


MEETING DATE	Fri, 08 Apr 2016 10:30 am	TYPE	AGM	ISSUE DATE	Tue, 29 Mar 2016
MEETING LOCATION	Congress Center Basel, San Francisco Hall, Messeplatz 21				
CURRENT INDICES	PIRC Global				
SECTOR	Medical Supplies				

PROPOSALS		ADVICE
1.1	<p>Accept Financial Statements and Statutory Reports</p> <p>Disclosure is acceptable and the report was made available sufficiently before the meeting. The auditors have not qualified their opinion. No serious corporate governance concerns have been identified. Acceptable proposal. Triodos support this resolution.</p>	For
1.2	<p>Approve the Remuneration Report</p> <p>It is proposed to approve the remuneration policy with an advisory vote. Variable remuneration appears to be consistently capped, and the payout is in line with best practice. However, the Company has not disclosed quantified targets or performance criteria for its variable remuneration component, which may lead to overpayment against underperformance. In addition, there are no claw back clauses in place over the entirety of the variable remuneration component, which makes it unlikely for shareholders to reclaim that variable remuneration unfairly paid out. Based on these concerns, Triodos oppose this resolution.</p>	Oppose
2	<p>Approve the Dividend</p> <p>The Board proposes a dividend of CHF 4.00 per share. The dividend is covered by earnings. Acceptable proposal. Triodos support this resolution.</p>	For
3	<p>Discharge the Board</p> <p>Standard proposal. No serious governance concerns have been identified. Acceptable proposal. Triodos support this resolution.</p>	For
4	<p>Approve Fees Payable to the Board of Directors</p> <p>The Company has proposed a prospective remuneration proposal, which means that the proposed amount will not be the actual amount to be paid, but only the total remuneration cap. The voting outcome of this resolution will be binding for the Company.</p> <p>It is proposed to fix the Board's remuneration until next AGM at CHF 2.3 million. Approximately 40% of the compensation is paid in shares, which is welcomed. The increase on annual basis (2.17%) is within guidelines. Acceptable proposal. Triodos support this resolution.</p>	For
5.1	<p>Approve Fixed Remuneration of Executive Committee</p> <p>It is proposed to approve the prospective fixed remuneration for members of the Executive Management of the Company, which means that the proposed amount will not be the actual amount to be paid, but only the fixed remuneration cap. The voting outcome of this resolution will be binding for the Company.</p> <p>It is proposed to fix the remuneration of members of the Executive Committee until next AGM at CHF 5.8 million (CHF 4.065 million were paid for the year under review). The Company submitted two separate proposals for Executives fixed and variable remuneration, which is welcomed. With this separation, if shareholders rejected the variable compensation at a future potential retrospective proposal, the Company may nevertheless pay fixed salaries. The Ordinance Against Excessive Payments provides that if compensation is not approved, it may not be paid. The proposed remuneration exceeds a 10% increase in aggregate on an annual basis. The composition of the Executive Board has not changed during the year under review and the Company has not disclosed any justification for the proposed increase. On this basis, Triodos oppose this resolution.</p>	Oppose

