

# Notice of Annual General Meeting

Monday, 5 December 2016 at 3:30 pm

Holtedam 3 (Aage Louis-Hansen Auditorium), Humlebæk, Denmark

Ostomy Care / Continence Care / Wound & Skin Care / Urology Care



## To the shareholders of Coloplast A/S

10 November 2016

### Notice of Annual General Meeting

The Annual General Meeting will be held on **Monday, 5 December 2016 at 3:30 pm** at the premises of Coloplast A/S at Holtedam 3 in Humlebæk (Aage Louis-Hansen Auditorium).

Coffee, tea and cake will be served outside the auditorium before the General Meeting **from 3:00 pm to 3:30 pm**.

The General Meeting will be opened by the Chairman of the Board of Directors and will be presided over by a chairman appointed by the Board of Directors. The General Meeting will also be webcast to the shareholders at [www.coloplast.com](http://www.coloplast.com).

### Agenda

1. To receive the report of the Board of Directors on the activities of the company during the past financial year.
2. To present and approve the audited annual report.
3. To pass a resolution on the distribution of profit in accordance with the approved annual report.
4. Proposals from the Board of Directors:
  - 4.1 Amendment to the company's Articles of Association.

Article 5(2) is amended to read as follows:

"The above authorisation conferred on the Board of Directors shall be valid until the annual general meeting to be held in 2021."

This is merely an extension of the authority granted to the Board of Directors.

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- 4.2 Increase of fees paid to members of the Board of Directors.

It is proposed that the annual basic fee paid to members of the Board of Directors be raised from DKK 400,000 to DKK 450,000.

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- 4.3 Amendment to the general guidelines for the company's remuneration of members of the Board of Directors and the Executive Management.

Proposal to amend the section on remuneration of the Executive Management as follows:

In the following sentence in section 1, "At the date of adoption of these guidelines, the bonus benchmarks are based on value creation and profitability, but they may be changed by the Board of Directors", "value creation" is amended to "growth" so that the sentence is amended to read as follows: "At the date of adoption of these guidelines, the bonus benchmarks are based on growth and profitability, but they may be changed by the Board of Directors."

Change of strike price. The following sentence in section 3, "Options are awarded at a strike price which is 15% higher than the market price at the award date calculated as the average price of all trades on the last trading day of the calendar year", is amended to read as follows: "Options are awarded at a strike price which is 5% higher than the market price at the award date calculated as the average price of all trades on the last trading day of the calendar year."

The guidelines are otherwise unchanged.

A draft proposal for the amended guidelines is attached as an appendix to this notice.

The guidelines for the company's remuneration of members of the Board of Directors and the Executive Management also form part of the company's statutory report on corporate governance and the company's annual report.

- 4.4 Grant of authority to the company's Board of Directors to allow the company to acquire treasury shares representing up to 10% of the company's share capital pursuant to the provisions of section 198 of the Danish Companies Act.

The highest and lowest amount to be paid for the shares is the price applicable at the time of purchase +/-10%.

The authority will be valid until the company's Annual General Meeting to be held in 2017.

5. To elect members to the Board of Directors.

The Board of Directors proposes re-election of the following members:

Mr Michael Pram Rasmussen, Director (Chairman)  
Mr Niels Peter Louis-Hansen, BCom (Deputy Chairman)  
Mr Per Magid, Attorney  
Ms Birgitte Nielsen, Executive Director  
Ms Jette Nygaard-Andersen, CEO  
Mr Brian Petersen, Director  
Mr Jørgen Tang-Jensen, CEO

Mr Sven Håkan Björklund, Director, will not seek re-election.

For further information on each of the current members of the Board of Directors, please refer to the company's website, [www.coloplast.com](http://www.coloplast.com), or contact the Shareholder Secretariat on tel. +45 4911 1800.

6. To appoint auditors.

The Board of Directors proposes the re-appointment of PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab as the company's auditors.

