

## Minutes

of the 86<sup>th</sup> Ordinary General Meeting of  
**Forbo Holding Ltd**  
held on April 25, 2014, at 2.30 p.m. at Casino Zug<sup>1</sup>

Dr. Albert Gnägi, Chairman of the Board of Directors, opens the meeting and takes the chair.

The Chairman initially explains that elections and votes will at this General Meeting newly be held electronically and he explains the handling of the electronic voting device. He in his address to the meeting then summarizes the course of business as well as the financial results of the past business year. Mr. This E. Schneider, Delegate of the Board of Directors, thereupon gives a general view of the operational development of the Group in 2013. Stephan Bauer, CEO, subsequently presents the main focus areas and topics for the business year 2014. The Chairman then presents the succession plan and mentions that he will, as announced a year ago, due to reaching the mandatory retirement age, not stand for a re-election and that the Board of Directors proposes This E. Schneider, to date Delegate of the Board of Directors, as Executive Chairman. Stephan Bauer is, as is well-known, the new CEO since January 1, 2014.

Before moving on to the statutory part of the General Meeting, the Chairman offers the opportunity to the shareholders to comment the explanations or to make general statements not connected with a particular agenda item and he points out that the further course of the meeting will be recorded on tape.

No shareholder takes the floor.

The Chairman continues with the statutory part and states that:

- the invitation with the agenda of the meeting was published in the Swiss Official Gazette of Commerce on April 3, 2014;
- the invitation, a summary of the Annual Report 2013 and afterward the admission cards were directly sent to the addresses of the shareholders known to Forbo Holding Ltd;
- the Annual Report und the reports of the Statutory Auditor have been available at the headquarters of Forbo Holding Ltd as of April 3, 2014;

and that the 86<sup>th</sup> Ordinary General Meeting was duly convened and no requests by shareholders to include additional items on the agenda have been received.

The Chairman designates Mr. Karim Hanna, Head Corporate Legal Services, as Secretary according to Clause 11 Paragraph 2 of the Articles of Association and asks Michael Keller, UBS AG, Ronnie Müller, Credit Suisse and Holger Reichert, Basler Kantonalbank, to act as tellers. He explains that the tellers will step in if the electronic voting systems would fail. The independent proxy, Attorney-at-Law is Andreas G. Keller from Zurich. The Chairman also welcomes him. The Chairman further welcomes the present representatives of the Statutory Auditor, PricewaterhouseCoopers AG in Zurich, Daniel Ketterer, Stefan Räbsamen and Reto Tognina as well as the Notary Public Daniel Grunder, Attorney-at-Law and Notary Public from Baar.

The Chairman then states that the Ordinary General Meeting is duly constituted and according to Clause 13 of the Articles of Association competent to pass resolutions, irrespectively of the number of shareholders present and the amount of share capital represented.

No objection is raised against these findings.

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<sup>1</sup> These minutes are an unofficial translation of the German original. They can be viewed at Forbo's place of business.

The Secretary presents the attendance figures<sup>2</sup>, stating that 119 shareholders are present and that from the total share capital of CHF 225,000.00, divided into 2,250,000 shares with a par value of CHF 0.10 each, a total of 1,487,471 registered shares with a par value of CHF 0.10 each are represented and belong to the following categories:

- a) Shareholders: 722,933 registered shares with a par value of CHF 0.10 each;
- b) Independent proxy: 764,538 registered shares with a par value of CHF 0.10 each;

and then announces that shares held by the company have no voting rights and are therefore not represented at the General Meeting.

The Chairman then moves on to the agenda items:

**Agenda item 1.1: Annual Report, Annual Statements and Consolidated Financial Statements for the financial year 2013 and receipt of the reports of the Statutory Auditor**

**A. Proposal of the Board of Directors**

The Chairman states that the Board of Directors proposes to approve the Annual Report, the Annual Statements and the Consolidated Financial Statements for the financial year 2013 and proceeds to vote on agenda item 1.1 as there were no requests to speak.

**B. Voting result**

The Chairman announces after the electronic vote that the General Meeting has approved the proposal of the Board of Directors with a vast majority.

No objection is raised against this statement.

**Agenda item 1.2: Consultative vote on the remuneration report 2013**

**A. Proposal of the Board of Directors**

The Chairman informs that the shareholders are again given the opportunity to vote on the remuneration report in a consultative vote. The Board of Directors proposes to approvingly acknowledge the remuneration report in a consultative vote. As nobody requests to speak, the Chairman proceeds to the vote on agenda item 1.2.

**B. Voting result**

The Chairman announces after the electronic vote that the General Meeting has approved the proposal of the Board of Directors with a large majority

No objection is raised against this statement.

