



LINDT & SPRÜNGLI

INVITATION
TO THE 119TH ORDINARY ANNUAL GENERAL MEETING

2017

DEAR SHAREHOLDERS

We are delighted to invite you to the 119th ordinary Annual General Meeting of the Chocoladefabriken Lindt & Sprüngli AG which will be held on **April 20, 2017 at 10.00 a.m. in the Kongresshaus in Zürich.**

Attached you will find **the registration and proxy stipulation form which we kindly ask you to fill in and return it duly signed.** In doing so you will can either order your admission ticket with the voting material or grant the right to vote according to the form.

For detailed information related to some of the agenda points as well as the chocolate gift box please refer to pages 9 and 20 et seq. respectively.



Ernst Tanner

Executive Chairman of the Board of Directors

Kilchberg, March 23, 2017

Thursday, April 20, 2017
At 10:00 a.m. (Doors Open At 8:30 a.m.)
Kongresssaal, Kongresshaus, Entrance K
Claridenstrasse, Zurich

AGENDA AND PROPOSALS OF THE BOARD OF DIRECTORS

1. APPROVAL OF THE FINANCIAL STATEMENTS OF THE CHOCOLADEFABRIKEN LINDT & SPRÜNGLI AG AND THE GROUP CONSOLIDATED FINANCIAL STATEMENTS OF LINDT & SPRÜNGLI GROUP FOR THE FINANCIAL YEAR 2016, ACKNOWLEDGING THE AUDIT REPORTS

Proposal: The Board of Directors proposes approval of the financial statements of Chocoladefabriken Lindt & Sprüngli AG and the Group consolidated financial statements of the Lindt & Sprüngli Group for the financial year 2016, acknowledging the audit reports.

2. NON-BINDING ADVISORY VOTE ON THE COMPENSATION REPORT 2016

Proposal: The Board of Directors proposes approval of the compensation report for the financial year 2016 in a non-binding advisory vote.

Explanation: For more detailed information on the compensation please refer to the compensation report 2016, available to download from the webpage (link see below) as well as pages 12 et seq. of this Notice.

 <http://www.lindt-spruengli.com/investors/financial-information/annual-semi-annual-reports/>

3. DISCHARGE OF THE BOARD OF DIRECTORS AND THE GROUP MANAGEMENT AS WELL AS THE EXTENDED GROUP MANAGEMENT

Proposal: The Board of Directors proposes discharge of the Members of the Board of Directors and the Members of the Group Management and the Extended Group Management for the financial year 2016.

4. ALLOCATION OF NET EARNINGS OF CHOCOLAFABRIKEN LINDT & SPRÜNGLI AG AND DISTRIBUTION OF RESERVES

Explanation: Since January 1, 2011, Swiss tax legislation allows a dividend distribution out of the reserves from capital contributions free of the withholding tax of 35%. For individuals domiciled in Switzerland who hold their shares in their private assets, this dividend is tax-free. The Board of Directors would like to make use of this as far as possible and thus proposes to release capital contributions reserves extensively and to distribute an additional amount out of the balance sheet profit. The proposed gross amount of the total dividend is CHF 880 pre-tax per registered share (previous year CHF 800) and CHF 88 pre-tax per participation certificate (previous year CHF 80).

The Board of Directors proposes to allocate the required amount for the dividend distribution in the amount of CHF 580 per registered share respectively CHF 58 per participation certificate from the balance sheet profit (Agenda item 4.1) and in the amount of CHF 300 per registered share respectively CHF 30 per participation certificate by requalification of capital contributions reserves into the free reserves and distribution of the dividend therefrom (Agenda item 4.2).

Approval of both of these proposals will lead to a total distribution in the amount of approx. CHF 208'913'408. The ex-date is April 24, 2017. The dividend according to Agenda item 4.2 will be paid out without deduction of withholding tax and the dividend according to Agenda item 4.1 after deduction of withholding tax on April 26, 2017. The number of registered shares and participation certificates entitled to dividend will be calculated as per the record date (April 25, 2017). Their number can change as a result of exercising of options under the employee share option plan as well as due to changes in treasury shares and participation certificates. The treasury shares and participation certificates held by Chocoladefabriken Lindt & Sprüngli AG will not receive a dividend.

