

Geneva, 25<sup>th</sup> February 2019

**Friday, 22 March 2019**  
**at 14:00**  
(doors opened at 13:00)

**Théâtre du Léman**  
(Grand Hotel Kempinski),  
Quai du Mont-Blanc 19  
Geneva

## **Agenda**

- 1. Annual Report 2018**
  - 1.1. Accounts of SGS SA and of the SGS Group
  - 1.2. Advisory Vote on the 2018 Remuneration Report
- 2. Release of the members of the Board of Directors and of the Management**
- 3. Appropriation of Profits**
- 4. Elections**
  - 4.1. Election to the Board of Directors
    - 4.1.1. Election of Paul Desmarais, jr.
    - 4.1.2. Election of August François von Finck
    - 4.1.3. Election of Ian Gallienne
    - 4.1.4. Election of Cornelius Grupp
    - 4.1.5. Election of Peter Kalantzis
    - 4.1.6. Election of Gérard Lamarche
    - 4.1.7. Election of Shelby R. du Pasquier
    - 4.1.8. Election of Luitpold von Finck
    - 4.1.9. Election of Calvin Grieder
    - 4.1.10. Election of Kory Sorenson
  - 4.2. Election of the Chairman of the Board of Directors
    - 4.2.1. Election of Peter Kalantzis
  - 4.3. Election to the Remuneration Committee
    - 4.3.1. Election of August François von Finck
    - 4.3.2. Election of Ian Gallienne
    - 4.3.3. Election of Calvin Grieder
    - 4.3.4. Election of Shelby R. du Pasquier
  - 4.4. Election of the statutory auditors
  - 4.5. Election of the Independent Proxy
- 5. Remuneration Matters**
  - 5.1. Remuneration of the Board of Directors until the 2020 Annual General Meeting
  - 5.2. Fixed Remuneration of Senior Management for the fiscal year 2020
  - 5.3. Annual Variable Remuneration of Senior Management for the fiscal year 2018
- 6. Reduction of Share Capital**
- 7. Authorized Share Capital**
- 8. Adoption of bilingual Articles of Association (French/English)**

# Proposals of the Board of Directors

## 1. Annual Report 2018

### 1.1. Annual Report, financial statements of SGS SA and consolidated financial statements of the SGS Group for 2018

**Proposal:**

Approval of the annual report, the financial statements of SGS SA and the consolidated financial statements of the SGS Group.

### 1.2. Advisory vote on the 2018 Remuneration report

**Proposal:**

Acceptance of the 2018 Remuneration report.

## 2. Release of the Board of Directors and of the Management

**Proposal:**

Release of the members of the Board of Directors and of the Management.

## 3. Appropriation of profits resulting from the balance sheet of SGS SA

**Proposal:**

	CHF
Profit for the year	465'580'866
Balance brought forward from previous year	425'363'022
Dividend paid on own shares released into circulation in 2018 prior the Annual General Meeting on 19 March 2018	(6'164'250)
Share buyback program	(157'616'100)
Reversal from the reserve for own shares	62'238'166
<b>TOTAL RETAINED EARNINGS AVAILABLE FOR APPROPRIATION</b>	<b>789'401'704</b>
<i>Proposal of the Board of Directors</i>	
<b>Dividends, 78.- per share (1)</b>	<b>(588'955'146)</b>
<b>BALANCE CARRIED FORWARD</b>	<b>200'446'558</b>

(1) No dividend is paid on own shares held directly or indirectly by SGS SA

## 4. Elections

### 4.1. Election to the Board of Directors

**Proposal:**

Re-election of Messrs:

- Paul Desmarais, jr.
- August François von Finck
- Ian Gallienne
- Cornelius Grupp
- Peter Kalantzis
- Gérard Lamarche
- Shelby R. du Pasquier

Election of:

- Mr. Luitpold von Finck
- Mr. Calvin Grieder
- Ms. Kory Sorenson

each for a term of one year ending on the date of the 2020 Annual General Meeting.

***Explanation:***

The Board has been informed of the decision of Mr. August von Finck and Mr. Christopher Kirk not to stand for re-election as members of the Board of Directors of the Company.

The Board proposes the individual re-election of the above listed Directors who have served during 2018. Their biographies and qualifications are to be found in the Corporate Governance Report of the Company.

In addition, the Board proposes the election of Mr. Luitpold von Finck, Mr. Calvin Grieder and Ms. Kory Sorenson, to the Board of Directors. Their biographies are enclosed.

#### **4.2. Election of the Chairman of the Board of Directors**

***Proposal:***

Election of Mr. Peter Kalantzis, for a term of one year ending on the date of the 2020 Annual General Meeting.

***Explanation:***

In line with the Company's Articles of Association, the Board proposes the election of Mr. Peter Kalantzis as Chairman of the Board of Directors.

#### **4.3. Election to the Remuneration Committee**

***Proposal:***

Re-election of Messrs:

- Ian Gallienne
- Shelby R. du Pasquier

Election of:

- August François von Finck
- Calvin Grieder

each for a term of one year ending on the date of the 2020 Annual General Meeting.

***Explanation:***

The Board proposes the re-election of Messrs Ian Gallienne and Shelby R. du Pasquier. If elected, Mr. Shelby R. du Pasquier will be appointed as Chairman of the Remuneration Committee. In addition, the Board proposes the election of Mr. August François von Finck and Mr. Calvin Grieder to the Committee.

#### **4.4. Election of Auditors**

***Proposal:***

Re-election of Deloitte SA, Genève, as Auditors of SGS SA and Group Auditors for the business year 2019.

