

INVITATION

Dear Shareholders,

The Board of Directors of The Swatch Group Ltd is pleased to invite you, in accordance with Article 12ff of the Articles of Association, to the

Ordinary General Meeting of Shareholders
on Thursday May 23, 2019 at 10:00 a.m.
at the Tissot Velodrome, Neumattstrasse 25, Grenchen, Switzerland

AGENDA

1. Annual Report 2018

- 1.1 Annual Report of the Board of Directors for 2018
- 1.2 Financial Statements 2018 (Balance Sheet, Income Statement and Notes) and Consolidated Financial Statements 2018
- 1.3 Statutory Auditors' Reports
- 1.4 Approval of the said Reports and the Financial Statements

After reviewing the reports of the Statutory Auditors, the Board of Directors recommends that the General Meeting approves the Annual Report 2018 (Annual Report, Financial Statements and Consolidated Financial Statements).

2. Discharge of the Board of Directors and the Group Management Board

The Board of Directors recommends that the General Meeting discharges all members of the Board of Directors and the Group Management Board for their activities during the business year 2018.

3. Resolution for the appropriation of the available earnings

The Board of Directors recommends that the General Meeting appropriates the available earnings of CHF 1'043'207'395.30 (net income as of 31.12.2018 of CHF 994'556'971.19 plus profit brought forward from the previous year of CHF 48'650'424.11) as follows:

<ul style="list-style-type: none"> • Dividend on share capital of CHF 125'210'250.00 		CHF 198'472'000.00
CHF 1.60 per registered share with a par value of CHF 0.45		CHF 246'720'000.00
CHF 8.00 per bearer share with a par value of CHF 2.25		CHF 580'000'000.00
<ul style="list-style-type: none"> • Allocation to special reserve 		CHF 18'015'395.30
<ul style="list-style-type: none"> • Balance carried forward 		CHF 1'043'207'395.30
Total		CHF 1'043'207'395.30

The precise total amount of dividend payment depends on the number of shares outstanding and eligible to receive a dividend on May 24, 2019. The group does not pay dividends on shares held by the group.

The dividend will be paid out as from May 29, 2019. The last trading day giving rise to a dividend entitlement is May 24, 2019. As from May 27, 2019, the shares will be traded ex-dividend.

4. Approval of Compensation

4.1 Fixed compensation of the members of the Board of Directors

4.1.1 Compensation for functions of the Board of Directors

The Board of Directors recommends that the General Meeting approves a total amount of maximum CHF 1'030'000 (excluding employer's share of social benefits) as fixed compensation for functions of the Board of Directors for the period from the Ordinary General Meeting 2019 until the next Ordinary General Meeting 2020.

4.1.2 Compensation for executive functions of the members of the Board of Directors

The Board of Directors recommends that the General Meeting approves a total amount of maximum CHF 2'550'000 (excluding employer's share of social benefits) as fixed compensation for executive functions of the members of the Board of Directors for the business year 2019.

4.2 Fixed compensation of the Executive Group Management Board and of the Extended Group Management Board for the business year 2019

The Board of Directors recommends that the General Meeting approves a total amount of maximum CHF 5'100'000 (excluding employer's share of social benefits) as fixed compensation of the members of the Executive Group Management Board and of the Extended Group Management Board for the business year 2019.

4.3 Variable compensation of the executive members of the Board of Directors for the business year 2018

The Board of Directors recommends that the General Meeting approves a total amount of CHF 8'196'200 (excluding employer's share of social benefits) as variable compensation of the executive members of the Board of Directors for the business year 2018.

4.4 Variable compensation of the members of the Executive Group Management Board and the Extended Group Management Board for the business year 2018

The Board of Directors recommends that the General Meeting approves a total amount of CHF 20'787'863 (excluding employer's share of social benefits) as variable compensation of the members of the Executive Group Management Board and the Extended Group Management Board for the business year 2018.

5. Election of the members of the Board of Directors

The Board of Directors recommends that the General Meeting reelects Mrs. Nayla Hayek, Mr. Ernst Tanner, Mrs. Daniela Aeschlimann, Mr. Georges N. Hayek, Mr. Claude Nicollier and Mr. Jean-Pierre Roth as member of the Board of Directors for another term of office, which will end for all Directors with the closure of the next Ordinary General Meeting. The Board of Directors recommends that the General Meeting reelects Mrs. Nayla Hayek as Chair of the Board of Directors for another term of office, which will end with the closure of the next Ordinary General Meeting.