4.1 Appropriation of the available Earnings of Chocoladefabriken Lindt & Sprüngli AG

Proposal: The Board of Directors proposes that the balance of available earnings 2016 shall be appropriated as follows and to pay out a dividend of CHF 580 per registered share and CHF 58 per participation certificate.

Balance of available earnings 2016

	In CHF
Balance brought forward	33 824 277
Profit of the year	299 128 993
Other ¹⁾	351 205
Retained Earnings	333 304 475
Share and participation certificate capital of CHF 23 740 160 according to Articles of Association per 31 December 2016 (previous year CHF 23 493 550)	
580% (previous year 400%) dividend ²⁾	-137 692 928
Allocation to Special Reserves	-160 000 000
Balance carried forward	35 611 547

1) Including not paid dividends on own shares and participation certificates (CHF 1 013 600), dividends related to exercised options in the period from 1 January until 26. April 2016 (CHF -663 360) and lapsed dividends (CHF 965).

2) Based on number of shares and participation certificates as per 31 December 2016. The share and participation certificate capital entitled to dividend may vary as a result of exercising of options in the period from 1 January until the Record Date 25 April 2017, and the treasury shares and participation certificates held by the Chocoladefabriken Lindt & Sprüngli AG at this date. Therefore, the release of capital contributions reserves and the dividend distributed there from may vary as well.

4.2 Conversion of Reserves from Capital Contributions and Distribution of a Dividend

Proposal: The Board of Directors proposes to allocate reserves in the amount of CHF 71 220 480¹⁾ from the approved reserves from capital contributions to free reserves and to distribute from these free reserves a dividend in the amount of CHF 300 per registered share and CHF 30 per participation certificate.

1) Based on number of shares and participation certificates as per December 31, 2016. The share and participation certificate capital entitled to dividend may vary as a result of exercising of options in the period from January 1, until the Record Date April 25, 2017, and the treasury shares and participation certificates held by the Chocoladefabriken Lindt & Sprüngli AG at this date. Therefore, the release of capital contributions reserves and the dividend distributed there from may vary as well.

5. RE-ELECTIONS OF THE CHAIRMAN AND THE MEMBERS OF THE BOARD OF DIRECTORS

Proposal: The Board of Directors proposes the re-election of

- Mr. Ernst Tanner as member of the Board of Directors and as Chairman
- Mr. Antonio Bulgheroni as member of the Board of Directors
- Dr. Rudolf K. Sprüngli as member of the Board of Directors
- Dkfm. Elisabeth Gürtler as member of the Board of Directors
- Ms. Petra Schadeberg-Herrmann as member of the Board of Directors
- Dr. Thomas Rinderknecht as member of the Board of Directors

each for a term ending with the closure of the next ordinary Annual General Meeting.

Explanation: For more detailed information about the members of the Board of Directors please refer to the annual report, corporate governance report – Board of Directors available to download from

 <http://www.lindt-spruengli.com/investors/financial-information/annual-semi-annual-reports/>

6. RE-ELECTIONS OF THE MEMBERS OF THE COMPENSATION & NOMINATION COMMITTEE

Proposal: The Board of Directors proposes the re-election of

- Dr. Rudolf K. Sprüngli as member of the Compensation & Nomination Committee
- Mr. Antonio Bulgheroni as member of the Compensation & Nomination Committee
- Dkfm. Elisabeth Gürtler as member of the Compensation & Nomination Committee

each for a term ending with the closure of the next ordinary Annual General Meeting.

7. RE-ELECTION OF THE INDEPENDENT PROXY

Proposal: The Board of Directors proposes the re-election of Dr. Patrick Schleiffer, attorney-at-law, Lenz & Staehelin, as independent proxy for a term ending with the closure of the next ordinary Annual General Meeting.

