

# Corporate governance

Givaudan's corporate governance system is aligned with international standards and practices to ensure proper checks and balances and to safeguard the effective functioning of the governing bodies of the Company.

This section has been prepared in accordance with the Swiss Code of Obligations, the Directive on Information Relating to Corporate Governance issued by the SIX Swiss Exchange and the 'Swiss Code of Best Practice for Corporate Governance' issued by *economiesuisse* and takes into consideration relevant international governance standards and practices.

The basis of the internal corporate governance framework is contained in Givaudan's Articles of Incorporation.

In order to further clarify the duties, powers and regulations of the governing bodies of the Company, the Company has adopted an organisational regulation which is published on its website [www.givaudan.com](http://www.givaudan.com).

Except when otherwise provided by law, the Articles of Incorporation and Givaudan's Board regulations, all areas of management are fully delegated by the Board of Directors, with the power to sub-delegate to the Chief Executive Officer, the Executive Committee and its members. The organisational regulation of Givaudan also specifies the duties and the functioning of its three Board Committees.

The Articles of Incorporation and other documentation regarding Givaudan's principles of corporate governance can be found at [www.givaudan.com](http://www.givaudan.com) – [our company] – [corporate governance]

## Group structure and shareholders

### Group structure

Givaudan SA, 5 Chemin de la Parfumerie, 1214 Vernier, Switzerland, the parent Company of the Givaudan Group, is listed on the SIX Swiss Exchange under security number 1064593, ISIN CH0010645932.

The Company does not have any subsidiaries that are publicly listed. The list of principal consolidated companies is presented in note 31 to the consolidated financial statements of the 2010 Financial Report.

As at 31 December 2010, the market capitalisation of the Company was CHF 9,316,688,274.

Givaudan is the global leader in the fragrance and flavour industry, offering its products to global, regional and local food, beverage, consumer goods and fragrance companies. The Company operates around the world and is split into two principal divisions: Fragrance and Flavour. The Fragrance Division is further divided into Fine Fragrances, Consumer Products and Fragrance Ingredients business units. The Flavour Division consists of four business units: Beverages, Dairy, Savoury and Sweet Goods.

Both divisions are present through their sales and marketing presence in all major countries and markets and operate separate research and development organisations. Whenever it makes sense, the divisions share resources in the areas of research, sensory understanding and purchasing with the goal to remain the undisputed and most innovative leader in the industry.

Corporate functions include Finance, Information Technology, Legal, Compliance and Communications as well as Human Resources.

For more details regarding the structure of the Group, please refer to notes 1 and 5 to the consolidated 2010 financial statements.

### Significant Shareholders

To our knowledge, the following shareholders were the only shareholders holding more than 3% of the share capital of Givaudan SA as at 31 December 2010 (or at the date of their last notification under art. 20 of the Stock Exchange Act): Nestlé SA (10.03%), MFS Investment Management and affiliates (9.75%), Chase Nominees Ltd (nominee) (8.52%), Nortrust Nominees Ltd (nominee) (4.04%), Mellon Bank NA (nominee) (3.50%), Credit Suisse Asset Management Fund AG (3.001%), Blackrock Inc. (3.02%) and Gartmore Investment Ltd (3.04%).

The Company has not entered into any shareholders agreements with any of its key shareholders, nor does it have any cross-shareholdings with any other Company.

For further information, please consult the SIX internet site: [www.six-swiss-exchange.com](http://www.six-swiss-exchange.com) – [shares] – [company] – [significant shareholders]

### Shares

The Company has one class of shares only. All shares are registered shares. Subject to the limitations described below, they have the same rights in all respects. Every share gives the right to one vote and to an equal dividend. There exist no other dividend-right certificates or participation certificates.

## Structure of share capital

### Amount of ordinary share capital

As at 31 December 2010, Givaudan SA's ordinary share capital amounted to CHF 92,335,860 fully paid in and divided into 9,233,586 registered shares with a par value of CHF 10.00 each.

