



COMPAGNIE FINANCIERE TRADITION S.A.
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**Shareholders are invited to attend the
ANNUAL GENERAL MEETING
to be held at the Hotel Beau-Rivage Palace, Lausanne, on Thursday, 18 May 2017, at 3.00 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 2016; 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 2016 financial year be approved.

2. Appropriation of available earnings 2016

	<u>CHF</u> (000)
Retained earnings brought forward	135 201
Net profit for the year	22 181
Movements in the reserve for treasury shares	- 14 496
Available earnings	<hr/> 142 886

Proposed appropriation of available earnings for 2016

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, in accordance with the following terms:

Upon presentation of No. 20 coupon, the holder of each bearer share of Compagnie Financière Tradition S.A. held at the close of trade on the day immediately preceding the ex-dividend date, scheduled for 22 May 2017, will be allotted, as part payment of the dividend, one bearer share of Compagnie Financière Tradition S.A. for every 25 No. 20 coupons held, subject to the restrictions set out below.

Under no circumstances will fractional bearer shares of Compagnie Financière Tradition S.A. be allotted. Shareholders who hold an insufficient number of No. 20 coupons to enable them to obtain one Company share, or who hold a number of No. 20 coupons representing less than a multiple of 25, will receive a cash payment corresponding to one twenty-fifth of the Reference Price for each of their No. 20 coupons not entitling them to one Company 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 business days immediately preceding the date of the General Meeting (i.e. from 19 April to 17 May 2017), less the sum of CHF 4.50 corresponding to the portion of the dividend paid in cash; the Reference Price shall be communicated after 5.30 pm CET on 17 May 2017, as well as to the General Meeting.

The laws in certain jurisdictions outside Switzerland may restrict or forbid 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 conformity. The share allotment is not intended for shareholders who are subject to any such laws. Those shareholders ("Shareholders Concerned") will receive a compensatory cash payment for all No. 20 coupons held, corresponding to one twenty-fifth of the Reference Price for each No. 20 coupon presented by the Shareholders Concerned. In order to benefit from such 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 every person in possession of that 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 shares shall be subject to the provisions of the Articles of Association and shall enjoy the rights attaching to shares of the Company from the day immediately following the General Meeting.

Upon presentation of No. 19 coupon, every bearer share of Compagnie Financière Tradition S.A. held at the close of trade on the day immediately preceding the ex-dividend date, scheduled for 22 May 2017, shall entitle the bearer to receive a cash payment of CHF 4.50 per bearer share with a nominal value of CHF 2.50, for a maximum of 7,125,218 shares (excluding treasury shares held by the Company at the date of the General Meeting).

The total amount of the dividend and the retained earnings carried forward shall be determined and communicated after 5.30 pm CET on 17 May 2017, and shall be communicated to the General Meeting. A theoretical example of how the dividend is determined is shown in Appendix 1 of this notice.

Swiss withholding tax of 35%, calculated on the Reference Price of the distributed shares and the cash dividend, will be deducted from amounts paid out 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. 19 and No.20 coupons is not tradable.

Compagnie Financière Tradition shares will go ex-dividend on 22 May 2017.

The dividend will be paid in cash and as bearer shares of Compagnie Financière Tradition on 30 May 2017 (value date).

Holder of share certificates must deposit their shares in a bank deposit account before the General Meeting, if they wish to receive one bearer share of Compagnie Financière Tradition S.A. for every 25 No. 20 coupons held. Should they fail to do so, they will receive a cash payment corresponding to one twenty-fifth of the Reference Price for each of their No. 20 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 its Directors and members of the Executive Board for the 2016 financial year.

4. Renewal of authorised share capital

The Board of Directors proposes the extension, for a further period of two years, until 18 May 2019, of the authority granted to the Board of Directors to increase the share capital by a maximum amount of CHF 5,758,327.50 through the issuance of up to 2,303,331 new bearer shares of CHF 2.50 nominal each, fully paid-up and to amend Article 5(2) of the Articles of Association as follows:

Article 5

Share capital

(Paragraph 1 unchanged)

Authorised share capital

“The Board of Directors shall be authorised, up to and including 18 May 2019, 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 determine the issue price.

(Subsequent paragraphs unchanged)

5. Aggregate compensation for Directors for the 2018 calendar year.

The Board of Directors proposes that shareholders approve the maximum aggregate amount of compensation for Directors for the 2018 calendar year, namely CHF 310'000.-.

6. Aggregate compensation for members of the Executive Board for the 2018 calendar year.

The Board of Directors proposes that shareholders approve the maximum aggregate amount of compensation for the members of the Executive Board for the 2018 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 Descarpenteries
- 7.5 Mr Christian Goecking
- 7.6 Mr Pierre Languetin
- 7.7 Mr Robert Pennone
- 7.8 Mr Urs Schneider

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 one-year term of office.

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 SA, Lausanne, be re-appointed for a one-year term, terminating at the conclusion of the Annual General Meeting of Shareholders to be held in 2018 to approve the financial statements for the year ended 31 December 2017.

11. Re-election 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-elected as the Independent Proxy.

Documents

The reports of the Directors and the Auditor for the 2016 financial year will be available to shareholders on the Company's website, www.tradition.com and at its General Secretariat, from 26 April 2017.

Personal attendance

Shareholders must obtain their attendance cards no later than 12 May 2017 from Banque Cantonale Vaudoise, Credit Suisse AG, or UBS S.A. 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 Martin Habs, notary, 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 by both post and electronically, and should there be a contradiction in the two sets of instructions given to the Independent Proxy, the written instructions will 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 2017

Board of Directors

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