SGS

# ARTICLES OF ASSOCIATION

of

SGS SA, Geneva

Claudia AGAD
RÉPUBLIQUE ET CANTON DE GENÈVE
Traductrice-jurée

## HEADING I

## Name – Objects – Head Office - Duration of the Company

**Article 1**

[1] Between the owners of the shares hereinafter mentioned, a company limited by shares, governed by these Articles and for those instances not provided therein by Heading XXVI of the Code of Obligations, is hereby established.

[2] The name of this company is:
SGS SA
SGS Ltd.

**Article 2**

[1] The objects for which the company is established are to acquire and manage shareholdings and investments, in any form whatsoever, in companies providing services primarily in the field of surveillance, especially in the company SGS Société Générale de Surveillance S.A. in Geneva

[2] The company may also take interests in any other commercial, industrial, financial and real estate enterprises.

**Article 3**

[1] The head office of the company is in Geneva.

**Article 4**

[1] The company is established for an indefinite period.

## HEADING II

## Share capital – Shares

**Article 5**

[1] The share capital shall be fixed in the sum of CHF 7,822,436.-, fully paid up.

2 It is divided into:
7,822,436 registered shares of CHF 1.- each.

**Article 5 bis**

[1] The company is conditionally increasing its share capital by a nominal amount of CHF 1,100,000. - divided into 1,100,000 registered shares of CHF 1,- each.

[2] The option or conversion rights permitting subscription to shares shall be granted to employees of the SGS Group holders of options to be exchanged for shares and to creditors holders of convertible bonds or similar bonds which will be issued by the company or by a company under its control, in one or more issues.

[3] The preferential right of subscription of shareholders is excluded in favour of employees holders of options to be exchanged for shares and of creditors holders of convertible bonds or similar bonds. The preferential right of shareholders to subscribe to convertible bonds is excluded.

[4] The board of directors shall determine the conditions of convertible loans or other similar bonds, which shall be issued on commercial terms, and the conditions of exchange of the options held by employees of the SGS Group. The period for the exercise of the conversion rights shall not exceed ten years from the date of issue.

**Article 5 *ter***

[1] The board of directors is authorized to increase the share capital in one or more tranches up to a nominal value of CHF 500,000,- divided into 500,000 registered shares of CHF 1,- each.

[2] The board of directors is authorized to exclude the preferential right of subscription of shareholders, and to allocate the shares or the

preferential right to subscribe to the shares to third parties in the case of the acquisition of a business or parts of a business, of taking a holding in a business or a company, or similar transactions. [...]

[3] The board of directors shall determine the issue price and the other conditions of issue of the new shares which shall be issued on commercial terms at the date of their issue.

[4] The present article 5 ter shall be valid until the 24 March 2011.

**Article 6**

[1] The possession of a share entails adherence to the Articles of Association of the company and the resolutions of the general meeting.

[2] Certificates for one or more shares may be issued in accordance with the terms fixed by the board of directors. The provisions relating to the shares are applicable to the certificates.

[3] Registered shares and the certificates are signed by two directors. These signatures may be in the form of facsimile signatures.

[4] The transfer of registered shares is effected by endorsement, such endorsement having to be signed by the transferor unless the company is in possession of a proxy of transfer. Furthermore, any transfer of registered shares must be mentioned on the register of registered shares.

[5] As far as the company is concerned, only persons entered on the register of registered shares are considered as registered shareholders.

[6] As far as the company is concerned, the shares are indivisible and the company only recognises one holder for each share. The registered shareholders must communicate any change of domicile to the company; any communication from the company shall be validly despatched to the last known address.

[7] He who acquires registered shares must personally request, on the form provided to that effect, that he be entered on the register of registered shares. The listing of shares acquired in a fiduciary capacity by third parties is excluded, unless special authorisation has been granted by the board of directors.

**Article 6 bis**

[1] The company may waive the printing and delivery of certificates for the registered shares. The shareholder nevertheless has the right to demand from the company at any time that certificates for his registered shares be printed and delivered free of charge. The board of directors shall set out the methods of execution in a regulation.

[2] Registered shares not incorporated in a certificate and the rights relating thereto not incorporated in a certificate can only be transferred by means of assignment. To be valid the assignment must be notified to the company.

[3] The registered shares or the rights relating thereto not incorporated in a certificate which are administered by a bank on instructions of the shareholder can only be transferred through the intermediary of this bank. Similarly, they can only be pledged in favour of this bank; it is not necessary to inform the company about it.