### Conditional share capital

Givaudan SA's share capital can be increased

- by issuing up to 161,820 shares through the exercise of option rights granted to employees and directors of the Group
- by issuing up to 463,215 shares through the exercise of option or conversion rights granted in connection with bond issues of Givaudan SA or a Group Company. The Board of Directors is authorised to exclude the shareholders' preferential right to subscribe to such bonds if the purpose is to finance acquisitions or to issue convertible bonds or warrants on the international capital market. In that case, the bonds or warrants must be offered to the public at market conditions, the deadline for exercising option rights must be not more than six years and the deadline for exercising conversion rights must be not more than fifteen years from the issue of the bond or warrants and the exercise or conversion price for new shares must be at a level corresponding at least to the market conditions at the time of issue
- by issuing up to 123,163 shares through the exercise of option rights granted to the shareholders of Givaudan SA.

For the conditional share capital, the preferential right of the shareholders to subscribe shares is excluded. The acquisition of shares through the exercise of option or conversion rights and the transfer of such shares are subject to restrictions as described below.

## Authorised share capital

According to the decision of the Annual General Meeting held on 25 March 2010, the Board of Directors is authorised until 26 March 2012 to increase the share capital up to CHF 10,000,000 through the issuance of a maximum of 1,000,000 shares fully paid-in listed shares with a par value of CHF 10.00 per share.

## Changes in equity

The information regarding the year 2008 is available in note 6 and 7 to the statutory financial statements of the 2009 Financial Report. Details of the changes in equity for the years 2009 and 2010 are given in note 6 and 7 to the statutory financial statements of the 2010 Financial Report.

## Limitations on transferability and nominee registrations

Registration with voting rights in Givaudan SA's share register is conditional on shareholders declaring that they have acquired the shares in their own name and for their own account. Based on a regulation of the Board of Directors, nominee shareholders may be entered with voting rights in the share register of the Company for up to 2% of the share capital without further condition, and for more than 2% if they undertake to disclose to the Company the name, address and number of shares held by the beneficial owners. Moreover, no shareholder will be registered as shareholder with voting rights for more than 10% of the share capital of Givaudan SA as entered in the register of commerce. This restriction also applies in the case of shares acquired by entities which are bound by voting power, common management or otherwise or which act in a coordinated manner to circumvent the 10% rule. It does not apply in the case of acquisitions or acquisition of shares through succession, division of an estate or marital property law.

The limitations on transferability and nominee registrations may be changed by

a positive vote of the absolute majority of the share votes represented at a shareholders' meeting.

No exceptions to these rules have been granted during 2010.

## Exchangeable bond

In March 2010, Givaudan Nederland Finance B.V. CHF 750'000'000 Guaranteed Mandatory Convertible Securities matured. A total of 737,897 shares of Givaudan SA were delivered to the holders of such securities (of which 736,785 new shares created out of conditional capital). For further information, see notes 2.23, 23 and 26 to the consolidated financial statements of the 2010 Financial Report. There are no other bonds convertible into the shares of Givaudan SA outstanding.

## Board of Directors

The Board of Directors is responsible for the ultimate direction, strategic supervision and control of the management of the Company, as well as other matters which, by law, are under its responsibility. This includes the establishment of medium and long-term strategies and of directives defining Company policies and the giving of the necessary instructions. All other areas of management are delegated to the Chief Executive Officer and the Executive Committee.

Givaudan's Board of Directors comprises an in-depth knowledge in the areas of finance, strategy and the fragrance and flavour industry. The Board has long-standing experience in many areas of our business, ranging from research and innovation to marketing. The Board members' knowledge, diversity and expertise are an important contribution to lead a Company of Givaudan's size in a complex and fast-changing environment.

