

Corporate governance

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PRINCIPLES

The principles and rules of Straumann’s corporate governance are laid down in the Articles of Association, the organizational regulations, the code of conduct, and the charters of the Board Committees. These principles and rules are the basis of our corporate governance disclosures, which comply with the Directive on Information relating to corporate governance published by the SIX Swiss Exchange, where Straumann’s shares have been traded since the company’s initial public offering in 1998.

GROUP STRUCTURE

Straumann Holding AG is a listed stock corporation incorporated under the laws of Switzerland and domiciled as well as registered in Basel. Information about the company’s shares, which are traded on the main segment of the SIX Swiss Exchange under the symbol STMN, is provided on p. 176.

Straumann Holding AG is the ultimate parent company of the Straumann Group (referred to collectively as ‘the Group’), which is headquartered in Basel and, as of 31 December 2016, includes 46 wholly owned and two partially-owned subsidiaries (see chart p. 128 f.) as well as 11 companies in which non-controlling interests are held (see table opposite).

OPERATIONAL STRUCTURE

In 2016, the operational structure of the Straumann Group comprised the following groups/departments and sales regions (in alphabetical order):

- Corporate Services, comprising: Corporate Communication, Human Resources, Legal Compliance & Intellectual Property and Strategic Planning & Business Development
- Customer Solutions & Education, comprising: Customer Marketing & Education, Marketing Communications and Product Management
- Finance, comprising: Treasury, Controlling and all other finance-related functions, Corporate IT, Corporate Procurement, Facility Management, Internal Audit and Investor Relations
- Intradent Management
- Research, Development & Operations, comprising: Project Management, Research & Development, Technical Services, Quality Management & Regulatory Affairs, Production, Corporate Logistics
- Sales Central Europe and Worldwide Distributor Management (excluding APAC and LATAM)

- Sales Western Europe
- Sales North America,
- Sales Latin America and regional Distributor Management, including Neodent’s manufacturing plant in Brazil
- Sales Asia/Pacific and regional Distributor Management.

On 1 January 2017, Straumann reorganized all its subsidiaries in Central and Western Europe into a single European region and the other markets into the ‘Distributor & Emerging Markets EMEA’ region, which includes Africa, Central Asia, Eastern Europe, the Middle East and Russia.

LEGAL STRUCTURE

LISTED COMPANIES

Straumann Holding AG is listed in the main segment of the Swiss stock exchange. No other company controlled by Straumann Holding AG is listed on a stock exchange.

Name	Straumann Holding AG
Domicile	Peter Merian-Weg 12, 4052 Basel, Switzerland
Listed on	SIX Swiss Exchange
Valor number	1228 007
ISIN	CH 0012 280 076
Ticker symbol	STMN

NON-LISTED GROUP COMPANIES

The major subsidiaries of Straumann Holding AG are presented on p. 128 f. and in Note 33 to the Financial Statements on p. F 64 f. of the Financial Report.

The Group is managed through its Headquarters at Institut Straumann AG in Basel. As laid down in the organizational regulations, the respective Regional Sales Head, the CFO and the General Counsel usually represent Straumann Holding AG and/or the other holding companies of the Straumann Group on the boards of the subsidiaries.

Straumann’s premium products and services are sold through Institut Straumann AG, various distribution subsidiaries, and third-party distributors (see chart on p. 184 f. for overview of subsidiary and distributor locations). Other brands of the Straumann Group are sold through various distribution subsidiaries and

STRAUMANN'S PARTICIPATION AND REPRESENTATION IN OTHER COMPANIES

On 31 December 2016, Straumann held the following non-controlling stakes:

Non-consolidated company	Location	Activities	Capital rights held	Straumann representation
Anthogyr SAS	Sallanches (France)	Implant solutions for the value segment in China	30%	1 Board seat
Createch Medical SL	Mendaro (Spain)	CADCAM prosthetics for multiple implant systems	30%	1 Board seat
Dental Wings Inc	Montreal (Canada)	Dental prosthetics design (CAD), software and scanners	55%	2 Board seats
Instradent Deutschland GmbH	Hügelsheim (Germany)	Distribution of implant & prosthetic value brands	51%	At general meeting, 100% as of 1 Jan 2017
Medentika GmbH	Hügelsheim (Germany)	Implant prosthetics & dental implants	51%	At general meeting, controlling interest as of 1 Jan 2017
Open Digital Dentistry AG (in liquidation)	Zug (Switzerland)	(Assets and activities transferred to Dental Wings GmbH)	44%	n/a
RODO Medical, Inc.	San Jose (USA)	Prosthetics	12%	1 Board seat
T-Plus	New Taipei City (Taiwan)	Dental implant systems	49%	1 Board seat
V2R Biomedical Inc.	Montreal (Canada)	Prosthetically-driven guided-surgery solutions	30%	1 Board seat
Valoc AG	Möhlin (Switzerland)	Prosthetics (implant based denture-attachment systems)	44%	1 Board seat
Zinedent Implant Üretim AS	Ankara (Turkey)	Joint venture, supply of dental implants and prosthetics	50%	1 Board seat

The Straumann Group has no other significant shareholdings of more than 10%.

third-party distributors, mostly managed through the Instradent business platform at Headquarters in Basel.

In certain countries, Straumann has established fully-owned subsidiaries under the name of 'Manohay' with the purpose of distributing both premium and value brands from a single point (see pp. 128 f., 182ff., F 64 f. for an overview of subsidiary locations).

On 31 December 2016, Straumann Holding AG directly or indirectly held 100% of the capital and voting rights in all consolidated Group companies with the exception of STM Digital Dentistry, in which Straumann Holding AG holds a controlling stake of 49% (see p. 129). In addition, Straumann Holding AG directly or indirectly held capital rights in the companies listed in the table above.

CHANGES IN 2016 AND EARLY 2017

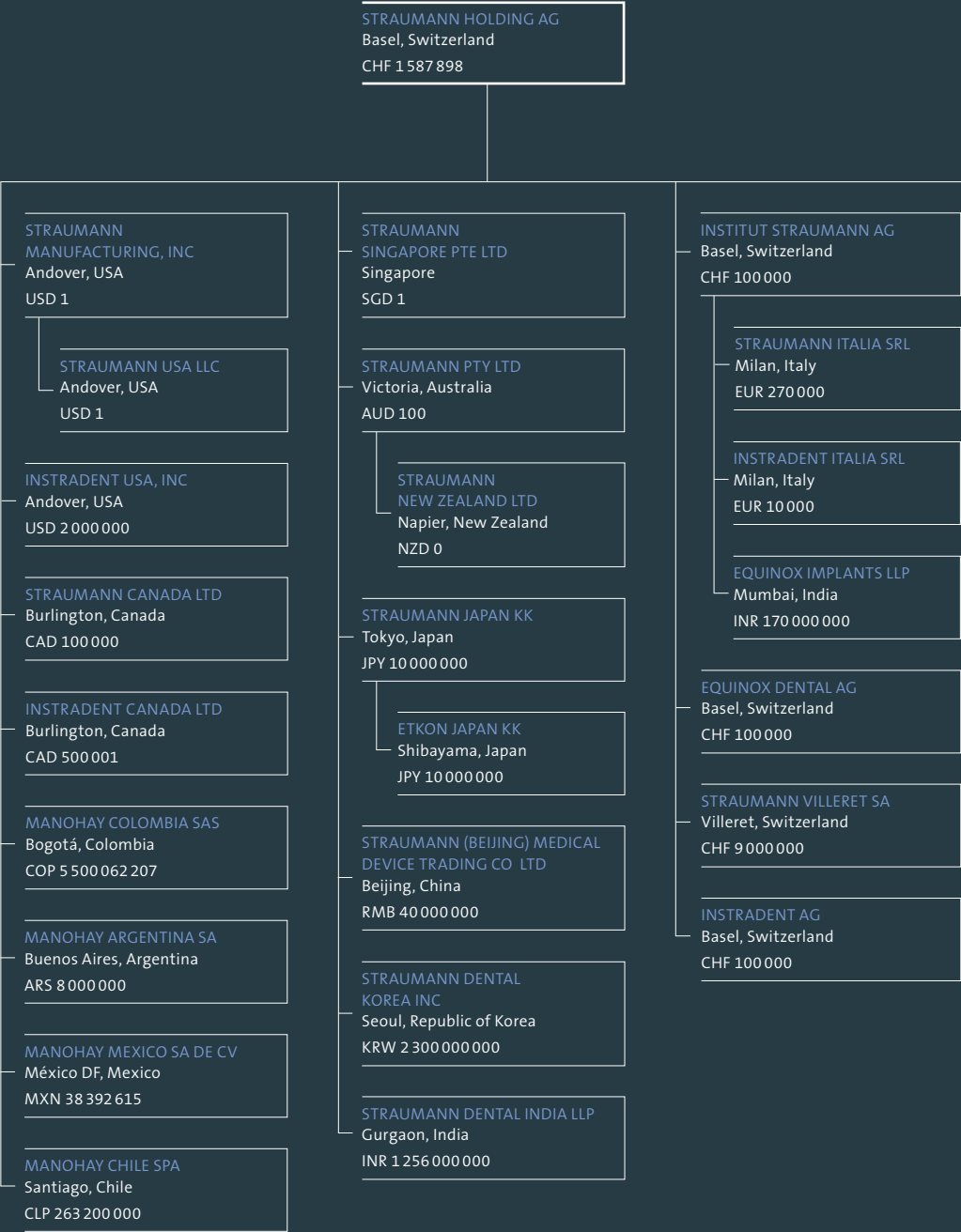
Early in 2016, Straumann Brasil Ltda was merged into Neodent, which is now responsible for the promotion and sale of premium and value products in Brazil in addition to the design, development, and manufacture of Neodent dental implants and related prosthetic components.