**Agenda item 2: Discharge of the members of the Board of Directors and the Executive Board**

**A. Proposal of the Board of Directors**

The Board of Directors proposes the discharge of the members of the Board of Directors and the Executive Board for the financial year 2013.

The Chairman briefly explains the consequences of the discharge and points out that the members of the Board of Directors and the Executive Board are excluded from the right to vote in connection with agenda item 2 and that therefore the number of represented shares and the absolute majority is reduced accordingly. The Chairman offers shareholders the opportunity to comment on agenda item 2 and, as nobody takes the floor, proceeds to the vote on the discharge of the members of the Board of Directors and the Executive Board altogether.

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<sup>2</sup> The presented attendance reflects the figures as at 2.45 pm.

## **B. Voting result**

The Chairman announces after the electronic vote that the General Meeting has approved the proposal of the Board of Directors with a large majority.

No objection is raised against this statement.

### **Agenda item 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**

#### **A. Proposal of the Board of Directors**

The Chairman states that the Board of Directors proposes to the General Meeting to distribute a withholding tax-free repayment of capital contribution in the amount of about CHF 29,080,184 out of the available earnings in the amount of CHF 211,647,112 (consisting of net profit 2013 of CHF 49,302,978, retained earnings of CHF 133,263,950 and release of general capital contribution reserves in the amount of CHF 29,080,184) and to carry forward CHF 182,566,928 to the new accounts. This would result in a dividend in the amount of CHF 14.00 per registered share qualified for dividend with a par value of CHF 0.10. The Chairman explains that for shares held by Forbo Holding Ltd, no repayment of capital contribution will be distributed and that the exact amount of the release of the capital contribution reserve as well as the amount to be carried forward to the new accounts could slightly change due to changes in the stock of own shares up to the day of determination of the qualification for dividend.

The Chairman opens the discussion on agenda item 3 and proceeds to the vote as nobody requests to speak.

## **B. Voting result**

The Chairman announces after the electronic vote that the General Meeting has approved the proposal of the Board of Directors with a clear majority.

No objection is raised against this statement.

### **Agenda item 4: Capital reduction as a result of the share buyback program and corresponding amendment to the Articles of Association**

#### **A. Proposal of the Board of Directors**

The Board of Directors proposes to pass the following resolution:

- a) The ordinary share capital of the Company of CHF 225,000 shall be reduced by CHF 10,000 to CHF 215,000 by way of cancelling the 100,000 shares with a par value of CHF 0.10 each that were acquired under the share buyback program approved by the Extraordinary General Meeting on November 5, 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 aforementioned reduction of the share capital.
- c) On implementation of the reduction in share capital Clause 3 Paragraph 1 of the Articles of Association is to be amended in accordance with the following wording (amendments in bold):

### **Amendment of Clause 3 Paragraph 1 of the Articles of Association**

"The share capital of the Company is CHF **215,000** and is divided into **2,150,000** 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 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.

The Chairman offers shareholders the opportunity to comment on agenda item 4 and, as nobody takes the floor, proceeds to the vote on agenda item 4.

### **B. Voting result**

The Chairman announces after the electronic vote that the General Meeting has approved the proposal of the Board of Directors with a vast majority.

No objection is raised against this statement.

The Chairman points out that due to statutory provisions the capital reduction is expected to be recorded in the commercial register by mid July 2014.

## **Agenda item 5: Approval of a new share buyback program**

### **A. Proposal of the Board of Directors**

The Chairman presents the proposal of the Board of Directors, according to which the Board of Directors shall 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 and that the necessary amendment of the Articles of Association (reduction of share capital) will be proposed at a next General Meeting.

The share buyback program shall allow Forbo to repatriate to the shareholders liquid funds not required for operational purposes, thereby increasing their stakes in the Company and concentrating profits.

The Chairman points out, that the Board of Directors has again 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.

The Chairman offers shareholders the opportunity to comment on agenda item 5 and, as nobody takes the floor, proceeds to the vote on agenda item 5.

### **B. Voting result**

The Chairman announces after an open vote that the General Meeting has approved the proposal of the Board of Directors with a vast majority.

No objection is raised against this statement.

## **Agenda item 6: Amendment of the Articles of Association to the Ordinance against Excessive Remuneration in Listed Public Companies (OaER) and other amendments**

The Chairman explains that Forbo proposes to amend the Articles of Association to comply with the Ordinance against Excessive Remuneration in Listed Public Companies (OaER) in good time. He then summarizes the most important amendments (annual vote on the remuneration,

principles of performance-based remuneration and number of external mandates) and, as nobody takes the floor, proceeds to the vote on agenda items 6.1 to 6.3.

**Agenda item 6.1:      Amendment of Clauses 4, 12 and 13 Paragraph 4 of the Articles of Association**

**A.      Proposal of the Board of Directors**

The Board of Directors proposes the amendment of the Articles of Association in accordance with the detailed description in Enclosure A to the agenda.

