

CORPORATE GOVERNANCE

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PRINCIPLES

The principles and rules of the Straumann Group's corporate governance are laid down in the Articles of Association, the Organizational Regulations, the Code of Conduct, the charters of the Board Committees (see straumann-group.com > Investor Relations > Corporate Government) and various internal policies, e.g. on quality, IT, internal information and suppliers as well as employee regulations. They are the basis of the Group's 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 AND SHAREHOLDERS

The Straumann Group is headquartered in Basel. Its products and services are sold in more than 100 countries through its various distribution subsidiaries and third-party distributors (see link to worldwide locations on p. 194). The subsidiary management is responsible for managing the local daily business. As laid down in the Organizational Regulations, the respective Regional Sales Head, the CFO and the General Counsel are usually members of the supervisory body of the subsidiaries. Details of the Group's business segments can be found in Note 5 of the Audited Consolidated Financial Statements on p. 149.

LISTED COMPANIES

Straumann Holding AG, the ultimate parent company of the Group, is listed in the main segment of the Swiss stock exchange. No other company of the Group is listed on a stock exchange.

NON-LISTED GROUP COMPANIES

The Group has partnered with and invested in a number of companies to support its strategic ambition of becoming a total solution provider in esthetic dentistry and targeting unexploited growth markets and segments. A list of the subsidiaries, associates and joint ventures of the Straumann Group as of 31 December 2018 can be found in Note 34 of the audited consolidated financial statements on p. 172.

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
LEI number	50670046ML5FIM60Z37

	(in CHF 1 000)		
	31 Dec 2018	31 Dec 2017 (restated)	31 Dec 2016
Capital structure			
Equity	1 204 320	1 077 044	633 681
Reserves	(157 503)	(81 117)	(264 948)
Retained earnings	1 356 839	1 156 724	897 041
Non-controlling intererests	3 396	(150)	0
Ordinary share capital (fully paid in)	1 588	1 588	1 588
Conditional share capital	28	28	28
Authorized share capital	0	0	0
Number of registered shares	15 878 984	15 878 984	15 878 984
Treasury shares (% of total)	0.29%	0.42%	3.5%
Nominal value per share (in CHF)	0.10	0.10	0.10
Registration restrictions	None	None	None
Voting restrictions/ Voting privileges	None	None	None
Opting-out, opting-up	None	None	None

SHAREHOLDERS

The major shareholders on 31 December 2018 are listed in the table on the right, which is based on shareholdings recorded in the share register and notifications on the [SIX Swiss Exchange online reporting platform](#). In 2018, the Group did not report any transaction according to Art. 20 of the Federal Act on Stock Exchanges and Securities Trading (Stock Exchange Act, SESTA).

CROSS-SHAREHOLDINGS

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

CAPITAL STRUCTURE

In 2016, the Annual General Meeting approved an increase of the Group's conditional share capital by CHF 16 293.90 for an unlimited period for use in employee equity participation plans (see Compensation Report on pp. 111 ff.). 156 045 conditional shares were converted into ordinary shares in 2016. Apart from this, there have been no changes in the share capital in the past three years.

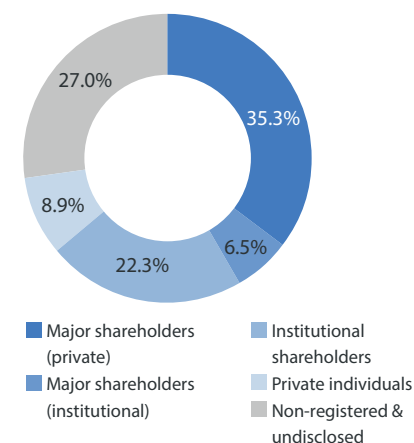
On 31 December 2018, the share capital was composed of:

- 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, which relates to 1.79% of the existing share capital.

Straumann Holding AG has no authorized share capital and no category of shares other than registered shares. There are no restrictions on the transferability of the shares.

The Group has not issued any financial instruments (participation certificates, dividend-right certificates, warrants, options or other securities granting rights to Straumann shares) other than the Performance Share Units granted to certain employees as a compensation component (see p. 122 for details) and the CHF-200-million domestic straight bond launched in 2013 and due on 30 April 2020 (see Note 14 on p. 158 for details).

Shareholdings on 31 December 2018
(by segment)



Major shareholders

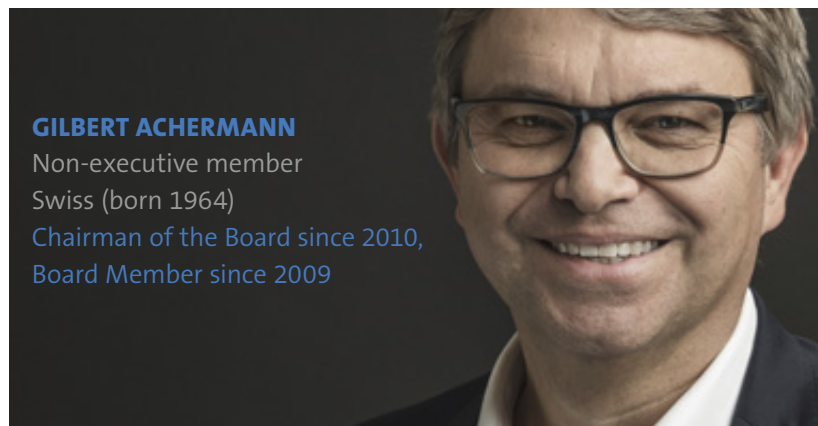
(in %)

	31 Dec 2018 ¹	31 Dec 2017 ¹
Dr h.c. Thomas Straumann (Vice Chairman of the Board)	17.1	17.1
Dr h.c. Rudolf Maag	11.5	11.9
BlackRock Inc. (concern) ²	6.5	6.5
Simone Maag de Moura Cunha	3.7	3.7
Gabriella Straumann	3.0	3.2
TOTAL	41.8	42.4

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

2 Only partially registered in Straumann's share register.

BOARD OF DIRECTORS OF STRAUMANN HOLDING AG

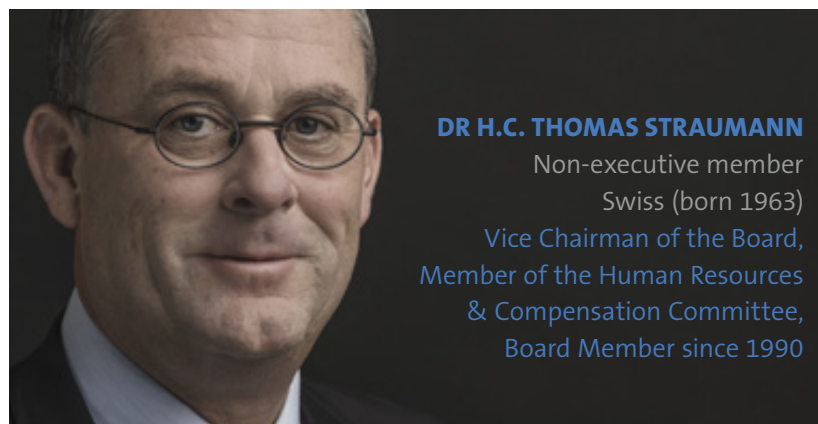


Other main activities in 2018: Member of the Board of Julius Baer Group, Committee Member of the Basel Chamber of Commerce, Member of the Board of the ITI; Member of the Supervisory Board of IMD Business School, Lausanne; Juror at VentureKick and Business Angel.