The term of office of the Board members is three years, subject to prior resignation or removal by the shareholders meeting. Board members have to resign at the latest at the Annual General Meeting following

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their 70th birthday. Elections are by rotation in such a way that the term of office of about one-third of the Board members expires every year. The members of the Board of Directors are elected by the general meeting of shareholders and election is individual. Re-election of Board members is possible. In order to allow a phased renewal of the Board's composition, the Board has adopted an internal succession planning.

At the 2010 Annual General Meeting, Mr. Dietrich Fuhrmann, a German national, retired from the Board of Directors after three terms in office, having joined the Board in 2004. He was replaced by Mrs. Irina du Bois, a Swiss and German national, with a long standing experience as a food regulatory affairs expert. The Annual General meeting also re-elected Peter Kappeler for an additional three years in office.

### Board Meetings

During the course of 2010, the Givaudan Board of Directors held six regular meetings and three extraordinary Board meetings. Regular meetings in Switzerland usually last for one day, Board meetings at Givaudan locations outside Switzerland for two days, including visits to the sites and discussion with the management of the visited region. Extraordinary meetings are usually shorter. Apart from one excused absence for one meeting, all Board members attended all Board meetings. During each Board meeting, the Company's operational performance was presented by management and reviewed by the Board. The Board was also informed and discussed various aspects of the Company's future strategy, the findings of Internal Audit and all major investment projects, management succession planning and other major business items.

The CEO and the CFO attended all regular meetings for business-related agenda items. Other members of the Executive Committee and selected members of the senior management team were regularly invited to address specific projects.

In 2010, the Board held two meetings at Givaudan locations outside of Switzerland. In July 2010, the Board visited the Givaudan creation and application centre in Argenteuil as well as the Fine Fragrance creation centre in Paris. In October, the Board met with Asian management at Givaudan's site in Singapore and held its Board meeting in Hong Kong.

In 2010, the Board conducted an annual self-assessment and discussed its own succession planning.

In preparation for Board meetings, Board members receive pertinent information by mail. A data room containing additional information and historical data is set up prior to each meeting where Board members can consult relevant documents. All Board members have direct access to the Givaudan intranet where all internal information on key events, presentations and organisational changes are posted. In addition, the Board members receive relevant information, including press releases and information sent to investors and financial analysts via e-mail.

### Committees of the Board

The Board of Directors has established three Committees: an Audit Committee, a Nomination and Governance Committee and a Compensation Committee. Each committee is led by a Committee Chairman whose main responsibilities are to organise, lead and minute the meetings.

Meetings of Board Committees are usually held before or after each Board meeting, with additional meetings scheduled as required. Moreover, the Board has delegated specific tasks to other Committees, consisting of the CEO

and managers with technical expertise: the Environment, Health & Safety Committee and the Corporate Compliance Committee.

The Audit Committee's primary function is to assist the Board in fulfilling its oversight responsibilities by reviewing the financial information, the systems of internal controls and the audit process. It carries out preparatory work for the Board of Directors as a whole (with the exception of reviewing and approving the compensation of the External Auditors for the annual audit and other services). The Audit Committee ensures that the Company's risk management systems are efficient and effective. It promotes effective communication among the Board, management, the internal audit function and external audit. It reviews and approves the compensation of the external auditors for the annual audit. The CFO attends the meetings of the Audit Committee upon invitation of its chairman. The Audit Committee met four times in the course of 2010. Each meeting lasted approximately half a day.

The Compensation Committee reviews and recommends the compensation policies to the Board of Directors. It approves the remuneration of the CEO and the other members of the Executive Committee as well as all performance-related remuneration instruments and pension fund policies.

The Compensation Committee consists of three independent members of the Board. The Committee takes advice from external independent compensation specialists and consults with the Chairman and the CEO on specific matters where appropriate. In 2010, the Compensation Committee met twice. The average duration of each meeting was two hours. During these meetings, the Committee reviewed inter alia the remuneration policy and compensation principles for Givaudan.

