



Inventing success together

**Invitation to the Annual General
Meeting of SFS Group AG**

Wednesday, April 24, 2024

Contact

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Dear Shareholders

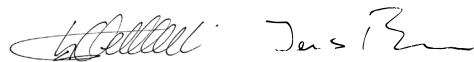
The 31st Annual General Meeting of the SFS Group AG will be held on Wednesday, April 24, 2024 at 5:30 p.m. We look forward to welcoming you to Sportzentrum Aegeten in Widnau.

Together with this invitation, you will also have received the letter to shareholders containing the most important information about the 2023 financial year. The complete Annual Report is available online at reports.sfs.com/annual-report/2023 →. Printed copies of the report are additionally available at the company's headquarters.

Please use the enclosed form to make a firm commitment to attend, to nominate a proxy or to issue instructions to the independent proxy. You can also register online at www.gvote.ch →. The closing date for registration is April 17, 2024. All persons entered in the share register on April 10, 2024 at 1 p.m. (CET) with voting rights are eligible to attend.

We would like to thank you for your loyalty, support and trust, and look forward to welcoming you to the Annual General Meeting.

Best regards,



Thomas Oetterli
Chair of the
Board of Directors

Jens Breu
CEO

31st Annual General Meeting of SFS Group AG
Wednesday, April 24, 2024 from 5:30 p.m.
(Doors open at 4.30 p.m.)

Sportzentrum Aegeten
Aegetenstrasse 60
9443 Widnau, Switzerland

Agenda and proposals

1

Approval of the Management Report of SFS Group AG, the consolidated financial statements and the financial statements 2023 of SFS Group AG

The Board of Directors proposes that the Management Report, consolidated financial statements and annual financial statements for 2023 be approved.

Explanation

The Board of Directors is legally obliged to submit to the Annual General Meeting for approval the operational and financial Management Report,

annual financial statements and consolidated financial statements for each financial year. The external auditor PricewaterhouseCoopers AG, St. Gallen, has audited the consolidated financial statements of SFS Group and the annual financial statements of SFS Group AG and not added anything to its Audit Reports.

2

Approval of the 2023 Sustainability Report of SFS Group AG

The Board of Directors proposes that the 2023 Sustainability Report be approved.

Explanation

For the first time as of the 2023 financial year, the Board of Directors is legally obliged to submit the Sustainability Report for each year to the Annual General Meeting for approval. The Sustainability Report essentially covers the following topics: corporate governance, value chain, environment, employees and society. It can be downloaded online at reports.sfs.com/annual-report/2023 →.



3

Approval of the compensation of the members of the Board of Directors and the Group Executive Board

Explanation
The Annual General Meeting is responsible for approving the compensation paid to the Board of Directors and the Group Executive Board.

3.1

Approval of the compensation of the Board of Directors for the 2024/2025 term of office

The Board of Directors proposes the approval of a cash compensation payment for members of the Board of Directors in the amount of CHF 1,200,000 (including social security contributions) plus CHF 700,000 (including social security contributions) for the allocation of 5,000 company shares for the period until the conclusion of the 2024 Annual General Meeting. The allocation of shares is measured at the fair market value of CHF 109.00 per share on February 19, 2024. Since the shares' stock exchange price is subject to fluctuations, the value of the 5,000 shares could be higher or lower than CHF 700,000 at the time the shares are paid out following the Annual General Meeting.

Explanation

In accordance with article 6 cipher 6 and article 12 paragraph 1 cipher 1 of the Articles of Association of SFS Group AG, the General Meeting approves the maximum total amount of compensation of the Board of Directors up to the next Annual General Meeting. In accordance with article 25 of the Articles of Association of SFS Group AG, members of the Board of Directors receive a fixed basic fee and fixed compensation for membership of the Board's committees, as well as a lump-sum compensation payment for expenses, which is to be set by the full Board of Directors at the request of the Nomination and Compensation Committee subject to and within the limits of the aggregate amounts approved by the Annual General Meeting. Compensation is paid in cash and in the form of a fixed number of shares of the company.