Career highlights: In previous years, Gilbert Achermann served as Chairman and Co-CEO of the Vitra/ VitraShop 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. He started his professional life at UBS in Investment Banking in 1988.

Qualifications: Executive MBA from IMD; bachelor's degree from the University of applied science (HWV) in St. Gallen.

Key attributes for the Board: Gilbert Achermann represents continuity, stability and credibility among the various stakeholders. The Board benefits from his extensive knowledge of the dental industry as well as the deep experience and insight he has gained from directorships in other industries.

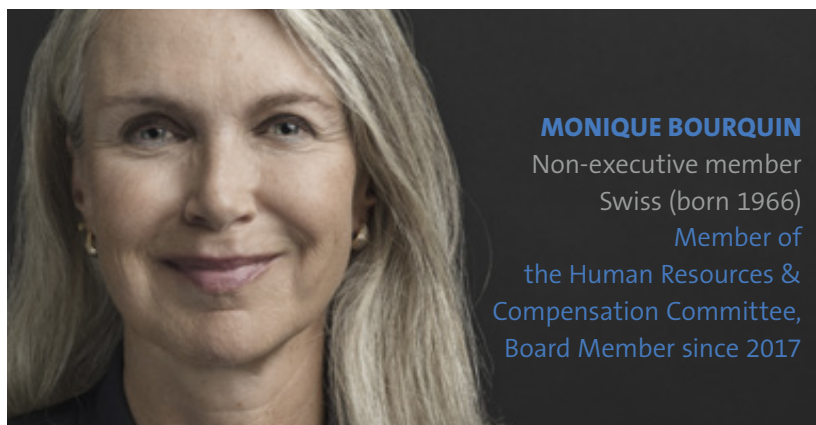


Other main activities in 2018: Chairman of Medartis AG and CSI-Basel AG, Board Member of the Grand Hotel Les Trois Rois, Basel (owner).

Career highlights: Thomas Straumann was responsible for establishing the new Institut Straumann AG in 1990 and was both CEO (–1994) and Chairman (–2002). Further examples of his success as an entrepreneur and businessman are the medical device company Medartis AG – of which he is the founder, majority owner and Chairman; the Grand Hotel Les Trois Rois, Basel – of which he is the owner and a Board Member, and CSI-Basel AG – the equestrian event company, of which he is Chairman. He has a diverse portfolio of interests, including not-for-profit activities.

Qualifications: Trained in precision engineering; studied at Basel Management School and the Management & Commercial School of Baselland; honorary doctorate from the Medical Faculty of the University of Basel.

Key attributes for the Board: Major shareholder of Straumann Holding AG and the Board's longest-serving member. He complements the Board with his understanding of the dental and medical device industries through personal management experience and various shareholdings.

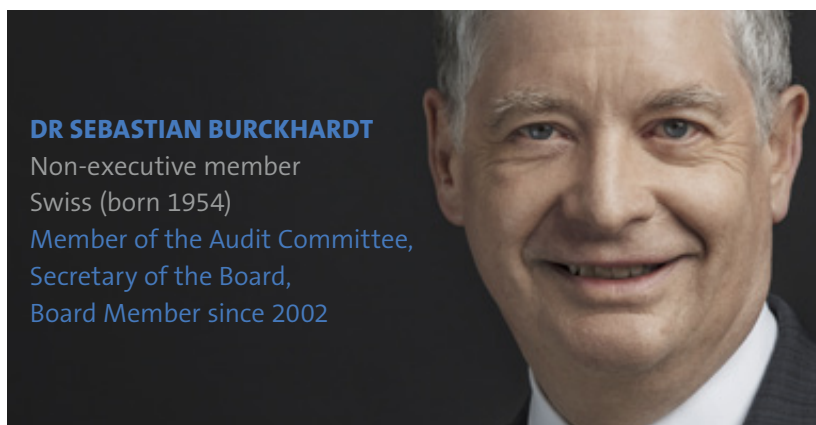


Other main activities in 2018: Member of the Board of Emmi (dairy group) and their Market, Compensation and Agricultural Committees; Board member of Kambly (biscuit company); President of Promarca (Swiss branded goods association); Board Member of GfM (Swiss marketing association); Member of the Board of trustees of Swisscontact (NGO); lectures in the Executive MAS program of the Swiss Federal Institute of Technology (ETH), Zurich.

Career highlights: Having worked with PWC, Rivella and Mövenpick, Monique Bourquin joined Unilever in 2002. After four years as a Country Manager from 2008 to 2012, she became CFO for the GAS region from 2012 to 2016. She also held board mandates in Promarca, various Unilever internal companies and two Unilever pension funds.

Qualifications: Degree in economics and finance from St. Gallen University.

Key attributes for the Board: In addition to her board experience in other companies, Monique Bourquin has a strong track record in general management, finance, marketing, distribution and leadership gained from her career in the international consumer-goods industry.

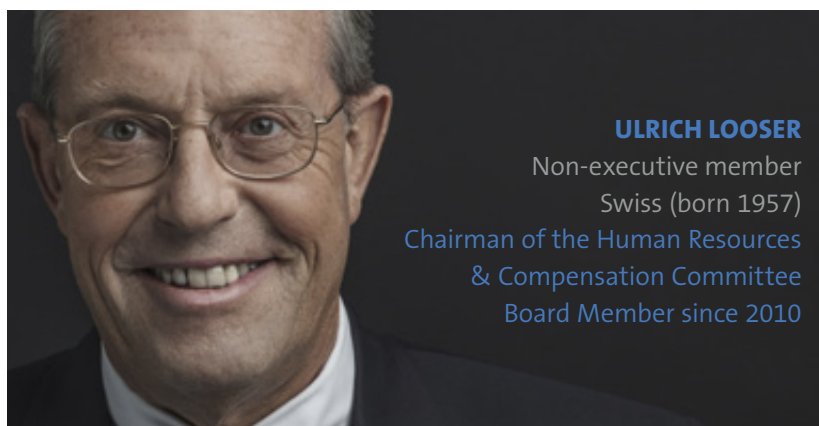


Other main activities in 2018: Partner at Vischer AG, Law firm in Basel and Zurich; Chairman of the Board of Dolder AG, Basel; Vice Chairman of the Board of the GSR Foundation, Aesch; Member of the Boards of: Grether AG, Binningen, Jungbunzlauer Holding AG, Chur, Le Grand Bellevue SA, Gstaad, persona service AG, Basel, QGel SA, Lausanne and others.

Career highlights: Having spent a year with Davis Polk & Wardwell in New York, in 1985, Sebastian Burckhardt joined Gloor Schiess & Partners, a predecessor firm of Vischer AG, where he advises family-owned businesses in the life sciences, banking and distribution fields.

Qualifications: Studies in economics and law; law degree and doctorate from Basel University; admitted to the Bar of Switzerland; civil law notary in Basel; admitted to the New York Bar following studies at New York University School of Law.

Key attributes for the Board: Dr Burckhardt is an independent specialist in corporate and commercial law and in mergers, acquisitions, joint ventures, licensing, distribution and technology agreements. His knowledge includes many years' experience on corporate boards.

