

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.

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Corporate governance

Aligned with international standards

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.

The Governance chapter 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. Relevant international governance standards and practices are taken into consideration.

The basis of the internal corporate governance framework is included in Givaudan's Articles of Incorporation. The 'Board Regulations of Givaudan SA', the Company's organisational regulation further clarifies the duties, powers and regulations of the governing bodies of the Company.

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 Board Regulations of Givaudan also specify the duties and the functioning of its three Board Committees.

The Articles of Incorporation, Board Regulations of Givaudan and other documentation regarding Givaudan's principles of

corporate governance can be found at: www.givaudan.com – our company – corporate governance – rules and policies.

1. Group structure and shareholders

1.1 Group structure

1.1.1 Description of the issuer's operational Group structure

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

The Company 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 has two principal divisions: Fragrance and Flavour. The Fragrance Division has three business units: Fine Fragrances, Consumer Products and Fragrance & Cosmetic Ingredients. The Flavour Division consists of four business units: Beverages, Dairy, Savoury and Sweet Goods.

Both divisions have a sales and marketing presence in all major countries and markets and operate separate Research and Development organisations. Whenever appropriate, the divisions share resources and knowledge in the areas of research, consumer understanding and purchasing. Corporate functions include finance, information technology, legal, compliance and communications, as well as human resources.

1.1.2 Listed companies within the scope of consolidation

The Company does not have any publicly listed subsidiaries.

1.1.3 Unlisted companies within the scope of consolidation

The list of principal consolidated companies, their domiciles and the shareholding is presented in appendix page 187 to the

consolidated financial statements of the Financial Report 2015, notes 1 and 5 to the consolidated financial statements as well as note 3 to the statutory financial statements offer more details regarding the structure of the Group. All unlisted subsidiaries are wholly-owned, unless otherwise indicated in notes 3 and 4 to the statutory financial statements mentioned above.

The Financial Report 2015 is printed in English as part of the Annual Report 2015 or can be downloaded on the Company website: www.givaudan.com - media - publications.

1.2 Significant shareholders

To our knowledge, the following were the only shareholders holding more than 3% of the share capital of Givaudan SA as at 31 December 2015 (or as at the date of their last notification under article 20 of the Stock Exchange Act): William H. Gates III (13.86%), BlackRock Inc. (5.02%), MFS Investment Management (3.01%), Nortrust Nominees Ltd (nominee; 15.5%), Chase Nominees Ltd (nominee; 6.1%) and the Messieurs Pictet & Cie (nominee: 3.79%).

The notifications can be viewed on the following site: www.six-swiss-exchange.com – market data – shares – givaudan – overview – significant shareholders.

The Company has not entered into any shareholder agreements with any of its key shareholders.

1.3 Cross-shareholdings

The Company does not have any cross-shareholdings with any other company.

2. Capital structure

2.1 Capital on the disclosure deadline

Ordinary share capital

As at 31 December 2015, the Company'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. The market capitalisation of the Company at 31 December 2015 was CHF 16,832,827,278. The Company has also conditional share capital as described in the next section.

2.2 Authorised and conditional capital in particular

Authorised share capital

The Company does not have any authorised share capital.

Conditional share capital

The Company's share capital can be increased:

- by issuing up to 161,820 shares through the exercise of option rights granted to employees and/or the members of the Board of 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 15 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 subscription rights of the shareholders are 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 in the next section.

2.3 Changes in capital

The information regarding the year 2013 is available in notes 6 and 7 to the statutory financial statements of the 2013 Financial Report. Details of the changes in equity for the years 2014 and 2015 are given in notes 9 and 10 to the statutory financial statements of the 2015 Financial Report.

2.4 Shares and participation certificates

The Company has one class of shares only. All shares are registered shares with a par value of CHF 10.00 each. Subject to the limitations described below, all shares have the same rights in all respects. Every share gives the right to one vote and to an equal dividend.

2.5 Dividend-right certificates

Other than the registered shares, dividend-right certificates and participation certificates do not exist.

2.6 Limitations on transferability and nominee registrations

2.6.1 Limitations on transferability for each share category; indication of statutory group clauses and rules for granting exceptions

At the Annual General Meeting of shareholders on 20 March 2014, the previously existing registration and voting rights restrictions were abolished. Today, the Company no longer has limitations on transferability.

2.6.2 Reasons for granting exceptions in the year under review

This is not applicable because there are no longer any limitations on transferability.

2.6.3 Permissibility of nominee registrations; indication of any percent clauses and registration conditions

Subject to the provisions mentioned in the next paragraph, registration with voting rights in the Company'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, nationality and number of shares held by the beneficial owners.

2.6.4 Procedure and conditions for cancelling statutory privileges and limitations on transferability

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.

2.7 Convertible bonds and warrants/options

There are no bonds or warrants outstanding that are convertible into shares of Givaudan SA.

3. Board of Directors

According to the Articles of Incorporation of Givaudan, the Board of Directors may consist of between seven and nine members.

Givaudan's Board of Directors, currently nine members, has in-depth knowledge of finance, strategy and the fragrance and flavour industry, with long-standing experience in many areas of the Company's business, from research and innovation to marketing and regulatory affairs. The Board's knowledge, diversity and expertise make an important contribution in leading a company of Givaudan's size in a complex and fast-changing environment.

