

OUR HISTORY

EARLY INVESTMENT IN RESEARCH AND DEVELOPMENT

Adolf Dätwyler was sure that long-term success could be obtained only by means of product quality. Therefore, at an early stage, he employed scientifically trained personnel and invested in research and development and, in 1934, began with the production of technical rubber goods in Altdorf.

While World War II brought about dramatic raw-material shortages, Dätwyler quickly secured raw rubber supplies for his company. Moreover, in 1940, Switzerland's largest rubber recycling plant was introduced and running at high speed right from the start. These and other innovations confirm Dätwyler's goal to consistently excel in what he did even in adverse conditions.





OUR VALUES

WE **EXCEL** IN WHAT WE DO

Datwyler produces high-quality closure components for the health-care industry under state-of-the-art clean-room conditions, with fully automatic camera inspection and a unique cleaning process.

By means of this production concept, Datwyler exceeds the highest quality standards set by European and American regulatory authorities and increases the benefit for its global health-care customers. Each employee knows that his or her function contributes toward constantly improving our product offer, no matter of the department it concerns.



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REMUNERATION REPORT

The Remuneration Report describes the governance framework and principles of remuneration of the Board of Directors and Executive Management of the Datwyler Group. It also provides information on remuneration plans and remuneration paid for the 2015 fiscal year.

The Remuneration Report is written in accordance with Articles 663b^{bis} of the Swiss Code of Obligations, the Directive on Information Relating to Corporate Governance of the SIX Swiss Exchange, the Swiss Code of Best Practice for Corporate Governance of *economiesuisse* and the Ordinance Against Excessive Remuneration in Listed Companies Limited by Shares (ERCO).

Remuneration governance framework

Remuneration Committee

The Remuneration Committee generally consists of three members of the Board of Directors who are elected individually each year by the Annual General Meeting. The Remuneration Committee appoints its chairman. As at the end of 2015, the members of the Remuneration Committee were: Hanspeter Fässler (Chairman), Ulrich Graf and Gabi Huber. In 2015 the Remuneration Committee met five times, with all members present for each meeting.

Areas under the purview of the Remuneration Committee:

- Basic human resource issues (e.g. talent management, succession planning, etc.) of the Datwyler Group.
- Membership of the Board of Directors and Executive Management.
- Determination of remuneration for members of the Board of Directors within the parameters of the maximum amount approved by the Annual General Meeting and in compliance with Art. 21b of the Articles of Association.
- Terms of employment for members of the Executive Management.
- Determination of performance-based remuneration for members of the Executive Management within the parameters of the maximum amount approved by the Annual General Meeting and in compliance with Art. 21c of the Articles of Association.
- Monitoring of structure and development of remuneration.
- Oversight of compliance by the members of the Board of Directors and Executive Management with the provisions of the

Articles of Association concerning the number of mandates in top management and supervisory bodies of legal entities outside the Datwyler Group (Art. 14 section 5 and Art. 19 section 3 of the Articles of Association) including any necessary measures.

- Compliance with regulations concerning the disclosure of remuneration of members of the Board of Directors and Executive Management.

The Remuneration Committee has written terms of reference setting out its responsibilities. The Committee generally prepares the groundwork for proposals and decision-making by the full Board. It has executive authority only within the remuneration framework already approved in principle by the Annual General Meeting or Board of Directors and where expressly provided in the Articles of Association or a policy. It meets upon invitation of its Chairman as often as necessary, but at least once a year. When the business to be transacted so requires, meetings are attended by the CEO and CFO, by invitation and in an advisory capacity. At the agenda points, where their own performance and remuneration are being discussed, the CEO and CFO do not attend. The members of the Committee receive documentation before meetings to enable them to prepare for the individual agenda items. At least two members must be present to adopt decisions. The committees pass resolutions by an absolute majority of the votes cast. In the event of a tie, the Chairman casts the deciding vote. The Remuneration Committee keeps a record of its decisions and recommendations in minutes submitted to the full Board of Directors and reports the results of its activities at the next Board meeting.