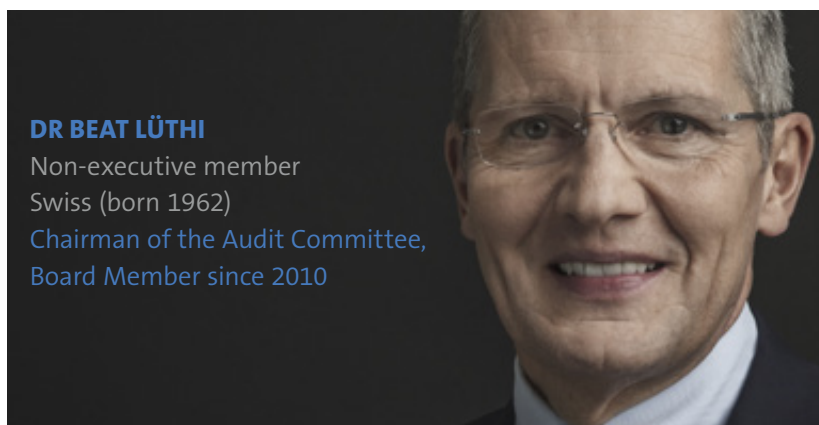


Other main activities in 2018: Partner of Berg Looser Rauber & Partners AG; Member of the Boards of: Bachofen Holding AG, Kardex Group (People Committee Chair), LEM Holding SA (Audit Committee, People Committee Chair), u-blox AG (Audit Committee), Spross Entsorgungs Holding AG, and others (see chart on p. 110).

Career highlights: From 2001 to 2009, Ulrich Looser 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., where he worked from 1987 – 2001.

Qualifications: Master's degrees in physics from the Swiss Federal Institute of Technology (ETH), Zurich, and economics from St. Gallen University.

Key attributes for the Board: Ulrich Looser's 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.

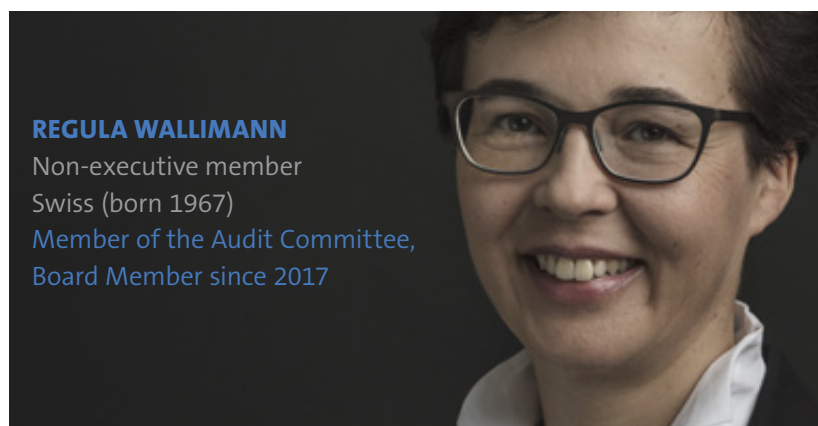


Other main activities in 2018: CEO and co-owner of CTC Analytics AG, Zwingen, a globally active medium-sized Swiss company in the field of chromatography automation.

Career highlights: Beat Lüthi 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. He joined the Feintool Group in 1998 and was its CEO for four years. 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.

Qualifications: PhD in Engineering from the Swiss Federal Institute of Technology (ETH), Zurich; executive program at INSEAD.

Key attributes for the Board: Beat Lüthi combines entrepreneurship and corporate experience in different industries, which make him a valuable contributor to strategic and operational matters. His scientific background and experience as a CEO, Chairman and Board member are of further benefit.



REGULA WALLIMANN

Non-executive member
Swiss (born 1967)
Member of the Audit Committee,
Board Member since 2017

Other main activities in 2018: Member of the Board of Adecco Group AG; Member of the Board of Helvetia Holding AG; Member of the Board of Swissgrid AG (chairs its Finance & Audit Committee); Supervisory Board Member of the Institute for Accounting, Control and Auditing at St. Gallen University.

Career highlights: Regula Wallimann worked for KPMG from 1993 to 2017. As a Global Lead Partner from 2003 on, she was responsible for several global companies. She was a member of the strategic partners committee of KPMG Switzerland from 2012 to 2014. In 2017, she started a new career as an independent financial expert and board member.

Qualifications: Degree in Business Administration, Economics and Accounting from St. Gallen University; management studies at INSEAD; Certified Public Accountant in the US and in Switzerland.

Key attributes for the Board: Regula Wallimann is an expert in multinational group auditing, financial reporting, risk management and corporate governance.

Board of Directors – Competence Matrix

	Executive experience	Finance, audit, risk management	Compliance, regulatory, legal	Capital Markets, M&A	Core industry experience (dental)	Transferable expertise in related industries	Functional experience	International business experience	Digitalization, technology	Strategy, business transformation	HR, compensation	Board governance	Sustainability
G. Achermann	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	
T. Straumann	✓			✓	✓	✓	✓	✓	✓		✓	✓	✓
M. Bourquin	✓	✓				✓	✓	✓		✓	✓	✓	
S. Burckhardt		✓	✓	✓			✓				✓	✓	✓
U. Looser	✓					✓	✓	✓	✓	✓	✓	✓	
B. Lüthi	✓	✓		✓		✓	✓	✓	✓	✓	✓	✓	
R. Wallimann	✓	✓	✓	✓			✓				✓	✓	✓

There was no change to the composition of the Board of Directors in 2018. It comprises seven non-executive members, none of whom has been a member of the Executive Management of any of the Group's companies during the past three years. None of the Directors had any significant business connections with Straumann Holding AG or any of its subsidiaries in 2018.

The Directors are all Swiss citizens. The average age of the Board Members at year-end was 56.

ELECTIONS AND TERM OF OFFICE

The members of the Board, the Chairman, and the members of the Human Resources & Compensation Committee 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 or a position in the Human Resources & Compensation Committee falls vacant, the Board appoints a replacement from among its own members for the remaining term of office.

At the 2018 AGM, all of the Board members and the Chairman were re-elected. Monique Bourquin, Ulrich Looser and Thomas Straumann were elected to the Human Resources & Compensation Committee. Following the AGM, the Board appointed Thomas Straumann as its Vice Chairman and Beat Lüthi, Sebastian Burckhardt and Regula Wallimann as members of the Audit Committee. Beat Lüthi and Ulrich Looser were appointed to chair the Audit and Human Resources & Compensation Committees respectively.

