



COMPAGNIE FINANCIERE TRADITION S.A.
Rue de Langallerie 11 - CH 1003 Lausanne
Case postale 7559 - CH 1002 Lausanne
Telephone 021 / 343 52 87
Fax 021 / 343 55 30
www.tradition.com
assemblee.generale@tradition.ch

**Shareholders are invited to attend the
ANNUAL GENERAL MEETING**

to be held at the Hotel Beau-Rivage Palace, Lausanne, on Thursday, 23 May 2019, at 3.30 pm

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 2018; 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 2018 financial year be approved.

2. Appropriation of available earnings for 2018

	<u>CHF</u> (CHF 000)
Retained earnings brought forward	100 113
Net profit for the year	39 193
Movements in the reserve for treasury shares	-7 549
	<hr/>
Available earnings	131 757

Proposed appropriation of available earnings for 2018

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. 22, 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 27 May 2019, 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 7,416,218 shares (excluding treasury shares held by the Company at the date of the General Meeting).

Upon presentation of coupon No. 23, 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 27 May 2019, shall be allotted one bearer share of Compagnie Financière Tradition S.A. issued from treasury shares, for every 35 No. 23 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. 23 coupons to enable them to obtain one Compagnie Financière Tradition share or who hold a number of No. 23 coupons representing less than a multiple of 35, shall receive a cash payment corresponding to one thirty-fifth of the Reference Price for each of their No. 23 coupons not entitling them to one Compagnie Financière Tradition share; the Reference Price shall correspond to the average closing price of Compagnie Financière Tradition S.A. shares on the Six Swiss Exchange for the 20 trading days immediately preceding the date of the General Meeting (e.g. from 24 April to 22 May 2019), less CHF 5.00 corresponding to the dividend paid in cash; the Reference Price shall be communicated on 22 May 2019 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. 23 coupons held, corresponding to one thirty-fifth of the Reference Price for each No. 23 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 27 May 2019, 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 22 May 2019, 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. 22 and No. 23 coupon is not tradable.

Compagnie Financière Tradition shares go ex-dividend on 27 May 2019.

The dividend shall be paid in cash and in Compagnie Financière Tradition bearer shares on 4 June 2019 (value date).

Holders of paper share certificates must deposit their shares in a bank custody account if they wish to take advantage of the allotment of Compagnie Financière Tradition S.A. bearer shares for each 35 No. 23 coupons held. Should they fail to do so, they may only receive the dividend in cash corresponding to one thirty-fifth of the Reference Price for each of their No. 23 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 2018 financial year.

4. Authorised capital and conditional capital – Amendment of the Articles

Proposal of the Board of Directors

The Board of Directors proposes

- 4.1.** To extend the term of the authorised capital currently expiring on 18 May 2019 to 23 May 2021, for an unchanged amount of CHF 5,758,327.50.

As a result of the above, the Board of Directors proposes to amend Article 5 of the Articles of Association (2nd paragraph) as follows:

Authorised share capital

The Board of Directors shall be authorised, up to and including 23 May 2021, to increase the share capital by an amount not exceeding CHF 5,758,327.50, through the issuance of up to 2,303,331 bearer shares with a nominal value of CHF 2.50 each, fully paid-up. The Board of Directors shall set the issue price.

The Board shall have authority to disapply or limit current shareholders' pre-emptive rights to enable acquisitions or equity investments. Subscription rights for which a pre-emptive right is granted but not exercised shall be available to the Board to be used in the Company's interest.

- 4.2.** To continue to encourage employee share ownership by increasing the conditional capital reserved for share ownership by Company employees from CHF 1,298,962.5 to CHF 1,854,055.

As a result of the above, the Board of Directors proposes to amend Article 5 of the Articles of Association (3rd paragraph) as follows:

Conditional increase

The Board of Directors may by resolution increase the share capital of the Company by an aggregate nominal amount of CHF 1,854,055 (one million eight hundred and fifty-four thousand and fifty francs) through the issuance of up to 741,622 (seven hundred and forty-one thousand six hundred and twenty-two) bearer shares with a nominal value of CHF 2.50 (two francs and fifty centimes) each. The new shares shall be fully paid-up. The increase would take place through the exercise of a pre-emptive right by Company employees. The pre-emptive rights of existing shareholders would be disappplied. The eligibility requirements for employee share ownership shall be defined by the Board of Directors.

(para. 2 remains unchanged).

5. Aggregate compensation for Directors for the 2020 calendar year.

The Board of Directors proposes that shareholders approve the maximum aggregate compensation for Directors for the 2020 calendar year, namely CHF 310,000.

6. Aggregate compensation for members of the Executive Board for the 2020 calendar year.

The Board of Directors proposes that shareholders approve the maximum aggregate compensation for the members of the Executive Board for the 2020 calendar year, namely CHF 17,000,000.

7. Re-election of Directors

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

- 7.1.** Mr Patrick Combes
- 7.2.** Mr François Carrard
- 7.3.** Mr Hervé de Carmoy
- 7.4.** Mr Jean-Marie Descarpentries
- 7.5.** Mr Christian Goecking
- 7.6.** Mr Robert Pennone
- 7.7.** Mr Urs Schneider
- 7.8.** Mr Eric Solvet

8. 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.

9. 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:

- 9.1.** Mr François Carrard
- 9.2.** Mr Christian Goecking

10. 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 2020 to approve the financial statements for the year ended 31 December 2019.

11. 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.

Documents

The Annual Report and the Auditors' Report for the 2018 financial year will be available to shareholders on the Company's website www.tradition.com, and at its General Secretariat, from 26 April 2019.

Shareholder attendance

Shareholders must obtain their attendance cards no later than 20 May 2019 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.

Delegation of powers in writing or electronically

Shareholders who do not personally attend the General Meeting may be represented by the Independent Proxy, Mr Gabriel Cottier, notary in Lausanne, appointed by the Board of Directors to replace the elected representative who is unavailable, 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

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.

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.

Lausanne, 26 April 2019

Board of Directors

This Notice is available on our website at www.tradition.com
Une version française est également disponible sur ce site