



COMPAGNIE FINANCIERE TRADITION S.A.  
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## Invitation to the ANNUAL GENERAL MEETING

to be held at the company's headquarters, Lausanne, on Tuesday, 19 May 2020, at 3.30 pm

Developments around the coronavirus and the measures put in place by the Swiss Federal Council, in the Ordinance 2 (COVID-19), have a profound impact on the conducting of our 2020 Annual General Meeting.

Protecting the health of our shareholders and employees is our number one priority. Therefore, the Board of directors has decided on 15 April 2020, **that voting rights can only be exercised through the independent proxy. It will not be possible to physically participate in the Annual General Meeting**

### Agenda and proposals of the Board of Directors

**1. Presentation of the Annual Report, the Company financial statements and the consolidated financial statements for the year ended 31 December 2019; presentation of the Auditors' Report**

The Board of Directors proposes that the Annual Report, the Company financial statements and the consolidated financial statements for the 2019 financial year be approved.

**2. Appropriation of available earnings for 2019**

	<u>CHF</u> (CHF 000)
Retained earnings brought forward	76 301
Net profit for the year	41 963
Movements in the reserve for treasury shares	10 164
Available earnings	<hr/> 128 428

*Proposed appropriation of available earnings for 2019*

### Dividend

The Board of Directors is proposing the distribution of a dividend in the form of **(1)** a cash dividend and **(2)** a distribution of treasury shares held by the Company, on the following terms:

Upon presentation of coupon No. 24, each Compagnie Financière Tradition S.A. bearer share held at the close of trading on the day immediately preceding the ex-dividend date, scheduled for 22 May 2020, shall entitle the bearer to receive a cash payment of CHF 5.00 per bearer share with a nominal value of CHF 2.50, up to a maximum of 7,434,718 shares (excluding treasury shares held by the Company at the date of the General Meeting).

Upon presentation of coupon No. 25, the holder of each Compagnie Financière Tradition S.A. bearer share held at the close of trading on the business day immediately preceding the ex-dividend date, scheduled for 22 May 2020, shall be allotted one bearer share of Compagnie Financière Tradition S.A. from the holding of treasury shares, for every 50 No. 25 coupons held, subject to the restrictions set out below.

Under no circumstances will fractional shares of Compagnie Financière Tradition S.A. be allotted. Shareholders who do not hold a sufficient number of No. 25 coupons to enable them to obtain one Compagnie

Financière Tradition S.A. share or who hold a number of No. 25 coupons representing less than a multiple of 50, shall receive a cash payment corresponding to one fiftieth of the Reference Price for each of their No. 25 coupons not entitling them to one Compagnie Financière Tradition S.A. share; the Reference Price shall correspond to the average closing price of Compagnie Financière Tradition S.A. shares on SIX Swiss Exchange for the 20 trading days immediately preceding the date of the General Meeting (e.g. from 20 April to 18 May 2020), less CHF 5.00 corresponding to the dividend paid in cash; the Reference Price shall be communicated on 18 May 2020 after 5.30 pm CET, and at the General Meeting.

The laws in certain jurisdictions outside Switzerland may restrict or prohibit the allotment of shares without the publication of documents other than this resolution, or they may subject the offer of such an allotment to specific requirements, authorisation from a state or other authority, registration with or announcement to such an authority, or even an examination of compliance. The share allotment is not intended for shareholders who are subject to any such laws. Those shareholders (“Shareholders Concerned”) shall receive a compensatory cash payment for all No. 25 coupons held, corresponding to one fiftieth of the Reference Price for each No. 25 coupon presented by the Shareholders Concerned. In order to benefit from this compensatory payment, the Shareholders Concerned must send the Company an original (paper) copy of their dividend statement, together with the relevant form, duly completed and signed, in which they must provide appropriate proof of their status as a Shareholder Concerned. The application form for compensatory payment may be obtained from Compagnie Financière Tradition S.A., rue Langallerie 11, 1003 Lausanne, Switzerland. It is the responsibility of any person in possession of this document to inform themselves about and to comply with any restrictions of this type. Compagnie Financière Tradition S.A. declines all responsibility in this regard.

The distributed bearer shares of Compagnie Financière Tradition S.A. shall be subject to the provisions of the Articles of Association and shall enjoy all the rights attaching to shares of the Company as of 22 May 2020, the ex-dividend date.

The total amount of the dividend and the retained earnings carried forward shall be determined and communicated after 5.30 pm CET on 18 May 2020, as well as at the General Meeting.

Swiss withholding tax of 35%, calculated on the Reference Price of the distributed shares of Compagnie Financière Tradition S.A. and the cash dividend, shall be deducted from amounts paid in cash. Shareholders are invited to consult their usual tax adviser about the tax treatment of the dividend distribution, as it applies to their particular situation. Compagnie Financière Tradition S.A. declines all responsibility in this regard.