The Nomination and Governance Committee assists the Board in applying the principles of good corporate governance. It prepares appointments to the Board of Directors and the Executive Committee and advises on the succession planning process of the Company. The Nomination and Governance Committee met once during the course of 2010 for a duration of two hours. In addition, the Nomination and Governance Committee interviewed potential Board member candidates individually.

More information on the Board of Directors and the roles of the Committees are described on the following internet sites: [www.givaudan.com](http://www.givaudan.com) – [our company] – [board of directors]

## Members of the Board

### Dr Jürg Witmer

Chairman

Attorney

Swiss national, born 1948

Non-executive

First elected in 1999

Current term of office expires in 2012

Chairman of the Board of Directors of Clariant AG, Vice-Chairman of the Board of Syngenta AG. Jürg Witmer joined Roche (1978) in the legal department and subsequently held a number of positions including Assistant to the CEO, General Manager of Roche Far East in Hong Kong, Head of Corporate Communications and Public Affairs at Roche headquarters in

Basel, Switzerland, and General Manager of Roche Austria. He was appointed CEO of Givaudan in 1999 and became Chairman of the Board of Directors in 2005. He has a doctorate in law from the University of Zürich, as well as a degree in international studies from the University of Geneva.

### André Hoffmann

Vice-Chairman

Businessman

Swiss national, born 1958

Non-executive

First elected in 2000

Current term of office expires in 2012

Vice-Chairman of the Board of Roche Holding Ltd, Member of the Board

#### From left

André Hoffmann, Vice-Chairman  
 Prof. em. Dr Dres. h. c. Henner Schierenbeck,  
 Director  
 Dr Nabil Y. Sakkab, Director  
 Dr Jürg Witmer, Chairman  
 Irina du Bois, Director  
 Peter Kappeler, Director  
 Thomas Rufer, Director



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of Amazentis SA, Genentech Inc, Glyndebourne Productions Ltd, INSEAD and MedAssurant Inc. Chairman of FIBA – Fondation Internationale du Banc d'Arguin, Fondation MAVA, Living Planet Fund Management Co., Massellaz SA as well as Nemadi Advisors Ltd. Vice-President of Fondation Tour du Valat and WWF International. André Hoffmann became Head of Administration of the Station Biologique de la Tour du Valat in France (1983) and then joined James Capel and Co. Corporate Finance Ltd, London as an associate at the Continental Desk (1985), and later became Manager for European Mergers and Acquisitions. He joined Nestlé UK, London as a brand manager (1991). He studied economics at the University of St. Gallen and holds a Master of Business Administration from INSEAD.

### **Irina du Bois**

#### **Director**

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Chemical Engineer

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Swiss and German national, born in 1946

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Non-executive

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First elected 2010

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Current term of office expires in 2013

Chairperson of the Fondation Pierre du Bois pour l'histoire du temps présent. Irina du Bois started her career at Nestlé as Regulatory Affairs Manager (1976) and became Head of Regulatory Affairs (1986), subsequently taking on the additional function of Corporate Environmental Officer (1990). Before retiring from Nestlé in 2010, she headed the Regulatory and Scientific Affairs department (2004-2009). Active in a number of organisations and institutions related to the food industry, Irina du Bois has been chairperson of the International Standards Expert Group of the Confederation of the Food and Drink Industries of the EU; member of the

International Organisations Committee of the International Life Sciences Institute; member of the Biotechnology Committee of the Swiss Society of Chemical Industries; and member of the Swiss committee of the Codex Alimentarius. She holds a diploma in chemical engineering of the École Polytechnique Fédérale de Lausanne (EPFL).

### **Peter Kappeler**

#### **Director**

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Businessman

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Swiss national, born 1947

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Non-executive

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First elected in 2005

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Current term of office expires in 2013

Chairman of the Board of Berner Kantonalbank until May 2008, Member of the Board of Directors of Cendres et Métaux SA, Schweizerische Mobiliar Holding AG, Schweizerische Mobiliar Genossenschaft. Peter Kappeler has served in different industrial and banking companies. For 17 years, he was head of BEKB/BCBE (Berner Kantonalbank), from 1992 to 2003 as CEO and until 2008 as Chairman of the Board of Directors. He is also a member of various boards, including the Summer Academy Foundation at the Paul Klee Center. He holds a Master of Business Administration from INSEAD as well as a degree in engineering from the ETH Zürich.

