



# **Invitation to the General Meeting of Emmi AG**

Thursday, 2 April 2020 at 4 p.m. (doors open at 3 p.m.)  
Messe Luzern

# Key figures Emmi Group

Amounts in CHF million	2019	2018	2018 adjusted <sup>1)</sup>
Net sales	3,494	3,457	
Sales development in %	1.1	2.8	
Acquisition effect in %	0.4	0.1	
Currency effect in %	-1.5	0.4	
Net sales increase in organic terms in %	2.2	2.3	
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	352.9	352.8	
as % of net sales	10.1	10.2	
Earnings before interest and taxes (EBIT)	217.8	216.7	
as % of net sales	6.2	6.3	
Net profit	166.2	233.3	175.5
as % of net sales	4.8	6.7	5.1
Investment in fixed assets (excl. acquisitions)	106.0	88.0	
as % of net sales	3.0	2.5	
Headcount (full-time equivalents) as at 31.12.	7,826	6,151	
Headcount (full-time equivalents) at yearly average	6,435	6,140	
Net sales per employee in CHF 000s (average)	543	563	
	<b>31.12.2019</b>	31.12.2018	
Total assets	2,865	2,820	
of which shareholders' equity incl. minority interests	1,784	1,657	
as % of total assets	62.3	58.7	
Market capitalisation	4,507	3,646	

<sup>1)</sup> Adjusted for non-recurring effects. There were no significant non-recurring effects in the period under review. Non-recurring effects had an impact of CHF 57.8 million on net profit in the previous year and resulted from the sale of the minority stake in The Icelandic Milk and Skyr Corporation "siggi's".

# Invitation to the General Meeting of Emmi AG 2020

Dear Shareholders

Trade disputes, climate change, social tensions and much more besides all had an impact on the global economy last year. Despite this, we were once again able to post a solid result, thanks above all to our clear strategy, which we have pursued with consistency and purpose for many years, our diversified company and product portfolio as well as the tireless efforts and flexibility of our employees.

## Pleasing organic growth and solid earnings

We are pleased with our organic growth of 2.2%, which is broad-based and underpinned by all business divisions. This was achieved through conscious positioning in all markets and despite a challenging environment in some relevant markets, including price pressure and continued increasing import pressure in Switzerland, challenging conditions in Chile due to social unrest and upheavals in the organic milk market in Germany, to name but a few. Growth drivers included our strategic niche markets such as Italian dessert specialities and goat's milk products, Emmi Caffè Latte and the growth markets in Latin America and North Africa.

We also recorded solid earnings growth. EBIT amounted to CHF 217.8 million (previous year: CHF 216.7 million). The EBIT margin was 6.2% (previous year: 6.3%). This resulted in a net profit of CHF 166.2 million (previous year: CHF 175.5 million, adjusted for the "siggi's" effect).

## Revised dividend policy

Emmi's performance in 2019 was impressive. You, our valued shareholders, should also benefit from this pleasing result in your capacity as investors. The Board of Directors will therefore propose a dividend of CHF 12.00 per registered share to the General Meeting, which represents an increase of CHF 3.00 or 33% on the regular dividend in the previous year (CHF 9.00). This significant increase is the result of Emmi's new dividend policy, which provides for an increase in the distribution rate to between 40% and 50% of net profit (previously 25% to 30%). Taking into account the consolidation and accounting principles for goodwill valid from financial year 2020, which have also been revised, this corresponds to a future distribution rate of between 35% and 45% of net profit.

## General Meeting of Emmi AG 2020

All members of the Board of Directors are standing for re-election for a further term of office. Ricarda Demarmels, our CFO since June 2019, will present our financial results to you for the first time.

We would like to thank you for the trust you have placed in us. We look forward to welcoming you in the Messe Luzern on 2 April 2020, where the CEO, CFO and I will be happy to provide further information on financial year 2019.



Konrad Graber  
Chairman of the Board of Directors

## Agenda and proposals by the Board of Directors

### 1. Approval of the Management Report, Consolidated Financial Statements and Financial Statements of Emmi AG for 2019

#### Proposal by the Board of Directors

Approval of the Management Report, Consolidated Financial Statements and Financial Statements of Emmi AG for 2019.

#### Note

The information in the Management Report, if not already included in the Consolidated Financial Statements and Financial Statements, can be found in the “Key figures”, “Editorial”, “Our highlights”, “Sustainability” and “Financial commentary” sections of the Annual Report. The Corporate Governance Report and the Compensation Report are not part of the Management Report.

### 2. Discharge of the members of the Board of Directors

#### Proposal by the Board of Directors

Granting of discharge to the members of the Board of Directors for their services during financial year 2019.