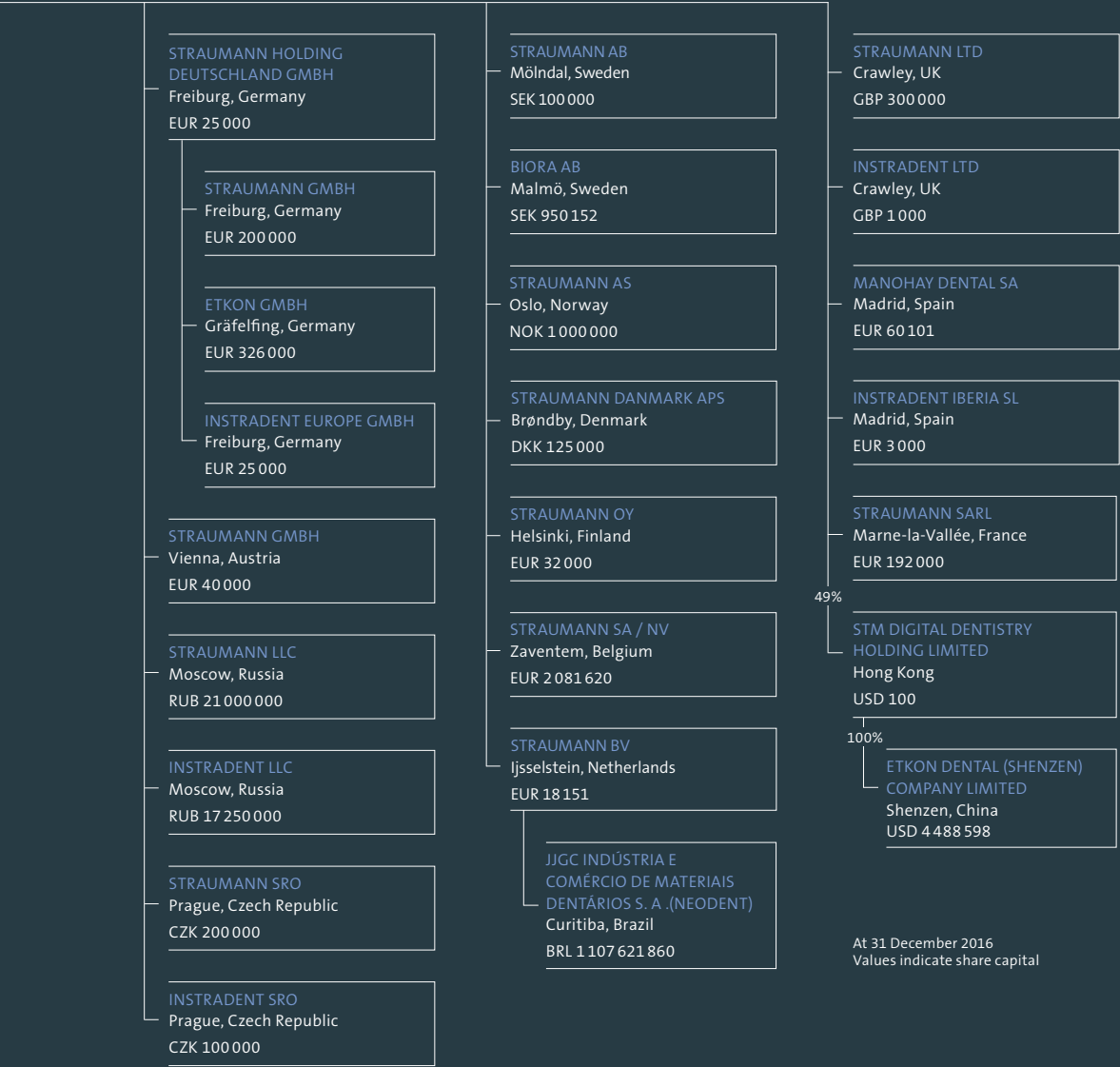
In the second quarter, STM Digital Dentistry was established in Hong Kong in cooperation with Modern Dental Group. STM Digital Dentistry holds 100% of etkon China, which was established towards the end of 2016 and has not yet begun production.

In the context of the Group's acquisition of Equinox and our strategy to penetrate the Indian market, Straumann Dental India Private Limited was converted into an LLP and Equinox Implants LLP was founded - both in the third quarter of 2016. In addition, Equinox Dental AG, a holding company, was founded in Switzerland.

Principal Group Companies

Ownership & share capital





The following distribution companies were established in 2016: Manohay Chile SpA, Intradent Canada Ltd, Intradent LLC in Russia and Intradent Europe GmbH in Germany.

Straumann Middle East was established as a distribution company in Iran early in 2017.

On 1 January 2017, the Group re-gained full ownership of the distribution company Intradent Deutschland GmbH by purchasing the 49% stake held by Medentika. At the same time, an agreement with the minority shareholders changed Straumann's 51% stake in Medentika GmbH into a controlling interest. As a result, Straumann has consolidated Medentika fully in its financial statements as of 1 January 2017, although its stake remains unchanged.

PARTICIPATIONS IN OTHER COMPANIES

The Group invested further in the value segment and in its common technology platform (p. 25) in 2016, acquiring:

- A 30% stake in Anthogyr SAS of France, a manufacturer of attractively priced implant solutions, offering immediate access to the value segment in China;
- Tangible and intangible assets from botiss in Germany, providing Straumann with exclusive distribution rights for botiss products in Germany and strengthening the existing partnership between the two companies;
- A 30% stake in V2R Biomedical, a small, privately-owned company in Montreal specializing in prosthetically-driven guided-surgery solutions.

The Group also exercised its conversion right and call option to acquire a controlling stake in the South Korean implant manufacturer MegaGen. The option was obtained in 2014, when Straumann purchased convertible bonds from MegaGen. The conversion is being determined by arbitration under ICC rules.

In November 2016, Straumann announced a joint venture with maxon motor that will develop and produce ceramic implants made by injection moulding. Straumann obtained a 49% non-controlling stake in the joint venture company, maxon dental GmbH in January 2017.

CROSS SHAREHOLDINGS

Straumann does not have, and has not entered into, any cross-shareholdings with other companies relating to equity or voting rights.

CAPITAL STRUCTURE

In April 2016, 156 045 conditional shares were converted into ordinary shares in two tranches, one before and one after the increase of the Group's contingent share capital that was approved by the Annual General Meeting (AGM) in 2016 to ensure the continuation of share-based incentive plans and share-ownership programs for employees.

Apart from this and the conversion of 46 390 conditional shares into ordinary shares in 2015, there have been no changes in Straumann's share capital in the past three years. On 31 December 2016, the share capital was composed of:

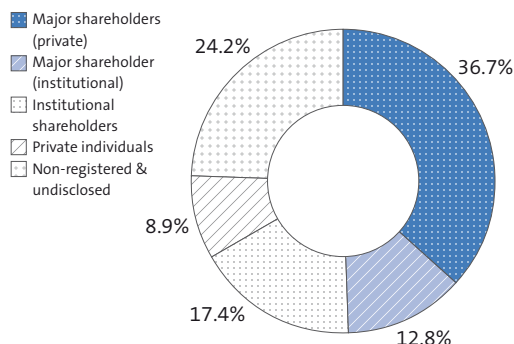
- 15 878 984 registered shares, fully paid in, each with a nominal value of CHF 0.10
- Conditional capital of CHF 28 395.50, divided into 283 955 conditional shares, each with a nominal value of CHF 0.10.

Straumann Holding AG did not have any authorized share capital.

