



COMPAGNIE FINANCIERE TRADITION S.A.
Rue de Langallerie 11 -CH1003 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, 10 May 2012, at 3.00 pm

Agenda and proposals of the Board of Directors

- 1. - Presentation of the Annual Report, the Company financial statements and the Group financial statements for the year ended 31 December 2011;
- Presentation of the Auditors' Report.**

Proposal of the Board of Directors

The Board of Directors proposes that the Annual Report, the Company financial statements and the Group financial statements for the 2011 financial year be approved.

- 2. Appropriation of available retained earnings for 2011, allocation of part of the capital contribution reserves to the free reserves and appropriation of the corresponding amount. Capital increase**

2.1 Appropriation of net profit for 2011

	<u>CHF</u> CHF 000
Retained earnings brought forward	36 113
Movements in the reserve for treasury shares	26 950
Net profit for the year	-356
	<hr/>
Available earnings	62 707

Proposed appropriation of available retained earnings for 2011

Retained earnings carried forward	62 707
-----------------------------------	--------

2.2 Allocation of part of the capital contribution reserves to the free reserves and appropriation of the corresponding amount.

Proposal of the Board of Directors

	<u>CHF</u> CHF 000
- Allocate, from the capital contribution reserve to the free reserves, an amount of CHF 4.- for each bearer share of CHF 2.50 nominal value, for a maximum* of 6,182,870 shares.	24 731*
- Seta dividend, for the 2011 financial year, equivalent to the amount allocated from the capital contribution reserves to the free reserves as prescribed above, in the amount of CHF 4.- per bearer share of CHF 2.50 nominal, for a maximum* of 6,182,870 shares, payable in new bearer shares of Compagnie Financière Tradition S.A. or in cash, at the shareholders' election, in accordance with the terms set out below.	24 731*

* Treasury shares held by Compagnie Financière Tradition S.A. do not carry the right to a dividend.

Upon presentation of No. 14 coupon, each bearer share of Compagnie Financière Tradition S.A. held at the close of trading on the day preceding the ex-dividend date, scheduled for 14 May 2012, will entitle its holder, subject to the restrictions mentioned below, to elect:

- to receive free of charge a number of new bearer shares of Compagnie Financière Tradition S.A. depending on the number of No. 14 coupons in respect of which an election has been made. The issue price of the new bearer shares of Compagnie Financière Tradition S.A., which will decide the number of No. 14 coupons required to obtain one new free bearer share of Compagnie Financière Tradition S.A., will be announced at the General Meeting. It will correspond to the average of the opening and closing prices of Compagnie Financière Tradition S.A. shares on the SIX Swiss Exchange during the 20 business days preceding the date of the General Meeting, minus a discount of approximately 5% calculated on the said average and an amount equivalent to that of the dividend of CHF 4.- per share. The exact amount of the discount will be set so as to ensure that the issue price constitutes a whole multiple of the dividend of CHF 4.- per share.

or

- to receive a cash payment of CHF 4.- (from the capital contribution reserves) for each coupon No. 14 in respect of which an election has been made.

Holders of several shares may elect to receive part of their holding in the form of new bearer shares of Compagnie Financière Tradition S.A. ("scrip dividend"), and part in cash.

Under no circumstances will fractions of Compagnie Financière Tradition S.A. bearer shares be allotted:

- shareholders who do not hold a sufficient number of shares to allow them to obtain one new bearer share of Compagnie Financière Tradition S.A. will automatically receive an amount of CHF 4.- in cash (from the capital contribution reserves) for each of their No. 14 coupons;
- the other shareholders will receive the full number (rounded down as the case may be) of new Compagnie Financière Tradition S.A. shares to which they are entitled according to the number of No. 14 coupons in respect of which an election has been made and, for the rest, a cash payment of CHF 4.- (from the capital contribution reserves) for each of their other No. 14 coupons.