### **Thomas Rufer**

#### **Director**

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Certified Public Accountant

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Swiss national, born 1952

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Non-executive

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First elected in 2009

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Current term of office expires in 2012

Member of various public and private bodies such as Vice-Chairman of the Board of Directors and Chairman of

the Audit Committee of the Berner Kantonalbank, Vice-Chairman of the Board of Directors of the Federal Audit Oversight Authority and Member of the Swiss Takeover Board. Thomas Rufer joined Arthur Andersen (1976) where he held several positions in audit and business consulting (accounting, organisation, internal control and risk management). He was Country Managing Partner for Arthur Andersen Switzerland (1993-2001). Since 2002, he has been an independent consultant in accounting, corporate governance, risk management and internal control. He holds a degree in business administration (économiste d'entreprise HES) and is a Swiss Certified Public Accountant.

### **Dr Nabil Y. Sakkab**

#### **Director**

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Businessman

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American national, born 1947

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Non-executive

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First elected in 2008

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Current terms of office expires in 2011

Member of the Board of Altria Group Inc, Apion Medical LLC, BiOWiSH Technologies, CreaTa Ventures and Deinove. Advisory Professor at Tsinghua University, Beijing. Nabil Y. Sakkab joined Procter & Gamble in Cincinnati (1974) and retired from the same Company (2007) as Senior Vice-President, Corporate Research and Development. During this time, he served on P&G's Leadership Council and the Innovation Committee of P&G's Board of Directors. He is the author of several scientific and innovation management publications and co-inventor on more than 27 patents. Nabil Y. Sakkab graduated with a BSc degree in Chemistry from American University of Beirut and a PhD in Chemistry from Illinois Institute of Technology.

## Prof. em. Dr Dres. h. c. Henner Schierenbeck

### Director

Professor

German national, born 1946

Non-executive

First elected in 2000

Current term of office expires in 2011

Professor of Bank Management and Controlling at the University of Basel, scientific adviser for the 'Zentrum für Ertragsorientiertes Bankmanagement' (Münster/Westfalen), Member of the Supervisory Board of DIA Consult AG. Henner Schierenbeck became a Professor of Accounting (1978), and of Banking (1980), at the University of Münster. He became Professor of Bank Management and Controlling at the University of Basel (1990). Since January 2010, he is Professor emeritus. He holds a PhD from the University of Freiburg, together with two honorary doctoral degrees from the State University of Riga, Latvia and Mercator School of Management, Duisburg, Germany.

### Information and control instruments vis-à-vis the Executive Committee

The Board is kept informed of the activities of the Executive Committee in various ways.

The Board members receive information and reports from the Executive Committee and other members of senior management via a data room and other means of communication prior to each Board meeting. The Board also receives regular reports from its Committees.

The CEO and the CFO are present and report at all regular Board meetings and answer all requests for information by the

Board members about any matter concerning Givaudan that is transacted. Other members of the Executive Committee and selected members of the senior management team were regularly invited to address specific projects. The Head of Internal Audit and the Corporate Compliance Officer report to the Board once annually and the Board also receives reports on Environment, Health & Safety and Risk Management once annually.

Furthermore, the Head of Internal Audit is present and reports at each meeting of the Audit Committee. The CFO is also present at all meetings of the Audit Committee, as are the external auditors. Furthermore, the Group Controller attends most Audit Committee meetings.

Additionally, Board members are encouraged to visit country operations when travelling and meet with local and regional management directly to get first-hand information on local and regional developments and to interact directly with management across the globe.