3.2

Approval of the maximum total amount of fixed compensation for the Group Executive Board for the period from January 1 to December 31, 2025

The Board of Directors proposes the approval of a maximum total amount of CHF 4,600,000 (including social security contributions) for the fixed compensation of members of the Group Executive Board in the 2025 financial year.

Explanation

In accordance with article 6 cipher 6 and article 12 paragraph 1 cipher 4 of the Articles of Association of SFS Group AG, the Annual General Meeting approves the fixed compensation for the Group Executive Board to be paid in the coming financial year.

3.3

Approval of the maximum total amount of variable compensation for the Group Executive Board for the past financial year 2023

The Board of Directors proposes the approval of a total amount for members of the Group Executive Board of CHF 2,000,000 (including social security contributions) for the variable cash compensation component, as well as CHF 1,000,000 (including social security contributions) for the allocation of 7,580 company shares, which will be paid out following this Annual General Meeting on the basis of the results achieved in the 2023 financial year. The allocation of shares is measured at the fair market value of CHF 109.00 per share on February 19, 2024. Since the shares' stock exchange price is subject to fluctuations, the value of the 7,580 shares could be higher or lower at the time the shares are paid out following the Annual General Meeting.

Explanation

In accordance with article 6 cipher 6 and article 12 paragraph 1 cipher 3 of the Articles of Association of SFS Group AG, the Annual General Meeting approves the variable compensation of the Group Executive Board, which is to be paid immediately after approval and is based on the results achieved and targets met in the preceding financial year.

3.4

Advisory vote on the 2023 Compensation Report

The Board of Directors proposes that the 2023 Compensation Report be approved as part of a non-binding advisory vote. The Compensation Report is included in the Annual Report 2023 as a separate chapter.

Explanation

The Compensation Report contains the foundations for the compensation of the Board of Directors and Group Executive Board, as well as the compensation of members of the two boards for the 2023 financial year. The Board of Directors submits the Compensation Report to shareholders for an advisory vote.

4

Discharge of the Board of Directors and the Group Executive Board

The Board of Directors proposes discharging all members of the Board of Directors and the Group Executive Board for the 2023 financial year.

Explanation

In discharging the members of the Board of Directors and the Group Executive Board, the company and the shareholders who are in agreement declare that they will no longer hold accountable those responsible for events in the preceding financial year that were brought to the attention of the General Meeting. The company is not aware of any facts that would oppose a full discharge of the members of the Board of Directors and the Group Executive Board.



The Board of Directors of SFS Group AG

5

Appropriation of retained earnings and the statutory capital reserve

The Board of Directors proposes a distribution from retained earnings of CHF 1.25 per registered share ranking for dividend with a nominal value of CHF 0.10.

Retained earnings brought forward	CHF million	570.5
Net income	CHF million	129.9
Retained earnings available to the Annual General Meeting	CHF million	700.4
Distribution from retained earnings*	CHF million	-48.6
Balance to be carried forward	CHF million	651.8

The Board of Directors proposes a distribution from the statutory capital reserve of CHF 1.25 per registered share ranking for dividend with a nominal value of CHF 0.10.

Carryforward of statutory capital reserve	CHF million	132.1
Changes of statutory capital reserve	CHF million	-
Statutory capital reserve before distribution	CHF million	132.1
Distribution from the statutory capital reserve*	CHF million	-48.6
Balance to be carried forward	CHF million	83.5

*The dividend is based on the total issued share capital as at December 31, 2023. No dividends will be distributed to treasury shares held by SFS Group AG.

Explanation

A resolution of the General Meeting is required for a dividend to be distributed. The proposed appropriation of retained earnings and capital reserves is consistent with the dividend policy of SFS Group. Based on current statutory requirements, the distribution from the statutory capital reserves may not exceed 50% of the total dividend distribution. The share of this distribution is not subject to withholding tax and is exempt from income tax for natural persons residing in Switzerland. The appropriation of retained earnings and distribution of an ordinary dividend are based on the annual financial statements, which have been audited externally and are to be approved in agenda item 1.

