

Compensation Report

1 Introduction

This report provides an overview of COLTENE's compensation principles and practices. It provides information on the compensation of the Board of Directors and Group Management in 2019 and 2020. It explains the variable compensation systems and equity participation programs and discloses equity participations of Directors and Group Management in the Company.

These principles and practices are designed to:

- Align the interests of the leadership team and employees with those of our shareholders
- Support our attractiveness as a global employer, helping us to retain and recruit an engaged workforce
- Reward individuals according to clear targets
- Encourage entrepreneurship, above-market performance, accountability and value creation

We believe that our plan is balanced and in line with current best practices.

1.1 Reporting Standards

The compensation report is written in accordance with the Ordinance Against Excessive Compensation in Listed Companies (VegüV), the standard relating to information on Corporate Governance of the SIX Swiss Exchange, and the principles of the Swiss Code of Best Practice for Corporate Governance of economiesuisse. The compensation paid or granted to Directors and Group Management is presented in our audited Financial Report (see pages 106).

1.2 Management Structure

Annual General Meeting
Board of Directors/Nomination and Compensation Committee
Group Management
Senior Management
Employees

Fig. 1: Management Structure

Information regarding the Board of Directors and the members of Group Management is available in the Corporate Governance report on pages 46 to 55.

1.3 Corporate Governance

The Board of Directors proposes candidates for the Nomination and Compensation Committee (NCC) to be elected annually by shareholders at the Annual General Meeting (AGM). Since the AGM 2016, the NCC is composed as follows:

Chair: Matthew Robin

Members: Nick Huber and Roland Weiger

The Board of Directors determines the NCC's responsibilities, and passes all resolutions on the Company's compensation system (see pages 42 to 44).

The NCC is entrusted with the design of the compensation system that applies to Directors, Group Management and Senior Management. It reviews the principles and programs for compensation, and ensures that the compensation paid by the Company is based on market and performance related criteria. The NCC reports to the Board of Directors on compensation practices as well as on Group Management compensation at least once a year and proposes changes when necessary. Any recommendations made to the Board of Directors by the NCC are discussed, adjusted if required and formally approved by the Board of Directors. Among other duties, the NCC:

- Recommends the remuneration of the members of the Board of Directors
- Defines the principles for the remuneration and recommends the remuneration of the members of Group Management and submits these to the Board of Directors for approval
- Prepares the compensation report annually to be presented to the AGM

Recommendation and decision responsibilities with regard to compensation

Recipient	Recommendation	Decision	Approval
Chairman of the Board of Directors	NCC	BoD	AGM
Other members of the Board of Directors	NCC	BoD	AGM
CEO	NCC	BoD	AGM
Other members of Group Management	CEO	BoD	AGM
Senior Management		Group Management	Group Management

NCC: Nomination and Compensation Committee
 BoD: Board of Directors
 AGM: Annual General Meeting
 CEO: Chief Executive Officer

This table describes the recommendation, decision and approval process of the COLTENE Group with regard to compensation of the Board of Directors, Group Management, and Senior Management (including the split in fixed and variable components and the approval of the maximum payout). According to the Ordinance Against Excessive Compensation in Listed Companies, effective since 2014, and the Articles of Incorporation of COLTENE Holding AG of October 9, 2018, the compensation payable to the Board of Directors and to Group Management has to be approved by the Annual General Meeting (AGM). COLTENE has chosen that the AGM approves the compensation for the following financial year. While the NCC recommends the remuneration packages, the Board of Directors decides on the compensation packages that are submitted to the AGM for approval. Group Management sets and approves the compensation for Senior Management within the guidelines set by the NCC. For all other employees, Group Management is responsible for setting the guidelines for compensation; these are implemented by Senior Management.