Straumann Board of Directors – Memberships in other Boards

Member	Commercial enterprise	Other entities / Charities	Location	Function
Gilbert Achermann	IMD – International Institute for Management Development		CH	Supervisory Board Member
	Julius Bär Gruppe AG/Bank Julius Bär & Co. AG ¹		CH	Board member
		Basel Chamber of Commerce	CH	Committee member
		International Team for Implantology (ITI)	CH	Board member (Straumann representative)
Thomas Straumann	Centervision AG		CH	Chairman
	CSI-BHE AG		CH	Chairman
	Grand Hotel Les Trois Rois		CH	Board member
	Medartis Holding AG ¹ & Medartis group companies		CH	Chairman
		FDR Foundation for Dental Research and Education	CH	Board member
Monique Bourquin	Emmi AG ¹		CH	Board member
	Kambly Holding AG/Kambly SA Spécialités de biscuits suisses		CH	Board member
	Swisscontact		CH	Board member
		Promarca Schweizerischer Markenartikelverband (Swiss branded goods association)	CH	President of the Board
		GfM Schweizerische Gesellschaft für Marketing (Swiss marketing association)	CH	Board member
Sebastian Burckhardt	Amsler Tex AG		CH	Board member
	Applied Chemicals International Group AG & group companies		CH	Board member
	Dolder AG		CH	Chairman
	Grether AG & Gretherpark AG		CH	Board member
	Immobilien-gesellschaft zum Rheinfels AG		CH	Chairman
	Jungbunzlauer Holding AG		CH	Board member
	Le Grand Bellevue SA		CH	Board member
	persona service AG & persona service GmbH Schweiz		CH	Board member
	Qgel SA		CH	Board member
		Fondation Bénina	CH	Board member
	Stiftung GSR, GSR Wieland Stiftung & Stiftung Autismuszentrum	CH	Board member	

Member	Commercial enterprise	Other entities / Charities	Location	Function
Ulrich Looser	Bachofen Holding AG		CH	Chairman
	BLR & Partners AG & BLR group companies		CH	Chairman
	Kardex AG ¹		CH	Board member
	LEM Holding SA ¹		CH	Board member
	Spross Entsorgung Holding AG		CH	Board member
	u-blox AG		CH	Board member
		Economiesuisse	CH	Board member
		Swiss-American Chamber of Commerce: 'Doing Business in the US'	CH	Board member
		Swiss National Fund	CH	Board member
Beat Lüthi	APACO AG		CH	Board member
	CTC Analytics AG		CH	CEO & Board member
	INFICON Holding AG ¹		CH	Chairman
	Orell Füssli Holding AG		CH	Board member
		University Hospital Balgrist, Zurich	CH	Board member
Regula Wallimann		University of Zurich	CH	Board member
	Adecco Group AG ¹		CH	Board member
	Helvetia Holding AG ¹		CH	Board member
	Swissgrid AG		CH	Board member
	University of St. Gallen, Institute of Accounting, Control and Auditing (ACA-HSG)	CH	Supervisory Board member	

¹ Publicly listed companies.

OTHER ACTIVITIES AND VESTED INTERESTS

Unless stated in their CVs or in the table above, 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 (PURSUANT TO ART. 12 OAEC)

Art. 4.4 of Straumann's Articles of Association states that no member of the Board 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 these restrictions:

- Mandates in enterprises that are controlled by the Group
- Mandates in enterprises that are performed at the instruction of the Group
- 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 are deemed as one mandate.

WORKING METHODS AND ALLOCATION OF TASKS

The Board of Directors meets for one-day meetings at least five times a year and as often as business requires. In 2018, the full Board held 7 meetings including 1 telephone conference, while the Audit Committee and the Human Resources & Compensation Committee met 5 and 7 times, respectively (see table on p. 95). The CEO and CFO generally participate in Board meetings and are occasionally supported by other members of the Executive Management Board (EMB). 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, which was not the case in 2018.

The Board conducts an annual evaluation of the performance of the EMB. It also provides mentoring to the EMB, with the aim of providing executives with an experienced sparring partner, coach and sounding board for testing ideas and seeking qualified independent opinions.

The Board of Directors has a quorum if a majority of its 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. The Board is responsible for the overall strategic direction of the Group and its management, the supervision of the EMB and financial control. It reviews the company's objectives and identifies

opportunities and risks. In addition, it appoints/dismisses the CEO and members of the EMB. The tasks and duties of the Board, as well as those of the Chairperson and Vice Chairperson are listed in sections 4.2 and 4.3 of the Organizational Regulations.

COMMITTEES OF THE BOARD OF DIRECTORS

The Board of Directors has an Audit Committee and a Human Resources & Compensation Committee (formerly 'Compensation Committee'), each consisting of no fewer than three Board members with relevant background and experience.

The members of the Human Resources & Compensation Committee are elected by the General Meeting for a term of one year. In the event of a vacancy in the Human Resources & 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 chairperson from among their members.

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

AUDIT COMMITTEE

Members: Dr Beat Lüthi (Chair), Sebastian Burckhardt and Regula Wallimann

The Committee's main tasks are listed in section 4.5 of the Organizational Regulations.

HUMAN RESOURCES & COMPENSATION COMMITTEE

Members: Ulrich Looser (Chair), Monique Bourquin, Dr. h.c. Thomas Straumann

The Committee's main tasks are listed in the section 4.6 of the Organizational Regulations.

Board of Directors

	Audit Committee	Human Resources & Compensation Committee
Gilbert Achermann Chairman of the Board		
Dr h.c. Thomas Straumann Vice Chairman of the Board		Member
Monique Bourquin		Member
Dr Sebastian Burckhardt Secretary of the Board	Member	
Ulrich Looser		Chair
Dr Beat Lüthi	Chair	
Regula Wallimann	Member	

Time (days) spent by Directors at Board/Committee meetings and on company related matters

2018 Meetings	Board	Audit Committee	Human Resources & Compensation Committee ¹	Other	TOTAL DAYS 2018
G. Achermann	7	5	7	93	112
T. Straumann	6		6	25	37
M. Bourquin	7		7	16	30
S. Burckhardt	7	5		18	30
U. Looser	7		7	12	26
B. Lüthi	7	5		13	25
R. Wallimann	7	5		15	27

1 Incl. one telephone conference.

ASSIGNMENT OF RESPONSIBILITIES TO THE EXECUTIVE MANAGEMENT BOARD

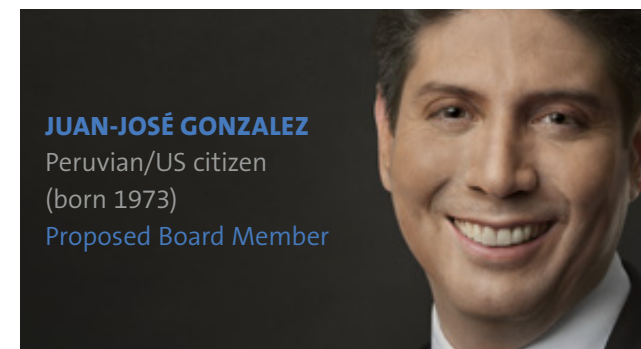
The Board of Directors has delegated responsibility for the operational management and sustainable development of the Group to the Chief Executive Officer (CEO) and the other members of the EMB. For their specific responsibilities, see the chart on p. 104 and section 5 of the Organizational Regulations. The Board may revoke delegated duties at any time.

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

PROPOSED ADDITION TO THE BOARD OF DIRECTORS

At the Annual General Meeting of the shareholders on 5 April 2019, the Board of Directors will propose the election of Juan-José Gonzalez as an additional Board Member.

Mr Gonzalez is an expert in the medical-technology and consumer-health sectors, with a deep knowledge of global markets, healthcare systems, and technology. He has served as President of Johnson & Johnson's orthopedic business, DePuy Synthes, in the US since 2015 and as Chair of the Orthopedics Sector of AdvaMed in the US since 2016. Prior to this, he headed DePuy Synthes EMEA and was Vice President of J&J's Enterprise Program Office, working closely with the CEO and Executive Committee on enterprise strategy, portfolio and key growth initiatives. Previously, he held



positions in global/regional/country management in J&J's consumer health business. Before joining J&J in 2007, he worked for Pfizer, McKinsey & Co. and Procter & Gamble, across various continents.