7. Any other business.

No other proposals have been tabled by the Board of Directors or by shareholders for consideration at the Annual General Meeting.

Adoption of the amendment to the Articles of Association proposed in item 4.1 of the agenda requires that at least 50% of the share capital is represented at the General Meeting and that the resolution is furthermore passed by at least two thirds of the votes cast as well as of the voting share capital represented at the General Meeting, cf. Article 11(1) and (2) of the Articles of Association.

The resolutions proposed in items 2, 3, 4.2, 4.3, 4.4, 5 and 6 of the agenda may be adopted by a simple majority of votes pursuant to Article 11 of the Articles of Association.

#### **Shareholder information**

The total share capital of the company is DKK 216 million, of which DKK 18 million is A shares divided into shares of DKK 1.00 each or multiples thereof, and DKK 198 million is B shares divided into shares of DKK 1.00 each.

A shareholder's right to attend and vote at the General Meeting is determined relative to the shares held by the shareholder on the record date, which is **Monday, 28 November 2016**.

Each A share of DKK 1.00 shall entitle the holder to ten votes, and each B share of DKK 1.00 shall entitle the holder to one vote.

Any shareholder may submit questions to the management at the General Meeting. Questions regarding the agenda and other documents for the General Meeting may also be submitted in writing and must be received by the company not later than one week before the date of the General Meeting. Questions in writing should clearly identify the shareholder and must be forwarded by email to [dkebj@coloplast.com](mailto:dkebj@coloplast.com) or by ordinary mail to Coloplast A/S, Høltedam 1, 3050 Humlebæk, Denmark, marked "Shareholder Secretariat".

The following information is available on the company's website, [www.coloplast.com](http://www.coloplast.com), in the "Investor Relations" menu as from Thursday, 10 November 2016:

- The notice convening the General Meeting.
- The total number of shares and voting rights as at the date the General Meeting is convened, including the total number for each share class.
- Documents to be presented at the General Meeting, including the 2015/16 Annual Report.
- The agenda and the complete proposals.
- Forms to be used for proxy/postal voting.

The notice convening the General Meeting, including the complete proposals for consideration at the General Meeting, have also been forwarded to any registered shareholder who has so requested. Additionally, the documents will be available for inspection at the company's offices.

#### **Payment of dividend**

Dividends adopted at the General Meeting will be at the disposal of the shareholders on Thursday, 8 December 2016 through the account-holding bank Nordea.

See page 8 of the 2015/16 Annual Report for additional information about dividends.

#### **Admission cards**

Admission cards will be issued to shareholders registered in the register of shareholders on the record date, or from whom the company has received due notice as of the record date for entry into the register of shareholders.

Any shareholder who has requested an admission card **on or before Thursday, 1 December 2016 at 11:59 pm** is entitled to attend the General Meeting.

Admission cards for the General Meeting may be requested

- through the "Shareholder Portal" in the "Investor Relations" menu on the company's website, [www.coloplast.com](http://www.coloplast.com);
- by the shareholder filling in, signing and submitting the registration form by email to [gf@computershare.dk](mailto:gf@computershare.dk), or by ordinary mail to Computershare A/S, Kongevejen 418, 2840 Holte, Denmark, or using the registration form available on the company's website, [www.coloplast.com](http://www.coloplast.com), in the "Investor Relations" menu; or
- by contacting Computershare A/S, Kongevejen 418, 2840 Holte, Denmark on tel. +45 4546 0997 (weekdays 9:00 am - 3:00 pm).

The shareholder or proxy holder may attend the General Meeting accompanied by an adviser.

For questions concerning registration for the General Meeting or use of the shareholder portal, please contact Computershare on tel. +45 4546 0997 (weekdays 9:00 am - 3:00 pm).

Admission cards requested on or after Monday, 28 November 2016 will not be sent by ordinary mail but will be handed out at the venue of the General Meeting, as they will otherwise not reach the shareholders in due time.