The listed portion of the conditional share capital was approved for an unlimited period at an extraordinary General Meeting in 1998. The unlisted portion of the conditional share capital was approved for an unlimited period at the 2016 ordinary General Meeting. Both are for use in equity participation plans for employees and management (see Compensation Report for details).

Straumann has no other categories of shares than registered shares. There are no restrictions on the transferability of Straumann Holding's shares. Purchasers of shares are entered in the share register as shareholders with voting rights if they expressly declare that they have acquired the registered shares in their own name and for their own account. If a purchaser is not willing to make such a declaration, he/she is registered as a shareholder without voting rights. Proof of acquisition of title in the shares is a prerequisite for entry in the share register.

SHAREHOLDINGS ON 31 DECEMBER 2016 (BY SEGMENT)



Nominees approved by the Board of Directors are recorded in the share register as shareholders with voting rights. Nominees who have not been approved by the Board of Directors may be refused recognition as shareholders if they do not disclose the beneficiary. In such cases, the nominees will be recorded in the share register as shareholders without voting rights. At 31 December 2016, no nominee had asked for registration and voting rights.

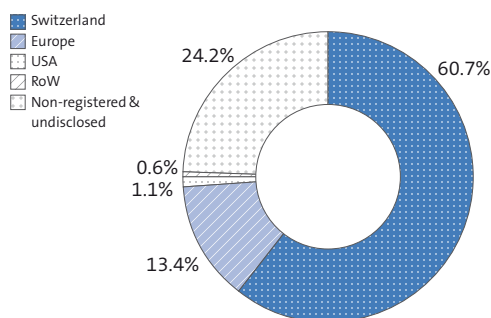
Straumann has not issued any financial instruments (participation certificates, dividend-right certificates, warrants, options or other securities granting rights to Straumann shares) other than the options/warrants and Performance Share Units granted to certain employees as a component of compensation (see Compensation report p. 157 ff.) and the CHF-200-million domestic straight bond launched in 2013 and due on 30 April 2020 (see Financial Report Note 13, p. F 39 f. for details).

SHAREHOLDERS

SIGNIFICANT SHAREHOLDERS

In 2016, the Group reported two transactions according to Art. 20 of the Federal Act on Stock Exchanges and Securities Trading (Stock Exchange Act, SESTA). One refers to the sale of 1.4 million shares by GIC Private Limited, which reduced its stake from 14% to less than 5%. The other refers to the purchase of approximately 530 000 of those shares by Straumann Holding. Details of the transactions are published on the SIX Swiss Exchange online reporting platform.

SHAREHOLDINGS ON 31 DECEMBER 2016 (BY GEOGRAPHY)



ENTRIES IN THE SHARE REGISTER

Straumann's share register, in which the names and addresses of owners and usufructuaries of registered shares are recorded, is maintained and administered on behalf of the Company by Nimbus AG, Ziegelbrückstrasse 82, 8866 Ziegelbrücke, Switzerland.

Only persons recorded in the share register as shareholders or usufructuaries are acknowledged as such by the Company. The transfer of registered shares requires the authorization of the Board of Directors, which delegated this power to Nimbus AG. Authorizations will be granted after purchasers have provided their name, nationality, and address and declared that the shares were acquired in their own name and for their own account.

Persons who have voting rights but no title to shares as a consequence of legal provisions (e.g. legal representatives of minors) will be referenced in the share register upon request.

Registered shareholders must inform the company of any change of address. If they fail to do so, all notices will be deemed to be legally valid if sent to the address recorded in the share register. The Company may, after hearing the parties concerned, delete entries in the register if these are based on false information.

There are no statutory rules concerning deadlines for entry in the share register. However, for organizational

SHAREHOLDERS BY VOLUME OF SHARES HELD

(absolute number)	31 Dec 2016	31 Dec 2015
1–100 shares	5 806	4 893
101–1000	2 413	2 219
1 001–10 000	291	249
10 001–100 000	66	56
100 001–1 000 000	11	8
1 000 001 and more	2	3
TOTAL	8 589	7 428

MAJOR SHAREHOLDERS

(in %)	31 Dec 2016 ¹	31 Dec 2015
Dr h.c. Thomas Straumann (Vice Chairman of the Board)	17.1	17.3
Dr h.c. Rudolf Maag	12.1	12.2
BlackRock Group ²	5.0	5.0
GIC Private Ltd ²	4.4	13.6
Simone Maag de Moura Cunha	4.3	4.4
Straumann Holding AG	3.5	n/a
Gabriella Straumann	3.2	3.3
TOTAL	49.6	55.8

¹ Or at last reported date if shareholdings are not registered in the share register

² Not registered in Straumann's share register

CAPITAL STRUCTURE

(in CHF 1 000)	31 Dec 2016	31 Dec 2015
Equity	633 681	604 970
Reserves	(263 360)	(126 910)
Retained earnings	897 041	731 880
Ordinary share capital (fully paid in)	1 588	1 572
Conditional share capital	28	28
Authorized share capital	0	0
Number of registered shares	15 878 984	15 722 939
Treasury shares (% of total)	3.5%	<0.05%
Nominal value per share (in CHF)	0.10	0.10
Registration restrictions	None	None
Voting restrictions or privileges	None	None
Opting-out, opting-up	None	None

reasons, the share register is closed several days before the General Meeting. Participation and voting at the 2017 General Meeting is reserved for shareholders registered with voting rights in the share register on 29 March 2017. Shareholders who sell their shares prior to the Meeting are no longer entitled to vote.

SHAREHOLDERS' PARTICIPATION RIGHTS

VOTING RIGHTS AND REPRESENTATION RESTRICTIONS

Each share duly entered in Straumann's share register as being held in the shareholder's own name and for the shareholder's own account entitles the shareholder to one vote. On 31 December 2016, 76% of the issued capital was registered in the share register. All shares have the same entitlements to dividends. There are no preferential rights granted to any shareholders or shares.

All shareholders may be represented at the General Meeting by a proxy. Proxies and directives issued to the independent voting representative may either be given in writing or online via the Nimbus Shareholder Application ShApp (<https://shapp.ch>). Other voting representatives must have a proxy signed by hand by the shareholder. The Board of Directors decides whether proxies shall be recognized.

The independent voting representative is elected by the General Meeting for a term of office until the end of the next AGM and can be re-elected. In the case of a vacancy, the Board of Directors shall designate an independent voting representative for the next General Meeting.

QUORUMS

The General Meeting adopts its resolutions and holds its ballots by a majority of votes cast. Abstentions and invalid ballots are not taken into account. The legal provisions (in particular section 704 of the Swiss Code of Obligations) that stipulate a different majority are reserved. Votes on resolutions and elections are held electronically. In case of technical difficulties, the Chairman may order an open or written ballot. Likewise, the Chairman may repeat a ballot if he considers that the outcome is doubtful. In such a case, the preceding ballot is not considered.

The General Meeting may only approve the annual financial statements and resolve on the appropriation of the balance sheet profit if the Auditors' report is available and the Auditors are present. The presence of the

Auditors can be dispensed with the unanimous resolution of all shares represented.

CONVOCATION OF GENERAL MEETINGS,

AGENDA PROPOSALS

The Shareholders' General Meeting is convened by the Board of Directors within six months of the end of the business year. In 2017, the Shareholders' General Meeting will take place on 7 April at the Basel Congress Center. Shareholders individually or jointly representing at least 10% of the share capital may request an extraordinary General Meeting. The request must be made to the Board of Directors in writing, stating the agenda items and motions.

Invitations to the General Meeting are issued in writing and are delivered via ordinary mail to the address recorded in the share register at least 20 days before the date of the General Meeting and are published on the company's website (www.straumann.com). If shareholders agree to the electronic delivery of notices, the invitation will also be sent by email.

All agenda items and proposals by the Board of Directors and by shareholders who have requested the General Meeting must be announced in the notice convening the General Meeting.

Shareholders who individually or jointly represent shares with a par value of at least CHF 15 000 may request that an item be included in the agenda. The request shall be in writing at least 45 days before the General Meeting and must set forth the agenda items and the proposals of the shareholder(s).

2016 GENERAL MEETING

The 2016 AGM took place on 8 April and was attended by 362 shareholders, who together with proxies, represented 80% of the total share capital. Shareholders were also able to provide voting instructions online to the independent proxy.

The meeting approved the Management Report, Financial Statements and Consolidated Financial Statements for the 2015 business year, the appropriation of the available earnings in 2015, and the discharge of the Board of Directors for the 2015 business year. The meeting also approved the compensation of the Board of Directors and the Executive Management (see pp. 170 f., 173 of the Compensation Report) and—in a consultative vote—the Compensation Report. It also approved an increase of the contingent share capital to CHF 44 000 and an increase in the number of mandates that members of the Executive Committee may have in listed companies outside the Straumann group to two, both with the corresponding amendment of the Articles of Association.