8. RE-ELECTION OF THE AUDITORS

Proposal: The Board of Directors proposes the re-election of PricewaterhouseCoopers Ltd. as auditor for the financial year 2017.

9. VOTE ON THE TOTAL AMOUNT OF COMPENSATION TO THE MEMBERS OF THE BOARD OF DIRECTORS AND THE GROUP MANAGEMENT

Explanation: For more detailed information on the compensation, please refer to the compensation report 2016, available to download from the webpage (link see below) as well as pages 12 et seq. of this Notice.

 <http://www.lindt-spruengli.com/investors/financial-information/annual-semi-annual-reports/>

9.1 Approval of the maximum total amount of compensation paid to the Board of Directors for the year in office 2017/2018

Proposal: The Board of Directors proposes approval of a maximum total amount of compensation paid to the members of the Board of Directors of CHF 5.3 Mio. for the period from the ordinary General Meeting 2017 until the ordinary General Meeting 2018.

9.2 Approval of the maximum total amount of compensation paid to the Group Management for the Financial Year 2018

Proposal: The Board of Directors proposes approval of a maximum total amount of compensation paid to the members of the Group Management of CHF 18 Mio. for the financial year 2018.

ORGANIZATIONAL INFORMATION

BUSINESS REPORT

The Business Report including the Financial Statements of Chocoladefabriken Lindt & Sprüngli AG, the Group Consolidated Financial Statements and the Compensation Report as well as the Reports of the Auditor for the financial year 2016 are available to shareholders for review at the Company headquarters and are available to download from the webpage (link see below). In addition, every registered shareholder having registered for postal delivery of the Business Report or having requested for it after receipt of this Notice (please check respective box on the register and proxy form) will receive a printed copy of the Business Report from April 4, 2017 onwards.

 <http://www.lindt-spruengli.com/investors/financial-information/annual-semi-annual-reports/>

ATTENDANCE AND EXERCISE OF VOTING RIGHTS

The shareholder has the following options to exercise his/her voting rights:

- a He/She attends the Annual General Meeting personally and requests his/her admission ticket by returning the attached register and proxy form.
- b He/She does not attend the Annual General Meeting personally and appoints another shareholder with voting rights to represent him/her. Please see chapter Proxy Stipulation (page 10).
- c He/She does not attend the Annual General Meeting personally and appoints the independent proxy. Please see chapter Proxy Stipulation (page 10).
- d By use of the online platform ShApp. Please see chapter Online Platform ShApp (page 10).

Registration Required (a)

Those shareholders who are registered with voting rights in the register of shareholders as of April 6, 2017 at 5:00 p.m. shall be entitled to attend and vote. Following return of registration application to the share register, shareholder shall receive the admission ticket and voting material (to be sent out from April 10, 2017 onwards) and, if ordered, the Business Report. Admission ticket and voting material may also be ordered by use of the online platform ShApp.

Proxy Stipulation (b, c)

Every shareholder who is entitled to vote may appoint another shareholder with voting rights to represent him/her. Please note that family members who are not shareholders may not be appointed to attend and vote. Shareholders who do not attend the Annual General Meeting may also appoint the independent proxy, Dr. Patrick Schleiffer, Attorney-at-Law, Lenz & Staehelin, Bleicherweg 58, 8027 Zurich, to represent them. Proxy appointment is made by filling out and signing the registration and proxy stipulation form and sending it to the address indicated, in the accompanying envelope. The blank signing of the registration and proxy stipulation form without statement of specific instructions is considered as appointment of proxy and general instruction to the independent proxy to vote in favour of the proposals of the Board of Directors.

Online Platform ShApp (d)

Admission ticket and voting material may also be ordered by use of the online platform ShApp at <https://lindt.shapp.ch>. Please use the login details (identification and password) on the register and proxy stipulation form (page 3) to register. The appointment of proxy and instructions to vote and the amendment of such electronically by use of the online platform are admitted until April 18, 2017, 11:59 p.m., the latest. Shareholders who have exercised their voting rights electronically have no right to attend the Annual General Meeting personally.