Approval levels

	Proposal	Review	Approval
Remuneration principles (articles of incorporation)	Remuneration Committee	Board of Directors	Annual General Meeting (binding vote)
Remuneration models for the Board of Directors and Executive Management	Remuneration Committee		Board of Directors
Remuneration report	Remuneration Committee	Board of Directors	Annual General Meeting (consultative vote)
Maximum aggregate amount of remuneration for Board of Directors	Remuneration Committee	Board of Directors	Annual General Meeting (binding vote)
Individual remuneration of Board of Directors members	Remuneration Committee		Board of Directors
Maximum aggregate amount of remuneration for Executive Management	Remuneration Committee	Board of Directors	Annual General Meeting (binding vote)
Remuneration CEO	Remuneration Committee		Board of Directors
Individual remuneration other members of Executive Management	CEO	Remuneration Committee	Board of Directors

Determination procedure for the remuneration system

The remuneration system is reviewed every three years by the Remuneration Committee and may be adjusted to reflect the evolving business environment. A review of this nature did take place during 2015. The resulting changes, which will take effect from the 2016 fiscal year, are summarised on page 50 under "Remuneration outlook".

The process for determining the elements and levels of remuneration for the Board of Directors and Executive Management is based on a periodic benchmarking analysis on the basis of remuneration surveys and of remuneration disclosures published by comparable companies in their annual reports. Comparable companies are defined as international industrial companies listed on the SIX Swiss Exchange with similar geographic scope, revenue, complexity, capitalisation and employee headcount. The comparison group for determining remuneration of the Board of Directors and Executive Management comprises the following companies: Bucher Industries, Feintool, Forbo, Geberit, Georg Fischer, Kaba, Lonza, Oerlikon, Sika, Sonova and Sulzer. The Datwyler Group's remuneration policy is measured against common standards for similar positions at comparable companies. During the year under review, the Datwyler Group did not participate in any specific remuneration surveys.

The Annual General Meeting approves the proposals of the Board of Directors concerning the maximum aggregate amount for remuneration of the Board of Directors each year for the period up to the next ordinary Annual General Meeting pursuant to Art. 21b of the Articles of Association, and of remuneration for the Executive Management for the following fiscal year pursuant to Art. 21c of the Articles of Association.

The amount of remuneration for members of the Board of Directors is based on service on the individual committees. It is determined annually by the Remuneration Committee within the parameters of the maximum amount approved by the Annual General Meeting and in compliance with Art. 21b of the Articles of Association. The full Board of Directors is informed of the result. Members of the Board of Directors have a right to be consulted at these meetings of the Board of Directors.

The effective performance-based remuneration of members of the Executive Management is determined annually by the Remuneration Committee within the parameters of the maximum amount approved by the Annual General Meeting and in compliance with Art. 21c of the Articles of Association. The full Board of Directors is informed of the result.

Under Art. 21a section 5 of the Articles of Association, the Company is authorised to pay an additional amount of up to 50% of the applicable aggregate amount of the applicable maximum total remuneration of the Executive Management to members of the Executive Management who join the Executive Management or assume additional duties during a period for which Executive Management remuneration has already been approved in the event that the approved maximum aggregate amount of remuneration is insufficient for this period.

The Remuneration Report is submitted to the Annual General Meeting for approval in an advisory vote.

Remuneration philosophy and principles

The remuneration philosophy, as set forth in the Articles of Association, is aligned with the business strategy of sustainable, profitable growth and aims to promote and support the four core values of the Datwyler Group:

- We are entrepreneurs.
- We excel at what we do.
- We bring value to our customers.
- We have respect for others.

Remuneration principles

Pay for performance

The variable incentive plan for Executive Management is mainly based on profit sharing.

Reward long-term and sustainable value creation

Part of the remuneration of the Board of Directors and Executive Management is delivered in the form of blocked shares in order to encourage a long-term view and to create alignment with the interests of the shareholders.

Furthermore, the variable incentive plan for Executive Management has no excessive leverage and therefore does not encourage inappropriate risk-taking.

Market competitiveness

Remuneration levels are in line with competitive market practice and are designed to attract, retain and develop the best talent.

Fairness and transparency

Remuneration programs are straightforward, transparent and fair.

The framework for implementing these remuneration principles is set forth in the Articles of Association.