The Chairman, Members of the Board, and Members of the Compensation Committee were all re-elected. Neovius Schlager & Partner was appointed as the independent voting representative and Ernst & Young AG as auditors.

The minutes of the meeting (including the voting results) are published in the Investors section of the company's website (www.straumann.com > Investors > Corporate Governance > Annual General Meeting).

BOARD OF DIRECTORS

The Board of Directors of Straumann Holding AG comprised seven non-executive members until May 2016 and six thereafter. No Director has been a member of the company's Executive Management during the past three years. The Directors are all Swiss citizens. The average age of the Members of the Board at year-end was 57.5.

ELECTIONS AND TERM OF OFFICE

The members of the Board of Directors, the Chairman of the Board and the members of the Compensation Committee (which shall at least be 3) are all elected individually by the Shareholders' General Meeting for a term of one year. Re-election is permitted until the age of 70.

If the position of Chairman of the Board or a position in the Compensation Committee falls vacant, the Board of Directors appoints a replacement from among its own members for the remaining term of office.

At the AGM in April 2016, Gilbert Achermann, Dr h.c. Thomas Straumann, Dr Sebastian Burckhardt, Roland Hess, Ulrich Looser, Dr Beat Lüthi and Stefan Meister were all re-elected to the Board for a further one-year term. Gilbert Achermann was elected as Chairman of the Board; Stefan Meister, Beat Lüthi and Ulrich Looser were re-elected to the Compensation Committee. The Board appointed Dr h.c. Thomas Straumann as its Vice Chairman and Roland Hess, Sebastian Burckhardt and Ulrich Looser as members of the Audit Committee.

On 23 May 2016, Stefan Meister stepped down from the Board because of a family illness. He had served on the Board for six years and was released from his responsibilities both as a Board Member and as Chairman of the Compensation Committee. In accordance with Article 3.2.6 of the Articles of Association, Ulrich Looser was appointed Chairman of the Compensation Committee and Dr h.c. Thomas Straumann as the third member of the Committee alongside Dr Beat Lüthi until the 2017 AGM.

Thus, from May 2016 to the publication of this report, the Board comprised:

GILBERT ACHERMANN

Swiss (born 1964)

Chairman of the Board since 2010

Board Member since 2009



In addition to his role as Chairman of Straumann, Gilbert Achermann's activities in 2016 included serving on the Board of Directors of the private bank Julius Baer Group and as an Executive-in-Residence at the IMD Business School in Lausanne. He is also a Business Angel of several start-up companies.

In previous years, he served as Chairman and Co-CEO of the Vitra/Vitraschop Group, a family-owned furniture and retail company, Chairman of the Siegfried Group, a listed pharma service company, and Vice Chairman of the Moser Group, a privately-owned luxury watchmaking company. From 2002 to 2010, he was CEO of Straumann, which he joined as CFO in 1998.

Gilbert Achermann started his professional life at UBS in Investment Banking in 1988, working in Switzerland, New York, London and Frankfurt. He holds an Executive MBA from IMD and a bachelor's degree from the University of St. Gallen.

Gilbert Achermann represents continuity, stability and credibility among the various stakeholders. The Board benefits from his extensive knowledge of the dental industry, the extensive experience and insight gained from directorships in other industries.

DR H.C. THOMAS STRAUMANN

Swiss (born 1963)

Vice Chairman of the Board

Board Member since 1990



Thomas Straumann's skills in precision engineering were complemented by his studies at the Basel Management School and the Management and Commercial School of Baselland. In 1990, he was responsible for restructuring Institut Straumann AG and was both CEO and Chairman of the Board of Directors until 1994. He continued as Chairman of the Board until 2002. In 2004, he was awarded an honorary doctorate by the University of Basel, Switzerland.

Further examples of Dr Straumann's success as an entrepreneur and businessman are the orthopedic/medical device company Medartis AG—of which he is the founder, joint owner and Chairman, the Grand Hotel Les Tros Rois, Basel—of which he is the owner and Chairman, and CSI-Basel AG—the equestrian event company, over which he presides as Chairman. He also has a diverse portfolio of interests, including not-for-profit activities.

Thomas Straumann is the principal shareholder of Straumann Holding AG and is the longest-serving member of the Board. He complements the Board with his understanding of the dental and medical device industries through personal management experience and various shareholdings.

DR SEBASTIAN BURCKHARDT

Swiss (born 1954)

Member of the Audit Committee

Secretary of the Board

Board Member since 2002



Sebastian Burckhardt began his studies in the fields of economics and law and obtained his doctorate law degree at the University of Basel. He is a lawyer admitted to the Bar of Switzerland and a civil law notary in Basel. He was admitted to the New York Bar following studies at New York University School of Law. He is a partner at Vischer AG, a law firm in Basel.

Straumann's Board of Directors benefits from Dr Burckhardt's expertise as an independent lawyer. He is a specialist in corporate and commercial law and in mergers, acquisitions, joint ventures, licensing, distribution and technology agreements. His knowledge extends well beyond legal matters and includes many years' experience on corporate boards.

ROLAND HESS

Swiss (born 1951)

Chairman of the Audit Committee

Board Member since 2010



From 2008 until 2012, Roland Hess served as senior advisor to the Executive Committee of the Board of Schindler Holding AG, Ebikon, and held positions on several Boards of Directors for companies within the Schindler Group. He joined Schindler in 1984 and rose through positions of increasing responsibility in controlling, finance and regional management to become President of the Elevator and Escalator Division. From 1971 to 1984, he worked for Nestlé, initially in accounting, then as an international auditor, and finally as Chief Financial Officer of a Group company.

His career includes several years in North and Latin America, in addition to assignments in Europe. He holds a degree in business administration from Lucerne Business School and studied at Harvard Business School near Boston.

He has a long and distinguished track record in larger companies in more mature industries, combined with in-depth regional and functional experience. In addition, he complements the Board with expertise in compliance, risk management and standardized global procedures.

Roland Hess has decided not to stand for re-election at the 2017 AGM.

ULRICH LOOSER

Swiss (born 1957)

Chairman of the Compensation Committee,

Member of the Audit Committee

Board Member since 2010



Ulrich Looser is a partner of BLR & Partners AG. From 2001 to 2009, he was with Accenture Ltd, where he became Chairman of its Swiss affiliate (2005) and Managing Director of the Products Business in Austria, Switzerland and Germany. Earlier, he spent six years as a partner at McKinsey & Company Ltd. Ulrich Looser graduated in physics at the Swiss Federal Institute of Technology (ETH), Zurich, and in economics at the University of St. Gallen.

His expertise in strategy, project and human capital management is of great value to the Straumann Board. He also adds in-depth consultancy and business development experience.

DR BEAT LÜTHI

Swiss (born 1962)

Member of the Compensation Committee

Board Member since 2010



Beat Lüthi is CEO and co-owner of CTC Analytics AG, Zwingen, a globally active medium-sized Swiss company in the field of chromatography automation. After obtaining his PhD in Engineering from the Swiss Federal Institute of Technology (ETH), Zurich, he began his career with Zellweger Uster AG, a leading manufacturer of quality control equipment in textile production.

In 1990, he moved to Mettler-Toledo International Inc and rose to the position of General Manager of the Swiss affiliate. In 1994, he completed an executive program at INSEAD and subsequently joined the Feintool Group in 1998. During his four-year tenure as CEO, the company went public and doubled in size. In 2003, he returned to Mettler-Toledo as CEO of the Laboratory Division. At the end of 2007, he joined CTC Analytics to lead and further develop the company as an entrepreneur.