### Executive Committee

The Executive Committee, under the leadership of the Chief Executive Officer, is responsible for all areas of operational management of the Company that are not specifically reserved to the Board of Directors.

The Chief Executive Officer, subject to the powers attributed to him, has the task to achieve the strategic objectives of the Group as set by the Board of Directors and determine the operational priorities. In addition, he leads, supervises and coordinates the other members of the Executive Committee, including to convene, prepare and chair the meetings of the Executive Committee.

The members of the Executive Committee are appointed by the Board of Directors on recommendation of the Chief Executive Officer after evaluation by the Nomination Committee. The Executive Committee is responsible for developing the Company's strategy as well as the long-term business and financial plan. Key areas of responsibility also include the management and supervision of all areas of the business development on an operational basis and approving investment decisions.

The tasks and powers of the Executive Committee include the approval of investments, leasing agreements and divestments within the corporate investment guidelines. The Committee approves important business projects, prepares the business plan of the Group and the budgets of the individual divisions and functions. In addition, it plays a key role – together with the Human Resources organisation – in the periodic review of the talent management programme, including succession planning for key positions. Alliances and partnerships with outside institutions, such as universities, think tanks and other business partners, are also monitored by the Executive Committee.

The members of the Executive Committee are individually responsible for the business areas assigned to them.

The Executive Committee meets generally on a monthly basis to discuss general Company business and strategy. In 2010, the committee held 11 meetings at Givaudan sites around the world, each meeting lasting between one and three days. These meetings are an opportunity to be present at Givaudan locations across the globe. Each major region is at least visited once a year to ensure a close interaction with all the different business areas.

Committees of the Board	Jürg Witmer Chairman	André Hoffmann	Irina duBois	Peter Kappeler	Thomas Rufer	Nabil Sakkab	Henner Schierenbeck
Audit				■	■		■
Nomination and Governance	■	■	■				
Compensation		■		■		■	

■ = Chairman of the Committee    ■ = Member of the Committee

## Members of the Executive Committee

### Gilles Andrier

Chief Executive Officer

He joined Givaudan (1993) as Fragrance Division Controller and Assistant to the CEO. He later held various positions including Head of Fragrances Operations in the USA and Head of Consumer Products in Europe. He was appointed Head of Fine Fragrances, Europe (2001) before becoming Global Head of Fine Fragrances (2003) and then CEO of Givaudan (2005). Born in Paris, France (1961), Gilles Andrier graduated with two Masters in Engineering from ENSEIHT Toulouse and spent the first

part of his career with Accenture in management consulting. He is a French national.

### Mauricio Graber

President Flavour Division

Vice-President (up to October 2010) / President (since October 2010) of the International Organization of the Flavor Industry (IOFI). He began his career with Givaudan (1995) as Managing Director for Latin America with Tastemaker. When Tastemaker was acquired by Givaudan, he became Managing Director for Mexico, Central America and the Caribbean before becoming Vice President for Latin America (2000). He then was appointed President of the Givaudan Flavours Division (2006).

Born in 1963, he is a Mexican citizen and has a BSc in Electronic Engineering from Universidad Autónoma Metropolitana and a Masters in Management from the J.L. Kellogg Graduate School of Management, Northwestern University, USA.

### Michael Carlos

President Fragrance Division

Board of Directors, International Fragrance Association. Board Member of the Research Institute of Fragrance Materials. He began his career with Givaudan (1984) as General Manager in Hong Kong. He became Head of the European Creative Centre in Argenteuil (1992) where he was in charge of integrating the creative resources from Givaudan and Roure.



**From left**

Joe Fabbri, Human Resources  
Mauricio Graber, President Flavour Division  
Gilles Andrier, Chief Executive Officer  
Matthias Währen, Chief Financial Officer  
Michael Carlos, President Fragrance Division  
Adrien Gonckel, Information Technology

He was appointed Global Head of Consumer Products (1999) and then President of the Fragrance Division (2004). Born in 1950, Michael Carlos is a French citizen and has an MBA from the Indian Institute of Management and a degree in chemical engineering from the Indian Institute of Technology.