[4](Repealed)

**Article 6 ter**

[1] The company may at any time convert bearer shares into registered shares or registered shares into bearer shares.

**Article 7**

(Repealed)

## HEADING III

## General Meeting

**Article 8**

[1] The general meeting is the supreme authority of the company.

[2] Its resolutions shall be binding on all the shareholders, even on those not present or not represented.

[3] The board of directors or any shareholder may take legal action to contest resolutions of the general meeting which contravene the law or these Articles, as provided for by articles 706 and 706a of the Code of Obligations.

**Article 9**

[1] The general meeting of shareholders has the following powers, which are not transferable:

1) to accept or alter the Articles of Association;
2) to appoint the members of the board of directors and the auditors;
3) to approve the annual report and the group accounts;
4) to approve the annual accounts and to determine the allocation of the profit resulting from the balance sheet and in particular to fix the dividends and the share of profit for the directors;
5) to grant release to the directors;

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6) to resolve upon all matters which by law or the Articles are to be decided by the general meeting.

**Article 10**

[1] The ordinary general meeting shall be held every year within six months after the close of the business year.

[2] Extraordinary general meetings shall be convened whenever they are deemed necessary.

[3] The following provisions apply to ordinary and extraordinary general meetings.

**Article 11**

[1] The general meeting shall be convened by the board of directors and, if necessary, by the auditors, the liquidators or by representatives of bondholders of the company.

[2] One or more shareholders representing at least one tenth of the share capital of the company may also request the convening of a general meeting.

[3] The placing of an item on the agenda by shareholders representing shares totaling a nominal value of fifty thousand (50,000.-) francs can only be considered if the request reaches the company at least forty (40) days before the general meeting.

[4] The convening of a shareholders' meeting and the placing of an item on the agenda must be requested in writing setting out the items for discussion and proposals.

**Article 12**

[1] The general meeting shall be convened at least twenty (20) days before the date of the meeting by means of a letter sent to the shareholders entered on the register of registered shares.

[2] The business to be dealt with at the meeting and also the proposals of the board of directors and of the shareholders who requested the convening of the general meeting or the placing of an item on the agenda shall be stated in the notice of the general meeting.

[3] Notices for the ordinary general meeting must inform shareholders that the annual management report as well as the auditors' report shall be open for inspection by shareholders at the company's head office not less than twenty (20) days before the general meeting.

**Article 13**

[1] The following are permitted to attend the general meeting and exercise voting rights:
- holders of registered shares entered on the register of registered shares.

[2] The board of directors shall determine the methods of admittance to the general meeting.

[3] A registered shareholder may only have its registered shares represented by another registered shareholder holding a written power of attorney.

**Article 14**

[1] The general meetings shall be presided over by the chairman of the board of directors or, failing him, by another member of the board of directors.

[2] The chairman shall appoint the secretary.

**Article 15 (Repealed)**

**Article 16**

[1] The general meeting shall be validly constituted regardless of the number of shares represented.

[2] It adopts its resolutions by an absolute majority of the votes attributed to the shares represented.

[3] If a second ballot is necessary, a relative majority shall be sufficient.

[4] However, the following resolutions:
- increase in the share capital,
- election and removal of members of the board of directors,
- maximum number of members of the board of directors (Article 18, par. 1),
- amendment of this provision of the Articles (Article 16, par 4),

can only be passed if they obtain two thirds of the votes attributed to the shares represented at the general meeting.

[5] The provisions of Article 704 of the Code of Obligations are reserved.

[6] In the event of equality of votes, the outcome shall be considered as negative, since the chairman does not have a casting vote.

[7] Voting and elections shall take place by a show of hands unless a secret ballot is requested:
- either by one or more shareholders holding at least five per cent of the votes represented,
- or by the chairman of the meeting.

**Article 17**

[1] Minutes of the sessions of the general meeting shall be kept in accordance with the provisions of Article 702 par 2. of the Code of Obligations.

[2] The minutes shall be signed by the chairman and the secretary of the meeting.

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[3] Extracts of the minutes shall be certified by a member of the board of directors.

## HEADING IV

## Board of Directors

**Article 18**

[1] The company shall be administered by a board of directors composed of at least three members and at most twelve members chosen from among the shareholders and elected by the general meeting.

[2] (Repealed)

[3] The board shall appoint its chairman and secretary; the latter may come from outside the board.