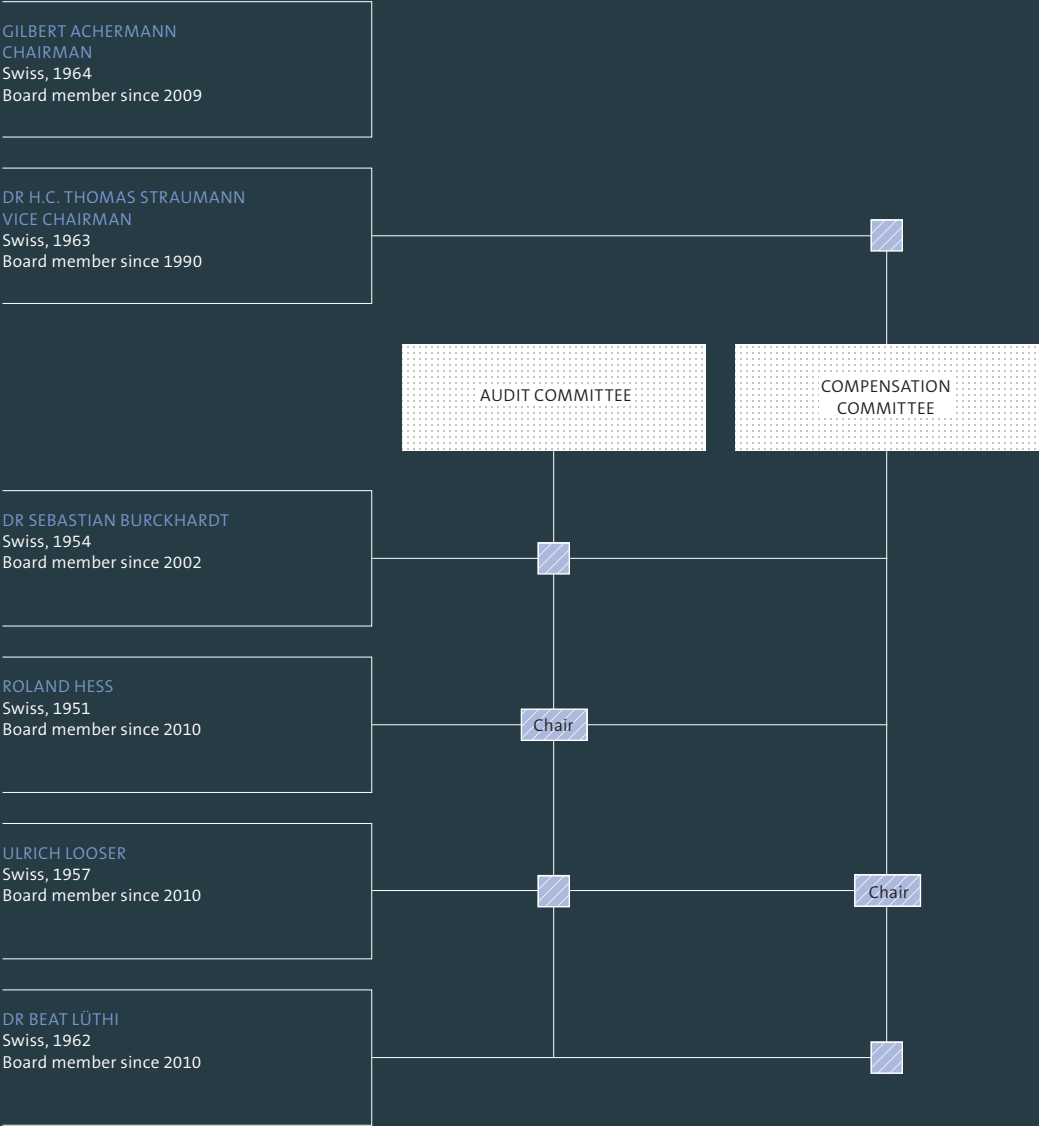
Beat Lüthi combines entrepreneurship and corporate experience in different industries, which make him a valuable contributor to strategic and operational matters. His scientific background together with his experience as acting CEO, Chairman and Board member in various industrial businesses are of further benefit to the Straumann Board.

STRAUMANN BOARD OF DIRECTORS – MATERIAL MEMBERSHIPS IN OTHER BOARDS

Member	Commercial enterprise	Charity / other	Location	Function
Gilbert Achermann	IMD – International Institute for Management Development		CH	Executive-in-Residence (2016 – 2017)
	Julius Bär Gruppe AG / Bank Julius Bär & Co. AG		CH	Board member
		Handelskammer beider Basel	CH	Board member
		International Team for Implantology (ITI)	CH	Board member
Thomas Straumann	Centervision AG		CH	Chairman
	CSI-BHE AG		CH	Chairman
	Grand Hotel Les Trois Rois		CH	Board member
	Medartis Holding AG & Medartis group companies		CH	Chairman
		FDR Foundation for Dental Research and Education	CH	Board member
		International Bone Research Association	CH	Board member
Sebastian Burckhardt	Amsler Tex AG		CH	Board member
	Applied Chemicals International AG & ACI Group companies		CH	Board member
	Dolder AG		CH	Chairman
	Le Grand Bellevue SA		CH	Board member
	Grether AG		CH	Board member
	Immobilien-gesellschaft zum Rheinfels AG		CH	Chairman
	persona service AG & persona service GmbH Schweiz		CH	Board member
	Qgel SA		CH	Board member
		Fondation Bénina	CH	Member, Board of trustees
		Gehörlosen- und Sprachheilschule Riehen / GSR Wieland Stiftung / Stiftung Autismuszentrum	CH	Vice Chairman, Board of trustees
		Misrock-Stiftung	CH	Member of the Board of trustees

Member	Commercial enterprise	Charity/other	Location	Function
Roland Hess	Société Civile Immobilière Solovie		F	Board member
Ulrich Looser	Bachofen Holding AG		CH	Chairman
	BLR & Partners AG & BLR group companies		CH	Chairman
	Econis AG		CH	Chairman
	Kardex AG		CH	Board member
	LEM Holding SA		CH	Board member
	Spross Entsorgungs Holding AG		CH	Board member
		Economiesuisse	CH	Board member
		Schweizerische Studienstiftung	CH	Board member
		Swiss-American Chamber of Commerce: 'Doing Business in the US'	CH	Panel member
		Swiss National Fund	CH	Board member
		University Hospital Balgrist, Zürich	CH	Board member
		University of Zürich	CH	Board member
Beat Lüthi	APACO AG		CH	Board member
	CTC Analytics AG		CH	CEO & Board member
	INFICON Holding AG		CH	Chairman
		Swiss-American Chamber of Commerce: 'Doing Business in the US'	CH	Panel member
		Industrieverband Laufen-Thierstein-Dorneck-Birseck	CH	Board member
		Stiftung Behindertenwerk St. Jakob	CH	Board member

Board of Directors



TIME (DAYS) SPENT BY DIRECTORS AT BOARD/COMMITTEE MEETINGS AND ON COMPANY RELATED MATTERS

2016 MEETINGS	G. Achermann	T. Straumann	S. Burckhardt	R. Hess	U. Looser	B. Lüthi	S. Meister
Board ¹	7	6	7	7	7	6	2
Audit Committee	5	n/a	5	5	5	4	n/a
Compensation Committee	6	5	n/a	n/a	6	6	2
Other ²	67	21	12	12	12	12	n/a
TOTAL DAYS 2016	85	32	24	24	30	28	4

1 incl. 1 telephone conference

2 Meeting preparation, travel

OTHER ACTIVITIES AND VESTED INTEREST

None of the Directors had any significant business connections with Straumann Holding AG or any of its subsidiaries in 2016.

Unless stated in their CVs or in the table “Material Memberships” (p. 138 f.), none of the Directors:

- Performed any activities in governing or supervisory bodies of significant foreign or domestic organizations, institutions or foundations under private or public law
- Held any permanent management or consultancy position for significant domestic or foreign interest groups
- Held any official function or political post.

PERMITTED MANDATES OUTSIDE STRAUMANN (PURSUENT TO ART. 12 OAC)

Art. 4.4 of Straumann’s Articles of Association states that no member of the Board of Directors may perform more than 15 additional mandates (i.e. mandates in the highest-level governing body of a legal entity required to be registered in the Commercial Register or in a corresponding foreign register) in commercial enterprises, of which no more than five may be in listed companies.

The following are exempt from the foregoing restrictions:

- Mandates in enterprises that are controlled by the Company
- Mandates in enterprises that are performed at the instruction of the Company
- Mandates in associations, organizations and legal entities with a public or charitable purpose, and in foundations, trusts, and employee pension funds; no member of the Board of Directors may perform more than ten such mandates.

Mandates in several legal entities under common control or under the same economic authority shall be deemed as one mandate.

OPERATING PRINCIPLES OF THE BOARD OF DIRECTORS

The Board of Directors meets for one-day meetings at least four times a year and as often as business requires. In 2016, the full Board held seven meetings including one telephone conference, while the Audit Committee met five times and the Compensation Committee six times (see the table above for details).

The CEO and CFO generally participate in Board meetings and are occasionally supported by other EMB members. Dr Andreas Meier, General Counsel of the Group, is responsible for the minutes.

The Board of Directors consults external experts on specific topics where necessary.

The Board of Directors is responsible for the strategic management of the company, the supervision of the EMB and the financial control. It reviews the company’s objectives and identifies opportunities and risks. In addition, it decides on the appointment and/or dismissal of members of the EMB.

The Board of Directors also provides a mentoring service to the Executive Management. This aims to provide executives with an experienced sparring partner/coach and a sounding board for testing ideas and seeking qualified independent opinions.