- 5.1 Reelection of Mrs. Nayla Hayek**
- 5.2 Reelection of Mr. Ernst Tanner**
- 5.3 Reelection of Mrs. Daniela Aeschlimann**
- 5.4 Reelection of Mr. Georges N. Hayek**
- 5.5 Reelection of Mr. Claude Nicollier**
- 5.6 Reelection of Mr. Jean-Pierre Roth**
- 5.7 Reelection of Mrs. Nayla Hayek as Chair of the Board of Directors**

6. Election to the Compensation Committee

The Board of Directors recommends that the General Meeting reelects Mrs. Nayla Hayek, Mr. Ernst Tanner, Mrs. Daniela Aeschlimann, Mr. Georges N. Hayek, Mr. Claude Nicollier and Mr. Jean-Pierre Roth as member of the Compensation Committee for another term of office, which will end with the closure of the next Ordinary General Meeting.

- 6.1 Reelection of Mrs. Nayla Hayek**
- 6.2 Reelection of Mr. Ernst Tanner**
- 6.3 Reelection of Mrs. Daniela Aeschlimann**
- 6.4 Reelection of Mr. Georges N. Hayek**
- 6.5 Reelection of Mr. Claude Nicollier**
- 6.6 Reelection of Mr. Jean-Pierre Roth**

7. Election of the Independent Representative

The Board of Directors recommends that the General Meeting elects Mr. Bernhard Lehmann, P.O. Box, 8032 Zurich, Switzerland as independent voting rights representative for one term of office, which will end with the closure of the next Ordinary General Meeting.

8. Election of the Statutory Auditors

The Board of Directors recommends that the General Meeting elects PricewaterhouseCoopers Ltd as Statutory Auditors for another term of office, which will end with the closure of the next Ordinary General Meeting.

9. Reduction of Share Capital (cancellation of own shares)

The Board of Directors proposes to the General Meeting of Shareholders, (i) to state in accordance with the special report of PricewaterhouseCoopers AG that, from today's perspective, the claims of creditors are fully covered as well after the proposed reduction of the share capital, (ii) to reduce the share capital by CHF 7'490'475.00 from CHF 125'210'250.00 to CHF 117'719'775.00 by cancellation of 7'125'500 registered shares with a par value of CHF 0.45 and 1'904'000 bearer shares with a par value of CHF 2.25 and (iii) to amend article 4 paragraph 1 and 2 of the Articles of Incorporation as follows:

Article 4 Share capital

¹ The share capital of the company shall be CHF 117'719'775.00.

² It shall be subdivided into 116'919'500 registered shares with a par value of CHF 0.45 and 28'936'000 bearer shares with a par value of CHF 2.25.

Paragraph 3 remains unchanged.

Neuchâtel and Biel/Bienne, April 15, 2019

Sincerely,

On behalf of the Board of Directors,



N. Hayek
Chairwoman

ORGANIZATIONAL NOTES

Annual Report: The Annual Report 2018 with Financial Statements 2018, the Reports of the Statutory Auditors as well as the Consolidated Financial Statements 2018, the Compensation Report and the Board of Directors' proposal for the appropriation of available earnings will be accessible to the shareholders as from May 2, 2019 at the company's registered office in Neuchâtel (Address: Swatch Group Pension Fund, Faubourg de l'Hôpital 3, Neuchâtel, Switzerland), at the site of the offices on Faubourg du Lac 6 in Biel/Bienne and on the internet site www.swatchgroup.com/annual_report. The Annual Report will be sent to shareholders upon request.

Admission cards: The holders of registered shares with the right to vote and duly registered by **May 2, 2019** will receive a personal invitation to the General Meeting of Shareholders. The enclosed registration form for ordering the admission card is to be returned **by May 13, 2019, at the latest** to The Swatch Group Ltd, c/o Nimbus AG, Ziegelbrückstrasse 82, 8866 Ziegelbrücke, Switzerland. From **May 3, 2019 until and including May 23, 2019**, the Share Register will be closed.