Up to now all approvals of compensation have been submitted for approval in advance by the AGM. At the AGM 2021, the Board of Directors will propose to the shareholders the following new approval process with regard to the compensation to Group Management:

- The fixed compensation for Group Management shall be approved for the next financial year

- The variable compensation for Group Management shall be approved retrospectively by the AGM following the respective financial year

At the same time the approval process of the remuneration of the Board of Directors will be changed as well. In future the remuneration of the Board of Directors will be approved by the AGM for the period of one year lasting from the actual AGM to the next AGM (instead of the financial year). These changes will come into force in several steps with the first step being the approval of the total compensation to the Board of Directors and the fixed amount of the compensation of Group Management at the AGM 2021 for 2022 as described above in line with the necessary amendments of the respective Articles of Incorporation of the Company.

2 Compensation Principles

2.1 Driving Values through Compensation

COLTENE believes that a compensation system based on value creation encourages sustainable performance, loyalty, and entrepreneurship is thus in the interests of management, employees, and shareholders. The Group is committed to compensating staff, management, and Directors in a way that is competitive and rewards sustainable, short-term and long-term performance with the objective of driving value.

It is COLTENE’s view that the success of a company depends largely on the quality and engagement of its people. A modern compensation system is an important instrument for attracting, retaining, and motivating talented people. COLTENE’s compensation system takes these factors into account in that it:

- Offers competitive salaries
- Fosters a high-performance culture that differentiates and rewards above-average individual performance, both in the short and long term
- Links variable long-term compensation to value generated by the Company over the long term based on shareholder expectations
- Provides employees with benefits based on good practices and regulations in local markets

The system is periodically reviewed by the NCC for effectiveness and adjusted if required.

2.2 Determination Procedure for Compensation

COLTENE's policy is to pay employees, management, and Directors a compensation according to their expertise, formal qualifications, skills, experience, and area of responsibility.

Key employees and employees with management functions receive a variable compensation component in addition to their fixed compensation. The main target of the variable pay is to share the economic success of the COLTENE Group with them.

Benchmark reviews for the remuneration of the Board of Directors and Group Management are conducted regularly by COLTENE, by using of independent specialists and/or external studies if appropriate. In the reporting year, a benchmark review based on nine listed companies was conducted with regard to the compensation of Group Management and the Board of Directors. The sample of the benchmark review consisted of Swiss listed companies comparable to COLTENE Holding AG that were selected according to one or more criteria such as industry, geographic location, and size. Compared with the selected benchmark, the compensation for the Chairman of the Board of Directors is in the lower quartile. For the entire Board of Directors, the CEO, and Group Management, the compensation is in the lower half of the peer group. The benchmark was made with the following companies: Straumann, IVF Hartmann, Basilea, Siegfried, Bachem, Dottikon ES, Arbonia, VAT Group, and Starrag.

2.3 Ethical, Fair Standards

COLTENE is committed to fair and equal treatment of all its employees and seeks to be in full compliance with the regional labor standards. Compensation is not influenced by gender or by non-performance-related criteria other than specific professional experience.

3 Total Compensation and Compensation Elements

Total compensation for all employees including management and Directors can be found in the financial section of the Annual Report on page 87.

The compensation of Group Management team members comprises fixed and variable components. The percentage of the variable component depends on the role of each member of Group Management and is proposed by the Nomination and Compensation Committee at its own discretion. For the CEO the maximum variable portion is 50 % of the total remuneration. For other Group Management members it varies from 15 % to 50 %. The Board of Directors approves the split. The variable compensation mix for Group Management includes a long-term variable remuneration element, which is paid in shares blocked for three years.

Directors receive a fixed annual cash fee and a fixed amount of money in shares, also blocked for three years. 100% of Directors' compensation is fixed. Their pay includes no variable component. The Directors receive 80 % to 90 % of the fixed compensation in cash and the remaining 10 % to 20 % in shares valued at the volume-weighted average share price of the preceding month of the pay date.