5.2 Approve Long-Term Variable Remuneration of Executive Committee	<p>It is proposed to approve the prospective long-term variable remuneration for members of the Executive Management of the Company, which means that the proposed amount will not be the actual amount to be paid, but only the remuneration cap. The voting outcome of this resolution will be binding for the Company.</p> <p>It is proposed to fix the remuneration of members of the Executive Committee until next AGM at CHF 2.8 million (there were no payments in the year under review). The Company submitted two separate proposals for Executives fixed and variable remuneration, which is welcomed. With this separation, if shareholders rejected the variable compensation at a future potential retrospective proposal, the Company may nevertheless pay fixed salaries. The Ordinance Against Excessive Payments provides that if compensation is not approved, it may not be paid. There are concerns over the long-term remuneration component as performance targets have not been disclosed, which does not permit an assessment on their effectiveness. The performance period is three years without a further holding period, which is not considered to be sufficiently long term. Triodos oppose this resolution.</p>	Oppose
5.3 Approve Short-Term Variable Remuneration of Executive Committee	<p>It is proposed to approve the prospective short-term variable remuneration for members of the Executive Management of the Company, which means that the proposed amount will not be the actual amount to be paid, but only the remuneration cap. The voting outcome of this resolution will be binding for the Company.</p> <p>It is proposed to fix the remuneration of members of the Executive Committee until next AGM at CHF 5.3 million (CHF 4.812 million were paid for the year under review). The Company submitted two separate proposals for Executives fixed and variable remuneration, which is welcomed. With this separation, if shareholders rejected the variable compensation at a future potential retrospective proposal, the Company may nevertheless pay fixed salaries. The Ordinance Against Excessive Payments provides that if compensation is not approved, it may not be paid. There are concerns over the short-term remuneration component as performance targets have not been disclosed, which does not permit an assessment on their effectiveness. Triodos oppose this resolution.</p>	Oppose
6 Approve Authority to Increase Authorised Share Capital	<p>Authority sought to increase the share capital by 37%, with the option of allowing the subsequent new share capital to be increased from time to time by no more than 10%. As it is not considered that this has a negative effect on shareholder rights, Triodos support this resolution.</p>	For
7 Amend Articles: Number of External Directorships	<p>It is proposed to amend the Articles to increase the number of mandates that members of the Executive Management may have in listed companies outside the Group to two and to replace provision 2 of Article 4.4. No serious concerns. Acceptable proposal. Triodos support this resolution.</p>	For
8.1 Re-elect Gilbert Achermann	<p>Non-Executive Director. Not considered to be independent as he was CEO of Straumann Holding until 31 March 2010. However, there is sufficient independent representation on the board. Triodos support this resolution.</p>	For
8.2 Re-elect Sebastian Burckhardt	<p>Non-Executive Director. Not considered independent owing to a tenure of over nine years. However, there is sufficient independent representation on the board. Triodos support this resolution.</p>	For
8.3 Re-elect Roland Hess	<p>Independent Non-Executive Director. Triodos support this resolution.</p>	For
8.4 Re-elect Ulrich Looser	<p>Independent Non-Executive Director. However, there are concerns over his aggregate time commitments. Triodos abstain on this resolution.</p>	Abstain
8.5 Re-elect Beat Luethi	<p>Independent Non-Executive Director. There are concerns over his potential aggregate time commitments. Triodos abstain on this resolution.</p>	Abstain
8.6 Re-elect Stefan Meister	<p>Independent Non-Executive Director. However, there are concerns over his aggregate time commitments. Triodos abstain on this resolution.</p>	Abstain

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| 8.7 Re-elect Thomas Straumann | Non-Executive Director. Not considered to be independent as Dr. Straumann owns a significant percentage of the Company's issued share capital. In addition he served on the board for more than nine years and was CEO and Chairman until 1994. Although there is sufficient independent representation on the Board, there are concerns over his aggregate time commitments. Triodos abstain on this resolution. | Abstain |
| 9.1 Elect Remuneration Committee Member Ulrich Looser | This director is considered to be independent. Support would be normally recommended. However, due to the concerns over the potential aggregate time commitments for this Director, it is believed that he may not have the sufficient time for this position as member of the Remuneration Committee. On balance, Triodos abstain. | Abstain |
| 9.2 Elect Remuneration Committee Member Beat Luethi | This director is considered to be independent. Support would be normally recommended. However, due to the concerns over the potential aggregate time commitments for this Director, it is believed that he may not have the sufficient time for this position as member of the Remuneration Committee. On balance, Triodos abstain. | Abstain |
| 9.3 Elect Remuneration Committee Member Stefan Meister | This director is considered to be independent. Support would be normally recommended. However, due to the concerns over the potential aggregate time commitments for this Director, it is believed that he may not have the sufficient time for this position as member of the Remuneration Committee. On balance, Triodos abstain. | Abstain |
| 10 Appoint Independent Proxy | NEOVIUS Schlager & Partner proposed as the independent proxy to act on behalf of shareholder voting, for one-year term. The named proxy has no other commercial relationship with the company. Acceptable proposal. Triodos support this resolution. | For |
| 11 Appoint the Auditors | EY proposed. Non-audit fees represented 16.30% of audit fees during the year under review and 60.36% on a three-year aggregate basis. This level of non-audit fees raises concerns about the independence of the statutory auditors. The current auditor has been in place for under five years, which meets best practice. However, in light of the concerns over the level of non-audit fees on three year basis, Triodos abstain on this resolution. | Abstain |
| 12 Transact Any Other Business | Shareholders should receive sufficient notice of proposals brought forward by either management or other shareholders. As such, any other proposition brought forward in the meeting would provide insufficient time for an informed assessment. Triodos therefore oppose this resolution. | Oppose |

