

## Organizational Matters

### Exercise of voting right

Shareholders registered on the Company's share registry with voting right on March 16, 2021 are entitled to exercise their voting rights at the Annual General Meeting.

### Attendance at the General Meeting

In view of the restrictions imposed on public gatherings for public health reasons, the physical attendance to the meeting will not be possible in 2021. Shareholders will not be admitted to the meeting.

For this reason, Shareholders are invited to exercise their voting rights by procuration to be given to the Independent Proxy.

To grant a proxy, please use do so electronically by accessing the online form using the QR Code in the present convocation, or alternately use the enclosed form and return it to SGS SA, c/o Devigus Shareholder Services with the enclosed envelope.

### 2020 Annual Report

The 2020 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 2020 is available for consultation at SGS SA registered office and may be downloaded from its website at [www.sgs.com](http://www.sgs.com).

### French and German Translations

Translations of this invitation to the AGM, including the agenda, explanations and proxy form are available by accessing the site using the QR Code printed in the convocation.

### 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

# Invitation to the Annual General Meeting of Shareholders of SGS SA







Geneva, 26<sup>th</sup> February 2021

Tuesday, 23 March 2021  
at 14:00

SGS Offices  
1, Place des Alpes  
1211 Genève  
Switzerland

Annual General Meeting

## Agenda

1. **Annual Report 2020**
  - 1.1. Annual report and financial statements of SGS SA and of the SGS Group
  - 1.2. Advisory Vote on the 2020 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 2022 Annual General Meeting
  - 5.2. Fixed Remuneration of Senior Management for the fiscal year 2022
  - 5.3. Annual Variable Remuneration of Senior Management for the fiscal year 2020
  - 5.4. Long Term Incentive Plan to be issued in 2021
6. **Reduction of Share Capital**
7. **Authorized Share Capital**

## Proposals of the Board of Directors

1. **Annual Report 2020**
  - 1.1. **Annual Report, financial statements of SGS SA and consolidated financial statements of the SGS Group for 2020**

**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 2020 Remuneration report**

**Proposal:**  
Acceptance of the 2020 Remuneration report.

**Explanation:**

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	566'859'163
Balance brought forward from previous year	335'400'834
Dividend not paid on own shares bought in 2020 prior the Annual General Meeting on 24 March 2020	6'202'320
Share buy-back program	(169'299'740)
Reserve for own shares	(30'626'419)
<b>TOTAL RETAINED EARNINGS AVAILABLE FOR APPROPRIATION</b>	<b>708'536'159</b>
<i>Proposal of the Board of Directors</i>	<b>(597'539'040)</b>
<b>Dividends, CHF 80 per share (1)</b>	<b>110'997'119</b>
<b>BALANCE CARRIED FORWARD</b>	<b>110'997'119</b>

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

**Explanation:**

If approved, a dividend of CHF 80.- per share will be paid, after deduction of Swiss withholding taxes with a value date of March 29, 2021.

## 4. Elections

### 4.1. Elections to the Board of Directors

**Proposal:**

Re-election of:

- Mr. Calvin Grieder
- Mr. Sami Atiya
- Mr. Paul Desmarais, jr.
- Mr. Ian Gallienne
- Mr. Shelby R. du Pasquier
- Ms. Kory Sorenson
- Mr. Tobias Hartmann

Election of:

- Ms. Janet S. Vergis

each for a term of one year ending on the date of the 2022 Annual General Meeting.

**Explanation:**

The Board has been informed by Messrs François von Finck, Gérard Lamarche and Cornelius Grupp 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 2020. Their biographies and qualifications are included in the Corporate Governance Report of the Company.

In addition, the Board proposes the election of Ms. Janet S. Vergis to the Board of Directors. Her biography is enclosed. Ms. Vergis qualifies as an independent director as per the criteria defined by the Company and outlined in its Corporate Governance Report.

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

**Proposal:**

Re-election of Mr. Calvin Grieder, for a term of one year ending on the date of the 2022 Annual General Meeting.

**Explanation:**

In line with the Company's Articles of Association the Chairman is elected by the Annual General Meeting. The Board proposes the re-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 2022 Annual General Meeting.

**Explanation:**

In line with the Company's Articles of Association the Members of the Remuneration Committee are elected by the Annual General Meeting. The Board proposes the re-election of Messrs Ian Gallienne, 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 the Statutory Auditors

**Proposal:**

Election of PricewaterhouseCoopers SA, Geneva, as Auditors of SGS SA and Group Auditors for the business year 2021.

**Explanation:**

In consideration of the period of tenure of the incumbent auditors, and in line with its policy of rotating auditors on a periodic basis, the Company conducted a competitive selection process during 2020. As a result of this process, the Board recommends the election of PricewaterhouseCoopers SA as new auditors for the fiscal year 2021.

### 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 2022 Annual General Meeting.

**Explanation:**

The Independent Proxy exercises the voting rights of shareholders who do not attend physically the Annual General Meeting. He or she is independent from the Company and complies with voting instructions received. The Board recommends the re-election of the public notary firm who has performed this duty in prior years.

## 5. Remuneration Matters

### 5.1. Remuneration of the Board of Directors until the 2022 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 2022 Annual General Meeting.

**Explanation:**

The proposed remuneration of the Board of Directors shall remain unchanged and 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 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, 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 2022

### **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 2022.

### **Explanation:**

The Company's articles of association provide that the Annual General Meeting approves in advance the maximum aggregate amount payable in fixed remuneration (as defined in the Company's remuneration report) to members of the Operations Council during the following calendar year.

The Company seeks thus approval to pay during the calendar year 2022 up to a maximum aggregate amount of CHF 14'000'000 in fixed remuneration 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 and in 2020 for the year 2021. During 2020, the actual paid fixed remuneration to members of the Operations Council was equivalent to CHF 10'357'000

## 5.3. Annual Variable Remuneration of Senior Management for the fiscal year 2020

### **Proposal:**

Approval of an aggregate amount of CHF 3'120'254 representing the annual variable remuneration of the members of the Group Operations Council for the fiscal year 2020.

### **Explanation:**

On the basis of the Group performance in 2020, the Operations Council (including the Group CEO) are entitled to the payment of annual bonuses in the aggregate amount of CHF CHF 3'120'254 (for the 2019 performance: CHF 7'002'429), out of which an amount of CHF 1'409'073 will be settled by way of restricted share awards.

## 5.4 Long Term Incentive Plan to be issued in 2021

### **Proposal:**

Approval of the issuance of a Long-Term Incentive Plan to be granted to the members of the Operations Council in 2021, for a total maximum equivalent to CHF 26'000'000.

### **Explanation:**

As per the Company's Articles of Association, the Annual General Meeting authorizes the aggregate amount of any long-term incentive plans to be granted to senior management in the current year. Considering that the last long-term incentive plan awarded by the Company in 2018 has run its course, the Company seeks approval to issue a new Long-Term Incentive Plan in 2021.

Beneficiaries of the plan will receive Performance Share Units, whose vesting will be contingent upon the Group reaching long-term financial and environmental, social and governance (ESG) objectives in 2023.

The amount subject to the approval of the Annual General Meeting represents the value of the Performance Share Units at the time of their grant, assessed at the maximum possible vesting level under the plan rules. The main principles of the proposed Long-Term Incentive Plan are outlined in the Remuneration Report.

## 6. Reduction of Share Capital

### **Proposal:**

Reduction of the Share Capital of the Company by an amount of CHF 70'700 through the cancellation of 70'700 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 which ended in December 2020 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 23, 2023 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.