 <https://lindt.shapp.ch>

EXERCISE OF VOTING RIGHTS

In accordance with Art. 12 para. 3 and para. 4 of the Articles of Association, no shareholder may exercise voting rights, whether directly or indirectly, attached to shares held or represented by such shareholder that amount in the aggregate to more than 6% of total voting equity. Both natural persons and legal entities that are linked to each other through equity holdings or voting rights or that are under common control are considered as a single individual, that is, as one shareholder. The Board of Directors or a committee designated by the Board of Directors may allow, in special cases, exceptions to these restrictions. The restriction of voting rights does not apply to the exercise of voting rights through the independent proxy (Art. 689c of the Swiss Code of Obligations) or to shareholders who are registered in the register of shareholders as holding more than 6%.

NOTICE TO HOLDERS OF PARTICIPATION CERTIFICATES

Holders of participation certificates will be notified of the convocation of the Annual General Meeting by means of announcements in the Swiss Commercial Gazette and in daily newspapers. Holders of participation certificates are not entitled to participate in the Annual General Meeting. Resolutions adopted at the Annual General Meeting will be available to shareholders and holders of participation certificates for review from April 21, 2017, onwards at the Company headquarters and will be available to download at

 <http://www.lindt-spruengli.com/investors/events-presentations/annual-general-meeting/>

Translation: This is a free translation of the German invitation. The Articles of Association are originally laid down and amended in German only. For the German invitation, which prevails, see the German version of the Notice of the Annual General Meeting.

Kilchberg, March 23, 2017

The Board of Directors

ANNEX:

- Details on the Compensation Report and Votes (pages 12 et seq.)
- Gift box – Information Sheet (Bhaltis)
- Enclosure: Registration and Proxy Stipulation Form and envelope

DETAILS ON COMPENSATION REPORT AND VOTES

OVERVIEW OF THE COMPENSATION-RELATED VOTES

There are three compensation-related votes at the ordinary Annual General Meeting:

- **Agenda item 2:** Non-binding advisory vote on the Compensation Report for the preceding financial year 2016.
- **Agenda item 9.1:** Binding vote on the maximum total compensation amount for the Board of Directors for the term of office 2017/2018.
- **Agenda item 9.2:** Binding vote on the maximum total compensation amount for the Group Management for the financial year 2018.

Compensation-related votes



AGENDA ITEM 2

Non-binding advisory vote on the Compensation Report

Based on the recommendations of the “Swiss Code of Best Practice for Corporate Governance”, the Board of Directors presents the Compensation Report of the Lindt & Sprüngli Group to the ordinary Annual General Meeting for non-binding advisory vote for the third consecutive year.

In concordance with the Ordinance against Excessive Compensation in Listed Companies Limited by Shares (VegüV) and the company’s Articles of Association, existing employment contracts for Group Management and Extended Group Management members were amended as of January 1, 2016. The compensation system was already revised and adapted to meet the new regulations in the financial year 2014. In particular, the maximum amounts for performance-linked compensation of Group Management and Extended Group Management in relation to fixed salaries as well as the criteria for awards within the option and share plan have been clearly defined. The previous CEO and Chairman of the Board of Directors assumed the role of Executive Chairman on October 1, 2016. The new CEO, previously Group CFO, was appointed as his successor and took over the CEO role. As of January 1, 2017, Group Management and Extended Group Management were merged in order to simplify the management structure. Following personnel changes, Group Management now comprises nine members.