#### **4.5. Election of the Independent Proxy**

***Proposal:***

Election of the public notary firm Jeandin & Defacqz, Geneva, as Independent Proxy for a term of one year ending on the date of the 2020 Annual General Meeting.

### **5. Remuneration Matters**

#### **5.1. Board Remuneration until the next Annual General Meeting**

***Proposal:***

Approval of an aggregate amount of CHF 2'260'000 representing the remuneration of the members of the Board of Directors for the period ending on the date of the 2020 Annual General Meeting.

***Explanation:***

The proposed remuneration of the Board of Directors comprises fixed fees for each of the Board Members, and a fixed fee for the Chairman of the Board of Directors. Board members attending a Board Committee are entitled to additional fees justified by the additional work and responsibilities. This amount excludes the Swiss mandatory social contributions (AVS-AI) payable by the Company in relation to the board fees, over which the Board has no control. In accordance with the Company's articles of association, the Board has decided that up to 50% of the remuneration can be settled by way of awards of restricted shares.

## **5.2. Fixed Remuneration of Senior Management for the fiscal year 2020**

### ***Proposal:***

Approval of a maximum aggregate amount of CHF 14'000'000 representing the fixed remuneration of the members of the Group Operations Council for the fiscal year 2020.

### ***Explanation:***

The Company seeks approval to pay during the calendar year 2020 up to a maximum aggregate amount of CHF 14'000'000 in fixed remuneration (as defined in the Company's remuneration report) to members of the Operations Council (including the Group CEO). This amount includes the gross base salary, payable to the OC members, but excludes mandatory social contributions payable by the employer, over which the Board has no control. In a change of practice to prior years, the requested amount also comprises all other cash allowances, contributions to pension plans and other fringe benefits with a monetary value, other than the variable remuneration which is approved separately by the Annual General Meeting. This change of method explains the variation with the prior amount approved by the shareholders of CHF 9'400'000 for the year 2019. Assuming the same practice was used for the approval of the 2019 fixed remuneration, an amount of CHF 13'500'000 would have been submitted for approval to last year Annual General Meeting.

## **5.3. Annual Variable Remuneration of Senior Management for the fiscal year 2018**

### ***Proposal:***

Approval of an aggregate amount of CHF 5'226'988 representing the annual variable remuneration of the members of the Group Operations Council for the fiscal year 2018.

### ***Explanation:***

On the basis of the Group performance in 2018, the Operations Council (including the Group CEO) are entitled to the payment of annual bonuses in the aggregate amount of CHF 5'226'988 (for the 2017 performance: CHF 4'729'774), out of which an amount of CHF 2'613'494 will be settled by way of awards of restricted shares.

## **6. Reduction of Share Capital**

### ***Proposal:***

Reduction of the Share Capital of the Company by an amount of CHF 68'000 by cancellation of 68'000 ordinary shares of the Company, each with a nominal value of CHF 1.-.

### ***Explanation:***

Shares purchased by the Company in the course of its share buy-back programme ended in December 2018 will be cancelled, resulting in a corresponding reduction of the Company's Share Capital.

## **7. Authorized Share Capital**

### ***Proposal:***

Renewal for a further period of two years ending on March 22, 2021 of the authorized share capital of 500'000 shares, each of a par value of CHF 1.-.

### ***Explanation:***

The Board of Directors is authorized to decide and implement share capital increases, within limits and at conditions defined in the Articles of Association. This authority is subject to periodic renewals for a term of two years. To that effect, the Board proposes the adoption of a revised Article 5ter of the Company's Articles of Association, as set out in the enclosed document.

## **8. Adoption of bilingual Articles of Association (French/English)**

### ***Proposal:***

Adoption of bilingual Articles of Association. The bilingual proposal of the existing Articles of Association is set out in the enclosed document.

### ***Explanation:***

Whilst French is the official language and articles of association registered with the Geneva Register of Commerce need to be drafted in French, the practice of the commercial register allows for the adoption of bilingual articles of association, under the condition that the French version is binding in the event of divergence between the French authentic version and its translation. It is proposed to approve a bilingual version of the Company's Articles of Association (see draft enclosed), in order to assist international investors and trade partners of the Company and dispense for the need for translation.

# Organizational Matters

## Exercise of voting right

Shareholders registered on the Company's share registry with voting right on March 15 2019 are entitled to exercise their voting right personally by attending the Annual General Meeting or by Representation.

## Physical Attendance at the General Meeting

Shareholders who wish to attend personally the Annual General Meeting are kindly invited to apply for an **Admission card** by returning the enclosed form to SGS SA, c/o Devigus Shareholder Services, Birkenstrasse 47, CH – 6343 Rotkreuz, no later than March 15, 2019.

## Representation at the General Meeting

Shareholders may be represented at the Annual General Meeting by another registered shareholder with a written proxy.

Alternatively, shareholders may, free of charge, appoint the Independent Proxy, to cast their votes.

To grant a proxy, please use the enclosed form and return it to SGS SA, c/o Devigus Shareholder Services with the enclosed envelope.

Alternatively, electronic voting before the meeting is also possible using the online voting platform. Please refer to the admission card order form.

## 2018 Annual Report

The 2018 Annual Report, including the Business Report, the Corporate Governance Report, the Remuneration Report, the Group's Consolidated Financial Statements, the SGS SA Financial Statements and the reports of the auditors for the financial year 2018 is available for consultation at SGS SA registered office and may be downloaded from its website at [www.sgs.com](http://www.sgs.com).

## Correspondence

Please address all correspondence regarding the General Meeting to SGS SA, c/o Devigus Shareholder Services, Birkenstrasse 47, CH – 6343 Rotkreuz

Yours faithfully,  
SGS SA  
BOARD OF DIRECTORS