The election period runs from Monday, 14 May 2012 to noon on Tuesday, 22 May 2012 (CET).

Compagnie Financière Tradition shares will go ex-dividend on 14 May 2012.

The dividend will be paid (as new bearer shares of Compagnie Financière Tradition S.A. or in cash) on 24 May 2012 (value date), subject to postponement due to any delay in registering the capital increase proposed under Item 2.3 on the Agenda with the Commercial Registry.

The election right attached to each No. 14 coupon is non-negotiable. It is not transferrable and may only be exercised as a means of payment of the dividend.

Should the General Meeting not accept the proposed capital increase under Item 2.3 on the Agenda, each No. 14 coupon will give the right to a cash payment of CHF 4.- (from the capital contribution reserves) only, to the exclusion of any new Compagnie Financière Tradition S.A. shares.

The laws and regulations in certain jurisdictions outside Switzerland may restrict or forbid the distribution of dividends in the form of shares without publication of documents other than this resolution and the prospectus referred to in the explanations regarding Item 2.3 on the Agenda, or they may subject such a distribution offer to specific requirements, government authorisation or authorisation from any other authority, prior registration with or announcement to such an authority, or even an examination of conformity. Shareholders subject to such laws or regulations may not elect to receive new shares under the dividend payment option. Such shareholders will receive their dividend in the form of a cash payment of CHF 4.- (from the capital contribution reserves) for each No. 14 coupon held. It is the responsibility of every person receiving this document to obtain information regarding any restrictions of this type and to comply with them. Compagnie Financière Tradition S.A. declines all responsibility in this respect. To compensate shareholders who are not entitled to elect to receive a dividend in the form of new Compagnie Financière Tradition S.A. bearer shares by reason of restrictions imposed by a jurisdiction outside Switzerland, such as envisaged here, such shareholders will be entitled to a compensatory payment in Swiss francs on the following conditions:

- the weighted average price of Compagnie Financière Tradition shares (according to Bloomberg) on the SIX Swiss Exchange on the second to last trading day before the election period, that is, on 21 May 2012 must be higher than the issue price;
- the shareholders concerned (“Eligible Shareholders”) must send the Company an original (paper) copy of their dividend statement, together with the relevant form duly completed and signed, on which they must substantiate their status as an Eligible Shareholder, within 30 calendar days of receipt of the dividend statement from the custodian or the broker, but no later than 5 July 2012. The application form for compensatory payment may be obtained from Compagnie Financière Tradition S.A. at the following address: rue Langallerie 11, 1003 Lausanne, Switzerland.

The amount of the compensatory payment will correspond to the difference between the average weighted price of the volume of Compagnie Financière Tradition shares on the SIX Swiss Exchange on 21 May 2012 (rounded to two decimals) (according to Bloomberg) (A) and the issue price of the new shares (B), multiplied by the quotient (rounded down to the next whole number) of the division of the number of shares held by the Eligible Shareholder according to the relevant dividend statement (C) by the number of coupons needed to subscribe one new Compagnie Financière Tradition S.A. bearer share under the dividend election option (D) $[(A - B) \times (C \div D)]$. No compensatory payment will be made if the amount is below CHF 30.-.

Holders of share certificates must deposit their shares in a bank deposit in good time, bearing in mind the election period, if they wish to elect to receive the Compagnie Financière Tradition S.A. scrip dividend. Should they fail to do so, they may only receive the cash payment of CHF 4.- (from the capital contribution reserve) for each No. 14 coupon presented.

Shareholders who, at the time of claiming their entitlement to the dividend, do not expressly elect the allotment of a scrip dividend, will be deemed to have opted for the cash payment of CHF 4.- (from the capital contribution reserve) for each No. 14 coupon presented.

2.3 Capital increase

Proposal of the Board of Directors

Increase the present share capital by an amount not exceeding CHF 1,037,500, bringing the increased share capital to a maximum of CHF 16,494,675, by issuing up to 415,000 bearer shares with a nominal value of CHF 2.50 each, which will be fully paid up by the conversion of the Company’s available equity. The new shares will carry dividend rights as of the 2012 financial year.

