

# Annual General Meeting 2019 Invitation



Thursday 28 March 2019  
10:30 am (doors open at 09:00 am)  
Bâtiment des Forces Motrices (BFM)  
Place des Volontaires 2, 1204 Geneva

Givaudan

engage your senses





Dear shareholder,

It is our pleasure to invite you to the Annual General Meeting of Givaudan SA, which will take place on Thursday 28 March 2019 at 10:30 am at the Bâtiment des Forces Motrices (BFM), Place des Volontaires 2, 1204 Geneva. The doors will open at 9:00 am.

## Agenda and proposals

### 1. Approval of the Annual Report, the annual financial statements and the consolidated financial statements 2018

Proposal of the Board of Directors: approval of the Annual Report, the annual financial statements and the consolidated financial statements 2018.

### 2. Consultative vote on the compensation report 2018

Proposal of the Board of Directors: approval on a consultative basis of the compensation report 2018 (pages 84 to 97 of the Annual Report).

Explanation: In line with the recommendations of the Swiss Code of Best Practice for Corporate Governance, the Board of Directors is seeking your approval of the compensation report 2018 on a consultative basis.

### 3. Appropriation of available earnings and distribution

Proposal of the Board of Directors:

#### (a) Available earnings

Net profit for the year	CHF	545,997,253
Balance brought forward from previous year	CHF	84,113,920
<b>Total available earnings</b>	<b>CHF</b>	<b>630,111,173</b>
Distribution proposal of CHF 60.00 gross per share	CHF	554,015,160
<b>Total appropriation of available earnings</b>	<b>CHF</b>	<b>554,015,160</b>
<b>Amount to be carried forward</b>	<b>CHF</b>	<b>76,096,013</b>

#### (b) General legal reserve – additional paid-in capital

Balance brought forward from previous year	CHF	3,322,955
<b>General legal reserve – additional paid-in capital</b>	<b>CHF</b>	<b>3,322,955</b>
<b>Amount to be carried forward</b>	<b>CHF</b>	<b>3,322,955</b>

Explanation: The Board of Directors proposes a cash dividend of CHF 60.00 gross per share to be paid out of available earnings as an ordinary dividend, taxable in Switzerland.

If the proposal is approved, the dividend will be paid on 3 April 2019 (ex-dividend trading date: 1 April 2019).

No dividend or distribution will be declared on shares held by the company or any of its subsidiaries.

## **4. Discharge of the Board of Directors**

Proposal of the Board of Directors: to discharge the members of the Board of Directors.

## **5. Elections**

### **5.1 Re-election of existing Board members**

The Board of Directors proposes to re-elect the following members, each for a term of one year ending after completion of the next Annual General Meeting of shareholders:

- 5.1.1 Mr Victor Balli
- 5.1.2 Prof. Dr Werner Bauer
- 5.1.3 Ms Lilian Biner
- 5.1.4 Mr Michael Carlos
- 5.1.5 Ms Ingrid Deltenre
- 5.1.6 Mr Calvin Grieder
- 5.1.7 Mr Thomas Rufer

All elections are held individually.

The curricula vitae of the current directors are available in the 2018 Annual Report and also on Givaudan's internet site: [www.givaudan.com/our-company/management](http://www.givaudan.com/our-company/management).

### **5.2 Election of the Chairman**

The Board of Directors proposes to re-elect:

#### **Mr Calvin Grieder**

as Chairman of the Board of Directors for a term of one year ending after completion of the next Annual General Meeting of shareholders.

### **5.3 Election of members of the Compensation Committee**

The Board of Directors proposes to re-elect the following members to the Compensation Committee, each for a term of one year until the next Annual General Meeting of shareholders:

- 5.3.1 Prof. Dr Werner Bauer
- 5.3.2 Ms Ingrid Deltenre
- 5.3.3 Mr Victor Balli

All elections are held individually.

## 5.4 Election of the independent voting rights representative

The Board of Directors proposes to re-elect:

**Mr. Manuel Isler, attorney-at-law**

as independent voting rights representative for a term of one year ending after completion of the next Annual General Meeting of shareholders.

## 5.5 Election of statutory auditors

The Board of Directors proposes to re-elect:

**Deloitte SA**

as the statutory auditors for the financial year 2019.