Remuneration structure of the Executive Management

Remuneration model for the Executive Management

	Instrument	Purpose
Fixed base salary	Monthly cash payments	To compensate for performance of duties and for qualifications required to perform the role
Variable incentive	Annual cash payment	To share profit and reward for individual performance
Share participation	Annual granting of shares blocked for five years	To drive sustainable results and create long-term alignment with shareholders' interests
Employer social insurance contributions and perquisites	Retirement pension, insurance & perquisites	To protect against risks and reimburse business expenses

The remuneration of Executive Management members is determined based on the scope and responsibilities of their position and consists of a fixed base salary, a variable incentive, the grant of a predefined number of bearer shares of Dätwyler Holding Inc. and benefits such as retirement pension, insurance and perquisites.

Fixed base salary

The amount of the fixed base salary depends on the scope of the position, the qualifications and experience required to perform the role together with the market environment. The objective is to pay fixed salaries in line with those offered by comparable companies for similar positions.

Variable incentives

Variable incentives reward collective performance in the form of a profit-sharing component as well as individual contributions to the Company's overall business success over a performance period of one year. Pursuant to Art. 21c section 2 of the Articles of Association, the variable incentive may range from 100% to 200% of the fixed base salary.

For the CEO and CFO, the variable incentive consists entirely of a share in the Group's net profit, as a pre-defined percentage of the net profit. This share is multiplied by a growth factor, which is determined on the basis of the year-on-year change in net profit. This mechanism ensures that remuneration reflects both the effective net profit achieved and the change in net profit from one year to the next. A negative year-on-year change means that the percentage of net profit awarded decreases disproportionately.

A positive year-on-year change leads to a disproportionate increase in the percentage of net profit awarded.

In the event of acquisitions and disposals that increase or decrease Group sales by more than 10%, the formula used to calculate the variable incentive is updated, with both the percentage of profit and the growth factor adjusted on a linear basis, downwards in the case of acquisitions and upwards in the case of disposals. This procedure is used to correct the formula for added or reduced profit potential, thus mathematically neutralising the effects of acquisitions and disposals on the variable incentive.

Variable incentives are currently capped at 150% of the annual fixed base salary for the CEO and at 100% for the CFO.

For the heads of divisions, the variable incentive is based on business performance (approximately 80% of the incentive) and attainment of individual goals (approximately 20% of the incentive).

– Business performance is measured as a share in the economic profit, defined as EBIT less the cost of average capital employed, of the respective division. This share of economic profit is multiplied by a growth factor, which is determined according to the year-on-year change in sales, and by a peer factor, which is determined according to the sales growth of the division relative to that of an external peer group. A specific peer group is selected for each division to reflect the particular market conditions under which each division operates. The relevant peer group information is provided by an independent consulting firm. This mechanism for calculating business performance ensures that both the absolute performance of the division in terms of economic profit and its relative performance

Basic mechanism for calculating the variable incentive

	Net profit	Net loss
Growth factor > 1 (positive change year-over-year)	(% net profit) × (growth factor) = higher percentage of net profit	No payout
Growth factor < 1 (negative change year-over-year)	(% net profit) × (growth factor) = lower percentage of net profit	No payout

compared to the previous fiscal year and to its external peer group are considered in determining remuneration.

- The individual incentive component is based on the attainment of individual goals, i.e. of strategic, business and personal goals agreed at the beginning of the year as part of the performance appraisal process and assessed by the CEO at the end of the year.