As of 31 December 2015, the following were members of the Board of Directors:



3.1 Members of the Board of Directors

Dr Jürg Witmer Chairman

Attorney

Swiss national, born 1948

Non-executive

First elected 1999

In 1978, Jürg Witmer joined Hoffmann-La-Roche in Basel and subsequently held a number of positions including Legal Counsel, Assistant to the CEO, General Manager and China Project Manager of Roche Far East based in Hong Kong, Head of Corporate Communications and Public Affairs at Roche headquarters in Basel, Switzerland, and General Manager of Roche Austria. From 1999 to 2005 he acted as Chief Executive Officer of the Givaudan Group in Vernier/Geneva and since then as Chairman of the Board. From 2008 to 2012 he was also Chairman of the Board of Directors of Clariant AG, Basel.

Jürg Witmer holds the following mandates in companies that are quoted on an official stock exchange: Vice-Chairman of the Board of Syngenta AG, Basel. He holds the following mandates in companies that are non-quoted: Chairman of Interpharma Investments Ltd, Hong Kong and non-executive Director of A. Menarini IFR, Florence, Italy.

Jürg Witmer has a Doctorate in law from the University of Zurich, as well as a degree in international studies from the Graduate Institute of the University of Geneva.



André Hoffmann Vice-Chairman

Businessman

Swiss national, born 1958

Non-executive

First elected 2000

In 1983, André Hoffmann was the Head of Administration of la Tour du Valat, a research centre for the conservation of Mediterranean wetlands in France. In 1985, he relocated to London and worked several years for James Capel and Co. Corporate Finance Ltd, then for Nestlé UK in corporate finance and business development.

André Hoffmann holds the following mandates in companies that are quoted on an official stock exchange: Vice-Chairman of the Board of Roche Holding Ltd. and member of the Board of Inovalon Inc.

He holds the following mandates in companies and other entities that are non-quoted: member of the Boards of Genentech Inc., INSEAD, Amazentis SA and Glyndebourne Productions Ltd, President of MAVA Foundation, Massellaz SA and the Tour du Valat Foundation, as well as Vice-President of WWF International.

André Hoffmann studied economics at the University of St. Gallen and holds a Master of Business Administration from INSEAD.



Peter Kappeler Director

Businessman

Swiss national, born 1947

Non-executive

First elected 2005

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. Peter Kappeler acts as owner or co-owner of some small industrial and start-up companies and is also a member of various boards, including the Summer Academy Foundation at the Paul Klee Centre.

Peter Kappeler does not hold any mandates in companies that are quoted on an official stock exchange.

He holds the following mandates in companies that are non-quoted: member of the Boards of Cendres et Métaux SA, Schweizerische Mobiliar Holding AG and Schweizerische Mobiliar Genossenschaft.

Peter Kappeler has a Master of Business Administration from INSEAD as well as a degree in engineering from the ETH Zurich.



Thomas Rufer Director

Certified Public Accountant

Swiss national, born 1952

Non-executive

First elected 2009

Thomas Rufer joined Arthur Andersen in 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 from 1993 to 2001. Since 2002, he has been an independent consultant in accounting, corporate governance, risk management and internal control.

Until May 2015, Thomas Rufer held the following mandates in companies that are quoted on an official stock exchange: Vice-Chairman of the Board of Directors and Chairman of the Audit Committee of the Berner Kantonalbank.

He holds the following mandates in non-listed companies: Chairman of the Board of Directors of the Federal Audit Oversight Authority and member of the Swiss Takeover Board.

Thomas Rufer has a degree in business administration (économiste d'entreprise HES) and is a Swiss Certified Public Accountant.



Lilian Biner Director

Businesswoman

Swedish national, born 1962

Non-executive

First elected 2011

Lilian Biner has senior management experience from retail and consumer goods companies. These posts have most recently included Chief Financial Officer and Executive Vice President with Axel Johnson AB in 2007 and Head of Strategic Pricing for Electrolux Major Appliances Europe, a company she joined in 2000 as head of HR and Organisational Development.

Lilian Biner holds the following mandates in companies that are quoted on an official stock exchange: member of the Boards of Oriflame Cosmetics SA, Thule Group AB, LE Lundbergföretagen and Nobia AB.

She holds the following mandates in companies that are non-quoted: member of the Board of a-connect (group) ag.

Lilian Biner is a graduate of the Stockholm School of Economics.



Prof. Dr.-Ing. Werner Bauer **Director**

Businessman

German and Swiss national, born in 1950

Non-executive

First elected 2014

Prof. Dr.-Ing. Werner Bauer started his career as a university professor in chemical engineering at the Technical University in Hamburg, Germany. After serving as the Director of the Fraunhofer Institute for Food Technology & Packaging and as Professor in Food Processing Technology at the Technical University of Munich from 1985 to 1990, he joined Nestlé as Head of the Nestlé Research Centre in Lausanne in 1990. After heading commercially Nestlé South and East Africa he joined general management as Executive Vice-President in 2002, responsible for technical, production, environment and R&D. In 2007 he became Executive Vice-President and Head of Innovation, Technology, Research and Development, a post from which he retired in September 2013.

Prof. Bauer holds the following mandates in companies that are quoted on an official stock exchange: member of the Boards of Lonza Group AG and GEA Group AG.

He holds the following mandates in companies that are non-quoted: Chairman of the Board of Trustees for the Bertelsmann Foundation and the Board of Nestlé Deutschland AG, and a member of the Board of Bertelsmann SE & Co. KGaA.