Lindt & Sprüngli is committed to a performance-based compensation in line with the market that aligns the long-term interests of shareholders, employees and customers. In principle, the compensation system of Lindt & Sprüngli pursues the following five goals:

- Long-term motivation of staff
- Long-term retention of key personnel within the company
- Keeping the costs of compensation in proportion to the results achieved
- Ensuring that the activity of the management reflects the long-term interests of the owners
- Attracting new talent and building a reputation as an attractive employer

Regarding compensation governance of the Board of Directors and Group Management, the following tasks and responsibilities are defined for the Compensation & Nomination Committee (CNC):

- Approval of employment contracts for Group Management and the existing Extended Group Management
- Definition of pension benefits
- Preparation of the Compensation Report
- Definition of the compensation levels and split
- Yearly information regarding the determination procedure and the course of the compensation process

Approval system for total amount of compensation

	CEO	CNC	BoD	AGM
Maximum combined compensation BoD		Proposal to BoD	Proposal to AGM	Decision (prospective)
Individual compensation BoD		Proposal to BoD	Decision	
Maximum combined compensation Group Management	Proposal to CNC	Proposal to BoD	Proposal to AGM	Decision (prospective)
Individual compensation CEO		Proposal to BoD	Decision	
Individual compensation for rest of Group Management members	Proposal to CNC	Decision		
Advisory vote on Compensation Report		Proposal to BoD	Proposal to AGM	Decision (retrospective)

AGENDA ITEM 9.1

Approval of the maximum combined compensation for the Board of Directors for the term of office 2017/2018

The members of the Board of Directors receive compensation in the form of a fixed fee. The entire compensation for the preceding term of office is paid out in cash after the ordinary Annual General Meeting. This fixed compensation releases the Board of Directors from potential conflicts of interest in the assessment of corporate performance.

Members of the Board of Directors will receive for the 2016/2017 term of office an unchanged (vs. previous year) amount of CHF 260 000 for the Chairman and CHF 145 000 for the members of the Board of Directors each. The following table gives an overview of compensation to the members of the Board of Directors effectively paid for the term of office 2015/2016, planned for 2016/2017 and proposed to the ordinary Annual General Meeting for 2017/2018. The Board of Directors proposes to the ordinary Annual General Meeting to set the total compensation paid to the Board of Directors for the term of office 2017/2018 at CHF 5.3 Mio. This figure includes compensation for the Executive Chairman of CHF 4 Mio., three-quarters paid in cash and a quarter in the form of blocked Lindt & Sprüngli registered shares (with a vesting period of five years from the allocation date), and an unchanged fixed fee of CHF 145 000 for the rest of the members of the Board of Directors each.

Compensation of the Board of Directors

Payout in TCHF	2015/2016 *	2016/2017 **	proposal
			2017/2018 ***
Board fees (6 members)	888	985	5 100
Other compensation	97	106	200
Total BoD compensation	985 (6 members)	1 091 (6 members)	5 300 (6 members)

* Dr F. P. Oesch deceased in August 2015. New member Dr T. Rinderknecht elected at AGM 2016.

** Payout after AGM 2017

*** Including the CHF 4 Mio. of the Executive Chairman

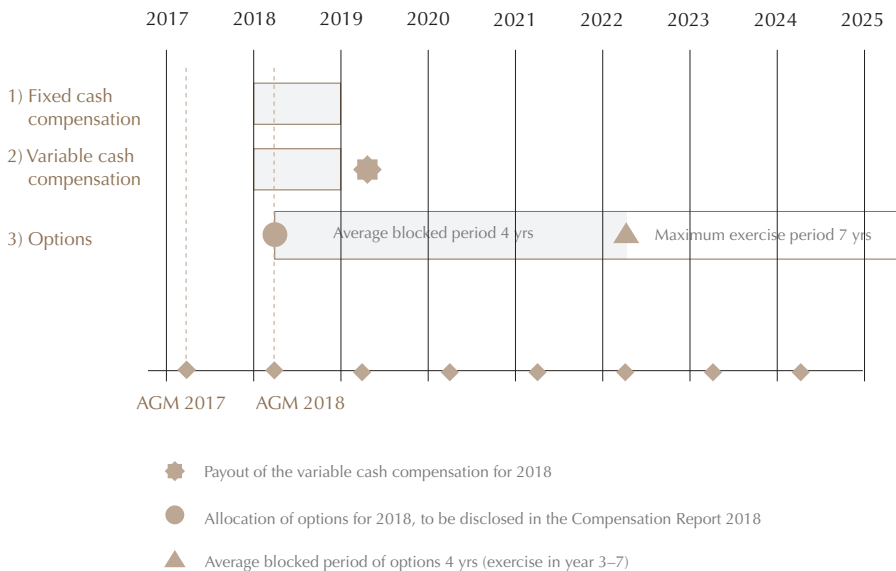
The proposed amount for the planned total compensation was reviewed in a benchmarking study by the Compensation & Nomination Committee.