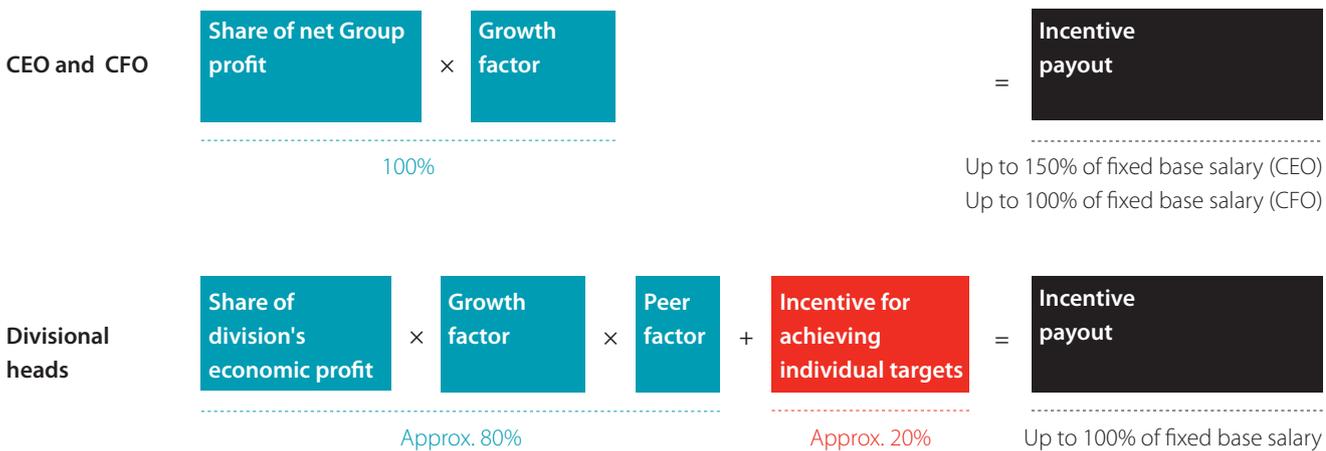
Variable incentives for the heads of divisions are currently capped at 100% of the annual fixed base salary.

Considering the profit-sharing nature of the variable incentive, no formal target is set. However a payout of two-thirds of the maximum is assumed to correspond to the expected level of performance.

Share participation

The equity participation programme established in 2007 gives Executive Management members an ownership interest in Dätwyler Holding Inc. and participation in the long-term performance of the Datwyler Group. The number of shares granted depends on the respective role and may reach up to 100% of the fixed base salary, pursuant to Art. 21c section 3 of the Articles of Association. The shares are granted at their market value on the first trading day of the month of June and are blocked for five years. In the event of termination due to death or disability, the shares may be subject to early un-blocking if the participant or his or her beneficiaries so choose. They remain blocked in all other instances.

Overview of calculation and payout of the variable incentive



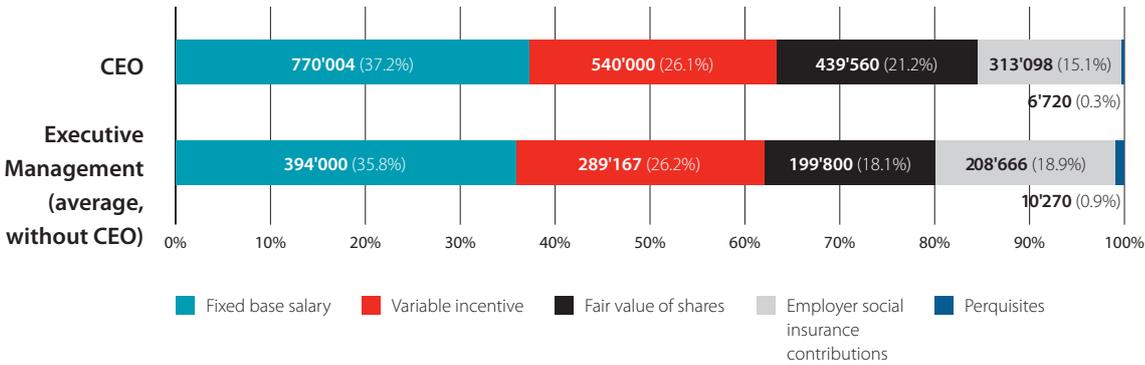
Employer social insurance contributions

Members of the Executive Management participate in the regular employee pension plan provided by Datwyler to all employees in Switzerland. The retirement plan consists of a basic plan covering annual earnings up to the sixfold of the maximal retirement pension of the Swiss Governmental Old-Age, Survivors' and Disability Insurance (AHV) and a supplementary plan in which earnings in excess of this limit are insured up to a maximum of the tenfold of the upper limiting amount according to the Swiss Federal Law on Occupational Retirement, Survivors and Disability Pension Plans (BVG). The benefits provided under the pension fund exceed the legal requirements of the Swiss Federal Law on Occupational Retirement, Survivors and Disability Pension Plans (BVG) and are in line with typical market practice of other industrial companies in Switzerland.

Perquisites

Members of Executive Management do not receive any particular executive benefits. They are entitled to a company car and a fiscally approved entertainment allowance, in accordance with the expense rules applicable to all employees at management levels employed in Switzerland. Since entertainment expenses represent a reimbursement of expenses, they are not included in the following lists.