The split of the total maximum compensation is set as follows:

Compensation Elements

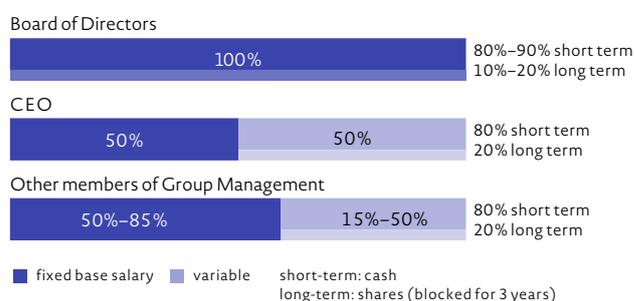


Fig. 2: Compensation elements

3.1 Fixed Compensation Elements

The fixed compensation elements of the remuneration of Group Management include the following components:

- Base salary
- Pension plan benefits¹ (subject to local practices and regulations)
- Other benefits (subject to local practices and regulations)

¹ The Board of Directors is not entitled to a pension plan under Swiss legislation (BVG).

Base salary

Group Management members receive a base salary in accordance with their role.

Other benefits

COLTENE's benefit programs including local pension benefits are an integral part of total compensation and are designed to enable the Company to compete effectively for talent and retain it. Benefits are structured to support COLTENE's overall business strategy, and are aligned with local legislation and practices. Group Management members and certain members of Senior Management, depending on their travel frequency, are entitled to a company car.

3.2 Variable Compensation Elements

The variable component of total compensation for each member of Group Management varies by function (role), seniority, and responsibility. Total variable compensation is based on one or several quantitative financial targets plus individual performance targets.

In 2020, net sales and results of the COLTENE Group were impacted by the COVID-19 pandemic. In the second quarter (Q2), the COVID-19 pandemic forced dental clinics and practices worldwide to scale back their business activities and demand for dental consumables dropped across nearly all product groups and lines. In many core markets, governments mandated the full or partial closing of most dental practices or they were restricted to treating emergency patients only. This lockdown was an extrinsic factor beyond the influence of Group Management. After Q2, sales and results started to recover. The Board of Directors therefore decided to measure the quantitative targets of Group Management not on a yearly basis as usual, but on a quarterly basis. For this purpose the annual quantitative

targets were broken down into quarterly targets according to monthly budgeted figures and measured on this basis but annual targets remained unchanged. In this way target achievement could better reflect the results of measures taken by Group Management to mitigate the COVID-19 pandemic. This change of procedure for the assessment of the quantitative targets of Group Management and hence of the determination of the variable compensation was a one-time issue and only applied to financial year 2020.

Quantitative targets

Quantitative targets are key performance indicators (KPIs) on which the individual member of Group Management has a direct impact. As a rule, each member of Group Management has two or three quantitative targets to meet. These quantitative targets are based on the budget approved by the Board of Directors for the financial year and are generally selected from the following key indicators:

- EBIT margin (operating margin before interest and tax) for the COLTENE Group
- Net sales for the COLTENE Group or for the region applicable to the member of Group Management
- Net sales for focus products
- Net sales for new products

In fiscal year 2020, the targets of Group Management included net sales of the COLTENE Group, net sales of focus products, and the operating margin before interest and tax (EBIT margin). The net sales targets as well as the EBIT target were based on the one-time quarterly view because of the COVID-19 pandemic impact partly not achieved and partly overshot.

Individual targets

Individual targets are agreed separately with each member of Group Management and approved by the Board of Directors. These targets measure the performance of each individual member of Group Management. As a rule, each member agrees to meet five individual targets of equal or different weighting. These targets are aligned with the role and responsibilities of each individual member of Group Management and with the Group strategic targets. For example, they may include delivery on specific individual projects, organizational restructurings or product launches or tool rollouts. At the end of the

financial year, the CEO reviews and rates the individual target achievements of the other members of Group Management and proposes these to the Compensation and Nomination Committee. The Board of Directors is responsible for reviewing and rating the individual targets of the CEO. Each member of Group Management can achieve a maximum of 100 points or 100 % by meeting the individual targets. If, for example, 80 points are achieved or 80 % of the individual targets are met, 80 % of the variable compensation agreed for this part of the variable compensation is paid out. Attainment of individual targets of each member of Group Management is finally approved by the Board of Directors at the end of the financial year.