AGENDA ITEM 9.2

Approval of the maximum combined compensation for Group Management for the financial year 2018

The members of Group Management will receive a fixed cash compensation (1), a variable short-term (2) as well as a long-term, performance-linked compensation in the form of options (3). The period between the allocation of options and the exercising of options or purchase of shares is four years on average and supports the long-term orientation of management and employees to performance targets.

Compensation of Group Management



The short-term performance-based compensation (2) (cash bonus) is defined according to the target achievement within a range of 0–200% of the base salary. This variable compensation depends on the achievement of clearly defined targets – on the one hand individual, qualitative targets, on the other hand financial company targets for the respective business year. It is paid out in cash after the determination of the target achievement in spring of the following year.

The long-term performance-based compensation (3) consists of an option plan. By deferring the payout, the compensation of Group Management is linked to the long-term company value creation. This allocation is designed as an incentive for future value creation and depends on the position of the employee and their influence on the long-term company success. An option carries the right to subscribe to a participation certificate at the price set at the time of allocation.

The earliest exercise date is after three years, the latest after a maximum of seven years. Employees can exercise 35% of the options after both the third and fourth year, and the remaining 30% after five years. This gives members of Group Management a strong incentive to assure the long-term success of Lindt & Sprüngli.

Compensation for members of Group Management and Extended Group Management for 2016 is shown in the following table. The valuation of the option- and share-based compensation 2016 uses market values at the time of allocation.

As in the previous year, the allocation of 50 shares to the CEO in April 2016 is based on a performance-related, variable process. Here, the achievement of strategic company goals over the past three financial years is assessed. In the past two financial years, the total compensation for Group Management and Extended Group Management was CHF 21.9 Mio. for 2015 and CHF 21.6 Mio. for 2016, respectively.

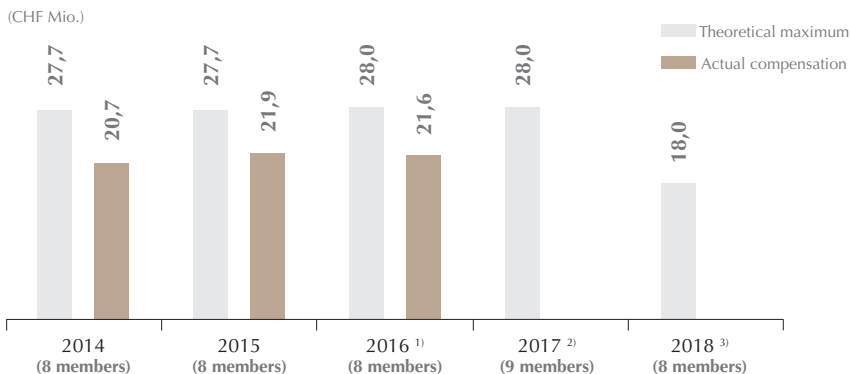
Historical compensation of Group Management and Extended Group Management

	2015	2016
	CHF Mio.	CHF Mio.
Fixed cash compensation	5,9	6,2
Variable cash compensation	4,7	4,8
Other compensation	1,6	0,5
Options ¹⁾	6,8	6,9
Number of options	10500	10000
Price per option	CHF 648	CHF 691
Registered shares ¹⁾	2,9	3,2
Number of shares	50	50
Price per share	CHF 57179	CHF 64634
Total compensation for Group Management and Extended Group	21,9	21,6

1) Shares and options at market value at the time of allocation

The next chart shows the maximum theoretical and actual total compensation for Group Management and Extended Management in a year-on-year comparison. The calculation of the maximum total compensation is based on a fixed gross compensation and the assumption of achieving all company and individual targets at a maximum level. For the financial year 2018, the Board of Directors proposes a maximum combined compensation of CHF 18 Mio.:

Compensation of Group Management and Extended Group Management



1) Approved by AGM 2015.