The right attached to each No. 24 and No. 25 coupon is not tradable.  
Compagnie Financière Tradition S.A. shares go ex-dividend on 22 May 2020.  
The dividend shall be paid in cash and in Compagnie Financière Tradition bearer shares on 29 May 2020 (value date).

Holders of paper share certificates must deposit their shares in a bank custody account by 12 May 2020, if they wish to take advantage of the allotment of Compagnie Financière Tradition S.A. bearer shares for each 50 No. 25 coupons held. Should they fail to do so, they may only receive the dividend in cash corresponding to one fiftieth of the Reference Price for each of their No. 25 coupons.

### **3. Discharge to be granted to Directors and Executive Board members**

The Board of Directors proposes that discharge be granted, in a single vote, to the Directors and members of the Executive Board for the 2019 financial year.

### **4. Aggregate compensation for Directors for the 2021 calendar year.**

The Board of Directors proposes that shareholders approve the maximum aggregate compensation for Directors for the 2021 calendar year, namely CHF 340,000.

### **5. Aggregate compensation for members of the Executive Board for the 2021 calendar year.**

The Board of Directors proposes that shareholders approve the maximum aggregate compensation for the members of the Executive Board for the 2021 calendar year, namely CHF 17,000,000.

### **6. Re-election and election of Directors**

The Board of Directors proposes that each of the following Directors who are standing for re-election or election be individually re-elected or elected to office for a term of one-year ending at the next Annual General Meeting:

- 6.1.** Mr Patrick Combes
- 6.2.** Mr François Carrard

- 6.3. Mr Hervé de Carmoy
- 6.4. Mr Jean-Marie Descarpentries
- 6.5. Mr Christian Goecking
- 6.6. Mr Robert Pennone
- 6.7. Mr Urs Schneider
- 6.8. Mr Eric Solvet
- 6.9. Mr Marco Illy

#### **7. Re-election of the Chairman of the Board of Directors**

The Board of Directors proposes that Mr Patrick Combes be re-elected as Chairman of the Board for a term of one year.

#### **8. Re-election of the Remuneration Committee**

The Board of Directors proposes that each of the following members of the Remuneration Committee who are standing for re-election be individually re-elected to office for a term of one year:

- 8.1. Mr François Carrard
- 8.2. Mr Christian Goecking

#### **9. Re-appointment of the Independent Auditors**

The Board of Directors proposes that Ernst & Young S.A., Lausanne, be re-appointed for a one-year term, terminating at the conclusion of the Annual General Meeting of Shareholders to be held in 2021 to approve the financial statements for the year ended 31 December 2020.

#### **10. Re-appointment of the Independent Proxy**

The Board of Directors proposes that Mr Martin HABS, notary, of Place Benjamin-Constant 2, case postale 7140, CH-1002 Lausanne, be re-appointed as the Independent Proxy.

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#### **Documents**

The Annual Report and the Auditors' Report for the 2019 financial year will be available to shareholders on the Company's website [www.tradition.com](http://www.tradition.com), and at its General Secretariat, from 24 April 2020.

#### **Mandatory delegation of powers in writing or electronically**

Due to the sanitary situation, the shareholders may only exercise their voting rights through the Independent Proxy.

Shareholders must obtain their attendance cards no later than 15 May 2020 from Banque Cantonale Vaudoise, Credit Suisse AG, or UBS AG. The cards will be issued upon deposit of the shares or upon presentation of an "avis de blocage" [retention notice] from a bank.

Shareholders may be represented by the Independent Proxy, Mr Martin Habs, notary in Lausanne, appointed by the Board of Directors, either (i) by mailing the original completed attendance card to him at the following address: Place Benjamin-Constant 2, Case postale 7140, CH-1002 Lausanne, or alternatively (ii) by scanning the completed attendance card and sending it electronically in PDF format to the following e-mail address: [representant-independent-CFT@phcnot.ch](mailto:representant-independent-CFT@phcnot.ch)

These two methods are mutually exclusive; it is not necessary to send back the attendance card by post if you vote electronically and vice-versa.

In the absence of specific indication, the Independent Proxy will exercise the voting right accordingly to the Board of Directors proposal.

However, in the event of communication both by post and electronically, should there be a discrepancy between the two sets of instructions given to the Independent Proxy, the written instructions shall take precedence. In the event of contradiction between successive instructions given electronically, the Independent Proxy will abstain from voting, due to a lack of a clear, unequivocal intention expressed by the shareholder.

Shareholders wishing to ask questions, prior to the Annual General Meeting, can contact the company at the following address: [actionnaire@tradition.ch](mailto:actionnaire@tradition.ch) or on +41 21 343 52 87.

Lausanne, 24 April 2020

**Board of Directors**

This Notice is available on our website at [www.tradition.com](http://www.tradition.com)  
Une version française est également disponible sur ce site