The principle individual targets of COLTENE Group Management members for 2020 included market targets such as the improvement of the Endo business, the definition of a new pricing system and the integration of marketing communication into the sales organization, as well as operational targets such as the review and improvement of operational excellence and implementation of SAP at Micro-Mega. These individual targets were achieved in a range from 67 % to 86 %.

Weighting by variable compensation component

The variable compensation components are weighted as follows:

- Each quantitative target has a weighting of 25–50 %
- The individual or personal targets have a combined weighting of 20–35 %

The exact weighting of individual targets is set annually within these ranges and remains unchanged for the performance measurement period.

Weighting of quantitative criteria

The measurement scale for the achievement of quantitative financial targets (company performance and financial targets) extends from 0 % to a maximum of 120 % and is based on a line joining three points as explained in the illustration. Entitlement to variable compensation based on financial targets starts at a minimum of 80 % fulfillment of the defined target but it may start at a higher percentage than at 80 % of the defined target. An example for a target with a higher starting point, e.g. 90 % fulfillment, is net sales. This means that no variable compensation will be paid for this target until at least 90 % of the targeted net sales is achieved. The maximum payment made for the achievement of a single financial target is 150 % of the defined variable compensation for this single target.

Composition of Group Management compensation

	Fixed and variable percentage of total compensation		Quantitative and personal targets and their weighting			Long-term versus short-term variable compensation	
	Fixed percentage	Variable percentage	Net Sales Focus products New products	EBIT margin	Personal targets	Long-term variable compensation in CLTN shares (blocked for 3 years)	Short-term variable compensation paid in cash
CEO	50 %	50 %	25 %–35 %	40 %–50 %	20 %–30 %	20 %	80 %
CFO and COO	60 %–70 %	30 %–40 %	25 %–35 %	40 %–50 %	20 %–30 %	20 %	80 %
VP Sales/Marketing	60 %–80 %	20 %–30 %	45 %–55 %	25 %–35 %	25 %–30 %	20 %	80 %
VP R&D/Innovation	70 %–90 %	10 %–30 %	20 %–40 %	25 %–35 %	25 %–35 %	20 %	80 %

Fig. 3: Composition of Group Management compensation

Scale of Variable Compensation Elements

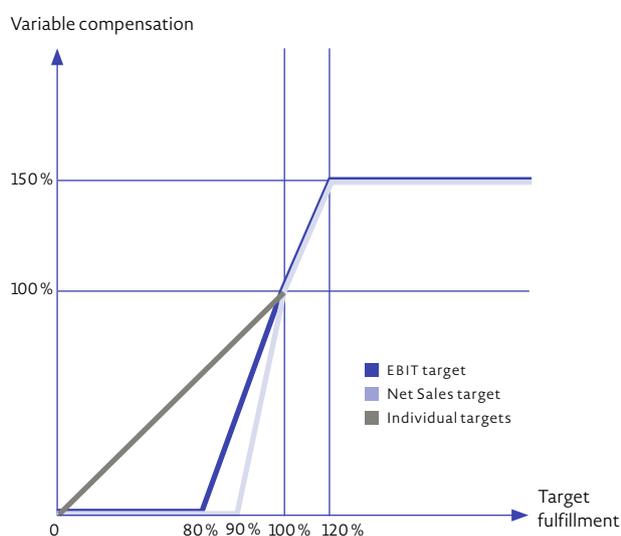


Fig. 4: Scale of variable compensation elements

Weighting of personal targets

The assessment scale for individual personal target achievement is linear and extends from 0% to 100%. 80% achievement of the personal targets means that 80% of the portion of the variable compensation related to the personal targets will be paid.