**Matthias Währen**  
 Chief Financial Officer

Member of the Regulatory Board, SIX Exchange Regulation, Board Member of the SGCI Chemie Pharma Schweiz. He started his career in Corporate Audit with Roche (1983) and became Finance Director of Roche Korea (1988) and then Head of Finance and Information Technology at Nippon Roche in Tokyo (1990). He was appointed Vice President Finance and Information Technology at Roche USA (1996) and then Head of Finance and Informatics of the Roche Vitamins Division (2000). He was involved in the sale of this business to DSM (2003) before joining Givaudan (2004). Born in 1953, Matthias Währen is a Swiss national and a graduate of the University of Basel.

**Adrien Gonckel**  
 Information Technology

He began his career with F. Hoffmann-La Roche Ltd, (Basel) in the IT department (1973). He worked for Roche Belgium, Brussels as Head of IT and with Citrique Belge in charge of systems integration (1975-1978). He rejoined F. Hoffmann-La Roche Ltd, Basel (1978), taking European leadership of its IT coordination, moving then to the Roche subsidiary Roure-Bertrand-Dupont in Argenteuil, France as Head of Group IT (1982) before becoming Givaudan-Roure's Head of Group IT (1992). Born in 1952, Adrien Gonckel is a French national. He completed a Masters in IT at the University of Belfort and Lyon, France.

**Joe Fabbri**  
 Human Resources

He joined Givaudan (1989) as Operations Director responsible for commissioning the Canadian manufacturing facility. Moving to the USA (1996) he was appointed Head of Operations at East Hanover, New Jersey. Based in Switzerland, he led various regional operations projects before becoming Head of Flavours Operations, EAME (2001), Head of Global Flavours Operations (2004), and then Head of Global Human Resources (2008). Born in 1958 in Ontario, Canada, Joe Fabbri graduated in mechanical engineering technology and spent the first years of his career in various engineering roles before moving into operations management.

**Compensation, Shareholdings and Loans**

In accordance with the Swiss Code of Obligations and the SIX Directive on Corporate Governance, Givaudan publishes the details of the remuneration of its Board of Directors and its Executive Committee in the separate chapter 'Compensation Report' in this Annual Report as well as in the 2010 Financial Report.

**Shareholders Participation Rights**

In exercising voting rights, no shareholder may, with his own shares and the shares he represents, accumulate more than 10% of the entire share capital. Entities which are bound by voting power, common management or otherwise or which act in a coordinated manner to circumvent the 10% rule are considered as one shareholder. This restriction does not apply to the exercise of voting rights through members of a corporate body, independent representatives and holders of deposited shares, to the extent that no avoidance of the said restriction to the voting rights results there from. Any change in this rule requires a positive vote of the absolute majority of the share votes

represented at a shareholders' meeting, as prescribed by Swiss law.

Any shareholder who, on the day determined by the Board of Directors, is registered as a shareholder with voting rights has the right to attend and to vote at the shareholders' meeting. Each shareholder may be represented by another shareholder who is authorised by a written proxy, or by a legal representative, a holder of deposited shares, a member of a corporate body or an independent person designated by the Company.

The Articles of Incorporation of Givaudan SA follow the majority rules prescribed by Swiss law for decisions of general meetings of shareholders.

Shareholders registered with voting rights are convened to general meetings by ordinary mail and by publication in the Swiss official trade journal at least 20 days prior to the day of the meeting. Shareholders representing shares for a nominal value of at least CHF 1 million may demand in writing at least 45 days before the meeting, that an item be included in the agenda, setting forth the item and the proposals. Shareholders registered in the share register with voting rights at the date specified in the invitation will be convened to the ordinary general meeting, which will be held on 24 March 2011. The specified date will be approximately two weeks before the meeting.