Prof. Dr.-Ing. Werner Bauer received a Diploma and a PhD in Chemical Engineering from the University Erlangen-Nürnberg in Germany.



Calvin Grieder **Director**

Engineer

Swiss national, born in 1955 in the USA

Non-executive

First elected in 2014

In 1980, Calvin Grieder started his career as Marketing Manager with Georg Fischer Ltd in Switzerland and continued in various executive positions at Swiss and German companies including Bürkert Controls Ltd., Mikron Machines Ltd, Swiss Industrial Company (SIG) Ltd and Swisscom Telecom Ltd, where he served as Head of the Mobile and Internet business and Member of the Executive Board. He has been CEO of the international engineering group Bühler since 2001.

Calvin Grieder holds the following mandate in companies that are quoted on an official stock exchange: Member of the Board of Implen AG.

He holds the following mandates in companies that are non-quoted: Chairman of the Board of the Bühler Group, member in the Advisory Board of Swissmem and member in the Advisory Board of the ETH, Department of Mechanical and Process Engineering.

Calvin Grieder holds a Master of Science from the ETH Zurich and has completed an Advanced Management Program (AMP) at Harvard University.



Michael Carlos Director

Businessman

French national, born in 1950

Non-executive

First elected 2015

Michael Carlos started his career with Givaudan in 1984 as General Manager in Hong Kong. He became Head of the European Creative Centre in Argenteuil in 1992 where he was in charge of integrating the creative resources from Givaudan and Roure. In 1999 he was appointed Global Head of Consumer Products and then President of the Fragrance Division in 2004.

Michael Carlos holds the following mandates in companies that are quoted on an official stock exchange: member of the Board of Deinove SA. He also holds the following mandates: Chairman of the International Fragrance Association (IFRA) and Chairman of the Research Institute of Fragrance Materials.

Michael Carlos holds an MBA from the Indian Institute of Management and a degree in chemical engineering from the Indian Institute of Technology.



Ingrid Deltenre Director

Businesswoman

Dutch and Swiss national, born in 1960

Non-executive

First elected 2015

Ingrid Deltenre has held several executive positions in the press and media including Director of Publisuisse from 1999 to 2004, and Director of the leading public TV broadcaster in German speaking Switzerland, Schweizer Fernsehen, from 2004 to 2009. In 2010, she became Director General of the Geneva-based European Broadcasting Union (EBU) a position she still holds.

She holds the following mandates in companies that are quoted on an official stock exchange: Member of the Board of Banque Cantonale Vaudoise.

Ingrid Deltenre holds a Bachelor of Arts in Journalism and Educational Sciences from the University of Zurich.

Board of Directors and its committees 2015

Board of Directors ¹				
Dr Jürg Witmer Chairman Swiss, born 1948 Member since 1999	André Hoffmann Vice-Chairman Swiss, born 1958 Member since 2000	Peter Kappeler Swiss, born 1947 Member since 2005	Thomas Rufer Swiss, born 1952 Member since 2009	Lilian Biner Swedish, born 1962 Member since 2011
Prof. Dr-Ing. Werner Bauer German and Swiss, born 1950 Member since 2014	Calvin Grieder Swiss, born 1955 Member since 2014	Michael Carlos French, born 1950 Member since 2015	Ingrid Deltenre Dutch and Swiss, born 1960 Member since 2015	

Audit Committee	Compensation Committee	Nomination and Governance Committee ¹
Thomas Rufer (Chairman), entire year Calvin Grieder, entire year Lilian Biner, entire year	André Hoffmann (Chairman), entire year Peter Kappeler, entire year Dr-Ing. Werner Bauer, entire year	Dr Jürg Witmer (Chairman), entire year Michael Carlos, since March Ingrid Deltenre, since March Lilian Biner, until March
<ul style="list-style-type: none"> – Assists the Board in its oversight responsibilities with respect to financial reporting – Ensures effectiveness and efficiency of internal control, risk management and compliance systems – Assesses and overviews the internal and external audit processes 	<ul style="list-style-type: none"> – Reviews and recommends the compensation policies to the Board – Approves the remuneration for the Executive Committee – Prepares the Compensation Report 	<ul style="list-style-type: none"> – Assists the Board in applying principles of good corporate governance – Prepares appointments to the Board and the Executive Committee

1. Dr Nabil Y. Sakkab retired as Board member and as member of the Nomination and Governance Committee on 18 March 2015.

Meetings: attendance 2015

Board member	Number of Board meetings attended		Number of Audit Committee meetings attended		Number of Compensation Committee meetings attended		Number of Nomination and Governance Committee meetings attended	
	Jan – March	March – Dec	Jan – March	March – Dec	Jan – March	March – Dec	Jan – March	March – Dec
Dr Jürg Witmer	2	5						2
André Hoffmann	2	4			1	3		
Peter Kappeler	2	5			1	3		
Thomas Rufer	2	5	2	3				
Lilian Biner	2	5	2	3				
Calvin Grieder	2	5	2	3				
Prof. Dr-Ing. Werner Bauer	2	5			1	3		
Dr Nabil Y. Sakkab	2	0						
Michael Carlos	0	4						2
Ingrid Deltenre	0	3						2
Meetings held in period	02	05	02	03	01	03	00	02
Meetings held in the year	07		05		04		02	
Average length of meetings	1.5 days		0.5 days		1.5 hours		1.5 hours	

3.2 Other activities and vested interests

Please refer to the biographies of the Board members described in section 3.1 for their other activities and vested interests.