Total variable compensation and overachievement of quantitative targets

A quantitative financial target might be over 100% fulfilled and in this case, the portion of the variable compensation related to this target will be paid up to 150%, the maximum being achieved when the target fulfillment reached 120%. However, the total variable compensation which results from the sum of the result of all quantitative and personal targets is capped at the maximum variable compensation agreed with each member of the management and may in no case exceed the total fixed compensation as defined in section 3.1 on page 65 and illustrated in fig. 2. This means that overachievement of one or more quantitative targets may compensate underachievement of other quantitative or qualitative targets.

Long-term component versus short-term component

Currently for Group Management, 20% of the variable component is defined as long-term and is remunerated in the form of shares, which are blocked for three years. 80% of the variable component is paid in cash (short-

term portion). The split between long-term (20%) and short-term (80%) percentage of the total variable compensation of Group Management is decided periodically by the Board of Directors upon proposal of the Compensation and Nomination Committee at its own discretion.

The amount of the long-term portion of the variable compensation of each Group Management team member is divided by the grant price of the COLTENE shares. This results in the total number of shares that are granted for each Group Management team member for the reporting period. The calculation of the grant price is based on the Swiss Performance Index (SPI) of the SIX Swiss stock exchange. This calculation is defined so that if COLTENE shares outperform the SPI, Group Management members are rewarded with a larger amount of money in shares in proportion with the outperformance and in the case of underperformance are penalized by rewarding Group Management with a much lower amount of money in shares. The shares are granted at the SPI index price based on COLTENE's share price. The grant price for the reporting period is calculated based on the reference share price of the reporting period. Starting 2012, the reference price for COLTENE shares and for the SPI index are reset to the year-end share price of the prior year every four years forming the bases (SPI reference and reference share price) for the following four-year period. Based on the index price, the relative performance of the SPI is applied to calculate the grant price for COLTENE shares awarded to Group Management team members.

The following formula is applied annually to calculate the grant price and the number of shares awarded:

$$\text{Grant price} = (\text{CLTN reference share price}) \times (\text{SPI at December 31 of year of the reporting period}) / (\text{SPI reference})$$

For the reporting year 2020, the following values apply:

- CLTN reference share price is the year-end share price at December 31, 2019 (CHF 88.80)
- SPI at December 31 of the reporting period 2020 (13 328)
- SPI reference is the SPI at December 31, 2019 (12 838)
- Grant price: CHF 92.19

The remuneration plan contractually agreed to by all eligible employees dictates that all rights granted in respect of a variable payment shall be immediately, automatically, and definitively forfeited in the case of termination for cause.

The following diagram shows the impact of overperformance or underperformance of the COLTENE share price compared to the SPI as calculated above and illustrates the effectiveness of the system.

Changes foreseen with regard to compensation

The Board of Directors will propose to the AGM 2021 the respective changes of the Articles of Incorporation with regard to the compensation to the Board of Directors and to Group Management:

- Each member of the Board of Directors will in future receive as part of the total compensation a fixed number of shares instead of a fixed amount of money in shares for a one year period that will in future last from AGM to AGM. The Chairman will receive 400 shares and each other member of the Board of Directors will receive 200 shares every year.
- The total compensation to the Board of Directors shall in future be approved for the period from the actual AGM to the next AGM prospectively.

- Each member of Group Management will in future receive a predefined fixed number of shares as part of the variable compensation. The number of shares granted in future will be calculated for the first time as follows: As this new long-term incentive compensation will come into force in the financial year 2022, the basis for the calculation of the number of shares granted shall be the volume weighted average share price (VWAP) of COLTENE shares for the period from October 1, 2021 to December 31, 2021. Each member of Group Management is entitled to receive 20% of the 2021 total variable compensation as a maximum in shares. This amount will be divided by the VWAP to calculate the maximum number of shares to be granted in future. This maximum number of shares shall then be fixed for a certain number of years. The actual allocation of the number of shares depends on the individual target achievement of Group Management member in the respective financial year (percentage of target achievement).
- The allotment of these shares shall be approved by the AGM retrospectively for the prior financial year.
- The Board of Directors has the authority to adjust the maximum number of shares for Group Management members.