Juan-José Gonzalez is 46 years old and has both Peruvian and US citizenship. He holds a BSc in Industrial Engineering, an MBA, and a Master's in Technology Management. His background, multinational experience and skills in strategy, execution, talent development and mentoring make him a valuable addition to the Board and increases its diversity.

INFORMATION AND CONTROL INSTRUMENTS VIS-À-VIS THE EXECUTIVE MANAGEMENT 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. The system links Group headquarters directly with all major subsidiary companies and production sites, including Brazil, which switched to SAP on 1 January 2019. This system greatly reduces the potential for error or fraud, and enables the Executive and Senior Management to monitor local processes and related figures directly, in detail and in real time.

In addition, the Board of Directors maintains close contact with the Executive Management and gains first-hand information through workshops, co-travel, site visits and participation in staff meetings.

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.

The Board maintains close contact with the EMB and gains first-hand information through workshops, co-travel, site visits and participation in staff meetings.

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 ICS include enhanced segregation of duties, increased control consciousness and higher awareness of potential risks and their consequences.

The ICS program is coordinated by the Group CFO, who 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

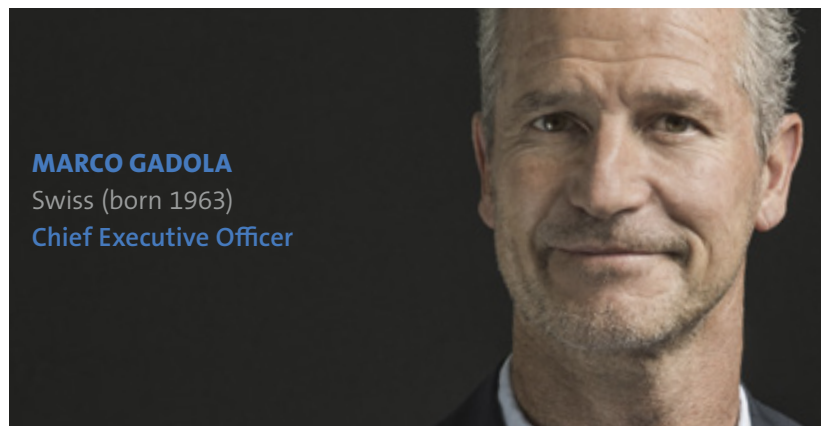
The role of the Group's Internal Audit function is to provide independent assurance to the Board of Directors that the key risks of the organization are under control and to support Management in ensuring compliance, operational efficiency and control effectiveness across the Group.

A highly experienced team at KPMG in Basel complemented by local KPMG offices with specific local language skills and expertise conducts the Internal Audits on behalf of the Audit Committee. In 2018, eight internal audits were performed at global and local levels according to the audit program approved by the Audit Committee.

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). 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 pp. 52 ff.).

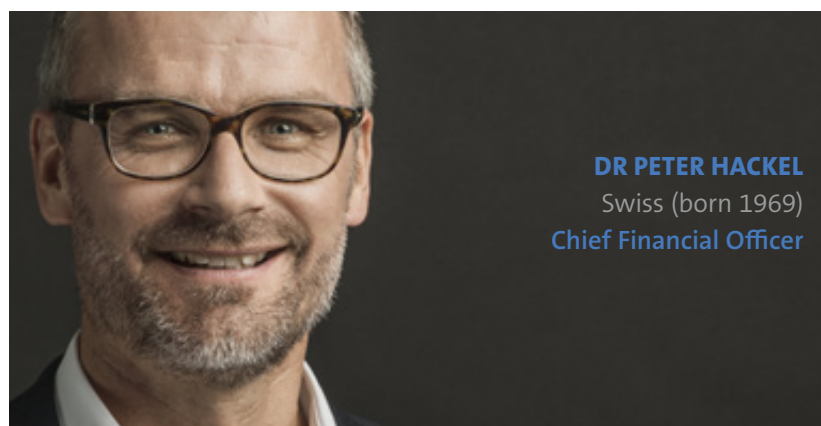
EXECUTIVE MANAGEMENT BOARD



Career highlights: 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.

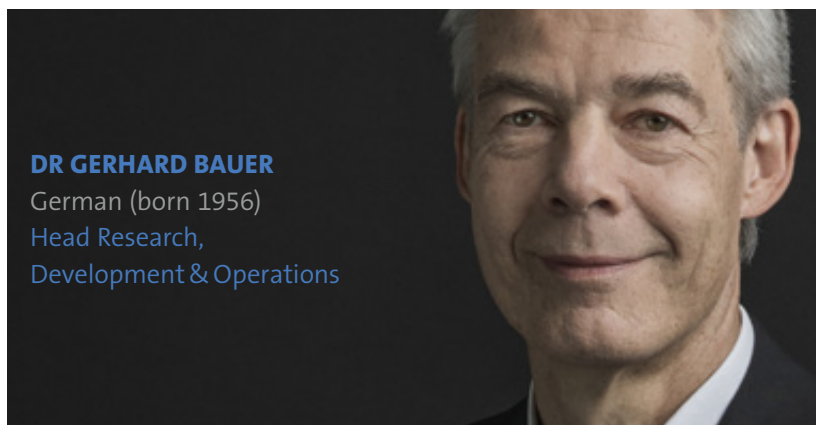
Qualifications: Degree from Basel University in business administration and economics; various programs at the London School of Economics and at IMD in Lausanne.

Other main activities: Vice Chairman of the Board of Calida Group and Head of its Audit Committee; Member of the Board of MCH Group, Switzerland, and Head of its Audit Committee; Panel Member of the Swiss-American Chamber of Commerce.



Career highlights: 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 Orthopedics, 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.

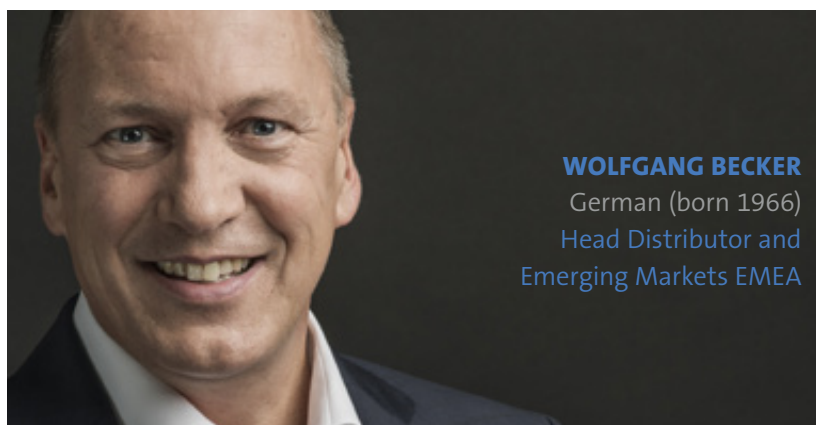
Qualifications: Master's degree and PhD in Biochemistry and Molecular Biology from the Swiss Federal Institute of Technology (ETH) in Zurich, studies in Business Administration at the University of Hagen in Germany.



Career highlights: 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 at Bausch&Lomb, a global leader in eye-care products. From 1992 to 2008, his career at Bausch&Lomb was distinguished by increasing responsibility, including his appointment as Head of Global Operations & Engineering and member of the Executive Management Team in 2006. From 1984 to 1992, he worked for Ciba Vision, a subsidiary of Novartis. He began his career in production in 1983 at a subsidiary of the current GlaxoSmithKline corporation.

