

Invitation to the Annual General Meeting of Shareholders of SGS SA



WHEN YOU NEED TO BE SURE

SGS



Geneva, 28th February 2020

Tuesday, 24 March 2020
at 14:00
(doors opened at 13:00)

Théâtre du Léman
(Fairmont Grand Hotel Geneva)
Quai du Mont-Blanc 19

Agenda

- 1. Annual Report 2019**
 - 1.1. Accounts of SGS SA and of the SGS Group
 - 1.2. Advisory Vote on the 2019 Remuneration Report
- 2. Release of the members of the Board of Directors and of the Management**
- 3. Appropriation of Profit**
- 4. Elections**
 - 4.1. Election to the Board of Directors
 - 4.2. Election of the Chairman of the Board of Directors
 - 4.3. Election to the Remuneration Committee
 - 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 2021 Annual General Meeting
 - 5.2. Fixed Remuneration of Senior Management for the fiscal year 2021
 - 5.3. Annual Variable Remuneration of Senior Management for the fiscal year 2019

Proposals of the Board of Directors

1. Annual Report 2019

1.1. Annual Report, financial statements of SGS SA and consolidated financial statements of the SGS Group for 2019

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 2019 Remuneration report

Proposal:

Acceptance of the 2019 Remuneration report. The vote on the Remuneration report is non-binding and is designed to allow Shareholders to express their opinion on the overall remuneration policies of the SGS Group.

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 profit resulting from the balance sheet of SGS SA

Proposal:

	CHF
Profit for the year	735'232'728
Balance brought forward from previous year	200'446'558
Dividend paid on own shares released into circulation in 2019 prior the Annual General Meeting on 22 March 2019	(85'410)
Capital reduction by cancelation of shares	68'000
Reversal from the reserve for own shares	3'930'158
TOTAL RETAINED EARNINGS AVAILABLE FOR APPROPRIATION	939'592'034
<i>Proposal of the Board of Directors</i>	
Dividends, CHF 80 per share (1)	(604'191'200)
BALANCE CARRIED FORWARD	335'400'834

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

4. Elections

4.1. Elections to the Board of Directors

Proposal:

Re-election of:

- Mr. Paul Desmarais, jr.
- Mr. August François von Finck
- Mr. Ian Gallienne
- Mr. Calvin Grieder
- Mr. Cornelius Grupp
- Mr. Gérard Lamarche
- Mr. Shelby R. du Pasquier
- Ms. Kory Sorenson

Election of:

- Mr. Sami Atiya
- Mr. Tobias Hartmann

each for a term of one year ending on the date of the 2021 Annual General Meeting.

Explanation:

The Board has been informed by Mr. Peter Kalantzis and Mr. Luitpold von Finck that they will not 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 2019. Their biographies and qualifications are to be found in the Corporate Governance Report of the Company.

In addition, the Board proposes the election of Messrs Sami Atiya and Tobias Hartmann to the Board of Directors. Their biographies are enclosed. Each of them qualifies as independent director as per the criteria defined by the Company, available in its Corporate Governance Report.

4.2. Election of the Chairman of the Board of Directors

Proposal:

Election of Mr. Calvin Grieder, for a term of one year ending on the date of the 2021 Annual General Meeting.

Explanation:

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

4.3. Election to the Remuneration Committee

Proposal:

Election of:

- Mr. Ian Gallienne
- Mr. Shelby R. du Pasquier
- Ms Kory Sorenson

each for a term of one year ending on the date of the 2021 Annual General Meeting.

Explanation:

The Board proposes the election of Messrs Ian Gallienne and Shelby R. du Pasquier and Ms Kory Sorenson. If elected, Mr. Shelby R. du Pasquier will be appointed as Chairman of the Remuneration 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 2020.

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 2021 Annual General Meeting.

5. Remuneration Matters

5.1. Board Remuneration until the next Annual General Meeting

Proposal:

Approval of an aggregate amount of CHF 2'300'000.- representing the remuneration of the members of the Board of Directors for the period ending on the date of the 2021 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 shares.

5.2. Fixed Remuneration of Senior Management for the fiscal year 2021

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 2021 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 Company has no control. 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.

The requested amount is unchanged from the approval given by the Annual General Meeting in 2019 for the year 2020. It represents a maximum amount at the disposal of the Board of Directors for the remuneration of the executive management team. During 2019, the actual paid remuneration to members of the Operations Council was equivalent to CHF 11'648'000.

5.3. Annual Variable Remuneration of Senior Management for the fiscal year 2019

Proposal:

Approval of an aggregate amount of CHF 7'002'429.- representing the annual variable remuneration of the members of the Group Operations Council for the fiscal year 2019.

Explanation:

On the basis of the Group performance in 2019, the Operations Council (including the Group CEO) are entitled to the payment of annual bonuses in the aggregate amount of CHF 7'002'429.- (for the 2018 performance: CHF 5'226'988), out of which an amount of CHF 3'356'066.- will be settled by way of awards of restricted shares.

Organizational Matters

Exercise of voting right

Shareholders registered on the Company's share registry with voting right on March 17, 2020 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 17, 2020.

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.

2019 Annual Report

The 2019 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 2019 is available for consultation at SGS SA registered office and may be downloaded from its website at 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