The Board of Directors has the following specific tasks and duties:

- To approve the Group's vision, behaviours and strategy
- To determine the principal organization and processes of the Group
- To approve the Group's strategic plan, financial medium-term plan and annual budget
- To approve the semi-annual financial statements
- To approve the annual report, the Compensation Report and the annual financial statements and submit these to the AGM
- To prepare and approve the agenda of the AGM and to implement its resolutions
- To appoint and dismiss the CEO and the members of the EMB
- To decide on the proposal of the Compensation Committee regarding the compensation payable to Board members, the CEO and the EMB
- To supervise the EMB and approve important transactions.

The Board of Directors has a quorum if a majority of members is present. This does not apply to resolutions that require public notarization, which do not require a quorum. Valid resolutions require a majority of the votes cast. In the event of a tie, the chairman of the meeting has the decisive vote.

COMMITTEES OF THE BOARD OF DIRECTORS

The Board of Directors has an Audit Committee and a Compensation Committee, each consisting of no fewer than three Board members with relevant background and experience.

The members of the Compensation Committee are elected by the General Meeting for a term of one year. In the event of a vacancy in the Compensation Committee, the Board of Directors appoints the replacement from among its own members for the remaining term of office. The members of the Audit Committee are appointed by the Board of Directors. Both Committees constitute themselves and appoint their chairman from among their members.

The Board of Directors may establish further committees or appoint individual members for specific tasks.

AUDIT COMMITTEE

Members: Roland Hess (Chair), Sebastian Burckhardt and Ulrich Looser

The Committee's main tasks are to:

- Assess the management of financial and other risks and the compliance with risk-related procedures and other relevant standards
- Oversee the performance of the external auditors, assess the fees paid, and assure their independence
- Oversee the activities of the internal audit function
- Review and discuss the financial statements with the CFO and with the external auditors and approve the quarterly statements for the first and third quarter of each financial year
- Review and assess processes and assumptions used for the financial planning and forecast cycles
- Review the funding, investing and management of liquid assets and propose profit distribution to the Board of Directors.

COMPENSATION COMMITTEE

Members: Stefan Meister (Chair) until May 2016, Ulrich Looser (Chair as of May 2016), Dr Beat Lüthi, Dr. h.c. Thomas Straumann as of May 2016.

The Committee's main tasks are to:

- Prepare the compensation report and submit it to the Board of Directors for approval and submission to the AGM
- Review the compensation principles for any compensation paid to the Board of Directors, the CEO and the EMB and submit them to the Board of Directors for approval
- Prepare proposals concerning the compensation of the Board of Directors, the CEO and the EMB and submit them to the Board of Directors for approval and submission to the AGM
- Establish the targets and target amounts of the short- and long-term performance-based compensation components and determine the amount payable under the scheme
- Discuss the CEO's proposals for appointments to the EMB with the CEO and submit them to the Board of Directors for approval
- Assess candidates for the CEO role and submit a proposal to the Board of Directors for approval
- Prepare agreements concerning payments to a new CEO or EMB member according to Article 4.3 in the Articles of Association and submit them to the Board of Directors for approval

- Review the composition of the Board of Directors and make proposals in the context of a regular renewal, taking into consideration the representation of major shareholders, balanced skills, experience and diversity.

ASSIGNMENT OF RESPONSIBILITIES TO THE EXECUTIVE MANAGEMENT BOARD

The Board of Directors has delegated responsibility for the operational management and sustainable devel-

opment of the Group to the Chief Executive Officer (CEO) and the other members of the Executive Management Board (EMB). For details on the specific responsibilities see the operational structure on page 144.

The Board of Directors has not delegated any management tasks to companies or persons outside the Group.

FUTURE NOMINATIONS

To identify potential successors for Stefan Meister and Roland Hess, the Board conducted a structured search in 2016 and will propose the following candidates for election by the shareholders at the next AGM on 7 April 2017:

MONIQUE BOURQUIN

Swiss (born 1966)



Monique Bourquin has a strong track record in general management, finance, marketing and distribution gained from her career in consulting and the consumer-goods industry. Having worked with PWC, Rivella and Mövenpick, she joined Unilever in 2002. After four years as a Country Manager, she became CFO for the GAS region from 2012 to 2016. She also held board mandates in Promarca (the Swiss branded goods association) and two Unilever pension funds.

She has served on the Board of Directors of Emmi, the leading Swiss dairy group, since 2013 and is a member of their Market and Audit Committees. She is also on the Board of the Swiss marketing association GfM. She will broaden her career as a board member in 2017.

Monique Bourquin graduated from the University of St. Gallen and lectures in the Executive MAS program of the Swiss Federal Institute of Technology (ETH) in Zurich.

REGULA WALLIMANN

Swiss (born 1967)



Regula Wallimann is an expert in multinational group auditing, financial advisory and corporate governance, having been with KPMG since 1993. As a Global Lead Partner since 2003, she has been responsible for several global companies and has led audit teams specializing in tax, IT, treasury, compliance, litigation, environmental matters, pensions, international accounting and reporting, covering the US, China, LATAM and other regions.

She was a member of the strategic partners committee of KPMG Switzerland from 2012 to 2014. As of April 2017, Regula Wallimann will start a new career as an independent financial expert and board member.

A graduate of HSG, University of St. Gallen, Switzerland, Regula Wallimann has studied at INSEAD and is a Certified Public Accountant both in the US and Switzerland.

Executive Management Board



MARCO GADOLA

Swiss (born 1963)
Chief Executive Officer



Marco Gadola has a strong executive track record in a broad range of global businesses. He rejoined Straumann in 2013 as CEO, having previously served as Chief Financial Officer and Executive Vice President Operations from 2006 to 2008, when he left to pursue a career development opportunity at Panalpina, a world leader in supply chain management. Having started as Panalpina's Chief Financial Officer, he became Regional CEO Asia/Pacific in 2012, with overall responsibility for the regional business.

Prior to his first term at Straumann, he spent five years at Hero, the Swiss-based international food group, where he was also CFO and responsible for IT and operations. Previously, he spent nine years at the international construction tool manufacturer Hilti, where he held a number of senior commercial/sales and finance-related positions in various countries. Before that, he worked for Sandoz International Ltd, as Audit Manager, and for Swiss Bank Corporation, Basel, in Corporate Finance.

Mr Gadola graduated from Basel University in business administration and economics. He also completed various programs at the London School of Economics and at IMD in Lausanne.

Marco Gadola is Vice Chairman of the Board of Calida Group and heads its Audit Committee. He is also a member of the Board of MCH Group, Switzerland, and heads its Audit Committee, in addition to being a panel member of the Swiss-American Chamber of Commerce.

DR PETER HACKEL

Swiss (born 1969)
Chief Financial Officer



Peter Hackel rejoined Straumann in 2014, after three years at Oerlikon Industrial Group, where he was CFO of the global segment Oerlikon Drive Systems. He first joined Straumann in 2004 in a project management and business development role and rose to become Head of Group Controlling and member of the Corporate Management Group. Prior to Straumann, he spent three years at Geistlich Biomaterials, as Director of Marketing & Sales Orthopaedics, and two years at McKinsey & Company as a consultant.

Peter Hackel offers a valuable combination of financial and business expertise together with an analytical scientific background. He obtained both his Master's degree and PhD in Biochemistry and Molecular Biology from the Swiss Federal Institute of Technology (ETH) in Zurich and complemented his education with studies in Business Administration at the University of Hagen in Germany.

DR GERHARD BAUER

German (born 1956)

Head Research, Development & Operations



Gerhard Bauer is a seasoned executive with a broad international background in global operations. He has spent more than 30 years in the pharmaceutical and medical device industry in various leadership positions.

Prior to joining Straumann in 2010, Dr Bauer held managerial positions at Nextpharma, a specialist company in the biotech industry, and Bausch & Lomb, a global leader in eye-care products. From 1992 to 2008, his career at Bausch & Lomb was distinguished by increasing responsibility and in 2006, he was appointed Head of Global Operations & Engineering and member of the Executive Team. From 1984 to 1992, he worked for Ciba Vision, a subsidiary of Novartis. He began his career in production at GlaxoSmithKline in 1983.

Dr Bauer received his PhD from the Institute of Pharmaceutics at the Ludwig-Maximilians-University in Munich, where he also obtained his MSc in Pharmaceutics. He also obtained an advanced degree in Pharmaceutical Technology from the Bavarian Chamber of Pharmacists.

WOLFGANG BECKER

German (born 1966)

Head Distributor and Emerging Markets EMEA



Wolfgang Becker holds a number of business school diplomas including that of the St. Gallen Management Center.

