

**Proxy holders of deposited shares**

Proxy holders of deposited shares as defined by Article 689d of the Swiss Code of Obligations are requested to inform the Company of the number of shares represented by them as soon as possible, but no later than November 5, 2012, at the entrance control desk. The institutions governed by the Federal Law on Banks and Savings Banks of November 8, 1934 and professional asset managers shall be deemed to be proxy holders of deposited shares.

Baar, October 13, 2012

Forbo Holding Ltd  
On behalf of the Board of Directors



Dr. Albert Gnägi  
Chairman

# Agenda for the Extraordinary General Meeting of Forbo Holding Ltd

November 5, 2012 at 10 am (doors open 9.30 am)  
Casino Zug, Artherstrasse 2, 6300 Zug

## 1. 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 250,000 shall be reduced at least by CHF 17,982.40 and at most by CHF 25,000 to CHF 232,017.60 respectively CHF 225,000 by way of cancelling at least 179,824 shares respectively at most 250,000 shares with a par value of CHF 0.10 each, which were acquired under the share buyback program approved by the Ordinary General Meeting in the period from April 19, 2012 to October 8, 2012 respectively will be acquired until November 2, 2012. 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 AG 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 Article 3 paragraph 1 of the Articles of Association is to be amended in accordance with the following wording (amendments in italics):

### Amendment of Article 3 paragraph 1 of the Articles of Association (based on the maximum reduction amount):

«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.»

- d) The Board of Directors is to be instructed to carry out the resolutions of the Extraordinary 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: Forbo Holding Ltd repurchased a total of 179,824 shares between April 19, 2012 and October 8, 2012 on the second trading line at the SIX Swiss Exchange under the share buyback program approved by the Ordinary General Meeting on April 29, 2011. Forbo Holding Ltd may additionally to the shares already repurchased by October 8, 2012 until November 2, 2012 buy back further shares, however not exceeding the total amount of 250,000 shares. All shares repurchased under the share buyback program are now to be cancelled.

## 2. 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 cancelled 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 Extraordinary General Meeting and pass a resolution concerning the cancellation of the repurchased shares at one of the next General Meetings.

## Access to the Extraordinary General Meeting

The shareholders entered in the share register will receive notice of this meeting by post. A reply coupon (attendance at the General Meeting) is attached to this notice. The entries in the share register on November 2, 2012 shall determine the rights to attend the General Meeting and powers of representation of the shareholders. The last transfers of share ownership will be accepted up to November 1, 2012, 4 pm. After that the share register will be closed.

## Granting of proxies

Shareholders, who do not wish to attend the General Meeting in person, may be represented by another shareholder registered in the share register. To grant power of attorney the reply coupon needs to be completed with the name and the full address of the representative and returned to the share register office. The admission card will then be sent to the representative directly.

It is also possible to be represented by our Company by signing the power of attorney on the reply coupon and returning this to the share register office.

In addition shareholders may appoint Mr. Andreas G. Keller, Attorney-at-Law, Gehrenholzpark 2G, P.O. Box 2924, 8021 Zurich, as an independent proxy exercising voting rights as defined by Article 689c of the Swiss Code of Obligations. To grant power of attorney, the proxy provided on the reply coupon is to be signed and sent to the independent proxy together with the relevant instructions. If no instructions are given, the independent proxy will vote in line with the proposals of the Board of Directors and abstain from voting, where the Board of Directors has not submitted a proposal.