**Change of Control and Defence Measures**

The Articles of Incorporation of Givaudan SA do not contain any rules on opting out or opting up. The legal provisions apply, by which anyone who acquires more than 33 1/3% of the voting rights of a listed Company is required to make a public offer to acquire all listed securities of the Company that are listed for trading on the SIX Swiss Exchange.

In the event of a change of control, share options granted by the Company to members of the Board of Directors and



to a total of 276 senior management and employees will vest immediately. All other defence measures against change of control situations previously in effect were deleted by the Board of Directors in 2007.

### Internal Audit

Corporate Internal Audit is an independent and objective corporate function established to assist management in achieving their objectives.

The role of Internal Audit is to evaluate and contribute to the continuous improvement of the Company's risk management and control systems. This specifically includes also the analysis and evaluation of the effectiveness of business processes and recommendations for adjustments where necessary.

The risk-based audit approach used aims at providing assurance on all relevant business processes across Givaudan entities following a business process audit methodology that provides value to the local entities and to the Group's management. Givaudan Risk Management output, past audit results, management input, changes in organisation and Corporate Internal Audit experience are the elements taken into account to build the annual internal audit plan. Effective communication and reporting ensure an efficient implementation of the audit recommendations.

Corporate Internal Audit reports to the Audit Committee of the Board of Directors and the function has been headed since 2008 by Laurent Pieren.

For specific audits of affiliates, staff from Ernst & Young support the internal audit function.

### External Auditors

At the Annual General Meeting of shareholders on 26 March 2009, and in line with best practices in corporate governance, Deloitte SA were newly appointed as Group and statutory auditors of Givaudan SA and its affiliates. At the Annual General Meeting of shareholders on 25 March 2010, Deloitte SA were reappointed. Since March 2009, the responsible principal auditor for the Givaudan audit at Deloitte has been Thierry Aubertin, Partner.

The fees of Deloitte for professional services related to the audit of the Group's annual accounts for the year 2010 were CHF 3.1 million. This amount includes fees for the audit of Givaudan, its subsidiaries, and of the consolidated financial statements.

In addition, for the year 2010, Deloitte rendered other services (mainly tax-related) for CHF 0.4 million.

The external auditor presents the outcome of the audit directly to the Audit Committee at the end of each reporting year. The Audit Committee is also responsible for evaluating the performance of Deloitte as external auditors pursuant to a set of defined criteria. In addition, the Committee reviews and approves the compensation of Deloitte, evaluates and approves other services provided by the external auditor.

During the year 2010, Deloitte attended all four meetings of the Board's Audit Committee. The scope of the audit is defined in an engagement letter approved by the full Board of Directors.

### Information Policy

Givaudan's Principles of Disclosure and Transparency are described in detail at [www.givaudan.com](http://www.givaudan.com) – [our company] – [corporate governance] – [rules and policies]

Hardcopies of Company publications such as the Annual Report, Half Year Report and the Sustainability Report and other corporate documents, are available on request. They can also be downloaded from Givaudan's internet site:

[www.givaudan.com](http://www.givaudan.com) – [investors] – [financial information] and [full and half year reports] and [www.givaudan.com](http://www.givaudan.com) – [sustainability]

## **Other important internet site paths:**

Quarterly sales information and other media releases: [www.givaudan.com](http://www.givaudan.com) – [media] – [press releases]

### **Key reporting dates:**

- Annual General Meeting 2011  
24 March 2011
- Three Months Sales  
8 April 2011
- Half Year Results 2011  
4 August 2011
- Nine Months Sales  
11 October 2011
- Full Year Results 2011  
16 February 2012
- Annual General Meeting 2012  
22 March 2012

### **The complete calendar of events:**

[www.givaudan.com](http://www.givaudan.com) – [investors] – [investor calendar]

### **Articles of Incorporation:**

[www.givaudan.com](http://www.givaudan.com) – [our company] – [corporate governance]

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