## Proxy voting

Voting rights may be exercised through a proxy, who must produce a written and dated instrument appointing the proxy. Such instruments cannot be issued for periods exceeding one year.

Proxies must be nominated **on or before Thursday, 1 December 2016 at 11:59 pm**

- through the "Shareholder Portal" in the "Investor Relations" menu on the company's website, [www.coloplast.com](http://www.coloplast.com); or
- by the shareholder filling in, signing and submitting the proxy and postal voting form by email to [gf@computershare.dk](mailto:gf@computershare.dk) or by ordinary mail to Computershare A/S, Kongevejen 418, 2840 Holte, Denmark, or using the proxy and postal voting form available on the company's website, [www.coloplast.com](http://www.coloplast.com), in the "Investor Relations" menu.

Proxies can be revoked at any time.

## Postal voting

Registered shareholders may exercise a postal vote on the items of the agenda. Postal votes may be cast

- through the "Shareholder Portal" in the "Investor Relations" menu on the company's website, [www.coloplast.com](http://www.coloplast.com); or
- by the shareholder filling in, signing and submitting the proxy and postal voting form by email to [gf@computershare.dk](mailto:gf@computershare.dk) or by ordinary mail to Computershare A/S, Kongevejen 418, 2840 Holte, Denmark, or using the proxy and postal voting form available on the company's website, [www.coloplast.com](http://www.coloplast.com), in the "Investor Relations" menu.

Postal votes **cannot** be withdrawn.

Postal votes must be received by Computershare A/S **on or before Thursday, 1 December 2016 at 11:59 pm**.

## Transport

The company will arrange bus transport from Humlebæk train station to Coloplast and back to the station. Information about departure times is provided together with the attached driving directions.

The Board of Directors

## **Re item 4.3 on the agenda**

### **General guidelines for the company's remuneration of members of the Board of Directors and the Executive Management**

#### **Board of Directors**

Members of the Board of Directors receive a fixed annual fee. The chairman and deputy chairman of the Board of Directors receive a supplement to this fee. The amounts of fees and supplements are approved by the shareholders in general meeting and disclosed in the annual report. Fees are fixed on the basis of fees paid by other companies. Members of the Board of Directors receive no incentive pay.

#### **Executive Management**

The Chairman and Deputy Chairman perform an annual review of the remuneration paid to members of the Executive Management. The remuneration paid to members of the Executive Management consists of a fixed and a variable component. The fixed pay consists of a net salary, pension contribution and other benefits. The value of each of those components for each member of the Executive Management is disclosed in the annual report. As an element of the variable pay, members of the Executive Management may receive an annual bonus, subject to the achievement of certain benchmarks. The bonus proportion may vary among the members of the Executive Management, but is subject to a maximum of 25% of their annual remuneration. The actual bonus paid to each member of the Executive Management is disclosed in the Annual Report. At the date of adoption of these guidelines, the bonus benchmarks are based on growth and profitability, but they may be changed by the Board of Directors. Any such change will be communicated in a company announcement.

Another element of the variable pay is made up of options and is intended to ensure that the Executive Management's incentive correlates with the long-term creation of shareholder value. For that same reason, the option plan is revolving and not subject to the achievement of defined benchmarks.

Members of the Executive Management are awarded a number of options each year with a value equal to a maximum of 40% of the Executive Management's remuneration. The value is calculated in accordance with the Black-Scholes formula. Options are awarded at a strike price which is 5% higher than the market price at the award date calculated as the average price of all trades on the last trading day of the calendar year. The options have a term of five years and are exercisable after three years. The number of options awarded to each member of the Executive Management and their value is disclosed in the annual report. Options in the Executive Management share option plan are covered by the company's holding of treasury shares.

In addition, the Chairman and Deputy Chairman of the Board perform an annual review of the remuneration paid to members of the Executive Management relative to the managements of other Danish companies.