under the law.

VI.

Final provisions

Clause 31 Winding-up and Liquidation

¹ The General Meeting may pass a resolution at any time to wind up and liquidate the Company in accordance with the law and the Articles of Association.

² Liquidation will be carried out by the Board of Directors, to the extent that it is not assigned to a third party by the General Meeting.

³ Liquidation of the Company will be carried out in accordance with Article 742 et seq. OR. The liquidators will also be authorised to sell assets (including land) by private contract.

⁴ Following the redemption of the debts, the assets will be distributed amongst the shareholders in proportion to their individual contributions.

Clause 32 Notices

¹ 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.

² 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.

³ Notices to individual shareholders can also occur electronically if their written permission has been obtained.

Zug, April 25, 2014