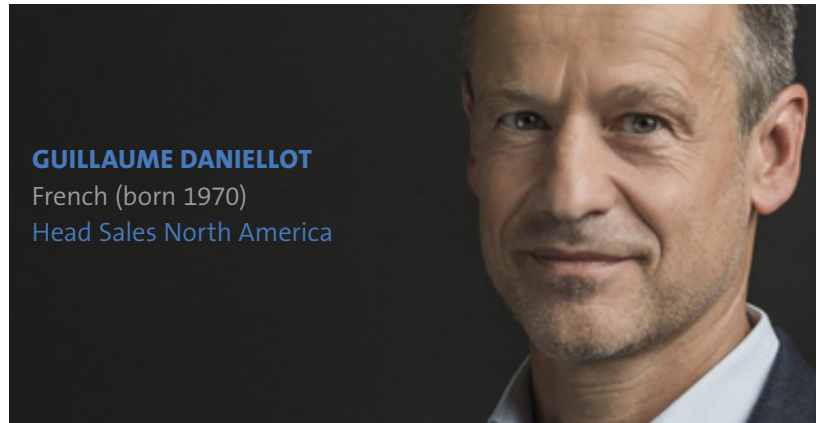
Qualifications: PhD and MSc in Pharmaceutics from the Institute of Pharmaceutics at the Ludwig-Maximilians-University in Munich; advanced degree in Pharmaceutical Technology from the Bavarian Chamber of Pharmacists.

Other activities: Member of the Board of Swiss Medtech, Member of the Board of sitem-insel AG, Switzerland



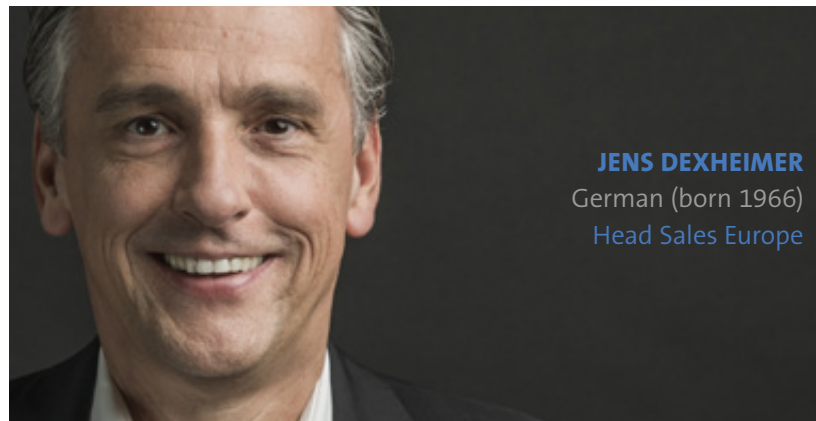
Career highlights: Wolfgang Becker began his professional career at Straumann in 1986 and held a series of managerial positions of increasing responsibility in the company's German subsidiary, becoming Head of Human Resources in 1991, Head of Marketing in 2000, and General Manager of Straumann Germany in 2001. He served on Straumann's Executive Committee as Head of Sales Europe from 2005 to 2006. His responsibilities then focused on the company's business in Central and Eastern Europe and distributor markets. In 2013, he rejoined the Group's Executive Management Board as Head Sales Central Europe & Distributors EMEA

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



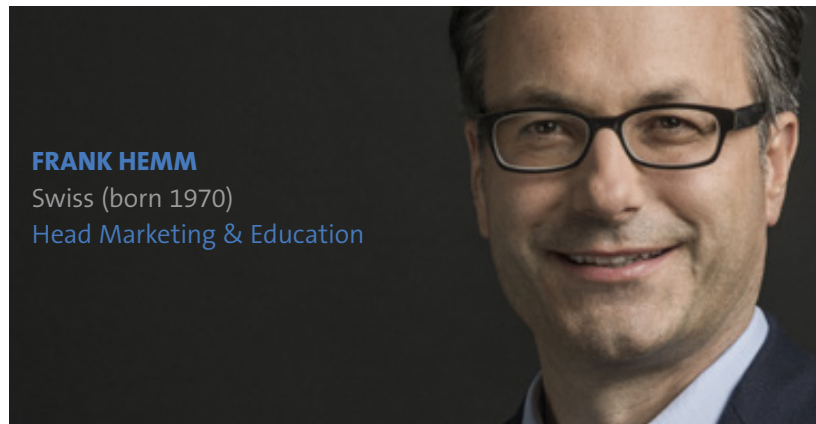
Career highlights: Guillaume Daniellot's career began in hospital product management – initially at Coloplast and then at B. Braun, as an international business unit manager. He switched to the dental industry in 2001, joining Dentsply France, where he became Sales & Marketing Director. He joined Straumann 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 in 2016.

Qualifications: Bachelor's degree in Physics from the University of Dijon; Master's in Marketing from FGE in Tours; Master's in Business Administration from ESC European School of Management, Paris.



Career highlights: Jens Dexheimer is responsible for the Group's European region. In previous positions, he successfully managed Straumann's business in Germany, the Group's largest European market, and Iberia. In 2016, he became responsible for Western Europe and joined the Executive Management Board. 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 the consumer goods industry with Benckiser in Germany.

Qualifications: Degree in Economics from the State Vocational Academy in Mannheim; Master's from Mainz University; Executive Development Program at Kellogg University in Chicago.



Career highlights: Frank Hemm's 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 took responsibility for the Asia/Pacific Region 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 expanded Straumann's presence in China. In 2012, Mr Hemm joined the Executive Management Board as Head of EMEA and LATAM and moved to his current role in 2013.

Qualifications: Master's degree in Economics from St. Gallen University; Master's in Business Administration from Kellogg Graduate School of Management in Chicago.



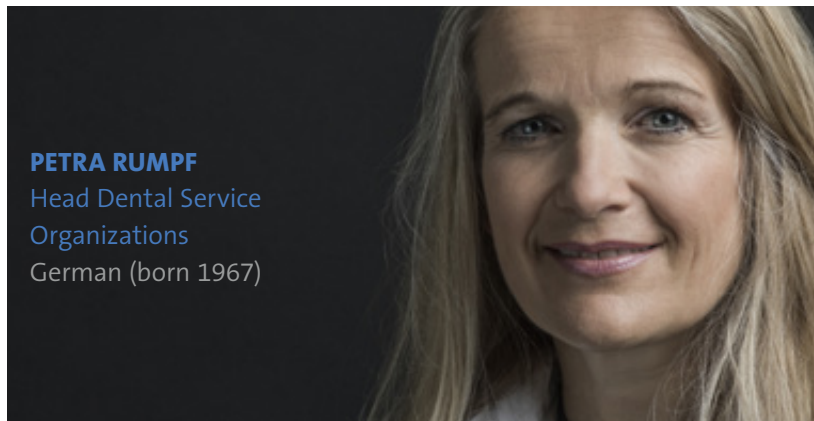
Career highlights: Patrick Loh joined the Straumann Group in his current role in 2017. He came from Haemonetics Corporation, a global provider of blood/plasma supplies and services, where he had been President of the Asia Pacific region and a member of the Corporate Operating Committee since 2014. His career spans almost thirty years in the medical device, biotech and pharmaceutical sectors with multinational companies including Thermo Fisher Scientific, Kinetics Concepts and B.Braun. Starting in product management, he rose through general country management to regional leadership, establishing a strong track record of commercial success and strategic business growth. Having spent most of his career based in China, he has a deep knowledge of the APAC markets and is fluent in Mandarin, Malay, Indonesian and Cantonese, which is his mother tongue.