Value of share portion in case of overperformance/underperformance

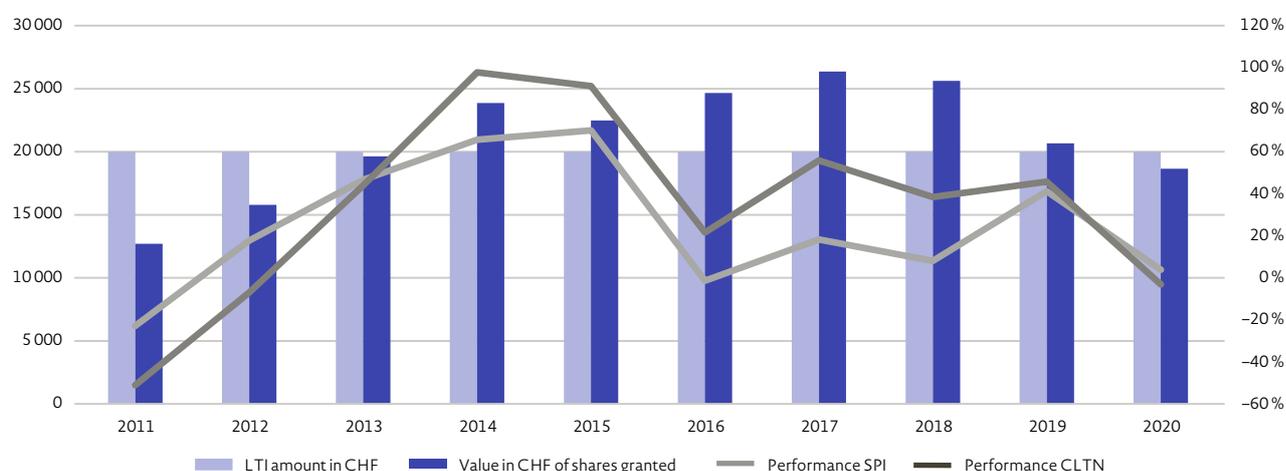


Fig. 5: Value of share portion of variable compensation

- The remaining 80% of the variable compensation to Group Management members will be continued to be paid in cash.
- The fixed compensation to Group Management in cash shall be approved by the AGM in advance as today.

The new long-term incentive system is easy to handle and the Board of Directors and Group Management will be directly impacted positively or negatively in the case of changes of the share price like any other shareholder. Due to the changes of the long-term compensation system of Group Management the variable portion can be higher than the fixed portion of the compensation if the share price is high and the target achievement of Group Management member and COLTENE is high. Because of this reason the Articles of Incorporation must be amended.

3.3 Contract Duration and Notice Period

Duration of term of office of the members of the Board of Directors: Each member of the Board of Directors is elected every year at the AGM for one year of service until the next AGM. Notice period for members of Group Management: no member of Group Management has a notice period that exceeds twelve months.

3.4 Other Types of Payment

There are no severance payments, payments in advance, and no specific payments for change-of-control events. In the event of a change of control the Board of Directors decides whether there is full vesting under the long-term component of variable compensation or not.

4 Remuneration of Directors and Group Management

The tables below show the compensation paid to the members of the Board of Directors and of Group Management for the years 2019 and 2020.