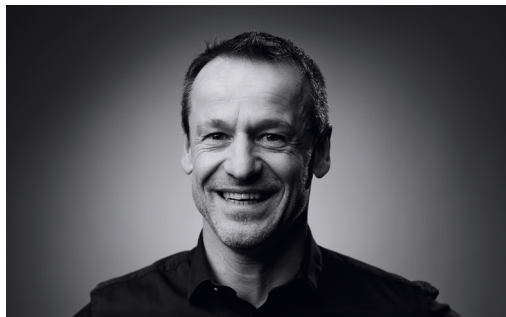
He began his professional career at Straumann in 1986 and held a series of managerial positions of increasing responsibility in the company's German subsidiary, becoming Head of Human Resources in 1991, Head of Marketing in 2000, and General Manager of Straumann Germany in 2001. He served on Straumann's Executive Committee as Head of Sales Europe from 2005 to 2006. Since then, he has been responsible for Straumann's business in Central and Eastern Europe, and headed the Group's distributor business from 2007 to 2008.

Wolfgang Becker rejoined the Group's Executive Management Board as Head Sales Central Europe & Distributors EMEA in 2013.

GUILLAUME DANIELLOT

French (born 1970)

Head Sales North America



Having obtained a Bachelor's degree in Physics from the University of Dijon and a Masters in Marketing from FGE in Tours, Guillaume Daniellot completed his studies with a Masters in Business Administration at the ESC European School of Management in Paris.

His professional career began in hospital product management—initially at Coloplast and then at B. Braun, as an international business unit manager. He switched to the dental industry in 2001, joining Dentsply France, where he became Sales & Marketing Director.

Mr Daniellot joined Straumann in 2007 as Managing Director of Straumann France. Two years later, he transferred to Group Headquarters to become Head of Global Sales Digital Dentistry. Shortly afterwards he took over responsibility for Straumann's Prosthetic Laboratory Business Group, including global management of sales, marketing, product development, training and education. In both these roles he was a member of the Corporate Management Group. He joined Straumann's Executive Management Board as Head Sales Western Europe in 2013 and took on his current role at the outset of 2016.

JENS DEXHEIMER

German (born 1966)

Head Sales Europe



Jens Dexheimer is responsible for Straumann's European region, which includes Austria, Benelux, France, Germany, Iberia, Italy, Scandinavia, Switzerland and the UK. In his previous positions, he successfully managed the business in Germany, the Group's largest European market, and Iberia. In 2016, he was made responsible for the entire Western Europe region and joined the EMB.

He moved to Straumann in 2010 from Wella / Procter & Gamble, which he joined in 1996 and where he rose through various international roles of increasing responsibility from regional Human Resources management to country, divisional and regional leadership. He began his career in consumer goods industry with Benckiser in Germany.

Mr Dexheimer obtained a degree in Economics at the State Vocational Academy in Mannheim and a Masters' Degree from Mainz University. He also completed an Executive Development Program at Kellogg University in Chicago.

FRANK HEMM

Swiss (born 1970)

Head Customer Solutions & Education



Frank Hemm holds a Master's degree in Economics from the University of St. Gallen and a Master's in Business Administration from Kellogg Graduate School of Management in Chicago. His business career began in management consulting with Andersen Consulting and McKinsey, focusing on business process re-engineering and strategic management consulting.

He joined Straumann in 2004 and was initially responsible for Corporate Business Development & Licensing. He was appointed Head of Sales, Western Europe in 2007 and became a member of the Corporate Management Group. A year later, he was given responsibility for the Asia / Pacific Region as Head of Sales based in Singapore, where he established and built up Straumann's regional headquarters. In addition to leading the integration and turnaround of the acquired distributors in Japan and Korea, he also expanded Straumann's presence in China.

In 2012, Mr Hemm was appointed to the Executive Management Board as Head of EMEA and LATAM, and he moved into his current role in 2013.

DR ALEXANDER OCHSNER

Swiss (born 1964)

Head Sales APAC



Alexander Ochsner is a seasoned executive with extensive international experience in the medical device industry, having spent more than a decade in senior managerial roles at the top of the dental implant industry in regional leadership positions.

Before moving to the dental industry, he held managerial positions in marketing / sales at Medtronic and Medela, where he gained experience of the medical device market in the Far East as Area Sales Manager & Executive Director of the Japanese subsidiary. From 2002 to 2008, he worked for Zimmer Dental, where he was Vice President Europe & Asia / Pacific and a member of the Divisional Executive Team.

Alexander Ochsner joined Straumann in September 2012 from Nobel Biocare, where he was Senior Vice President & General Manager EMEA and member of the Executive Committee.

Dr Ochsner gained his PhD at the Swiss Federal Institute of Technology (ETH) in Zurich, where he also attained an MSc in natural sciences. He has held his current position since 2012.

PETRA RUMPF

German (born 1967)

Head Intradent Management & Strategic Alliances



Petra Rumpf has a strong executive track record in the dental implant industry and 20 years' experience in growth management, e-commerce, operational turnaround, strategy and mergers & acquisitions (M&A).

She worked for Nobel Biocare from 2007 to 2014, where she was Member of the Executive Committee and responsible for Corporate Development and M&A, global e-commerce, clinical training & education, and the successful development of the distributor business. She also managed the successful initiation of the Foundation for Oral Rehabilitation (FOR), a global foundation that is active in the area of science, education and humanity. During her last three years with the company, Petra Rumpf was also responsible for AlphaBio Tec—which is active in more than 50 countries, guiding its successful expansion into China and emerging markets.

Before joining Nobel Biocare, she spent 16 years at Capgemini Consulting, where she rose through various managerial roles to become Vice President Strategy & Transformation Consulting. Her work covered a spectrum of countries and industries with a focus on life sciences and high-tech.

Petra Rumpf holds an MBA from Clark University in Worcester (USA) and a BA in economics from the Trier University in Germany.

MATTHIAS SCHUPP

German (born 1964)

Head Sales Latin America, CEO of Neodent



Matthias Schupp joined Straumann from Procter & Gamble in 2007 as Regional Manager, Western Europe. In 2013, he was appointed Head of Sales for the LATAM region and joined the management of Neodent, of which he became CEO early in 2015. He joined Straumann's Executive Management Board at the beginning of 2016.

Mr Schupp has a strong track record in country / regional management in various industries. He began his career in marketing and customer service with Merck KGaA, the German pharmaceuticals, fine chemicals and diagnostics company, and rose through country management to the position of Regional Manager Latin America and US. He moved to Wella in 2000 as Managing Director of the business in Russia and became Managing Director Professional Care Portugal in 2004, following the acquisition of Wella by P&G.

Having graduated at the German / Brazilian High School in Rio de Janeiro, he gained most of his training in Business Administration and Management on the job through managerial and professional development programs at Merck and P&G. He took on his current role at the outset of 2016.

EXECUTIVE MANAGEMENT BOARD

The CEO and, under his direction, the other EMB members are responsible for the Group's overall business, affairs and day-to-day management. The EMB is also responsible for implementation of strategic decisions and stakeholder management. The CEO reports to the Board regularly and whenever extraordinary circumstances so require. Each member of the EMB is appointed and discharged by the Board of Directors. On 31 December 2016, the EMB comprised ten members under the leadership of, and including, the CEO, Marco Gadola.

There were no changes to the EMB throughout 2016. On 1 January 2017, Straumann reorganized its subsidiaries in Central and Western Europe into a single European region, led by Jens Dexheimer, and the other markets into the 'Distributor & Emerging Markets EMEA' region, led by Wolfgang Becker and including Africa, Central Asia, Eastern Europe, the Middle East and Russia.

OTHER ACTIVITIES AND VESTED INTEREST

Marco Gadola is Vice President of the Board of Directors of Calida Holding AG, Switzerland, and heads its Audit Committee. He is also a member of the Board of Directors of MCH Group, Switzerland, and heads its Audit Committee. In addition, he is a panel member of the Swiss-American Chamber of Commerce.

Marco Gadola was also a member of the Board of Directors and Board of trustees of the independent academic network International Team for Implantology (ITI) until early 2016, when he was succeeded by Frank Hemm. Under a collaboration agreement, Straumann supports the ITI with payments (see Note 28 of the Audited Consolidated Financial Statements on p. F 54).

Alexander Ochsner is an advisor of the Essence & DM Dental Industry Investment Partnership, a private-equity fund addressing the dental sector in China.

Other than these, no member of the EMB:

- Performed any activities in governing or supervisory bodies of significant foreign or domestic organizations, institutions or foundations under private or public law
- Held any permanent management or consultancy function for significant domestic or foreign interest groups
- Held any official function or political post.

PERMITTED MANDATES OUTSIDE STRAUMANN (PURSUENT TO ART. 12 OAEC)

As approved by the AGM in 2016, the maximum number of mandates in listed companies exercised by individual EMB members was increased from one to two, reflecting the practice in more than 50% of SPI companies, according to a study published in 2015 by Ethos, the Swiss Foundation for Sustainable Development.