**Article 19**

[1] Members of the board of directors shall serve for a maximum of four (4) years.

[2] Directors are indefinitely eligible for re-election.

**Article 20**

[1] To justify the fact that he is a shareholder, each director is bound to deposit one share of the company at the company's head office for the duration of his tenure of office.

**Article 21**

[1] The board of directors shall meet as often as required by the company's business, but at least once every six months.

[2] It is convened at the request of a member of the board of directors who shall set forth the reasons for convening the meeting.

[3] Resolutions of the board shall be adopted by a majority of the votes cast, abstentions being disregarded, provided however:

a) that the members present at the meeting form the majority of the board,
b) that the votes cast correspond to at least 50% of those of the whole board.

**Article 22**

[1] A record of the board's resolutions shall be kept.

[2] The minutes of every meeting shall be signed by the chairman and the secretary. It shall name the directors present.

[3] Resolutions carried by the board may also be adopted in the form of written assent to a motion, unless one of its members requests a discussion. They must be entered in the minutes.

**Article 23**

[1] The board of directors has the widest powers with regard to the management of the company. It exercises all the rights which are not reserved to the general meeting or other corporate bodies of the company.

[2] Subject to the provisions of Article 716a par. 1 of the Code of Obligations, the board of directors may delegate the management of the company to one or more members of the board of directors or to third parties who need not necessarily be shareholders. The board of directors draws up the organisational regulations.

**Article 24**

[1] The board of directors shall appoint the persons authorised to represent and bind the company in dealings with third parties, and confer upon them the right to sign for the company (single or joint signature). It shall appoint proxies and other representatives of the company.

**Article 24 bis**

[1] Members of the board of directors are entitled to the refunding of expenses incurred in the interest of the company as well as to the payment of fees corresponding to their activity, which the board itself shall determine.

## HEADING V

## Auditors

**Article 25**

[1] The general meeting shall elect one or more auditors in accordance with Article 727 of the Code of Obligations.

## HEADING VI

## Annual Accounts – Reserve Fund – Dividend

**Article 26**

[1] The company's business year begins on the first day of January and ends on the thirty-first day of December of each year.

**Article 27**

[1] In compliance with Articles 662 to 670 of the Code of Obligations, the annual accounts of the

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company, ruled off as at the thirty-first day of December, shall be drawn up annually.

[2] Revenues serve first to pay the overheads, the expenses and all other costs of the company. The board of directors has authority to determine the amortizations which should be made before closing the accounts. The surplus constitutes the profit.

**Article 28**

[1] Subject to the imperative provisions of the law, the general meeting shall freely resolve upon the allocation of the profit resulting from the balance sheet and reserves established for such purpose.

**Article 29**

[1] The payment of the dividend takes place at the time fixed by the board of directors. Any dividend not claimed within five years from its due dates is statute barred as of right in favour of the company and entered in the reserve account.

## HEADING VII

## Liquidation

**Article 30**

[1] In the event of dissolution of the company for reasons other than its bankruptcy or order of the court, the liquidation shall be effected by the management then in office, under the supervision of the board of directors, unless the general meeting resolves otherwise.

**Article 31**

[1] During the liquidation, the powers of the company's corporate bodies are limited to those acts which are necessary for this operation and which, by their nature, do not fall within the competence of the liquidators.

[2] The general meeting of shareholders retains the right to approve the liquidation account and to grant release therefore.

[3] The liquidator or liquidators are authorized to sell by private sale, if they deem it advisable and unless here is a resolution to the contrary by the general meeting, any real estate which may belong to the company. They may, by virtue of a resolution of the general meeting, transfer to third parties, against payment or other consideration, the assets and liabilities of the dissolved company.

[4] The assets available after payment of the liabilities shall first be used to refund the paid in share capital. The balance, if any, shall be distributed to the shareholders.

## HEADING VIII

## Publications – Venue

**Article 32**

[1] The publications of the company are validly made in the Swiss Official Trade Gazette.

**Article 33**

[1] All disputes which may arise during the life of the company or its liquidation, either between the shareholders and the company or its directors, managers, attorneys, proxies, liquidators or other representatives or auditors, or between the shareholders themselves, as a result of the company's business, shall be submitted to the jurisdiction of the courts of the place where the company has its head office.

Certified true updated Articles of Association.

Geneva, the seventh of April two thousand and nine.

Seal and signature of Me Yves AUBERT, Notary Public in Geneva

Certified true and correct translation.
Geneva, 20 April 2009

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