2) Approved by AGM 2016. Uwe Sommer retires as of April 30, 2017 from Group Management.

3) To be approved by AGM 2017.

The difference between the proposed amount and the previous actual total compensation can be explained as follows:

1. The figure of CHF 18 Mio. for 2018 proposed to the ordinary Annual General Meeting is the theoretical maximum compensation that covers different performance scenarios.
2. All performance-based compensation elements are directly dependent on the achievement of financial and qualitative targets of members of Group Management.
3. The long-term performance-based compensation elements are dependent on the market price for options of Lindt & Sprüngli applicable in 2018.
4. During the financial year 2016/2017 there was a change in the role of CEO/Executive Chairman. The new CEO in office since October 1, 2016, does not receive any compensation in the form of an allocation of blocked shares.

The Board of Directors proposes a maximum total compensation of CHF 18 Mio. for all eight members of Group Management. In this scenario, an average cash bonus of 100% of base salary as well as corresponding options are awarded. The proposed figure of CHF 18 Mio. is intended to guarantee that, depending on the performance achieved for the company, sufficient funds are available for awarding long-term compensation.

GIFT BOX – INFORMATION SHEET

1. HAND-OUT AT THE AGM

This year, all shareholders entitled to vote who attend the AGM will once again receive a special gift box of Lindt products as a token of thanks. As they pass registration, they will be given a voucher which can then be used to pick up their selection box at the end of the meeting.

Shareholders who are not only representing their own shares, but are also acting as proxy for other shareholders unable to attend the meeting, will also receive the relevant voucher to redeem for a gift box. To do so, they need to produce a written power of attorney made out in their name and carrying a valid signature. The authorisation provided on the front of the entry ticket must be filled in for this purpose.

2. DISPATCH OF GIFT BOX SUBJECT TO PROXY RULES

If you are unable to attend the meeting in person, we would still like to send you a gift box as thanks for voting through an independent proxy. However, the following rules apply:

- On the registration form and proxy authorisation, please put a cross in the box “**independent proxy voter**” and return the signed form to us no later than **April 6, 2017 (cut-off date = postmark)**. For logistical reasons, any signed forms returned after this date cannot be considered, so **no gift box will be sent if the forms are sent late**.
- If you submit your vote **on time** via the online platform ShApp, the gift box will be automatically sent to your address. The method of dispatch and other arrangements are the same as for the written authorisation for the independent proxy voter.

The gift box will be **sent out to eligible shareholders from May 2, 2017 onwards**. Unfortunately, it is not possible to dispatch the gifts on alternative dates.

- The gift boxes **cannot be sent to addresses abroad**. On the back of the registration form and proxy authorisation, there is a space on the top left where shareholders residing abroad can specify an address in Switzerland to which the gift box can be sent.
- Any enquiries or complaints regarding the gift boxes must arrive no later than May 31, 2017 at the Share Register, Chocoladefabriken Lindt & Sprüngli AG, Aktienregister, c/o Nimbus AG, Ziegelbrückstrasse 82, CH-8866 Ziegelbrücke, Switzerland, Tél. +41 55 617 37 56, Fax +41 55 617 37 38, E Mail: lindt@nimbus.ch. Enquiries received after this date can no longer be considered for organisational reasons.
- Gift boxes returned to us because they cannot be delivered **will not be sent out again**. If you are absent, please make sure you make alternative arrangements to receive the delivery.



LINDT & SPRÜNGLI

CHOCOLAFABRIKEN
LINDT & SPRÜNGLI AG
SEESTRASSE 204, CH – 8802 KILCHBERG
SCHWEIZ

www.lindt-spruengli.com