6

Re-election of the current members and Chair of the Board of Directors and election of a new member

The Board of Directors proposes the re-election of the current members of the Board of Directors (incl. the Chair), as well as the election of Tanja Birner as a new member of the Board of Directors for the term of office up to the conclusion of the next Annual General Meeting.

Explanation

As the terms of office of the members of the Board of Directors and the Chair end at the conclusion of the ordinary General Meeting on April 24, 2024, they need to be re-elected at the meeting. New members of the Board of Directors are to be elected by the General Meeting.

Nick Huber and Fabian Tschan represent significant shareholders of SFS Group AG on the Board of Directors. All other members of the Board of Directors are independent within the meaning of the Swiss Code of Best Practice for Corporate Governance of Economiesuisse. None of the members of the Board of Directors have been members of the Group Executive Board of SFS Group AG or one of its subsidiaries in the past three years. None of the members of the Board of Directors has a significant business relationship with SFS Group AG. All members of the Board of Directors are non-executive. Information about

the professional background of the current members of the Board of Directors and the membership of the committees of the Board of Directors can be found in the Annual Report, from page 78 on, available at sfs.com/ch/en/downloadcenter/publications →.

- a) Re-election of Peter Bauschatz
- b) Re-election of Nick Huber
- c) Re-election of Urs Kaufmann
- d) Re-election of Thomas Oetterli as member and Chair of the Board of Directors (in the same vote)
- e) Re-election of Manuela Suter
- f) Re-election of Fabian Tschan
- g) Re-election of Jörg Walther
- h) Election of Tanja Birner



Tanja Birner, a German national born in 1972, has been proposed as a new member of the Board of Directors of SFS Group AG.

Her other occupation is Senior Vice President Sales & Marketing – Factory Automation Siemens AG since September 2023 (with Siemens since September 2019).

7

Re-election of the members of the Nomination and Compensation Committee

Members of the Nomination and Compensation Committee are to be elected for a term that extends until the conclusion of the next ordinary General Meeting.

Explanation

As the term of office of the members of the Nomination and Compensation Committee ends at the conclusion of the Annual General Meeting on April 24, 2024, they each need to be re-elected at the General Meeting. Nick Huber has been a member of the Nomination and Compensation Committee since 2017 and Thomas Oetterli since 2022. Urs Kaufmann has been Chair of the Nomination and Compensation Committee since 2014. Thomas Oetterli is not available for re-election to the Nomination and Compensation Committee, which is sufficiently staffed with two members (see cipher 5.1.2 of the Organizational regulations). Urs Kaufmann is independent within the meaning of the Swiss Code of Best Practice for Corporate Governance of Economiesuisse. It is envisaged that Urs Kaufmann will be confirmed as Chair of the Nomination and Compensation Committee by the Board of Directors upon being re-elected as a member of the Nomination and Compensation Committee.

- a) Re-election of Nick Huber
- b) Re-election of Urs Kaufmann (Chair of the Committee)

8

Re-election of the independent proxy

The Board of Directors proposes the re-election of bürki bolt Rechtsanwälte, Auerstrasse 2, CH-9435 Heerbrugg, as independent proxy until the conclusion of the next Annual General Meeting.

Explanation

The law requires the independent proxy to be elected annually at the ordinary General Meeting. bürki bolt Rechtsanwälte fulfils the independence criteria and the Board of Directors proposes that it be re-elected for reasons of continuity.

9

Re-election of the statutory auditor

The Board of Directors proposes the re-election of PricewaterhouseCoopers AG, St. Gallen, as the external auditor for the 2024 financial year.

Explanation

The Articles of Association require the external auditor to be elected annually at the ordinary General Meeting. PricewaterhouseCoopers AG, St. Gallen, has been the external auditor of SFS Group AG since 1993. PricewaterhouseCoopers has confirmed to the Board of Directors its independence required to exercise the mandate.