## **6. Vote on the compensation of the Board of Directors and the Executive Committee**

### 6.1 Compensation of the Board of Directors

Proposal of the Board of Directors: approval of the maximum aggregate amount of compensation of the Board of Directors for the term until the 2020 Annual General Meeting of CHF 2,950,000.

**Explanation:** The enclosed Appendix 1 sets out further details in relation to the proposed votes on compensation amounts for the Board of Directors.

### 6.2 Compensation of the Executive Committee

#### 6.2.1 Short term variable compensation (2018 Annual Incentive Plan)

Proposal of the Board of Directors: approval of the aggregate amount of short term variable compensation of the Executive Committee for the fiscal year 2018 of CHF 2,778,103.

#### 6.2.2 Fixed and long term variable compensation (2019 Performance Share Plan - "PSP")

Proposal of the Board of Directors: approval of the maximum aggregate amount of fixed compensation and long term variable compensation of the Executive Committee for the fiscal year 2019 of CHF 15,000,000.

**Explanation:** As an indication, this amount consists of up to CHF 6,800,000 fixed compensation and the balance in long term variable compensation comprising grants under the PSP. The value of the PSP grants that are to be made in 2019 is calculated according to IFRS methodology based on target achievement of performance criteria

with no discount applied for the three year vesting period. The pay-out on the vesting date may differ due to share price fluctuation and achievement against pre-determined performance criteria ranging from 0% to 200% of target.

The enclosed Appendix 1 sets out further details in relation to the proposed votes on Executive Committee compensation amounts.

## Documentation

Enclosed with this invitation are a registration form and an instruction form which, if you wish to participate or to be represented, should be completed and returned by mail to the following address: Computershare Schweiz AG, Givaudan SA, Postfach, 4609 Olten, Switzerland.

The 2018 Annual Report, consisting of the full business review, the Governance report, the annual financial statements, the consolidated financial statements including the reports of the statutory auditors, and the compensation report are available to shareholders at the registered office of the Company. The Annual Report is also available on our website on [www.givaudan.com](http://www.givaudan.com) / investors / online report. The full Annual Report is published in English. A short version of the Annual Report will also be available in English, German and French, both as a printed copy and electronically at [www.givaudan.com](http://www.givaudan.com).

## Participation and voting rights

Shareholders registered with voting rights in the share register at 5pm on 13 March 2019, will be authorised to participate and to vote at the Annual General Meeting. They will receive their entrance card and voting material upon returning the enclosed registration form or by contacting the company's share register at the address indicated above.

From 13 March 2019, 5pm up to and including 28 March 2019, no entries will be made in the share register which would create a right to vote at the Annual General Meeting. Shareholders who sell part or all of their shares before the Annual General Meeting are no longer entitled to vote to that extent. They are requested to return or to exchange their admission card and voting material.

## Representation

In the event that you do not intend to participate in the Annual General Meeting personally, you may be represented by another shareholder or by the independent voting rights representative. It is not possible to be represented by the Company.

Manuel Isler, attorney-at-law, c/o B.M.G. Avocats, Avenue de Champel 8c, Case postale 385, 1211 Genève 12, acts as independent voting rights representative within the meaning of Art. 689c CO. The completed and signed power of attorney with voting instructions should be submitted to the share register to Computershare Schweiz AG. To the extent that you do not give the independent voting rights representative specific instructions or do not instruct him to vote in favour of the proposals of the Board of Directors, he will abstain from voting.

You may also vote by issuing an electronic proxy and voting instructions to the independent voting rights representative on the online InvestorPortal shareholder platform until 26 March 2019.

For further details please see Appendix 2.

If you opt to be represented by another shareholder, the completed and signed power of attorney should be sent directly to the address of your designated representative.

You are cordially invited to join us for a cocktail immediately following the Annual General Meeting.

With our best regards,

Givaudan SA  
For the Board of Directors:

A handwritten signature in blue ink, appearing to read 'Calvin Grieder', is positioned above the printed name.