Structure of 2015 remuneration for members of Executive Management



Remuneration mix

The chart above illustrates the remuneration mix for members of Executive Management for the remuneration related to 2015 and includes the fixed cash salary in 2015, the variable incentive that will be paid out in 2016 related to performance year 2015, the number of shares granted in 2015, and the value of benefits received in 2015.

Employment contracts

Employment contracts with members of Executive Management stipulate a notice period of 6 to 12 months and of 12 months for the CEO. They contain neither a severance provision in the event of termination of employment, nor any change of control clauses. The employment contracts of Executive Management members contain a clawback clause allowing the company, where necessary under applicable Swiss law and the Articles of Association, to claw back remuneration already paid, insofar as and to the extent that such remuneration was paid before approval by the Annual General Meeting and the next Annual General Meeting fails to approve the proposals of the Board of Directors.

Remuneration and loans in 2015

The remuneration and loans/credits to current and former key management personnel (Board of Directors and Executive Management members) and persons connected with them are presented below. Tables 1 and 2 have been audited by the statutory auditors.

Table 1: Remuneration in 2015

in CHF								
Surname and first name	Function	Fixed base salary, gross	Variable incentives, gross	Share participation ¹		Employer social insurance contributions	Perquisites	Total remuneration
				Number	Fair value			
Directors								
Graf Ulrich ²	Chairman	170'000	0	2'400	319'680	26'981	0	516'661
Rüegg Hans R.	Deputy Chairman	110'000	0	1'700	226'440	18'058	0	354'498
Fässler Hanspeter	Director	90'000	0	1'100	146'520	15'481	0	252'001
Fedier Jürg	Director	70'000	0	1'100	146'520	13'785	0	230'305
Huber Gabi	Director	70'000	0	1'100	146'520	14'005	0	230'525
Lienhard Ernst	Director	90'000	0	1'100	146'520	12'571	0	249'091
Odermatt Ernst	Director	70'000	0	1'100	146'520	11'196	0	227'716
Ulmer Hanno	Director	50'000	0	1'100	146'520	35'189	0	231'709
Total for Directors		720'000	0	10'700	1'425'240	147'266	0	2'292'506
Executive Management								
Hälg Paul J. ²	CEO	770'004	475'470	3'300	439'560	307'645	6'720	1'999'399
Total for Executive Management		1'952'004	1'412'055	7'800	1'038'960	939'479	37'530	5'380'028

¹ The shares were awarded on 1 June 2015 at a daily closing price of CHF 133.20.

² Highest remuneration

Table 2: Remuneration in 2014

in CHF								
Surname and first name	Function	Fixed base salary, gross	Variable incentives, gross	Share participation ¹		Employer social insurance contributions	Perquisites	Total remuneration
				Number	Fair value			
Directors								
Graf Ulrich ²	Chairman	170'000	0	2'400	344'640	28'368	0	543'008
Rüegg Hans R.	Deputy Chairman	110'000	0	1'700	244'120	19'007	0	373'127
Fässler Hanspeter	Director	90'000	0	1'100	157'960	16'143	0	264'103
Huber Gabi	Director	70'000	0	1'100	157'960	14'663	0	242'623
Lienhard Ernst	Director	90'000	0	1'100	157'960	13'144	0	261'104
Odermatt Ernst	Director	70'000	0	1'100	157'960	11'809	0	239'769
Total for Directors		600'000	0	8'500	1'220'600	103'134	0	1'923'734
Executive Management								
Hälg Paul J. ²	CEO	770'004	369'435	3'300	473'880	296'370	6'720	1'916'409
Total for Executive Management		1'952'004	963'660	7'800	1'120'080	922'681	34'080	4'995'505

¹ The shares were awarded on 2 June 2014 at a daily closing price of CHF 143.60.

² Highest remuneration

Remuneration paid to members of the Board of Directors and Executive Management

The fixed remuneration for members of the Board of Directors and for the Executive Management remained unchanged compared to the previous year. For the members of the Board of Directors, the fixed base salary depends on membership of the various committees.