Except for those described in section 3.1, no Board member of Givaudan SA holds any material permanent management or consultancy functions for significant domestic or foreign interest groups nor any significant official functions or political posts. The Board of Directors assesses the independence of its members.

As at 31 December 2015, all members of the Board of Directors were non-executive. None of the Board members has important business connections with Givaudan SA or any of its affiliates. Dr Jürg Witmer, non-executive Chairman, was the Chief Executive Officer of Givaudan until 27 April 2005 and Michael Carlos was President of the Fragrance Division of the Company until the end of 2014.

3.3 Rules in the Articles of Incorporation on the number of permitted activities pursuant to Art. 12 para. 1 point 1 of the Ordinance against Excessive Compensation (OaEC)

Article 32 of the Articles of Incorporation of the Company permits the following external mandates for members of the Board of Directors:

- Members of the Board of Directors may not hold more than four additional mandates in companies that are quoted on an official stock exchange and seven additional mandates in non-quoted companies
- The following mandates are not subject to these limitations:
 - mandates in companies which are controlled by the corporation
 - mandates held by order and on behalf of the corporation or any controlled company. No member of the Board of Directors or of the Executive Committee shall hold more than ten such mandates
 - mandates in associations, foundations, charitable organisations, trusts, employee welfare foundations and other comparable structures. No member of the Board of Directors or of the Executive Committee shall hold more than 15 such mandates.

'Mandates' mean mandates in the supreme governing body of a legal entity which is required to be registered in the Swiss commercial register or a corresponding foreign register. Mandates in different legal entities which are under joint control are deemed one mandate.

3.4 Elections and terms of office

3.4.1 Principles of the election procedure, rules differing from the statutory legal provisions with regard to

the appointment of the Chairman, the members of the Compensation Committee and the independent proxy

The Company amended its Articles of Incorporation at the Annual General Meeting 2014 to align with the new requirements of the OaEC. There are no differing rules from the statutory legal provisions with regard to the appointment of the Chairman, the members of the Compensation Committee and the independent proxy. All Board members, the Chairman, the members of the Compensation Committee and the independent proxy are elected annually and individually for one year, being the time between one Annual General Meeting and the next following one.

3.4.2 For each Board member: date of first election to Board and attendance of meetings

For the dates of first election to the Board and attendance of Board and committee meetings, please refer to the table on page 79.

3.5 Internal organisational structure

3.5.1 Allocation of tasks among the Board members

The Chairman is elected annually at the Annual General Meeting. He convenes, prepares and chairs the meetings of the Board of Directors, prepares and supervises the implementation of resolutions of the Board of Directors (to the extent not delegated to a committee), supervises the course of business and the activities of the Executive Committee, proposes succession candidates for appointment to the Board of Directors or to the Executive Committee, proposes the global remuneration of the Chief Executive Officer and other members of the Executive Committee to the Compensation Committee and coordinates the work of the Committees of the Board of Directors.

The Chairman receives all invitations and minutes of Committee meetings and is entitled to attend these meetings. The Chairman further decides in cases which fall under the tasks and powers of the Board of Directors, but in which a timely decision of the Board of Directors cannot be made because of urgency. In such cases, the Chairman informs the members of the Board of Directors as quickly as possible and the corresponding resolution is minuted at the next Board meeting.

If the Chairman is unable to act, the Vice-Chairman exercises his functions, assuming all his tasks and powers.

3.5.2 For each committee of the Board of Directors: list of members – tasks – areas of responsibility

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. For the participation of the Board members in the committees, please refer to the table on page 79.

Audit Committee

The primary function of the Audit Committee 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 certain preparatory work for the Board of Directors as a whole. The Audit Committee currently consists of three members of the Board.

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 Chief Financial Officer attends the meetings of the Audit Committee on the invitation of its chairman.

The Audit Committee met five times in 2015, including one ordinary meeting by telephone. Each meeting lasted approximately half a day, except for the meeting by telephone, which lasted for about one hour. The Head of Internal Audit attended four meetings and the Corporate Compliance Officer attended three meetings. The Chief Financial Officer and the external auditors attended all meetings, apart from certain private sessions.

Compensation Committee

The Compensation Committee reviews and recommends the compensation policies to the Board of Directors. It approves the remuneration of the Chief Executive Officer and the other members of the Executive Committee as well as all performance-related remuneration instruments and pension fund policies. Since the OaEC came into force, the Committee prepares the Compensation Report to be established by the Board.

The Compensation Committee consists of three members of the Board. The Committee takes advice from external independent compensation specialists and consults with the Chairman and the Chief Executive Officer on specific matters where appropriate. Since the Annual General Meeting 2014, the members of the Compensation Committee are elected by the shareholders from the re-elected Board members.

In 2015, the Compensation Committee met four times. The average duration of each meeting was approximately one and a half hours. During these meetings and among other things, the Committee reviewed short and long term incentive plan parameters as well as the alignment of Executive Committee compensation with our principles and policy. For further information on the work of the Compensation Committee, please see page 94.

Nomination and Governance Committee

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. It consists of three members of the Board.

The Nomination and Governance Committee met twice during 2015 to prepare changes in the composition of the Board and senior management succession. Each meeting lasted for approximately one and a half hours.