The Chairman  
Calvin Grieder  
Vernier, 27 February 2019

## Appendix 1

### **Explanations concerning the votes on compensation of the Board of Directors and the Executive Committee (item 6).**

The Ordinance against Excessive Compensation in Listed Stock Companies (OaEC) requires that Givaudan holds an annual binding vote on the compensation of the Board of Directors and the Executive Committee.

On this basis and in accordance with the OaEC and our Articles of Incorporation, the Board of Directors will propose for shareholder approval<sup>(1)</sup>:

1. the maximum aggregate amount of Board of Directors' compensation for the period until the next Annual General Meeting in 2020;
2. the aggregate amount of short term variable compensation of the Executive Committee for the past fiscal year (2018); and
3. the maximum aggregate amount of fixed and long term variable compensation of the Executive Committee for the current fiscal year (2019).

Our compensation is aligned with our compensation policy and continues to include a significant portion of share-based components to align our Board of Directors' and Executive Committee's compensation with shareholder interests. Executive Committee variable compensation remains highly performance oriented and weighted towards the long term, with variable elements representing a significant portion of overall Executive Committee compensation.

We have continued our practice of presenting the Givaudan compensation report for a consultative vote at the Annual General Meeting, giving shareholders the opportunity to approve our compensation policy and reconfirm amounts previously approved on a prospective basis.

For further details on our compensation system, please refer to the compensation report (pages 84 to 97 of the Givaudan Annual Report):  
[www.givaudan.com/media/publications](http://www.givaudan.com/media/publications)

<sup>(1)</sup> These amounts do not include compulsory social security insurance contributions, estimated at approximately 8% of the respective compensation amounts.

## Explanations concerning compensation of the Board of Directors (item 6.1)

The proposed amount of CHF 2,950,000 is payable to the Board of Directors and, as an indication, consists of both:

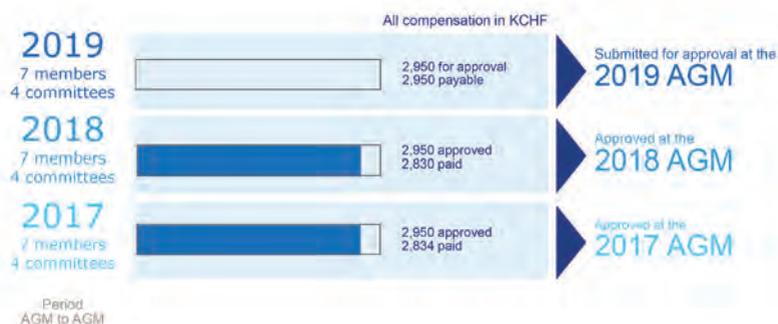
1. Fixed fees including Directors fees and Committee fees of up to CHF 1,400,000; and
2. Restricted Stock Units, the value of which is calculated using the economic value at grant according to IFRS methodology, with no discount applied for the three years vesting period.

Givaudan pays compulsory social security insurance contributions as required by law. No variable compensation or pension benefits are awarded to members of the Board of Directors.

Givaudan has paid amounts within the approved maximum amounts and in accordance with the Articles of Incorporation.

The proposed aggregate amount submitted for approval at this year's Annual General Meeting for the compensation of the Board of Directors remains unchanged compared to last year.

The diagram below details Board of Director amounts submitted for shareholder approval and amounts actually paid or payable.



For further details on the compensation of our Board of Directors, please refer to the compensation report (pages 84 to 97 of the Givaudan Annual Report): [www.givaudan.com/media/publications](http://www.givaudan.com/media/publications)

## Explanations concerning compensation of the Executive Committee (item 6.2)

With regard to the Executive Committee, the Board of Directors is seeking shareholder approval for:

1. the aggregate amount of short term variable compensation for the past fiscal year (2018); and

