

Ciba Specialty Chemicals Holding Inc.



To the shareholders of Ciba Specialty Chemicals Holding Inc.

Invitation to the Annual Shareholder Meeting

March 7, 2008, at 10.30 a.m. in the Congress Center, Messe Basel

Agenda

1. Change of company name: Amendment to article 1 of the Articles of Association
2. Approval of the Annual Report, the Annual Financial Statements and the Consolidated Statements for 2007; acknowledgement of the Reports of the Auditors and the independent Group Auditors
3. Allocation of profit
4. Discharge of the Board of Directors and the Executive Committee from liability
5. Re-creation of an authorized capital for two years: Amendment of article 4 paragraph 3 of the Articles of Association
6. Re-election of members of the Board of Directors
7. Amendments to the Articles of Association
 - a) Amendment to article 19 of the Articles of Association
 - b) Amendment to article 20 of the Articles of Association
8. Re-election of Auditors and Group Auditors

A buffet lunch will be served in the Congress Center Basel after the Meeting.

Agenda, motions and comments

(This is a translation. The German text is legally binding.)

1. Change of company name: Amendment to article 1 of the Articles of Association

Motion

The Board of Directors proposes to amend article 1 of the Articles of Association as follows:

“Under the name

Ciba Holding AG
Ciba Holding SA
Ciba Holding Inc.

there exists a corporation with its registered office in Basel.”

Comments

As announced at the last Annual Shareholder Meeting, the Company may in future use the name “Ciba” without the addition of “Specialty Chemicals” due to an agreement with Novartis. Over the last year, the name change has been implemented in the group companies and will be concluded with the renaming of the holding company at the Annual General Meeting 2008.

2. Approval of the Annual Report, the Annual Financial Statements and the Consolidated Statements for 2007; acknowledgement of the Reports of the Auditors and the independent Group Auditors

Motion

The Board of Directors proposes to approve the Annual Report, the Annual Financial Statements and the Consolidated Statements for 2007.

Comments

In accordance with the new Appendix 1 of the Swiss Code of Best Practice for Corporate Governance of economiesuisse regarding recommendations for the compensation of the Board of Directors and senior managers, the Annual Report also contains a comprehensive compensation report.

3. Allocation of profit

Motion

The Board of Directors proposes to pay a dividend of CHF 2.50 gross (CHF 1.625 net) per share and to carry forward the remaining balance sheet profit in the amount of CHF 366,323,861.

Comments

The performance of the business allows for the payment of a dividend of CHF 2.50 per share.

As the retained earnings amount to CHF 362,081,798 and the profit for 2007 to CHF 171,551,586, the available balance sheet profit amounts to CHF 533,633,384. The Board of Directors proposes to pay CHF 167,309,523 as dividends (66,923,809 shares times CHF 2.50) while carrying forward the balance amount of CHF 366,323,861.

If approved by the shareholders, the dividend will be paid on March 12, 2008.

4. Discharge of the Board of Directors and the Executive Committee from liability

Motion

The Board of Directors proposes to discharge the Board of Directors and the Executive Committee from liability with respect to their activities in the business year 2007.

5. Re-creation of an authorized capital for two years: Amendment of article 4 paragraph 3 of the Articles of Association

Motion

The Board of Directors proposes the re-creation of an authorized capital of CHF 4 million by an amendment of article 4 paragraph 3 of the Articles of Association as follows (changes underlined):

“Until March 7, 2010, the Board of Directors is authorized to increase the share capital by the issue of a maximum of 4 million fully paid up registered shares of CHF 1 nominal value each, amounting to a maximum of CHF 4 million. Staggered increases are permitted. The exercise of preferential subscription rights acquired by contract as well as the purchase of newly issued registered shares are subject to the transfer restrictions according to article 5 of the Articles of Association. The issue price, the date of the entitlement to the dividend and the details of a contribution in kind, if applicable, will be determined by the Board of Directors.”

Comments

At the 2006 Annual General Meeting, the Board of Directors was authorized to increase the Company's share capital within a period of two years. This authorization will expire on March 2, 2008. In order to retain the financial flexibility for another two years, the Board of Directors proposes to re-create the authorized capital.

6. Re-election of members of the Board of Directors

Motion

The Board of Directors proposes to re-elect

- Armin Meyer for a period of four years and
- Gertrud Höhler for a period of three years

as members of the Board of Directors.

Comments

The terms of office of Armin Meyer and Gertrud Höhler expire at the 2008 Annual Shareholder Meeting. Each has been a member of the Board of Directors since 1997. Armin Meyer stands for re-election for a term of four years and Gertrud Höhler for a term of three years, when she will reach the age limit. Armin Meyer handed over operational responsibility as Chief Executive Officer on December 31, 2007, and has since concentrated on his function as Chairman of the Board.

Detailed CVs are available at the Company's website at www.ciba.com/bod-cv. The elections at the Annual Shareholder Meeting will be held separately for each member.