### 3. Resolution on the appropriation of available earnings; setting of the distribution from retained earnings

in KCHF

Retained earnings carried forward	6,669
Net profit Emmi AG	99,766
Earnings available for distribution by the GM	106,435

#### Proposal by the Board of Directors for the appropriation of available earnings

Distribution of a gross dividend of CHF 12.00 (previous year: CHF 9.00) per registered share from retained earnings for financial year 2019 on 5,349,810 shares entitled to dividends.

in KCHF

Earnings available for distribution by the GM	106,435
Dividend	-64,198
Allocation to free reserves	-40,000
Carried forward to new account	2,237

#### Note

Subject to the approval of this proposal, the dividend will be paid out on 8 April 2020 in accordance with the dividend instruction to all those holding shares in Emmi AG on 7 April 2020.

### 4. Approval of the total amount of remuneration

#### Note

The total amount of remuneration shall be approved in accordance with Art. 29e of the Articles of Association of Emmi AG and in line with the Ordinance against Excessive Compensation in Listed Companies. The principles for remuneration are set out in Art. 29b of the Articles of Association and in the Compensation Report. Remuneration is determined adequately, competitively and on the basis of performance, in accordance with the strategic objectives and the success of the Emmi Group. There are currently no share or option plans or other share ownership programmes for members of the Board of Directors, the Agricultural Council or Group Management. The remuneration paid to the Board of Directors and the Agricultural Council is not related to performance and therefore comprises a fixed amount only.

The maximum total amounts to be determined below ensure the necessary freedom to be able to respond flexibly to changes (additional members being added to the Board of Directors or Agricultural Council, committee deferrals, additional meetings due to business developments, specific events or general reserves). There is no intention to exhaust the total amounts of fixed remuneration; instead they ensure the required entrepreneurial flexibility. In the Compensation Report and in the next section of this invitation, the Board of Directors provides information on the actual amounts used.

All amounts mentioned in agenda item 4 are in KCHF.

☞<sup>3</sup> See Compensation Report

#### 4.1 Approval of the maximum fixed remuneration of the Board of Directors for financial year 2020

##### Proposal by the Board of Directors

Approval of the total amount of fixed remuneration of the Board of Directors up to a maximum of KCHF 1,030 for financial year 2020.

##### Note

The proposed maximum amount also includes remuneration for tasks performed as part of the three committees, the council and the two foundations. The Board of Directors currently comprises nine members.

Proposal to GM 2020 for FY 2020	Remuneration paid 2019	Proposal to GM 2019 for FY 2019
1,030 (ceiling amount)	933	970 (ceiling amount)

#### 4.2 Approval of the maximum fixed remuneration of the Agricultural Council for financial year 2020

##### Proposal by the Board of Directors

Approval of the total amount of fixed remuneration of the Agricultural Council up to a maximum of KCHF 40 for financial year 2020.

##### Note

The Agricultural Council comprises members of the Board of Directors, employees and external experts. The proposed total amount corresponds to the remuneration paid to the five external experts. Members of the Agricultural Council who are also members of the Board of Directors receive compensation for their work on the Agricultural Council as part of the remuneration of the Board of Directors. Employees do not receive any compensation for their work on the Agricultural Council.

Proposal to GM 2020 for FY 2020	Remuneration paid 2019	Proposal to GM 2019 for FY 2019
40 (ceiling amount)	35	40 (ceiling amount)

#### 4.3 Approval of the maximum fixed remuneration of Group Management for financial year 2021

##### Proposal by the Board of Directors

Approval of the total amount of fixed remuneration of Group Management up to a maximum of KCHF 5,480 for financial year 2021.

##### Note

The fixed salary component is determined according to function-specific benchmarks, individual abilities, ongoing performance and experience. Adjustments are made in due consideration of prevailing market conditions, individual performance and the company's overall economic situation. Group Management currently comprises eight members.

Proposal to GM 2020 for FY 2021	Proposal to GM 2019 for FY 2020	Remuneration paid 2019	Proposal to GM 2018 for FY 2019
5,480 (ceiling amount)	5,420 (ceiling amount)	4,684	5,400 (ceiling amount)

#### 4.4 Approval of the variable remuneration of Group Management for financial year 2019

##### Proposal by the Board of Directors

Approval of the total amount of variable remuneration of Group Management of KCHF 1,030 for financial year 2019.

##### Note

According to Art. 29b of the Articles of Association, the variable remuneration paid to a member of Group Management may not exceed 50% of their fixed remuneration. The amount of variable remuneration is exclusively oriented towards the short term and is determined by qualitative and quantitative objectives and parameters, in particular the overall success of the Group and the business division, and the individual contribution of each member.

Proposal to GM 2020 for FY 2019	Remuneration paid 2018	Proposal to GM 2019 for FY 2018
1,030	1,040	1,040

## 5. Elections to the Board of Directors

### Note

All members of the Board of Directors are standing for re-election.

### 5.1 Re-election of the members of the Board of Directors and the Chairman

#### 5.1.1 Konrad Graber

**Proposal by the Board of Directors:** Re-election of Konrad Graber as member of the Board of Directors and Chairman of the Board of Directors for a term of office until the end of the next General Meeting (same vote).

#### 5.1.2 Thomas Oehen-Bühlmann

**Proposal by the Board of Directors:** Re-election of Thomas Oehen-Bühlmann as member of the Board of Directors for a term of office until the end of the next General Meeting.

