


MEETING DATE	Wed, 04 Apr 2018 9:00 am	TYPE	AGM	ISSUE DATE	Mon, 26 Mar 2018
MEETING LOCATION	Congress Center Basel, Messeplatz 21, Basel, Switzerland				
CURRENT INDICES	FTSE EuroFirst				
SECTOR	Medical Supplies				

PROPOSALS		ADVICE
1.1 Approve Financial Statements	Disclosure is adequate. The financial statements were made available sufficiently before the meeting and have been audited and certified. No serious governance concerns have been identified.	For
1.2 Approve the Remuneration Report	It is proposed to approve the remuneration policy with an advisory vote. Although variable remuneration appears to be consistently capped, there are excessiveness concerns as the total potential variable remuneration exceed 200% of the salary. In addition, the Company has not disclosed quantified targets or performance criteria for its variable remuneration component, which may lead to overpayment against underperformance. There are no claw back clauses in place, which falls short of best practice in this market. Triodos opposes this resolution.	Oppose
2 Approve the Dividend	The Board proposes a dividend of CHF 4.75 per share. The dividend is covered by earnings. Acceptable proposal.	For
3 Discharge the Board	The Company has not appointed a Data Protection Officer or discussed the EU General Data Protection Regulation (GDPR). Although not applicable in this market, and being enforceable only from 25 May 2018, it is considered that boards should ensure that risk assessment (including data protection and cyber risk) is complete for the entire organisation, and that appropriate security is provided for each type of data under use. The Company has a cyber-security process in place and it is described in details. Triodos abstains on this resolution.	Abstain
4 Approve Fees Payable to the Board of Directors	It is proposed to increase the amount payable to the Board of Directors by less than 10% on annual basis (from CHF 2.3 million to CHF 2.4 million). Within recommended guidelines.	For
5.1 Approve Fees Payable to the Executive Committee	It is proposed to increase the maximum amount payable to the Executive Board for under 10% on annual basis (from CHF 6.3 million to CHF 6.9 million). Within recommended guidelines.	For
5.2 Approve Long-Term Variable Remuneration of Executive Committee	It is proposed to approve the cap of the short-term variable compensation component of executive remuneration at CHF 3 million. Variable remuneration appears to be consistently capped, and the payout is in line with best practice. However, the Company has not fully disclosed quantified targets for the performance criteria of its variable remuneration component, which as a consequence 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 that shareholders will be able to reclaim any variable remuneration unfairly paid out. Triodos opposes this resolution.	Oppose

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| 5.3 Approve Short-Term Variable Remuneration of Executive Committee | Oppose |
| <p>It is proposed to approve the cap of the long-term variable compensation component of executive remuneration at CHF 6.4 million. Variable remuneration appears to be consistently capped, and the payout is in line with best practice. However, the Company has not fully disclosed quantified targets for the performance criteria of its variable remuneration component, which as a consequence 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 that shareholders will be able to reclaim any variable remuneration unfairly paid out.</p> <p>Triodos opposes this resolution.</p> | |
| 6.1 Reelect Gilbert Achermann as Director and Board Chairman | Oppose |
| <p>Non-Executive Chairman, not considered to be independent as he was CEO of Straumann Holding until 31 March 2010. Although there is sufficient independent representation on the Board, it is considered that a former executive should not be appointed as Chairman, as his previous responsibilities may hinder an independent supervision of management.</p> <p>Triodos opposes this resolution.</p> | |
| 6.2 Reelect Monique Bourquin as Director | For |
| <p>Independent Non-Executive Director.</p> <p>PIRC issue: There are concerns over the director's potential aggregate time commitments.</p> | |
| 6.3 Reelect Sebastian Burckhardt as Director | Abstain |
| <p>Non-Executive Director. Not considered independent owing to a tenure of over nine years. There is sufficient independent representation on the Board. There are concerns over potential aggregate time commitments.</p> <p>Triodos abstains this resolution.</p> | |
| 6.4 Reelect Ulrich Looser as Director | Oppose |
| <p>Independent Non-Executive Director.</p> <p>He is chair of the Remuneration committee which is not fully independent which Triodos does not support.</p> | |
| 6.5 Reelect Beat Luethi as Director | Oppose |
| <p>Independent Non-Executive Director.</p> <p>He is chair of the Audit committee which is not fully independent which Triodos does not support.</p> | |
| 6.6 Reelect Thomas Straumann as Director | Abstain |
| <p>Non-Executive Director. Not considered to be independent as he is a significant shareholder. There is sufficient independent representation on the Board. However, as there are concerns over the director's potential aggregate time commitments. Triodos abstains this resolution.</p> | |
| 6.7 Reelect Regula Wallimann as Director | For |
| <p>Independent Non-Executive Director.</p> | |
| 7.1 Reappoint Monique Bourquin as Member of the Compensation Committee | For |
| <p>This director is considered to be independent.</p> | |
| 7.2 Reappoint Ulrich Looser as Member of the Compensation Committee | Abstain |
| <p>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.</p> | |
| 7.3 Reappoint Thomas Straumann as Member of the Compensation Committee | Oppose |
| <p>Non-Executive Director, candidate to the Remuneration Committee on this resolution. It is considered that the Remuneration Committee should consist exclusively of independent members.</p> <p>Triodos opposes this resolution.</p> | |
| 8 Appoint Independent Proxy | For |
| <p>NEOVIUS 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.</p> <p>Triodos supports this resolution.</p> | |

9 **Appoint the Auditors**

Oppose

EY proposed. Non-audit fees represented 49.73% of audit fees during the year under review and 27.54% on a three-year aggregate basis. This level of non-audit fees raises some concerns about the independence of the statutory auditor.
Triodos opposes this resolution.

SUPPORTING INFORMATION FOR RESOLUTIONS

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.

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