More information on the Board of Directors and the roles of the Committees are described in the following sections of Givaudan's website: www.givaudan.com – our company – management – board of directors and www.givaudan.com – our company – management – committees of the board.

3.5.3 Work methods of the Board and its Committees

Board meetings are held periodically and also when matters require a meeting or on the written request of one of the members of the Board. Ordinary Board meetings are held on average once a quarter plus one additional ordinary Board meeting to approve the Annual Report. The Chairman, after consultation with the Chief Executive Officer, determines the agenda for the Board meetings. Decisions may also be taken by circulation (including telefax and electronic data transmission) or by telecommunication (including telephone and video-conference), provided that none of the Board members requests a formal meeting.

Meetings of Board Committees are usually held directly before or directly following a Board meeting, with additional meetings scheduled as required. The Board of Directors receives regular reports from its Committees and the Chairman, as well as from the Executive Committee.

The minutes of all Committee meetings are circulated to all Board members.

In preparation for Board meetings, Board members receive pertinent information for pre-reading via a secure electronic document sharing system.

In 2015, the Givaudan Board of Directors held seven meetings, including one constitutive meeting directly following the general meeting of shareholders and one extraordinary meeting by telephone. Regular meetings in Switzerland usually last for one to one and a half days, Board meetings at Givaudan locations outside Switzerland last for two days, including visits to sites and strategic locations and discussion with the management of the visited region. Extraordinary meetings are usually shorter. In July 2015, the Board visited the Company's savoury flavours manufacturing facility in Hungary and in October 2015, the Board attended the official opening ceremony of the new Fragrances creation centre and compounding hub in Singapore.

Apart from the constitutive meeting directly following the general meeting of shareholders and the extraordinary meeting by telephone, the Company's operational and financial performance was presented by management and reviewed by the Board during each Board meeting. The Board was also informed about and discussed various aspects of the Company's future strategy, all major investment projects, management succession planning and compensation and other major business items as well as the findings of Internal Audit and risk management. Except for the constitutive meeting and certain closed sessions, the members of the Executive Committee were present at all regular meetings apart from the one by telephone, which only the Chief Financial Officer attended. Selected members of the management team were invited to address specific projects at regular Board meetings.

In 2015, the Board conducted one annual self-assessment and had continuous discussion of its own succession planning.

The attendance of Board members at Board and Committee meetings in 2015 as well as the average duration of the meetings can be seen in the table on page 79.

3.6 Definition of areas of responsibility

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 in areas such as acquisitions, major investments and long-term financial commitments exceeding certain thresholds.

In accordance with Swiss law, the Articles of Incorporation and the Board Regulations of Givaudan, the duties of the Board of Directors include the following matters:

- the ultimate management of the Company and, in particular, the establishment of medium- and long-term strategies and of directives defining Company policies and the giving of the necessary instructions
- the establishment of the organisation
- the approval of the annual Group budget
- the structuring of the accounting system and of the financial controlling, as well as the financial planning
- the assessment of the Company's risk management
- the decision on investments in, or divestments of, fixed and tangible assets of a global amount exceeding the limit set by the corporate investment guidelines established by the Board of Directors

- the appointment and removal of the persons entrusted with the management and representation of the Company, in particular the Chief Executive Officer and the other members of the Executive Committee
- the ultimate supervision of the persons entrusted with the management, in particular with respect to compliance with the law, the Articles of Incorporation, regulations and instructions given in any areas relevant to the Company, such as working conditions, environmental protection, trade practices, competition rules, insider dealing and ad hoc publicity
- the preparation of the annual business report, as well as the preparation of the Annual General Meeting of shareholders and the implementation of its resolutions
- the notification of the court in case of insolvency
- the decisions regarding the subsequent performance of contributions on shares not fully paid in
- the ascertainment of share capital increases to the extent that these fall under the powers of the Board of Directors and resulting confirmations and modifications to the Articles of Incorporation
- the verification of the special professional qualifications of the auditors.

Except as otherwise provided by Swiss law, the Articles of Incorporation and the Board Regulations, all other areas of management are fully delegated by the Board of Directors to the Chief Executive Officer, the Executive Committee and its members.

The Board Regulations can be found at: www.givaudan.com – our company – corporate governance – rules and policies.

3.7 Information and control instruments vis-à-vis senior management

The Board recognises that in order to be able to carry out its tasks of ultimate direction of the Company and supervision of the management, it needs to be fully informed about all matters that materially impact Givaudan. To ensure this, the Board has at its disposal an information and control system which comprises the following instruments:

Management information system

The Board ensures that it has sufficient information for appropriate decision-making through a management information system with wide-ranging information rights for the Board members:

- The Chairman of the Board receives invitations and minutes of Executive Committee meetings on a regular basis and