The maximum nominal amount of the increase, the amount of the share capital increase, and the maximum number of new bearer shares to be issued may be adjusted depending on the issue price to be announced at the General Meeting.

The issue price of the new shares will be set by the Board of Directors. It will correspond to the average of the opening and closing prices of Compagnie Financière Tradition S.A. shares on the SIX Swiss Exchange during the 20 business days preceding the date of the General Meeting, minus a discount of approximately 5% calculated on the said average and an amount equivalent to that of the dividend set by the General Meeting under Item 2.2 on the Agenda. The exact amount of the discount will be determined such as to ensure that the issue price constitutes a whole multiple of the dividend set by the General Meeting under Item 2.2. on the Agenda.

The shareholders’ pre-emptive right is disapplied and replaced by the dividend election system passed by the General meeting under Item 2.2 on the Agenda relating to the dividend, to which restrictions apply and in particular those concerning foreign laws or regulations that may limit the distribution of new Compagnie Financière Tradition S.A. bearer shares, and the fact that no allotment of fractions of Compagnie Financière Tradition S.A. bearer shares will be made in this case. The part of the increase which is not subscribed under the dividend election option, passed by the General Meeting under Item 2.2 on the Agenda relating to the dividend, will be withdrawn.

Explanations

The proposed capital increase is intended to allow the dividend election option proposed under Item 2.2 of the Agenda to be implemented. The maximum increase is based on the assumption that all shareholders will elect to receive the allotment of new Compagnie Financière Tradition S.A. bearer shares.

The issue price calculated in accordance with the above resolution will be announced by the Board of Directors at the General Meeting.

New share issues are subject to an issue prospectus, within the meaning of Section 652a of the Swiss Code of Obligations (CO), which will be published in the Swiss Official Gazette of Commerce and on the website of Compagnie Financière Tradition S.A. (www.tradition.com). No measures have been taken to ensure compliance of the documents concerning the issuance of the new shares with the law of any jurisdiction outside Switzerland. Compagnie Financière Tradition S.A. declines all responsibility in this regard.

3. Discharge for Directors.

The Board of Directors proposes that discharge be given to Directors for the 2011 financial year.

4. Election of the Independent Auditors

The term of the Independent Auditors (within the meaning of Section 727 of the Swiss Code of Obligations) having expired, the Board of Directors is proposing that Ernst & Young S.A., Lausanne, be appointed for a one year term, terminating at the conclusion of the Annual General Meeting of Shareholders to be held in 2013 to approve the financial statements for the year ended 31 December 2012.

Documents

The reports of the Directors and the Auditor for the 2011 financial year will be available to shareholders on the Company's website, www.tradition.com, and at its general secretariat, from 19 April 2012.

Attendance cards

Shareholders must obtain their attendance cards no later than 8 May 2012 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.

Appointment of a proxy

Shareholders who are unable to attend the General Meeting are entitled to appoint a representative to act on their behalf, notably Compagnie Financière Tradition S.A. or the independent representative (within the meaning of Sec. 689c CO), Mr Antoine Perrin, notary (place Benjamin-Constant 2, Case postale 7140, CH-1002 Lausanne, Switzerland). The appointment of a proxy must be made in writing. In the event that Compagnie Financière Tradition S.A. is the appointed proxy, it will vote in favour of the proposed resolutions of the Board of Directors, unless expressly instructed otherwise.

Custodians acting as representatives

Custodians acting as representatives, within the meaning of Sec. 689dCO, are requested to inform the Company in good time, but no later than 9 May 2012, of the number of shares they represent. Custodians acting as representatives are deemed to be entities subject to and governed by the Federal Bank Act as well as professional asset managers.

Lausanne, 19 April 2012

Board of Directors

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