The amounts shown in the tables under variable incentive represent the expense actually recognised for variable salary components awarded for 2015, which will be paid in March 2016. The currency-adjusted net profit was used to calculate the variable incentive, which meant the variable element of remuneration increased compared with the previous year despite a lower net profit being recorded.

The share participation for the year 2015 was determined by the Remuneration Committee and approved by the Board of Directors in accordance with the maximum aggregate amount approved by the Annual General Meeting and Art. 21b of the Articles of Association. The shares awarded on 1 June 2015 at the then market value of CHF 133.20 are blocked over a period of five years. After the end of this period, the shares are at the free disposal of the beneficiary or his or her legal successor regardless of death, disability or termination. The number of shares awarded per functional level remained unchanged for the Board of Directors and for Executive Management in the year under review. The market value of the share in the year under review was CHF 10.40 lower than in the previous year, which decreased the fair value of the equity participation accordingly.

The heading employer social insurance contributions includes all employer expenditures for pension plans and social security contributions. Perquisites reflect the employer's contribution to private use of business vehicles and child allowances.

One member of the Board of Directors (a representative in accordance with SCO 709) receives higher remuneration in consideration of his efforts in favour of bearer shareholders.

Remuneration of former members of the Board of Directors and Executive Management

No remuneration was paid to former members of the Board of Directors or Executive Management in the year under review, nor was any non-arm's length remuneration paid to persons connected with current or former members of the Board of Directors or Executive Management.

Loans and credits

The Articles of Association do not allow for the possibility to grant loans and/or credits to current or former members of the Board of Directors or Executive Management or persons connected with them.

Remuneration outlook

The Board of Directors will propose the following maximum total sums to the 2016 ordinary Annual General Meeting for remuneration of the Board of Directors for their service during the period up to the 2017 ordinary Annual General Meeting and for remuneration of the Executive Management for the 2017 fiscal year:

- Board of Directors: CHF 2'800'000, of which CHF 1'100'000 for cash remuneration plus CHF 1'700'000 for granting of Dätwyler Holding Inc. bearer shares.
- Executive Management: CHF 7'700'000, of which CHF 6'300'000 for cash remuneration (fixed base salary, variable incentive, employer social insurance and perquisites) plus CHF 1'400'000 for granting of Dätwyler Holding Inc. bearer shares.

The remuneration system is reviewed by the Remuneration Committee at three-year intervals. In 2015, a regular review was conducted to take account of the evolution of the business environment, in which the company operates. Following this review, the Board of Directors decided to keep the overall remuneration structure for the Board of Directors and for the Executive Management for the business years 2016 until 2018 unchanged. The scheme for the calculation of the variable incentive of the Executive Management will be amended, effective as of fiscal year 2016.

The variable incentive plan rewards the collective performance of the company and the individual contributions over a time horizon of one year. It is split into a collective performance component and an individual performance component. The variable incentives are capped at 180% of the annual fixed base salary for the CEO and 120% for the other members of Executive Management.

In alignment with the overall strategy of sustainable profitable growth, the collective performance will be measured on the basis of two performance indicators weighted equally:

- Net sales growth compared to previous year, relative to a peer group of companies;
- EBIT improvement (earnings before interest and tax) compared to previous year, relative to the same peer group of companies.

Relative net sales growth and EBIT improvement will be measured by an independent consulting firm that compares and ranks the performance of Datwyler against the performances of similar companies. For each of the two Datwyler divisions, a specific peer group of more than 30 companies has been determined, including industrial and distribution firms that have a comparable base of products, technology, customers, suppliers or investors and thus are exposed to similar market cycles as the corresponding Datwyler division. The intention of measuring the performance relatively to

peer companies is to neutralize the effect of market cycles and external factors that impact the company's performance but are outside of the control of management. The external market cycles being neutralized, the true performance of the company can be better assessed.

The objective of the collective performance component will be to achieve the median performance of the peer group on both indicators (net sales growth and EBIT improvement), which provides for a 100% payout. The maximum payout of 200% can only be achieved if the division achieves the best ranking amongst all peer companies on both net sales growth and EBIT improvement. In case of a negative net result of the division or the Datwyler Group, the Board of Directors reserves the right to deviate from the above mentioned approach.