- the Chief Executive Officer and the Chief Financial Officer report regularly to the Chairman of the Board of Directors
- The Chief Executive Officer and the Chief Financial Officer 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 senior managers are regularly invited to address specific projects at regular Board meetings. All members of the Executive Committee have a duty to provide information at meetings of the Board of Directors on request
 - The Head of Internal Audit and the Corporate Compliance Officer report to the Board once annually. The Board also receives annual reports on Environment, Health and Safety, Sustainability and Risk Management
 - The Head of Internal Audit is present and reports at each meeting of the Audit Committee. The Chief Financial Officer and the Corporate Compliance Officer are also present at all meetings of the Audit Committee, as are the external auditors. The Head of Human Resources, the Head of Compensation & Benefits and the Chief Executive Officer are present at each Compensation Committee meeting, except when questions of compensation for Executive Committee members are being deliberated. The Chairman also attends regularly the meetings of the Compensation Committee
 - All Board members have access to all Committee meeting minutes
 - The Board of Directors receives summarised monthly reports including performance against key performance indicators from the Executive Committee. All Board members are immediately informed on extraordinary events. They also 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 to investors and financial analysts
 - In preparation for each Board meeting, the Board members receive information and reports from the Executive Committee and other members of senior management via a secure electronic document sharing system and other means of communication
 - The Board of Directors visits at least one Givaudan country operation per year, where it meets members of senior local management. Additionally, Board members are encouraged to visit country operations when travelling and meet with local and regional senior management directly to allow Board members the opportunity of getting first-hand information on local and regional developments and interacting directly with management across the globe
- The Board has regular access to the Chief Executive Officer, Chief Financial Officer and the other members of the Executive Committee. Any Board member may request from the Chief Executive Officer and other members of the Executive Committee information concerning the course of the business.
- Risk Management**
- Givaudan has established an internal risk management process that is based on the Givaudan Enterprise Risk Management Charter. It focuses on identifying and managing/exploiting risks.
- The Board of Directors defines the strategic risk management framework. This process is under the responsibility of the Executive Committee. The risk management process follows a structured assessment, review and reporting cycle that is coordinated by the Corporate Compliance Officer to ensure a harmonised Group-wide approach.
- For each identified strategic top-level Company risk a member of the Executive Committee is designated as the risk owner with the responsibility to manage the risk on a Group-wide basis. Once a year the Executive Committee reports to the Board on the risk management process, the strategic risks and the mitigation actions. Corporate Internal Audit provides assurance on the effectiveness of the risk management process.
- For further information on risk management please refer to pages 64 – 66.
- Internal Audit**
- The Corporate Internal Audit function is established as an independent and objective corporate function reporting directly to the Audit Committee.
- Its role is to evaluate and contribute to the continuous improvement of the Company's risk management and control systems. This specifically includes the analysis and evaluation of the effectiveness of business processes and recommendations for adjustments where necessary.
- Corporate Internal Audit uses a risk-based audit approach aimed at providing assurance on all relevant business processes across Givaudan entities. This approach follows a business process audit methodology that provides value to the local entities and to the Group's management.
- Givaudan corporate strategy, risk management findings, 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. For specific audits of affiliates, the internal audit function is supported by dedicated staff from EY.

The internal audit activity is reported to the full Board of Directors once a year.

4. 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 is appointed by the Board of Directors upon recommendation of the Nomination Committee. Subject to the powers attributed to him, he has the task of achieving the strategic objectives of the Company and determining the operational priorities. In addition, he leads, supervises and coordinates the other members of the Executive Committee, including convening, preparing and chairing 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 strategic as well as long-term business and financial plans. 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 Executive Committee approves important business projects, prepares the business plan of the Company 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 2015, the Committee held 14 meetings at Company sites around the world, each meeting lasting between one and three days. These meetings are an opportunity to interact with local management and to visit Givaudan locations across the globe. Each major region is visited at least once a year to ensure a close interaction with all the different business areas.



4.1 Members of the Executive Committee

Gilles Andrier Chief Executive Officer

French national

Born in 1961

Appointed in 2005

Gilles Andrier spent the first part of his career with Accenture in management consulting before joining Givaudan in 1993 as Fragrance Division Controller and Assistant to the Chief Executive Officer. He later held various positions including Head of Fragrance Operations in the USA and Head of Consumer Products in Europe. In 2001 he was appointed Head of Fine Fragrances, Europe before becoming Global Head of Fine Fragrances in 2003 and then CEO of Givaudan in 2005.

Other mandates held by Gilles Andrier are: Independent non-executive Director of Albea SA, member of the Board of the Swiss-American Chamber of Commerce, and Co-Chairman of the Board of the Natural Resources Stewardship Circle.

Gilles Andrier graduated with two Masters in Engineering from ENSEIHT Toulouse.



Mauricio Graber **President Flavour Division**

Mexican national

Born in 1963

Appointed in 2006

Mauricio Graber began his career with Givaudan in 1995 as Managing Director for Latin America with Tastemaker. When Tastemaker was acquired by Givaudan, Mauricio Graber became Managing Director for Mexico, Central America and the Caribbean before becoming Vice-President for Latin America in 2000. He was appointed President of the Givaudan Flavour Division in 2006.

Other mandates held by Mauricio Graber are: member of the Board of the International Organization of the Flavor Industry (IOFI) for a three-year period.

Mauricio Graber holds 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.



Maurizio Volpi **President Fragrance Division**

Italian national

Born in 1969

Appointed in 2015

Maurizio Volpi began his career in consumer goods with P&G and Reckitt Benckiser in Italy, working in various marketing roles. In 2000, he joined Givaudan Italy as Account Manager in Milan before moving to Argenteuil in 2003 as Head of Marketing Consumer Products Europe. Maurizio Volpi subsequently took on roles of increasing responsibility at the global level: Head of Global Marketing Consumer Products, Head of Global Marketing and Consumer Market Research for both Consumer Products and Fine Fragrances, and World Account Manager for Unilever. He was appointed Regional Head of Western and Eastern Europe (WEE) for the Consumer Products business in 2012 and in 2015 became President of the Givaudan Fragrance Division.