Remuneration of the Board of Directors

In CHF

	Base remuneration		Other remuneration	Total ³
	in cash	in shares ¹	Social security ²	
2019				
Nick Huber	72 000	20 000	14 366	106 366
Erwin Locher	63 000	10 000	7 444	80 444
Jürgen Rauch	54 000	10 000	0	64 000
Matthew Robin	63 000	10 000	11 445	84 445
Astrid Waser	54 000	10 000	10 024	74 024
Roland Weiger	54 000	10 000	10 024	74 024
Allison Zwingenberger	54 000	10 000	8 893	72 893
Total	414 000	80 000	62 196	556 196
2020				
Nick Huber	76 667	20 000	12 509	109 176
Erwin Locher	67 083	10 000	6 193	83 276
Jürgen Rauch	57 500	10 000	0	67 500
Matthew Robin	67 083	10 000	9 977	87 060
Astrid Waser	57 500	10 000	8 737	76 237
Roland Weiger	57 500	10 000	8 737	76 237
Allison Zwingenberger	57 500	10 000	8 737	76 237
Total	440 833	80 000	54 890	575 723

¹ The number of shares granted in 2019 is calculated based on the weighted average share price of the month of March (2020: March) of the subsequent year.

² Company paid social security contributions incl. AHV, IV, and ALV.

³ As a response to the negative impacts of the COVID-19 pandemic, Group Management decided to introduce short-time work or furloughs (temporary layoffs) where feasible. In order to adjust production capacities in line with lower demand, the workforce was reduced by 10 %, or roughly 145 FTE. Most temporary employment contracts were terminated, and a hiring freeze was put in place. In the spirit of solidarity, the Board of Directors reduced their own remuneration in cash by 10% for the period of five months starting from the second quarter.

Remuneration of Group Management

In CHF

	Base remuneration	Variable remuneration ¹		Other remuneration		Total ⁴
	in cash	in cash	in shares ²	Social security ³	Other benefits	
2019						
Martin Schaufelberger	410 007	189 373	49 315	166 921	20 692	836 308
Other members	1 313 413	282 368	73 749	361 748	65 831	2 097 109
Total	1 723 420	471 741	123 064	528 669	86 523	2 933 417
2020						
Martin Schaufelberger	395 088	287 984	85 129	147 120	20 692	936 013
Other members	1 475 500	584 597	172 983	345 981	85 438	2 664 499
Total	1 870 588	872 581	258 112	493 101	106 130	3 600 512

¹ The variable remuneration, which includes cash bonus and shares, is not paid out in the reporting period. It is accrued for and paid out in the following year based on the decision of the Board of Directors.

² The value of shares granted is calculated based on the share price at closing of the grant date. For 2019, it was February 26, 2020, and the share price was CHF 89.50. For 2020, it was February 25, 2021, and the share price was CHF 109.00.

³ Company paid social security contributions incl. pension fund payments, AHV, IV, ALV, NBU, and KTG.

⁴ In 2020, the total compensation increased due to one more Group Management member that was appointed on January 1, 2020, despite the negative impact of the COVID-19 pandemic on the financial results of the COLTENE Group and hence on the variable compensation to Group Management and to the voluntary waiver of part of the fixed compensation.

Approved remuneration of the Board of Directors and Group Management by the AGM

On April 30, 2019, the AGM had to approve the remuneration for the Board of Directors and Group Management for the financial year 2020 based on the Ordinance Against Excessive Compensation in Public Corporations (VegüV) and the Articles of Incorporation of COLTENE Holding AG of October 9, 2018.

Approved remuneration of the Board of Directors for 2020

The AGM approved an aggregate remuneration of the members of the Board of Directors of CHF 620 000 for the financial year 2020. The division into cash and shares was not part of the approval. In total, the Board of Directors received as compensation CHF 495 723 in cash and CHF 80 000 in shares.

Compensation paid to the Board of Directors in 2020 in CHF

	Approved compensation	Actual compensation
Total compensation in cash	n/a	495 723
Total compensation in shares	n/a	80 000
Overall compensation	620 000	575 723

The remuneration of the Board of Directors for 2020 was within the overall approved amount.