The assessment of the individual performance is based on personal objectives that are set as part of the annual performance evaluation process. The personal objectives are clearly measurable and may include financial indicators such as net working capital in percent of net sales, but also non-financial metrics such as customer satisfaction and employee commitment. The level of achievement for each objective corresponds to a payout percentage, which ranges from 0% to 200%.

The illustration on the next page summarizes the performance objectives and their respective weighting in percentage of the annual fixed base salary for the CEO and the other members of Executive Management.

Overview of calculation and payout of the variable incentive effective as of fiscal year 2016

Weighting in % of annual fixed base salary		CEO	CFO	COO (division heads)
Collective performance	Net sales growth relative to peers	37.5% average of both divisions	25% average of both divisions	25% own division
	EBIT improvement relative to peers	37.5% average of both divisions	25% average of both divisions	25% own division
Individual performance	Individual objectives	15%	10%	10%
Total (at target)		90%	60%	60%
Total (at maximum)		180%	120%	120%

Peer groups of companies to measure the collective performance effective as of fiscal year year 2016

Technical Components division

Company	Country
Esprinet SpA	IT
ams AG	AT
Flextronics	US
Analog Devices (Europe)	US
Ingram Micro Inc.	US
Arrow Electronics (EMEA)	US
Logitech International SA	CH
ASBISc Enterprises Plc	CY
LPKF Laser & Electronics AG	DE
Atea ASA (Products)	NO
Metro AG (Europe)	DE
Avnet (Europe)	US
Premier Farnell Plc	UK
S&T AG	AT
Brammer PLC.	UK
Scanfil Oyj	FI
Schweizer Electronic AG	DE
Sequans Communications S.A.	FR
Solid State Plc	UK
Sonel SA	PL
STMicroelectronics NV	
(Embedded Processing Solutions)	CH
Texas Instruments	US
Vivanco	DE
Würth (Industry)	DE
Yleiselektronikka Oyj	FI

Sealing Solutions division

Company	Country
Hexpol AB	SE
Johnson Control	US
Antares Pharma Inc.	US
Parker-Hannifin (Diversified Industrial, America and International)	US
Aptargroup (Food & Beverages)	US
Retractable Technologies Income	US
Aptargroup (Pharma)	US
RPC Group PLC	UK
Atrion Corp.	US
Semperit AG Holding	AT
Becton Dickinson & Company (Diagnostics)	US
Shandong Pharmaceutical Glass Company	CN
Becton Dickinson & Company (Medical)	US
Shandong Weigao Group Medical (Single Use Medical Device Products)	CN
Bioteque Corp.	TW
Stomil Sanok SA	PL
Bridgestone Corporation	JP
Continental (Chassy & Safety)	DE
Terumo (General Hospital Use Products)	JP
Continental (ContiTech)	DE
Trelleborg (Sealing Solution)	SE
Continental (Interior)	DE
Valeo SA	FR
Continental (Powertrain)	DE
Delphi Automotive	UK
West Pharmaceutical (Pharmaceutical Packaging Systems)	US
Fukoku Company Limited	JP
ZF Friedrichshafen	DE
Gerresheimer (Plastics & Devices)	DE
Gerresheimer (Primary Packaging Glass)	DE

Report of the Statutory Auditor on the Remuneration Report



Report of the statutory auditor
to the General Meeting
Dätwyler Holding Inc.
Altdorf

We have audited the remuneration report of Dätwyler Holding Inc. for the year ended 31 December 2015. The audit was limited to the information according to articles 14–16 of the Ordinance against Excessive Compensation in Stock Exchange Listed Companies (Ordinance) contained in chapter “Remuneration and loans in 2015” on pages 48 and 49 of the remuneration report.

Board of Directors' responsibility

The Board of Directors is responsible for the preparation and overall fair presentation of the remuneration report in accordance with Swiss law and the Ordinance against Excessive Compensation in Stock Exchange Listed Companies (Ordinance). The Board of Directors is also responsible for designing the remuneration system and defining individual remuneration packages.

Auditor's responsibility

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

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

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

Opinion

In our opinion, the remuneration report of Dätwyler Holding Inc. for the year ended 31 December 2015 complies with Swiss law and articles 14–16 of the Ordinance.

PricewaterhouseCoopers AG

René Rausenberger
Audit expert
Auditor in charge

Josef Stadelmann
Audit expert

Zürich, 1 March 2016

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