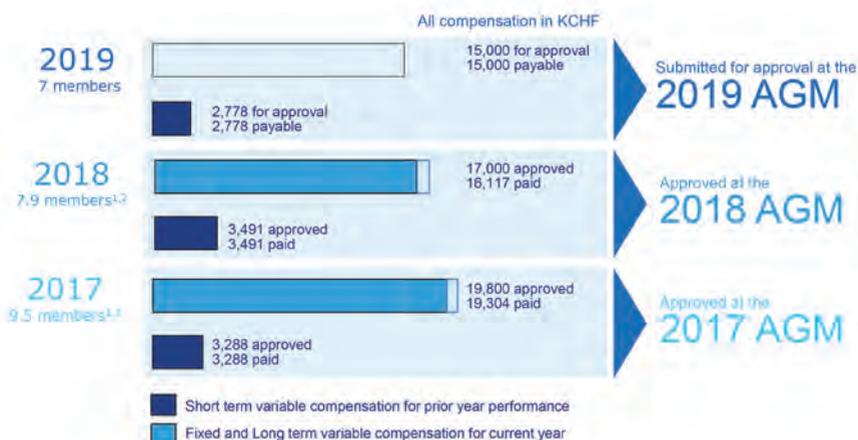
2. the maximum aggregate amount of fixed and long term variable compensation for the current fiscal year (2019).

In addition, Givaudan pays compulsory social security insurance contributions as required by law.

Givaudan has paid amounts within the approved maximum amounts and in accordance with the Articles of Incorporation.

The proposed maximum aggregate amounts submitted for approval at this year's Annual General Meeting for the fixed and long term variable compensation of the Executive Committee decreased compared to last year. The compensation decrease reflects the net reduction in size of the Executive Committee from 7.9 to 7 full-time equivalent members.

The decrease of the short term variable compensation for the past fiscal year (2018 compared to 2017 is mainly attributable to the reduction in size of the Executive Committee (from 9.5 to 7.9 members). Proposed pay-outs result from achievement of above target sales growth and below target EBITDA resulting in an average of 112% of target pay-out for the members of the Executive Committee. This result also contributed to lower pay-out levels versus prior year (2017 average achievement: 117% of target pay-out).



1) Full-time equivalent Executive Committee members in the financial year. For short term variable compensation, the applicable number of members is referable to the prior year.

2) 1 April 2018, Louie D'Amico joined the Executive Committee as President of the Flavour Division. Due to the transitional period between the incoming President of the Flavour Division and the outgoing President of the Flavour Division, Mauricio Graber, and the retirement of Chris Thoen, Head of Global Science & Technology, as of 31 August 2018 the total number of Executive Committee members corresponds to 7.9 full-time equivalent members.

3) In 2017, Tom Hallam, joined the Executive Committee as Chief Financial Officer (CFO). Due to the transitional period between the incoming CFO and the outgoing CFO, Matthias Währen, and the retirement of Joe Fabbri, Head of Global Environment, Health and Safety (EHS) and Sustainability, the total number of Executive Committee members corresponds to 9.5 full-time equivalent members.

## Short term variable compensation (2018 Annual Incentive Plan) (item 6.2.1)

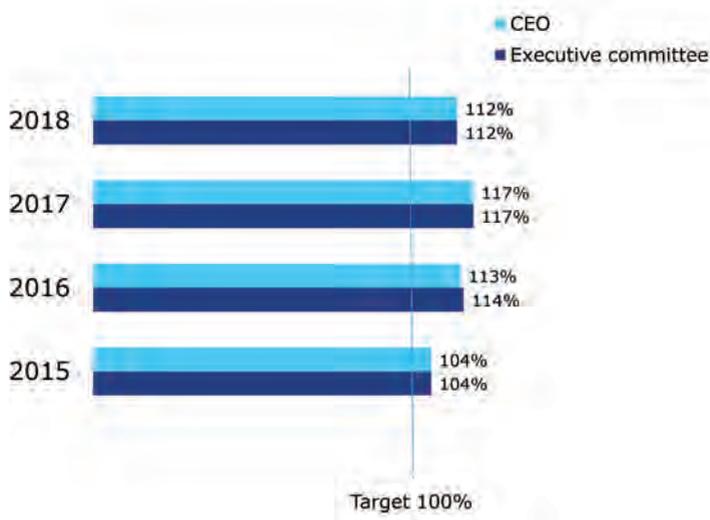
The proposed Annual Incentive amount of CHF 2,778,703 for 2018 has been calculated with respect to the achievement against the pre-determined financial performance conditions set for 2018; 50% related to like-for-like sales growth\* and 50% to EBITDA margin.

For further details on our 2018 Annual Incentive Plan, please refer to the compensation report (pages 84 to 97 of the Givaudan annual report): [www.givaudan.com/media/publications](http://www.givaudan.com/media/publications).