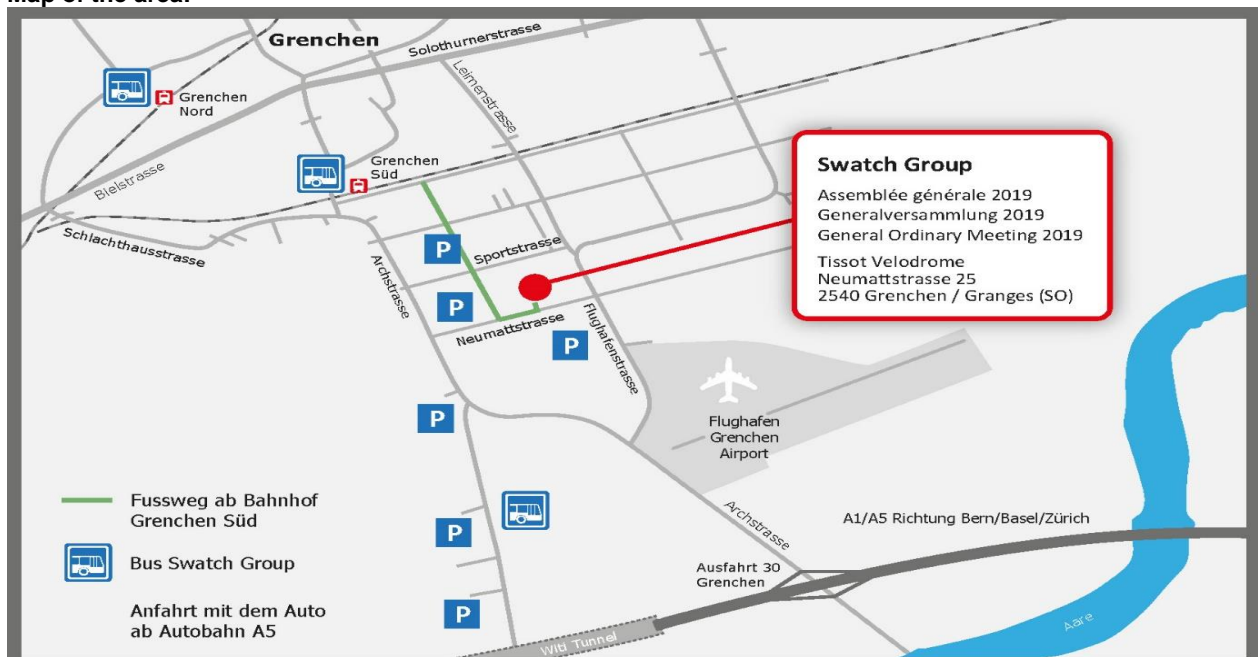
Until **May 13, 2019 at the latest**, holders of **bearer shares** may request an admission card directly from their depository/custodian bank against blocking the shares or by depositing the shares with a bank against a certificate declaring that the shares are deposited and blocked. The custodian certificate or bank statement declaring that the shares are blocked has to be submitted to The Swatch Group Ltd, c/o Nimbus AG, Ziegelbrückstrasse 82, 8866 Ziegelbrücke, Switzerland. The bearer shares will remain blocked until the day after the General Meeting.

Delegation of power: Shareholders who cannot participate in person in the Ordinary General Meeting of Shareholders may designate their legal proxy, another shareholder with the right to vote or the independent voting rights representative in accordance with Article 8 of the "Verordnung gegen übermässige Vergütungen bei börsenkotierten Aktiengesellschaften" ("VegüV") [Ordinance against Excessive Compensation in Listed Stock Corporations] as of November 20, 2013, Mr. Bernhard Lehmann, c/o Nimbus AG, Ziegelbrückstrasse 82, 8866 Ziegelbrücke, Switzerland. Please note that relatives, who are not shareholders themselves cannot be appointed as proxy except if they act as legal proxy.

Electronic designation of and instructions to the independent voting rights representative: Shareholders may also electronically designate and give instructions to the independent voting rights representative. The required login may be made on www.swatchgroup.com/gm using the login details printed on the registration form. Instructions transmitted electronically should be executed until **May 21, 2019, 23:59 (CET)**, at the latest. By deciding to exercise his/her voting rights electronically, the shareholder will have waived his/her entitlement to participate at the General Meeting in person.

Shareholder's present: **No** shareholder's present will be handed out at the General Meeting. Shareholders attending the meeting will receive a voucher together with the admission card. This voucher may be handed over at the validation counter. The voucher entitles to a shareholder's present, which will be sent directly to their address in Switzerland **after** the General Meeting. Shareholders appointing the independent voting rights representative as proxy, receive the shareholder's present directly to their address in Switzerland **after** the General Meeting.

Map of the area:



[Only the German version is legally binding.]