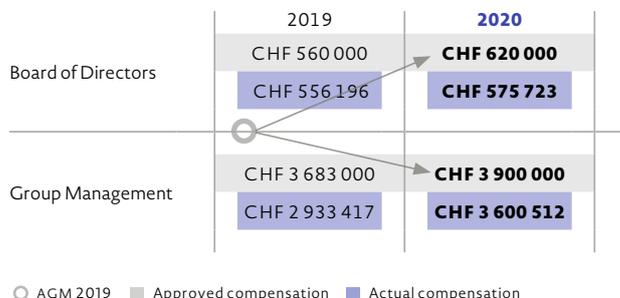
Approved remuneration of Group Management for 2020

The AGM approved an aggregate remuneration to Group Management of CHF 3 900 000 for the financial year 2020. In total, Group Management received as compensation CHF 3 600 512.

The approved amount for the fixed compensation was CHF 2 500 000 and the received amount was CHF 2 469 819. For the variable compensation CHF 1 400 000 were approved and CHF 1 130 693 were received. Group Management reduced their own fixed remuneration in the same way as the Board of Directors by 10 % for the period of five months starting from the second quarter.

The remuneration of Group Management for 2020 was within the approved amounts.

Compensation of the Board of Directors and Group Management



Loans

In the reporting period, no loans, advances, or credits were granted to any member of the Board of Directors or Group Management.

Number of shares held by the Board of Directors

	31.12.2020	31.12.2019
Nick Huber	20 095	14 557
Erwin Locher	3 936	5 492
Jürgen Rauch	547	407
Matthew Robin	5 505	5 365
Astrid Waser	367	227
Roland Weiger	1 468	1 328
Allison Zwingenberger	172	32
Total Board of Directors	32 090	27 408

Number of shares held by Group Management

	31.12.2020	31.12.2019
Martin Schaufelberger	12 350	11 799
Gerhard Mahrle	3 346	3 071
Werner Barth	1 648	1 540
Stefan Helsing	40 402	54 170
Christophe Loretan	756	624
Martin Schlüter ¹⁾	0	n.a.
John Westermeier ¹⁾	0	n.a.
Werner Mannschedel ²⁾	n.a.	2 413
Total Management	58 502	73 617

¹⁾ New members of Group Management appointed on January 1, 2020.

²⁾ Werner Mannschedel retired on December 31, 2019.

5 Approval of the Compensation Report

This compensation report provides comprehensive transparency with regard to the Company's general compensation principles and in particular to the compensation of Group Management and the Board of Directors. The Board of Directors took notice of the compensation report 2020 and approved it on the Board of Directors' meeting of February 25, 2021. It will be presented to the shareholders for consultative approval at the Annual General Meeting on March 31, 2021.

Report of the Statutory Auditor

To the General Meeting of COLTENE Holding AG, Altstätten
St. Gallen, February 25, 2021



Report of the Statutory Auditor on the Remuneration Report

We have audited the remuneration report of COLTENE Holding AG for the year ended December 31, 2020. The audit was limited to the information according to articles 14–16 of the Ordinance against Excessive Compensation in Stock Exchange Listed Companies (Ordinance) contained in the tables in chapter 4 on pages 70 to 71 of the remuneration report.

Board of Directors' Responsibility



The Board of Directors is responsible for the preparation and overall fair presentation of the remuneration report in accordance with Swiss law and the Ordinance. The Board of Directors is also responsible for designing the remuneration system and defining individual remuneration packages.

Auditor's Responsibility



Our responsibility is to express an opinion on the remuneration report. We conducted our audit in accordance with Swiss Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the remuneration report complies with Swiss law and articles 14–16 of the Ordinance.

An audit involves performing procedures to obtain audit evidence on the disclosures made in the remuneration report with regard to compensation, loans and credits in accordance with articles 14–16 of the Ordinance. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements in the remuneration report, whether due to fraud or error. This audit also includes evaluating the reasonableness of the methods applied to value components of remuneration, as well as assessing the overall presentation of the remuneration report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion



In our opinion, the remuneration report for the year ended December 31, 2020, of COLTENE Holding AG complies with Swiss law and articles 14–16 of the Ordinance.

Ernst & Young Ltd

Iwan Zimmermann
Licensed audit expert
(Auditor in charge)

Johannes Bachmann
Licensed audit expert