SUPPORTING INFORMATION FOR RESOLUTIONS

Proposal 1.1 - Accept Financial Statements and Statutory Reports

In November 2014, the Directive 2014/95/EU was published and Member States will have until end of 2016 to transpose the Directive into national legislation and companies will start reporting as of their financial year 2017. The Directive has legislative relevance for all the European Economic Area and as such should be implemented also by members of the European Free Trade Association. Under the Directive, companies should provide disclosure of non-financial information (policy and practice) in the annual report or on a separate report, made available at the latest 6 months after the date of the balance sheet. The European Commission has been tasked with publishing non-binding reporting guidelines by December 2016. Although the provisions contained in the Directive are not yet binding, they are considered to set the bar of best practice. PIRC maintains that corporations should not passively abide by minimum standards set in regulation, but actively exceed minimum thresholds and seek best practice. PIRC will accurately monitor the presence and the quality of non-financial information.

Proposal 1.2 - Approve the Remuneration Report

At this time, the submission of a remuneration report with advisory vote is not binding, although recommended by the local corporate governance code. Nevertheless, in December 2015 the Swiss Federal Council issued its opinion on

the reform of company law (the Ordinance against Excessive Compensation), and proposed that the submission of a remuneration report to advisory shareholders vote would become mandatory also by law.

Proposal 4 - Approve Fees Payable to the Board of Directors

Submission of binding remuneration proposals at Swiss listed companies

In compliance with the Ordinance Against Excessive Compensation, companies can submit a prospective or retrospective remuneration proposal for the Board of Directors and members of the Executive Committee.

In the first case, shareholders are asked to approve the cap for the proposed remuneration; in the second, shareholders will be asked to approve the actual remuneration to be paid to either the Board or the Executive Committee. In accordance with the Ordinance, companies can set in their bylaws the procedures to be undertaken if shareholders reject a binding pay resolution. Bylaws cannot provide for the Board or the compensation committee to set remuneration, should a binding proposal be rejected. Companies can propose another binding resolution on pay at the same AGM, at an EGM later during the year, or at the next AGM (for retrospective approval). In this case, the Bylaws provides for the following: if shareholders reject a prospective vote, the Board will have to submit a revised proposal to the general meeting for its approval either at the same or at a subsequent EGM. The Company could still pay out the Board and executives on an interim basis and submit a retrospective vote at the next AGM at the very latest.

Proposal 9.1 - Elect Remuneration Committee Member Ulrich Looser

Election of the Compensation Committee

In compliance with the Ordinance Against Excessive Compensation, shareholders are entitled to appoint members of the Compensation Committee directly. The Company must submit candidates in separate resolutions.

In terms of good corporate governance, it is considered to be best practice that the compensation committee consists exclusively of independent members. Support is granted to independent directors, while opposition may be recommended for non-independent directors.

Proposal 10 - Appoint Independent Proxy

The Ordinance Against Excessive Compensation effective January 2014 prohibits the appointment of a depository or a corporate proxy. Uninstructed proxy votes lodged with depository banks acting as an intermediary in the proxy chain or with the company itself have traditionally been treated as a vote in favour of all management resolutions.

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