#### 5.1.3 Christian Arnold-Fässler

**Proposal by the Board of Directors:** Re-election of Christian Arnold-Fässler as member of the Board of Directors for a term of office until the end of the next General Meeting.

#### 5.1.4 Monique Bourquin

**Proposal by the Board of Directors:** Re-election of Monique Bourquin as member of the Board of Directors for a term of office until the end of the next General Meeting.

#### 5.1.5 Christina Johansson

**Proposal by the Board of Directors:** Re-election of Christina Johansson as member of the Board of Directors for a term of office until the end of the next General Meeting.

#### 5.1.6 Niklaus Meier

**Proposal by the Board of Directors:** Re-election of Niklaus Meier as member of the Board of Directors for a term of office until the end of the next General Meeting.

#### 5.1.7 Alexandra Post Quillet

**Proposal by the Board of Directors:** Re-election of Alexandra Post Quillet as member of the Board of Directors for a term of office until the end of the next General Meeting.

#### 5.1.8 Franz Steiger

**Proposal by the Board of Directors:** Re-election of Franz Steiger as member of the Board of Directors for a term of office until the end of the next General Meeting.

#### 5.1.9 Diana Strebel

**Proposal by the Board of Directors:** Re-election of Diana Strebel as member of the Board of Directors for a term of office until the end of the next General Meeting.

### 5.2 Re-election of the members of the Personnel and Compensation Committee

#### Proposal by the Board of Directors

Re-election of each individual member of the Personnel and Compensation Committee for a term of office until the end of the next General Meeting:

#### 5.2.1 Konrad Graber

#### 5.2.2 Monique Bourquin

#### 5.2.3 Thomas Oehen-Bühlmann

## 6. Re-appointment of the auditor

#### Proposal by the Board of Directors

Re-appointment of **KPMG AG, Lucerne**, as auditor for financial year 2020.

## 7. Re-election of the independent proxy

#### Proposal by the Board of Directors

Re-election of **Pascal Engelberger, lawyer, Burger & Müller, Lucerne**, as independent proxy for a term of office until the end of the next General Meeting.

## Organisational information

### Documentation

The Annual Report 2019 (including the Management Report, Consolidated Financial Statements, Financial Statements of Emmi AG, Auditor's Reports, Corporate Governance Report and Compensation Report) is available for inspection at the company's headquarters at Landenbergstrasse 1, 6005 Lucerne. The Annual Report 2019 is available – broken down into the various sections – on the Emmi website at [www.emmi.com/annual-report](http://www.emmi.com/annual-report). By choosing not to receive a printed version of the Annual Report 2019, you are making a contribution to sustainability. If this is not possible, you can order one by sending an e-mail to [emmiereport@computershare.ch](mailto:emmiereport@computershare.ch).

### Entitlement to vote and admission tickets

All shareholders with their voting rights registered in the share register on 25 March 2020 shall be entitled to vote. Distribution of the registration and power of attorney form for admission tickets will begin on 3 March 2020. Shareholders are requested to sign and return the registration form by 25 March 2020 at the latest to ensure that their admission ticket and voting material can be distributed on time. **Admission tickets for accompanying persons cannot be provided.**

### Representation and power of attorney

Shareholders who would like to be represented are requested to return the signed power of attorney on the enclosed registration and power of attorney form. The following can be designated as a representative:

a) the independent proxy:

**Pascal Engelberger, lawyer LL. M., Burger & Müller, Murbacherstrasse 3, 6003 Lucerne.** Alternatively, you can issue your power of attorney and instructions to the independent proxy electronically. In the event of electronic authorisation and instruction, please read the instructions on the separate form regarding electronic authorisation of power of attorney and issuance of instructions.

b) another registered shareholder

With regard to the instructions, please pay careful attention to the information on the form regarding electronic authorisation of power of attorney and issuance of instructions.

### Sale of shares

In the event of a sale of shares from the portfolio indicated on the admission ticket, the shareholder shall no longer be entitled to vote in respect of the shares sold. The admission ticket issued to the shareholder and the voting material must therefore be corrected at the counter before the start of the General Meeting.

### How to get to the Emmi General Meeting 2020



#### By public transport

Take the S-Bahn from Lucerne railway station (departs every 15 minutes at 12, 27, 42 and 57 minutes past the hour). It is a two-minute journey to the "Allmend/Messe" stop. You can also take bus no. 20 from Lucerne railway station (departs every 15 minutes at 00, 15, 30 and 45 minutes past the hour). It is an eight-minute journey.

#### By car

There are plenty of parking spaces available at the Messe. These are subject to a charge and cost CHF 10 per ticket. We recommend travelling by public transport, however.

#### Changes of address

Please report changes of address directly to the share register: Computershare Schweiz AG, Maria-Enza Puglisi, Baslerstrasse 90, 4600 Olten, [share.register@computershare.ch](mailto:share.register@computershare.ch), +41 62 205 77 08.



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