In 2018, Givaudan again delivered solid financial performance, with like-for-like sales growth and EBITDA margin reaching 5.6% and 20.7%, respectively. This resulted in the proposed 112% of target pay-out for the Chief Executive Officer and the other members of the Executive Committee.

The below table summarises historical Annual Incentive achievement against target for the past four years. In accordance with our compensation policy, pay-out potential may vary between 0% and 200% of target.

\* like-for-like excludes the impact of currencies, acquisitions and disposals



## **Fixed and long term variable compensation (2019 Performance Share Plan – “PSP”) (item 6.2.2)**

The proposed fixed and long term variable compensation is CHF 15,000,000 and, as an indication, consists of:

1. up to CHF 6,800,000 fixed compensation, comprising base salary, pension and other benefits; and
2. Performance Share Plan (PSP) grants.

The maximum compensation decreased compared to the 2018 amount approved by shareholders (CHF 17,000,000). Based on the Executive Committee changes indicated above, the proposed amount represents fixed and long term variable compensation for 7 full-time equivalent Executive Committee members (7.9 full-time equivalent members in 2018).

The maximum fixed compensation amount includes base salary increases versus 2018 for existing members of the Executive Committee. The changes have been implemented for 2019 as part of certain total target compensation mix rebalancing adjustments as detailed in the compensation report (pages 84 to 97 of the Givaudan Annual Report). The changes to compensation mix do not result in increased aggregate compensation amounts submitted for approval at this shareholders meeting.

The PSP grants continue to represent a significant proportion (45%) of total compensation for Executive Committee members, a practice which reinforces Givaudan’s track record to focus on long-term performance.

The value of the PSP grants for 2019 is calculated according to IFRS methodology based on target achievement of performance criteria with no discount applied for the three year vesting period. The pay-out on the vesting date may differ due to share price fluctuation and achievement against predetermined performance criteria ranging from 0% to 200% of target.

At the vesting date three years from grant, performance may range from 0% to 200% of target, resulting in allocation of between zero and two Givaudan shares per performance share. The 2015 PSP vested on 31 March 2018 with a 98% pay-out. This reflects slightly below target achievement on free cash flow and slightly above target achievement on relative sales growth.

For further details on the PSP, please refer to the compensation report (pages 84 to 97 of the Givaudan Annual Report): [www.givaudan.com/media/publications](http://www.givaudan.com/media/publications).

## Appendix 2

### **Electronic registration and power of attorney via InvestorPortal shareholder platform**

Dear Shareholder,

In accordance with the Ordinance against Excessive Compensation in Listed Stock Companies of 20 November 2013 (OaEC) shareholders must be able to vote “at a distance”.

Accordingly, you have the opportunity to use the InvestorPortal shareholder platform to cast your votes online by granting power of attorney and issuing instructions to the independent voting rights representative. You can also use the InvestorPortal shareholder platform to electronically order your entrance card to the Annual General Meeting or to grant power of attorney to any other shareholder with voting rights. To use the InvestorPortal shareholder platform, please take the following steps:

1. Visit [ip.computershare.ch/Givaudan](http://ip.computershare.ch/Givaudan).
2. You are now asked to enter your shareholder number and password, which you will find on your registration form.
3. Accept the terms of use.
4. You can order your entrance card now or authorise any other shareholder with voting rights or the independent voting rights representative to exercise your voting rights.
5. Click on «CONFIRM» to save your selection.

Important note:

Electronic issuance of instructions and powers of attorney for Givaudan’s Annual General Meeting 2019 is possible at any time up to 23:59 on 26 March 2019. By issuing electronic instructions and powers of attorney, you waive any right to attendance in person at this year’s Annual General Meeting. If you issue instructions to the independent voting rights representative both electronically via InvestorPortal and in writing, the electronic instructions alone will be taken into consideration.

If you have any questions, please contact Computershare Switzerland Ltd, operator of the online portal, by email at [business.support@computershare.ch](mailto:business.support@computershare.ch) or by phone on 41 62 205 77 50 (during business days from 08:00 to 17:00).



Givaudan SA  
For more information, please dial:  
+41 62 205 7750



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