Qualifications: Studies in marketing in Malaysia; Executive MBA from Olin Business School, USA and Executive Programs from INSEAD and Babson College, Boston, USA.



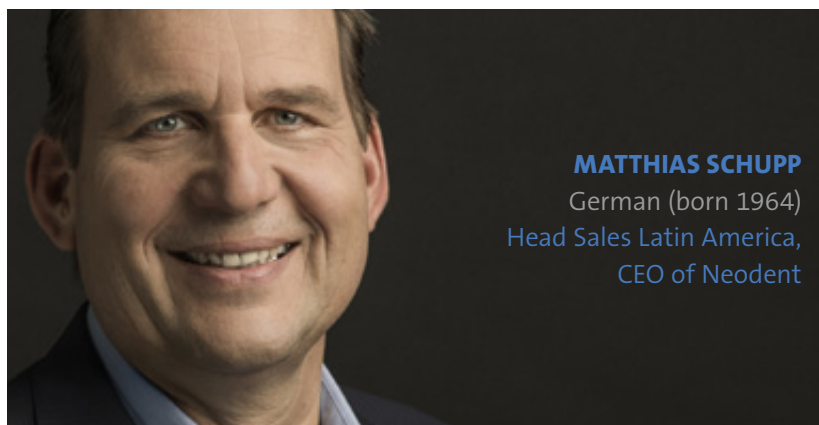
Career highlights: Alexander Ochsner is a seasoned executive with extensive international experience in the medical device industry, having spent more than a decade in senior managerial roles at the top of the dental implant industry. Before moving to the dental industry, he held managerial positions in marketing and sales at Medtronic and Medela. 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. From 2008 to 2012, he worked for Nobel Biocare, where he was Senior Vice President & General Manager EMEA and Member of the Executive Committee. He joined Straumann in September 2012 as Executive Vice President Sales APAC and moved into his current role in May 2017.

Qualifications: MSc in natural sciences and PhD from the Swiss Federal Institute of Technology (ETH) in Zurich.



Career highlights: 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. 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 distributor business development. She also managed the successful initiation of the Foundation for Oral Rehabilitation (FOR), which is globally active in science, education and humanity. During her last three years with Nobel Biocare, she was also responsible for AlphaBio Tec. Previously, she spent 16 years at Capgemini Consulting, where she became Vice President Strategy & Transformation Consulting. She joined Straumann in 2015 as Executive Vice President, Head Instrandent Management & Strategic Alliances and moved into her current role in 2017.

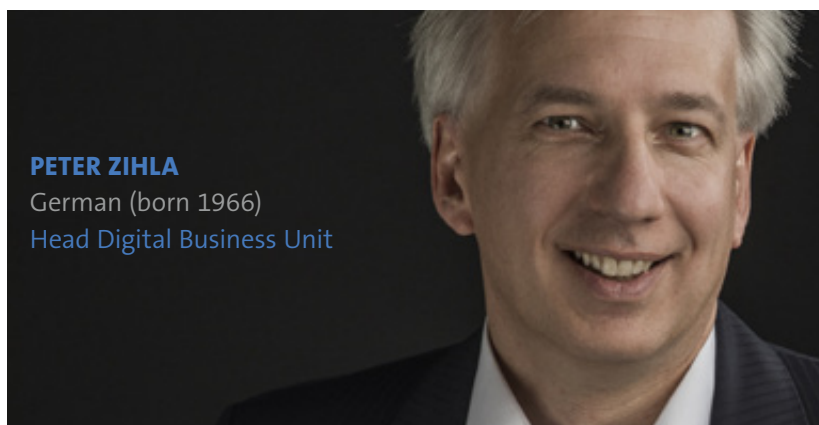
Qualifications: Bachelor's degree in economics from Trier University; MBA from Clark University, USA.



MATTHIAS SCHUPP
German (born 1964)
Head Sales Latin America,
CEO of Neodent

Career highlights: Matthias Schupp joined Straumann from Procter & Gamble in 2007 as Regional Manager, Western Europe. In 2013, he was appointed Head of Sales LATAM 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 and 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 USA. 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.

Qualifications: Graduated from the German/Brazilian High School in Rio de Janeiro; on-the-job training in management and business administration through professional development programs at Merck and P&G.



PETER ZIHLA
German (born 1966)
Head Digital Business Unit

Career highlights: Prior to his current appointment on 1 September 2018, Peter Zihla spent four years as Head of Straumann's Corporate Strategic Planning & Business Development team, where he played a key role in 15 strategic transactions around the world, most of which now form the bulk of Straumann's digital portfolio. He joined Straumann in 2006 as Head of Corporate Accounting, Planning & Reporting/Controlling, having spent six years in senior accounting/controlling positions at Hero, the international food group. Before that, he was a strategy consultant with Accenture having begun his career in controlling at the pharmaceuticals company E. Merck.

Qualifications: Degree in Business Administration from Mannheim University; MBA from the City University of New York; Master's in Finance from the London Business School.

The CEO and, under his direction, the other EMB members are responsible for the Group’s overall business and day-to-day management. The EMB is also responsible for the 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 2018, the EMB comprised twelve members under the leadership of, and including, the CEO, Marco Gadola. There was one change in the EMB in 2018 – on 1 September, when Peter Zihla was appointed Executive Vice President of the Digital Business Unit, taking over from Mike Rynerson, who decided to leave the company.

OTHER ACTIVITIES AND VESTED INTERESTS

Marco Gadola is Vice President of the Board of Directors of Calida Holding AG, Switzerland, and is a Member of the Board of Directors of MCH Group, Switzerland. In addition, he is a Panel Member of the Swiss-American Chamber of Commerce.

Frank Hemm is a Member of the Board of Directors and Board of Trustees of the independent academic network International Team for Implantology (ITI). Under a collaboration agreement, Straumann supports the ITI with payments (see Note 29 of the Audited Consolidated Financial Statements on p. 166).

Patrick Loh is an independent board member of the China-based company Haier Biomedical Co. In addition, he is an advisor of the Essence & DM Dental Industry Investment Partnership, a private equity fund addressing the dental sector in China, which Mr. Loh chairs.

Dr Gerhard Bauer is a Member of the Board of Swiss Medtech and a Member of the Board of sitem-insel AG, Switzerland.

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.

Executive Management Board

CHIEF EXECUTIVE OFFICER Marco Gadola
SALES EUROPE Jens Dexheimer
DISTRIBUTOR & EMERGING MARKETS EMEA Wolfgang Becker
SALES NORTH AMERICA Guillaume Daniellot
SALES ASIA/PACIFIC Patrick Loh
SALES LATIN AMERICA/CEO OF NEODENT Matthias Schupp
DENTAL SERVICE ORGANIZATIONS Petra Rumpf
CHIEF FINANCIAL OFFICER Dr Peter Hackel
MARKETING & EDUCATION Frank Hemm
RESEARCH, DEVELOPMENT & OPERATIONS Dr Gerhard Bauer
DIGITAL BUSINESS Peter Zihla
GLOBAL PEOPLE MANAGEMENT & DEVELOPMENT Dr Alexander Ochsner

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

Art. 4.4 of Straumann's Articles of Association 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 these restrictions:

- Mandates in enterprises that control the Group or are controlled by the same
- Mandates in enterprises that are performed at the instruction of the Group
- 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 are 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.