**B.      Voting result**

The Chairman announces after the electronic vote that the General Meeting has approved the proposal of the Board of Directors with a vast majority and that the required majority of two thirds of the votes represented at the General Meeting, as well as an absolute majority of the par values of the shares represented was achieved

No objection is raised against this statement.

**Agenda item 6.2:      Amendment of the remaining provisions of the Articles of Association**

**A.      Proposal of the Board of Directors**

The Board of Directors proposes the amendment of the Articles of Association in accordance with the detailed description in Enclosure B to the agenda.

**B.      Voting result**

The Chairman announces after the electronic vote that the General Meeting has approved the proposal of the Board of Directors with a clear majority.

No objection is raised against this statement.

**Agenda item 6.3:      Editorial changes of the Articles of Association**

**A.      Proposal of the Board of Directors**

The Board of Directors proposes the amendment of the Articles of Association in accordance with the detailed description in Enclosure C to the agenda.

**B.      Voting result**

The Chairman announces after the electronic vote that the General Meeting has approved the proposal of the Board of Directors with a large majority.

No objection is raised against this statement.

**Agenda item 7:      Election to the Board of Directors**

The Chairman explains that the General Meeting elects the members of the Board of Directors as well as the Chairman of the Board of Directors and that each election will be valid until the close of the next Ordinary General Meeting.

**Agenda item 7.1: Election of This E. Schneider as Executive Chairman of the Board of Directors**

**A. Proposal of the Board of Directors**

The Board of Directors proposes the re-election of This E. Schneider as a member of the Board of Directors and at the same time the election as Executive Chairman of the Board of Directors.

The Chairman offers shareholders the opportunity to comment on agenda item 7.1 and, as nobody takes the floor, proceeds to the election of This E. Schneider.

**B. Voting result**

The Chairman announces after the electronic vote that the General Meeting has approved the proposal of the Board of Directors with a large majority.

No objection is raised against this statement.

The Chairman congratulates This E. Schneider on this excellent result. This E. Schneider orally declares acceptance of the election.

**Agenda item 7.2: Re-election of Michael Pieper as a member of the Board of Directors**

**A. Proposal of the Board of Directors**

The Chairman informs that the Board of Directors proposes to re-elect Mr. Pieper as a member of the Board of Directors. As nobody requests to speak, a vote is taken on the re-election of Michael Pieper.

**B. Voting result**

The Chairman announces after the electronic vote that the General Meeting has approved the proposal of the Board of Directors with a large majority.

No objection is raised against this statement.

The Chairman congratulates Michael Pieper on this excellent result. Michael Pieper orally declares acceptance of the election.

**Agenda item 7.3: Re-election of Dr. Peter Altorfer as a member of the Board of Directors**

**A. Proposal of the Board of Directors**

The Chairman informs that the Board of Directors proposes to re-elect Dr. Altorfer as a member of the Board of Directors. As nobody requests to speak, a vote is taken on the re-election of Dr. Peter Altorfer.

**B. Voting result**

The Chairman announces after the electronic vote that the General Meeting has approved the proposal of the Board of Directors with a large majority.

No objection is raised against this statement.

The Chairman congratulates Dr. Peter Altorfer on this excellent result. Dr. Peter Altorfer orally declares acceptance of the election.

**Agenda item 7.4: Re-election of Dr. Reto Müller as a member of the Board of Directors**

**A. Proposal of the Board of Directors**

The Chairman informs that the Board of Directors proposes to re-elect Dr. Müller as a member of the Board of Directors. As nobody requests to speak, a vote is taken on the re-election of Dr. Reto Müller.

**B. Voting result**

The Chairman announces after the electronic vote that the General Meeting has approved the proposal of the Board of Directors with a large majority.

No objection is raised against this statement.

The Chairman congratulates Dr. Reto Müller on this excellent result. Dr. Reto Müller orally declares acceptance of the election.

**Agenda item 7.5: Re-election of Vincent Studer as a member of the Board of Directors**

**A. Proposal of the Board of Directors**

The Chairman informs that the Board of Directors proposes to re-elect Mr. Studer as a member of the Board of Directors. As nobody requests to speak, a vote is taken on the re-election of Vincent Studer.

**B. Voting result**

The Chairman announces after the electronic vote that the General Meeting has approved the proposal of the Board of Directors with a large majority.

No objection is raised against this statement.

The Chairman congratulates Vincent Studer on this excellent result. Vincent Studer orally declares acceptance of the election.

**Agenda item 7.6: Election of Claudia Coninx-Kaczynski as a member of the Board of Directors**

**A. Proposal of the Board of Directors**

The Chairman informs that the Board of Directors proposes to elect Mrs. Coninx-Kaczynski as a member of the Board of Directors. He introduces Claudia Coninx-Kaczynski and summarizes her former and current engagements. As nobody requests to speak, a vote is taken on the election of Claudia Coninx-Kaczynski.