Maurizio Volpi holds a degree in Economics from the Bocconi University in Milan, Italy.



Matthias Währen Chief Financial Officer

Swiss national

Born in 1953

Appointed in 2004

Matthias Währen started his career in Corporate Audit in 1983 with Roche, and became Finance Director in 1988 of Roche Korea and then Head of Finance and Information Technology in 1990 at Nippon Roche in Tokyo. In 1996 Matthias Währen was appointed Vice President Finance and Information Technology at Roche USA and then Head of Finance and Informatics of the Roche Vitamins Division in 2000. He was involved in the sale of this business to DSM in 2003 before joining Givaudan in 2004.

Other mandates held by Matthias Währen are: member of the Regulatory Board SIX Exchange Regulation, and a member of the Boards of scienceindustries Switzerland and SwissHoldings, and Chairman of the Board of the Givaudan Foundation.

Matthias Währen is a graduate of the University of Basel.



Joe Fabbri Head of Global EHS and Sustainability

Canadian national

Born in 1958

Appointed in 2008

Joe Fabbri spent the first years of his career in various engineering roles before moving into operations management. Joe Fabbri joined Givaudan in 1989 as Operations Director responsible for commissioning the Canadian manufacturing facility. Moving to the USA in 1996, he was appointed Head of Operations at East Hanover, New Jersey. He later led various regional operations projects in Switzerland before becoming Head of Flavours Operations, EAME in 2001. In 2004 he was appointed Head of Global Flavours Operations, and then Head of Global Human Resources from 2008 to 2015. In addition to his Human Resources responsibilities in 2008, he became Head of Global Sustainability and in 2010 he was appointed Head of Global Environment, Health and Safety (EHS) alongside his Sustainability role.

Joe Fabbri graduated in mechanical engineering technology, and is a licensed Professional Engineer of Ontario, Canada.



Adrien Gonckel
Chief Information Officer

French national

Born 1952

Appointed in 1982

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

Adrien Gonckel holds a Masters in IT at the University of Belfort and Lyon, France.



Simon Halle-Smith
Head of Global Human Resources

British national

Born in 1966

Appointed in 2015

Simon Halle-Smith began his career in 1991 in the pharmaceutical industry with Eli Lilly & Company in the UK, working in Clinical Trial Project Management, Sales and Human Resources. In 2004 he joined Quest as HR Director for the UK, before being appointed European HR Director in 2005. In 2007, when Quest was acquired by Givaudan, he continued as European HR director before being appointed Head of Human Resources for the Fragrance Division in 2009. In 2015 he was appointed Head of Global Human Resources.

Simon Halle-Smith holds a bachelors' degree in Biology and Chemistry and a PhD in biochemistry from the University of East Anglia in the UK.



Willem Mutsaerts **Head of Global Procurement**

Dutch national

Born in 1962

Appointed in 2015

Willem Mutsaerts joined Givaudan in 1989, initially with responsibility for sales in Benelux, then moving on to become Regional Account Manager for the APAC region in Singapore before being appointed Head of Global Purchasing for Fragrances. In 2001, he took commercial responsibility for Fragrance consumer products in the EAME region. Willem has been based in Geneva since 2007 as Head of Global Operations Fragrances, and was appointed Head of Global Procurement in 2015.

Willem Mutsaerts has a degree in international marketing and is the holder of an MBA obtained at Golden Gate University in Singapore.



Chris Thoen **Head of Global Science and Technology**

American and Belgian national

Born in 1960

Appointed in 2015

Chris Thoen began his career in enzymology and plant genetics with Plant Genetic Systems in Ghent before joining Procter & Gamble in Brussels in 1988. At P&G, he took on positions of increasing responsibility in the Fabric & Home Care and Personal Health Care division. In 2009, he became Managing Director of the Global Connect + Develop Office responsible for the Open Innovation with external partners at corporate level. Chris Thoen joined Givaudan as Head of Science and Technology for Flavours in 2011. He was appointed Head of Global Science and Technology in 2015.

Chris Thoen holds a Master's degree in Chemistry and a PhD in Biochemistry from the University of Antwerp, Belgium

4.2 Other activities and vested interests

Please refer to the biographies of the members of the Executive Committee described in section 4.1 for their other activities and vested interests.

Except for those described in section 4.1, no member of the Executive Committee of Givaudan SA holds any material permanent management or consultancy functions for significant domestic or foreign interest groups nor any significant official functions or political posts.

4.3 Rules in the Articles of Incorporation on the number of permitted activities pursuant to Art. 12 para. 1 point 1 OaEC

Article 32 of the Articles of Incorporation of the Company permits the following external mandates for members of the Executive Committee:

- Members of the Executive Committee may, subject to approval by the Board of Directors, hold up to two mandates in quoted or non-quoted companies
- The following mandates are not subject to these limitations:
 - mandates in companies which are controlled by the corporation
 - mandates held by order and on behalf of the corporation or any controlled company. No member of the Board of Directors or of the Executive Committee shall hold more than ten such mandates
 - mandates in associations, foundations, charitable organisations, trusts, employee welfare foundations and other comparable structures. No member of the Board of Directors or of the Executive Committee shall hold more than 15 such mandates.