COMPENSATION, SHAREHOLDINGS AND LOANS

The compensation and equity holdings of the Board of Directors and the EMB and their related parties are disclosed in the Compensation Report on p. 126 ff. and in the audited financial statements in Notes 3.3 and 4 on pp. 180 ff.

EMB SUCCESSION PLANS

In January 2019, the Group announced that Marco Gadola will hand over his responsibilities as CEO to Guillaume Daniellot, Executive Vice President Sales North America. The latter's successor is to be announced in due course. At the AGM in April 2020, the Board will propose Marco Gadola for election to the Board of Directors.

Towards mid-year, Alastair Robertson will join the Group as Head of Global People Management & Development and Member of the EMB. He takes over from Dr Alexander Ochsner, who will leave the EMB for a new senior leadership role within the Straumann Group network.

Alastair Robertson is a highly experienced executive with an impressive track record in leading Human Resources (HR) teams in large global organizations. He served as Chief HR/People Officer and Member of the Executive Board in each of his three previous companies – Kingfisher Plc (2016-19), C&A (2014-16), and Panalpina (2007-14). Prior to this, he spent 11 years with Tetra Pak in senior HR positions and seven years in personnel management, training and development with W.H. Smith and Graham Builders Merchants in the UK.

A British citizen born in 1960, he began his professional career in the British Military Forces gaining his Officer's Commission at the Royal Military Academy Sandhurst. He holds an MBA from Huddersfield University, a commendation from IMD Business School, and is a Chartered Fellow of the Institute of Personnel and Development.

SHAREHOLDERS' PARTICIPATION RIGHTS

VOTING RIGHTS AND REPRESENTATION RESTRICTIONS

Each share duly entered in the share register entitles the shareholder to one vote. On 31 December 2018, 73% of the issued capital was registered in the share register (72% in 2017).

All shareholders may be represented at the General Meeting by a proxy. Proxies and directives issued to the independent voting representative may be given either in writing or online. 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.

CONVOCAION 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 2019, the Shareholders' General Meeting will take place on 5 April at the Congress Center in Basel, Switzerland.

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 General Meeting and are published on the company's website (> Investor information > Corporate governance > Annual General Meeting). If shareholders agree to the electronic delivery of notices, the invitation is also 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.

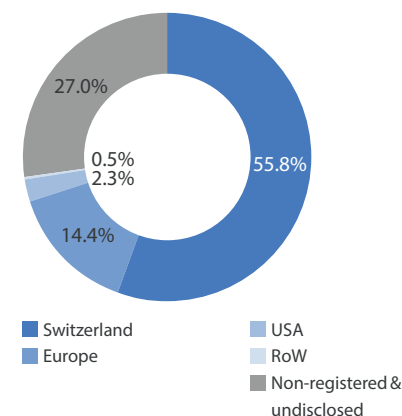
Shareholders who individually or jointly represent shares with a par value of at least CHF 15 000 may request that an item be included in the agenda. The request shall be in writing at least 45 days before the General Meeting and must set forth the agenda items and the proposals of the shareholder(s).

ENTRIES IN THE SHARE REGISTER

Share purchasers 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 unwilling to make such a declaration, he or 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. 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. As of 31 December 2018, no nominee had asked for registration and voting rights.

There are no statutory rules concerning deadlines for entry in the share register. However, for organizational reasons, the share register is closed several days before the General Meeting. The respective cut-off date for inscriptions is announced in the invitation to the General Meeting.

Shareholdings on 31 December 2018
(by geography)



Shareholders by volume of shares held¹

(absolute number)	31 Dec 2018	31 Dec 2017
1–100 shares	8 612	6 770
101–1 000	2 240	2 151
1 001–10 000	292	315
10 001–100 000	49	53
100 001–1 000 000	11	10
1 000 001 and more	3	2
TOTAL	11 207	9 301

¹ Non-registered shareholders are not considered in this table.

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.

EXTERNAL AUDITORS

The Shareholders' General Meeting elects and appoints the Group's external auditors on an annual basis. In April 2018, Ernst & Young AG, Basel, was re-elected as auditor of Straumann Holding AG for a fifth term of one year. The auditor in charge is Daniel Zaugg, Swiss Certified Public Accountant, who took over the mandate in 2014. The current cycle for Daniel Zaugg finishes in 2020.

The Board of Directors supervises the external auditors through the Audit Committee, which met five times in 2018. The external auditors participated in one 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 are on pp. 96 f.

The worldwide fees paid to the auditors are outlined in the table on the right.

INFORMATION POLICY

Straumann is committed to a policy of open, transparent and continuous information. In accordance with the rules of the SIX Swiss Exchange, the Group publishes detailed sales figures on a quarterly basis as well as annual and half-yearly reports. Detailed information is provided at the AGM, 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 Corporate Communications team are responsible for communication with investors and representatives of the financial community, media and other external stakeholders.

In addition to personal contacts, discussions, and presentations in Europe, North America and Asia, the Group held four quarterly financial results conferences for the media and analysts in 2018, two of which were teleconferences. On average, each event was attended by approx. 100 participants on-site, by webcast or by conference call. In addition, Straumann's CEO, CFO and Head of Investor Relations attended two healthcare-specific and four general equity conferences as well as 20 days on the road to meet with investors at their offices. Since 2015, Straumann has organized video

Worldwide fees	(in CHF 1 000)	
	31 Dec 2018	31 Dec 2017
Total audit fees	1 050	931
Tax consultancy	21	0
Transaction services	186	421
Other services	51	42
Total non-audit fees	258	463
TOTAL	1 308	1 394

Straumann is committed to a policy of open, transparent and continuous information.

conference roadshows in order to reduce carbon emissions and to actively take the ESG (Environmental, Social and Corporate Governance) idea into account.

As in the prior year, the company organized corporate governance meetings with the Chairman and the Head of Human Resources & Compensation Committee.

Research analysts from 18 banks/brokers cover developments at the Straumann Group and are listed in the 'Analyst section' of the Straumann Group website (straumann-group.com > Investor Relations).

Apart from this, the Group frequently publishes media releases, briefing documents and other materials, which are archived and available at straumann-group.com > Media relations. The company offers a media release subscription service via its website and takes care to ensure that investor-relevant 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. The Group advises against relying on past publications for current information.

ANNUAL REPORT & COMPENSATION REPORT

The Group's Annual Report is an important instrument for communicating with various stakeholder groups. It is published electronically in English on the company's website. Summaries in English and German are printed. The Compensation Report is issued as part of the Annual Report and can be downloaded at straumann-group.com > 2018 Annual Report.

MEDIA USED FOR REPORTING PURPOSES

The company's website is www.straumann-group.com. The company's journal of record is the 'Schweizerisches Handelsamtsblatt' (SHAB – Swiss Official Gazette of Commerce).

Subscriptions to the e-mail distribution service (according to Art. 8 of the Directive Ad hoc Publicity, DAH) can be made at straumann-group.com > Investor information > IR Contacts & services. Information according to Art. 9 DAH can be found on straumann-group.com > Media relations.

Further information requests should be addressed to:

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CALENDAR

Straumann's calendar of planned reporting dates is updated on the company's website at straumann-group.com > Investor information > Investor calendar.