Art. 4.4 of Straumann's Articles of Association thus states that no member of the EMB may perform more than five mandates (i.e. mandates in the highest level governing body of a legal entity required to be registered in the Commercial Register or in a corresponding foreign register) in commercial enterprises, of which no more than two may be in a listed company. The following are exempt from the foregoing restrictions:

- Mandates in enterprises that control the Company or are controlled by the same
- Mandates in enterprises that are performed at the instruction of the Company
- Mandates in associations, organizations, and legal entities with a public or charitable purpose, and in foundations, trusts, and employee pension funds. No member of the Executive Management may perform more than three such mandates.

Mandates in several legal entities under common control or under the same economic authority shall be deemed as one mandate.

MANAGEMENT CONTRACTS

The Board of Directors and the EMB have not delegated any managerial powers to persons or companies outside the Group.

INTERNAL MANAGEMENT DEVELOPMENT

Straumann continued the Strategic Management Development System (SMD) program initiated in 2008 to develop and deploy key talent internally, in order to build a strong succession pipeline. The goal is to fill at least 50% of business-critical and key management positions with internal candidates. The scope was broadened to include Strategic Management and their direct reports as well as other business-critical roles e.g. sales-force, and the target was achieved again in 2016.

COMPENSATION, SHAREHOLDINGS AND LOANS

The compensation and equity holdings as well as the basic principles and elements of the programs determining them for the members of the Board of Directors and the EMB and their related parties are disclosed in the Compensation Report on p. 170 f. and also in the audited financial statements in Note 4 on p. F 79 f.

CHANGES OF CONTROL AND DEFENSE MEASURES

The Articles of Association of Straumann Holding AG do not contain provisions for opting out or opting up. There are no change-of-control clauses included in agreements and schemes benefiting members of the Board of Directors or the Executive Management Board or other management staff.

INFORMATION AND CONTROL MECHANISMS FOR THE BOARD OF DIRECTORS AND THE EXECUTIVE MANAGEMENT BOARD

MANAGEMENT INFORMATION SYSTEM

The Group's Management Information System encompasses management, business and financial reporting. The information is provided to the Executive Management Board once a month and to the Board of Directors as a monthly summary and in detail on a quarterly basis.

Straumann operates a state-of-the-art SAP enterprise resource planning system, which covers 90% of all business transactions of the Group's fully consolidated entities. With the exception of the Brazilian subsidiary, Neodent, the system links all other major subsidiary companies and production sites directly with Group headquarters. This greatly reduces the potential for error or fraud, and it enables the Executive and Senior Management to monitor local processes and related figures directly, in detail and in real time. Neodent is integrated in the Group's reporting system but not yet in SAP.

INTERNAL CONTROL SYSTEM

The Group's Internal Control System (ICS) is a key instrument for designing business processes, measuring progress towards financial goals and addressing potential financial issues before they occur. It also supports the design of business processes in order to achieve the desired level of control in terms of efficiency and effectiveness.

The company's approach is to ensure that internal controls are accurate, timely, robust, and receive appropriate management attention in each respect. To achieve this, dedicated control templates are used for each business process to address major risks. The templates are continuously improved.

In addition, each entity (sales affiliate, production site or global function) has a designated, trained person or team that is ultimately accountable for the assessment undertaken and the decisions arising from it. Clear benefits of the Internal Control System include enhanced segregation of duties, increased control consciousness and higher awareness of potential risks and their consequences.

The ICS program is coordinated by Corporate Internal Audit, which meets with the external auditors on a regular basis to discuss the status of internal control issues and the status of remediation of control deficiencies. Internal controls are evaluated annually by the external auditors and by Internal Audit according to an agreed program.

INTERNAL AUDIT

Corporate Internal Audit at Straumann is an independent and objective assurance and consulting body, reporting directly to the CFO and to the Audit Committee of the Board of Directors.

The main task of Corporate Internal Audit is to evaluate the effectiveness of the Group's governance and risk management processes, to review and assess internal controls, to monitor compliance with external and internal policies and procedures, and to ensure the economical and efficient use of the company's resources. In this role, Corporate Internal Audit promotes the exchange of best practices within the Straumann Group, proposes improvements, and monitors their implementation. In addition, Corporate Internal Audit pursues the development of the Group's Internal Control System.

In 2016, Corporate Internal Audit performed ten audits at global and local levels, according to the audit program approved by the Audit Committee of the Board of Directors.

CORPORATE RISK MANAGEMENT

The Board of Directors is responsible for the overall supervision of risk management and uses the Internal Audit function to this end. The Board has delegated the task of risk management to the Chief Risk Officer (CRO), who is also the CFO. Through its Audit Committee, the Board assesses and discusses risks on a regular basis in consultation with the CRO and/or the relevant members of senior management (see p. 90).

EXTERNAL AUDITORS

The Shareholders' General Meeting elects and appoints the Group's external auditors on an annual basis. In April 2016, Ernst & Young AG, Basel, was re-elected as auditor of Straumann Holding AG for a third term of one year. The auditor in charge is Daniel Zaugg, Swiss Certified Public Accountant, who took over the mandate in 2014.

The Board of Directors supervises the external auditors through the Audit Committee, which met five times in 2016. The external auditors participated in two of these meetings, to discuss the scope, the audit plan and the auditors' conclusion of the financial report. Details of the instruments that assist the Board in obtaining information on the activities of the external auditors can be found on p. 151.

The worldwide fees paid to the auditors were as follows:

(in CHF 1 000)	31 Dec 2016	31 Dec 2015
Total audit fees	815	828
Tax consultancy	0	0
Legal	0	0
Transaction services	61	135
Other services	25	0
Total non-audit fees	86	135
TOTAL	901	963

INFORMATION POLICY

Straumann is committed to a policy of open, transparent and continuous information. In accordance with the rules of the SIX Swiss Exchange, Straumann publishes detailed sales figures on a quarterly basis as well as annual and half-yearly reports. Detailed information is provided at the Shareholders' General Meeting, and the minutes are published on the company's website. Where necessary or appropriate, the Group also

publishes additional information on significant events. The CEO, CFO, the Head of Investor Relations and the Head of Corporate Communication & Public Affairs are responsible for communication with investors and representatives of the financial community, media and other stakeholders.

In addition to personal contacts, discussions, and presentations in Europe, North America, and Asia, Straumann held four quarterly financial results conferences for the media and analysts in 2016, two of which were teleconferences. The average participation at each event was more than 70 attendants on-site or remote by conference call. The conferences were transmitted live via audio webcast and/or traditional conference call. In addition, Straumann's CEO and CFO attended two sector-specific and four general equity conferences.

For the first time, the company organized 'corporate governance' meetings with the Chairman and set-up 'carbon free' roadshows, where participants met in a virtual video conference room in order to save travel and for environmental considerations.

Research analysts from 19 banks / national institutions cover developments at the Straumann Group and are listed on p. 179 of this report as well as on the 'Investors' section of the Straumann corporate website.

Apart from this, Straumann frequently publishes media releases, briefing documents, and videos, which are archived and available from the company's website (www.straumann.com). The company offers a media release subscription service via its website and takes care to ensure that investor-relevant media releases are circulated broadly and in a timely manner according to the rules of the SIX Swiss Exchange and with due regard for the principles of fair disclosure. The company does not update its releases, reports and presentations, which means that the information they contain is only valid at the time of publication. Straumann advises against relying on past publications for current information.

ANNUAL REPORT & COMPENSATION REPORT

Straumann's Annual Report is a key instrument for communicating with various stakeholder groups. It is published in English (with a summary in German) in hard copy (with the Financial Report as a separate volume) and electronically on the company's website, where it

can also be downloaded. The Compensation Report is issued as part of the Annual Report and can be downloaded from the company's website in the Investors section under www.straumann.com > Investors > Corporate Governance > Compensation.

Printed versions of the Compensation Report and full Annual Report can be ordered from:
investor.relations@straumann.com.

MEDIA USED FOR REPORTING PURPOSES

The company's website is www.straumann.com. The company's journal of record is the 'Schweizerisches Handelsamtsblatt' (SHAB – Swiss Official Gazette of Commerce). Further information requests should be addressed to:

Investor Relations:
investor.relations@straumann.com
 Tel. +41 61 965 16 78

Corporate Communication:
corporate.communication@straumann.com
 Tel. +41 61 965 11 11

CALENDAR

Straumann's calendar of planned reporting dates and investor relations events in 2017 can be found on p. 178 and also published and updated on the company's website.



In 2016, Straumann's 2015 Annual Report received a prestigious Swiss HarbourClub/BILANZ award for value reporting (third in class), outranking some of the world's largest companies. Our Annual Report has consistently featured among the Top-10 in the BILANZ/HarbourClub ratings for more than a decade.