'Mandates' mean mandates in the supreme governing body of a legal entity which is required to be registered in the Swiss commercial register or a corresponding foreign register. Mandates in different legal entities which are under joint control are deemed one mandate.

4.4 Key elements of all management contracts between the issuer and companies (or natural persons) not belonging to the Group

The Company has not entered into any management contracts with third parties that fall within the scope of Subsection 4.4 of the SIX Directive on Information Relating to Corporate Governance.

5. 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 'Compensation Report' in this Annual Report as well as in the 2015 Financial Report.

6. Shareholders' participation

6.1 Voting rights and representation restrictions

6.1.1 All voting rights restrictions; indication of any statutory group clauses and rules on granting exceptions, particularly in the case of institutional voting rights representatives

At the Annual General Meeting of shareholders on 20 March 2014, the previously existing registration and voting rights restrictions were removed. Today, the Company no longer has limitations on voting rights for ordinary shareholders.

For the restrictions on nominee shareholders, see point 2.6.3.

6.1.2 Reasons for granting exceptions in the year under review

Not applicable as there are no longer any voting rights restrictions.

6.1.3 Procedure and conditions for abolishing statutory voting rights restrictions

Any change in the above rules requires a positive vote of the absolute majority of the share votes represented at a shareholders' meeting, as prescribed by Swiss law.

6.1.4 Statutory rules on participation in the general meeting of shareholders if they differ from applicable legal provisions

There are no restrictions of the Swiss legal provisions.

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 at the shareholders' meeting by another shareholder who is authorised by a written proxy, by a legal representative or by the independent voting rights representative ('independent proxy') elected by the Annual General Meeting of shareholders.

6.1.5 Information on any rules which might be laid down in the Articles of Incorporation on the issue of instructions to the independent proxy, and any rules in the Articles of Incorporation on the electronic participation in the general meeting of shareholders

Article 10 of the Articles of Incorporation of the Company states that the Board of Directors establishes the rules regarding participation and representation of the shareholders in the shareholders' meeting, including the rules regarding proxies and voting instructions (by electronic means or otherwise).

6.2 Statutory quorums

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

6.3 Convocation of the general meeting of shareholders

Shareholders registered with voting rights are convened to general meetings by ordinary mail and by publication in the Swiss official trade journal (SHAB/FOSC) at least 20 days prior to the day of the meeting. Shareholders representing at least 10% of the share capital may demand in writing that a shareholder meeting be convened, setting forth the items to be included on the agenda and proposals.

6.4 Agenda

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.

6.5 Inscriptions into the share register

Shareholders will be registered with a right to vote in the share register of Givaudan SA until the record date set by the Board of Directors. The specified date for the ordinary general meeting is specified in the invitation and is set approximately two weeks before the meeting. Only shareholders who hold shares registered in the share register with a right to vote at a certain date, or their representatives, are entitled to vote.

Givaudan SA has not granted any exceptions from this rule.

7. Change of control and defence measures

7.1 Duty to make an offer

The Articles of Incorporation of Givaudan SA do not contain any rules on opting out or opting up under Swiss law. The Swiss legal provisions apply, by which anyone who acquires more than 33.3% 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.

7.2 Clauses on changes of control

In the event of a change of control, share options, restricted share units (RSU) and performance shares granted, as the case may be, by the Company to members of the Board of Directors and to a total of 347 senior management and employees may vest immediately. All other defence measures against change of control situations previously in effect were deleted by the Board of Directors in 2007.

8. Auditors

8.1 Duration of the mandate and term of office of the lead auditor

At the Annual General Meeting of shareholders on 26 March 2009, Deloitte SA was first appointed as Group and statutory auditor of Givaudan SA and its affiliates and has held the audit mandate since that time. At the Annual General Meeting of shareholders on 19 March 2015, Deloitte SA was reappointed for the business year 2015. Since March 2009, the responsible principal auditor for the Givaudan audit at Deloitte has been Thierry Aubertin, Partner.

8.2 Auditing fees

The fees of Deloitte for professional services related to the audit of the Group's annual accounts for the year 2015 were CHF 3.4 million. This amount includes fees for the audit of Givaudan SA, its subsidiaries, and of the consolidated financial statements.

8.3 Additional fees

In addition, for the year 2015, Deloitte rendered tax and compliance related services for a total of CHF 0.1 million.

8.4 Informational instruments pertaining to the external audit

The external auditor presents the outcome of the audit directly to the Audit Committee after 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 and evaluates and approves other services provided by the external auditor. During 2015, Deloitte attended all five meetings of the Board's Audit Committee.

The scope of the audit is defined in an engagement letter signed by the Chairman of the Audit Committee and the Chief Financial Officer.

9. Information policy

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

Articles of Incorporation: www.givaudan.com – our company – corporate governance – rules and policies.

Hard copies of Company publications such as the Annual Report are available on request.

All Corporate publications such as the Annual Report, the Half Year Report and the Sustainability GRI Report can also be downloaded from Givaudan's website at: www.givaudan.com – media – publications.

Quarterly sales information and other media releases can be found at: www.givaudan.com – media – media releases.

All relevant information can also be found at:
www.six-swiss-exchange.com – market data – shares – Givaudan - company details.

The complete calendar of events is available at:
www.givaudan.com – investors – shareholder information – investor calendar.

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