**B. Voting result**

The Chairman announces after the electronic vote that the General Meeting has approved the proposal of the Board of Directors with a large majority.

No objection is raised against this statement.

The Chairman congratulates Claudia Coninx-Kaczynski on this excellent result. Claudia Coninx-Kaczynski orally declares acceptance of the election.

**Agenda item 8: Elections to the Remuneration Committee**

The Chairman explains that the General Meeting elects the members of the Remuneration Committee and that each election will be valid until the close of the next Ordinary General Meeting.



**Agenda item 8.1: Election of Dr. Peter Altorfer as a member of the Remuneration Committee**

**A. Proposal of the Board of Directors**

The Chairman informs that the Board of Directors proposes to elect Dr. Altorfer as a member of the Remuneration Committee. As nobody requests to speak, a vote is taken on the election of Dr. Peter Altorfer.

**B. Voting result**

The Chairman announces after the electronic vote that the General Meeting has approved the proposal of the Board of Directors with a large majority.

No objection is raised against this statement.

The Chairman congratulates Dr. Peter Altorfer on this excellent result. Dr. Peter Altorfer orally declares acceptance of the election.

**Agenda item 8.2: Election of Claudia Coninx-Kaczynski as a member of the Remuneration Committee**

**A. Proposal of the Board of Directors**

The Chairman informs that the Board of Directors proposes to elect Mrs. Coninx-Kaczynski as a member of the Remuneration Committee. As nobody requests to speak, a vote is taken on the election of Claudia Coninx-Kaczynski.

**B. Voting result**

The Chairman announces after the electronic vote that the General Meeting has approved the proposal of the Board of Directors with a large majority.

No objection is raised against this statement.

The Chairman congratulates Claudia Coninx-Kaczynski on this excellent result. Claudia Coninx-Kaczynski orally declares acceptance of the election.

**Agenda item 8.3: Election of Michael Pieper as a member of the Remuneration Committee**

**A. Proposal of the Board of Directors**

The Chairman informs that the Board of Directors proposes to elect Mr. Pieper as a member of the Remuneration Committee. As nobody requests to speak, a vote is taken on the election of Michael Pieper.

**B. Voting result**

The Chairman announces after the electronic vote that the General Meeting has approved the proposal of the Board of Directors with a large majority.

No objection is raised against this statement.

The Chairman congratulates Michael Pieper on this excellent result. Michael Pieper orally declares acceptance of the election.

**Agenda item 9: Election of the Statutory Auditor**

**A. Proposal of the Board of Directors**

The Chairman presents the proposal of the Board of Directors to re-elect PricewaterhouseCoopers AG as Statutory Auditor for the year 2014.

As nobody requests to speak, the Chairman proceeds to the vote.



**B. Voting result**

The Chairman announces after the electronic vote that the General Meeting has approved the proposal of the Board of Directors with a large majority.

No objection is raised against this statement.

The Chairman informs that PricewaterhouseCoopers AG accepted the election in writing. The present representatives of the Statutory Auditor orally reiterate the acceptance of the mandate.

**Agenda item 10: Election of the independent proxy**

**A. Proposal of the Board of Directors**

The Chairman explains that the independent proxy Andreas Keller will due to conflicting schedules no longer be available. He thanks him for his engagement during the past years. The Chairman presents the proposal of the Board of Directors to elect René Peyer, Attorney-at-Law and Notary Public in Zug as independent proxy until the close of the next Ordinary General Meeting.

As nobody requests to speak, the Chairman proceeds to the vote.

**B. Voting result**

The Chairman announces after the electronic vote that the General Meeting has approved the proposal of the Board of Directors with a large majority.

No objection is raised against this statement.

René Peyer orally declares the acceptance of the mandate.

The Chairman, after having guided through all agenda items, in a brief review summarizes the past nine years he had been chairing the Board of Directors of the Forbo Group. He thanks his colleagues of the Board of Directors, the members of the Executive Board, the employees of Forbo and the shareholders.

Then This E. Schneider speaks to the meeting, thanks Dr. Albert Gnägi for his long standing engagement and presents him a small gift. Subsequently Michael Pieper, member of the Board of Directors thanks Dr. Albert Gnägi in the name of the shareholders and his family, presents him a small gift and wishes the new management of Forbo every success for the future.

The Chairman finally announces that the next Ordinary General Meeting will take place on Friday, April 24, 2015, probably at the same place, and closes the meeting at 4.31 p.m.

Baar, April 25, 2014

The Chairman:  
Dr. Albert Gnägi

The Secretary:  
Karim Hanna