Having served as a member of the Board for 9 years, Uli Sigg is resigning from this position due to other time commitments. The Board has decided not to propose a replacement election at the Annual General Meeting on March 7, 2008.

7. Amendments to the Articles of Association

a) Amendment to article 19 of the Articles of Association

Motion

The Board of Directors proposes to amend article 19 of the Articles of Association as follows:

“i) dissolution of the company.”

Comments

Per January 1, 2008, the company law has been revised. According to article 704 para. 1 subpara. 8 of the Swiss Code of Obligation, the resolution concerning the dissolution of the company now requires the approval of at least two-thirds of the votes represented in the Annual Shareholder Meeting and a majority of the represented capital. With the proposed amendment, the Articles of Association will be adapted to the new legal situation.

b) Amendment to article 20 of the Articles of Association

Motion

The Board of Directors proposes to amend article 20 of the Articles of Association as follows:

"The Board of Directors shall consist of a minimum of 1 and a maximum of 9 members."

Comments

Per the revision of the company law, members of the Board are no longer required to be shareholders. The Articles of Association should be adapted to this change in law.

8. Re-election of the Auditors and Group Auditors

Motion

The Board of Directors proposes to re-elect Ernst & Young AG, Zurich, as Auditors and Group Auditors for a further period of one year until the 2009 Annual Shareholder Meeting.

Comments

Upon a proposal made by the Company's Audit Committee to the full Board of Directors, Ernst & Young are proposed for re-election.

Basel, February 8, 2008

For the Board of Directors

A handwritten signature in black ink, appearing to read 'Armin Meyer' with a stylized flourish at the end.

Dr. Armin Meyer
Chairman of the Board

Enclosures: Order Form, Return Envelope

Organizational Remarks

Agenda Items

As of January 7, 2008, Ciba Specialty Chemicals has not received any requests for agenda items or any motions.

Available Documents

The Annual Report (Annual Financial Statements and Consolidated Statements), including the Auditors' Report for 2007, is available for shareholders' inspection at the Company's headquarters (Ciba Specialty Chemicals Holding Inc., Secretary to the Board of Directors, Klybeckstrasse 141, CH-4002 Basel) from February 8, 2008. Any shareholder may also require that these documents be sent to her/him. These documents can be downloaded from www.ciba.com/agm, while printed copies of the Company's Reports will also be available at the Annual Shareholder Meeting.

Admission Cards

After returning the enclosed application form, the registered shareholders will receive an admission card, which will be posted between February 26, 2008, and March 5, 2008. Early return of the application form will facilitate the preparations for the Meeting.

Voting rights

Shareholders of the Company registered with voting rights in the shareholders' register on March 5, 2008, are entitled to vote. Final registrations in the shareholders' register will be completed on March 4, 2008.

If after the admission card is distributed additional shares with voting rights are registered in the share register or such shares are sold, shareholders are kindly requested to have the admission card corrected at the share register desk at the Annual Shareholder Meeting. Shareholders who sell shares reflected on the admission card no longer have voting rights for these shares.

Proxies

According to the Articles of Association of the Company, a shareholder may give proxy for the Annual Shareholder Meeting to

- his legal representative,
- another shareholder who is entitled to vote,
- the Company (Ciba Specialty Chemicals Holding Inc.),
- a depositary or
- Mr. Fred M. Wagner, Attorney, Steinenvorstadt 51, CH-4051 Basel, the independent proxy.

To grant power of attorney to the Company (Ciba Specialty Chemicals Holding Inc.) or the independent proxy, the proxy form should be used. Instructions for the independent proxy can be entered on the reverse side of the attached application form.

In the absence of specific instructions to the contrary, the voting rights will be exercised in accordance with the proposals of the Board of Directors. Instructions shall apply also to shares registered with voting rights in the share register after the proxy has been given.

Should a shareholder wish to grant a proxy to another shareholder who is entitled to vote or to a depositary, s/he must request an admission card in her/his name and transfer it, with a duly executed power of attorney on the reverse side to the representative.

Depositaries

Banks that are subject to the Swiss Federal Act on Banks and Saving Banks and professional asset managers are requested to inform the Share Register (fax +41 44 809 58 59) of the number of shares they represent as soon as possible and no later than the day preceding the Shareholder Meeting.

Early Departure

To allow for correct counting of the number of shares represented, any shareholders leaving before the end of the Shareholder Meeting are requested to return the electronic voting device.

Buffet Lunch

After the Shareholder Meeting, shareholders are invited to a buffet lunch to be served at the Congress Center Basel.

Transportation

The ticket sent with the admission card entitles shareholders to free transportation within the network of the Basler Verkehrsbetriebe (BVB) and Baselland Transport (BLT) to and from the Congress Center Basel. The ticket must be presented on request. Car parking is available in "Parkhaus Messe Basel". At the validation desk, the parking ticket can be exchanged for a free exit ticket.