



# Board regulations of Givaudan SA

November 2016



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## Preamble

This regulation is based on art. 716a and 716b of the Swiss code of obligations ("CO") and on art. 13 and following, in particular art. 16 of the articles of incorporation of Givaudan SA ("the Company").

This regulation defines the duties, powers and responsibilities of the executive bodies of the Company ("Executive Bodies"), which include:

- the Board of Directors and each of its members
- the Committees of the Board
- the Chairman of the Board
- the Vice-Chairman of the Board
- the Chief Executive Officer
- the Executive Committee and each of its members.

## 1 General Provisions

### 1.1 Duty of Care

The members of the Executive Bodies of the Company shall carry out their duties with due care and shall at all times safeguard the interests of the Company. In doing so, the members of the Executive Bodies of the Company shall respect the Company's ethical principles, including the Principles of Conduct, as far as applicable to them, as well as other applicable policies, procedures, directives or guidelines that may be enacted from time to time, including the Board procedure for transactions in Givaudan SA's shares.

### 1.2 Delegation

Except as otherwise provided by law, the articles of incorporation (article 15.2) or this regulation (section 2.1), 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.

Except as otherwise provided by law, the articles of incorporation or this regulation (section 5), the Chief Executive Officer, the Executive Committee and its members may delegate their tasks and powers to any hierarchically lower executive body or business unit of the Company or of the Group that is able, based on its knowledge and experience, to take adequate decisions.

### 1.3 Reservation of Powers

Any Executive Body may, at any time and irrespective of section 1.2, on a case-by-case basis or according to a general reservation of powers, intervene in the tasks and powers of a body subordinated to itself and handle itself the affairs of that body.



## 1.4 Direction of the Group

The Executive Bodies of the Company, as the parent company of the Givaudan group of companies ("the Group"), exercise at the same time the direction of the Group. The direction of the Group and Group companies complies with the provisions of the law applicable to and the articles of incorporation of each of the individual companies.

## 1.5 Confidentiality

The members of the Executive Bodies of the Company are bound by a duty of confidentiality towards the Company for all non-public information which they have received in connection with their function. This obligation shall continue even after their term of office has expired.

Each member must return any confidential information when his function comes to an end.

## 1.6 Meetings and Decisions

Meetings of the Board of Directors, the Committees of the Board of Directors and the Executive Committee may be held in any location determined by the Chairman of the respective executive body. Meetings are held periodically, and in addition, when matters require to do so or on the written request of one of the members of the body concerned.

Except as provided in section 2.3, no business may be transacted at a meeting unless at least one half of the members are present.

Decisions may be taken by circulation (including telefax and electronic data transmission) or by telecommunication (including telephone, videoconference, etc), provided that none of the members requests a formal meeting.

The decisions of the Board of Directors, the Committees of the Board of Directors and the Executive Committee are adopted by the absolute majority of votes cast. In the case of an equality of votes, the Chairman of the Executive Body concerned shall have a casting vote.

No member of the Board of Directors, the Committees of the Board, or the Executive Committee shall participate in the decisions on matters which may reasonably affect the interest of such member or of any person closely connected to such member.

A member of the Board of Directors, the Committees of the Board, or the Executive Committee who is not able to attend a meeting may not be represented by another member of that body or by any other person.

The resolutions of the meetings of the Board of Directors, the Committees of the Board of Directors and the Executive Committee shall be minuted and the minutes shall be distributed to the members of the respective body. Minutes of meetings of the Committees of the Board of Directors shall also be distributed to the other members of the Board of Directors.



## 2 Board of Directors

### 2.1 Duties of the Board

The Board of Directors is responsible for the ultimate direction, strategic supervision and control of the management of the Company.

The Board of Directors has, in particular, the following duties:

- a. 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;
- b. the establishment of the organisation;
- c. the approval of the annual Group budget;
- d. the structuring of the accounting system and of the financial controlling as well as the financial planning;
- e. the assessment of the Company's risk management as reported by the Audit Committee;
- f. 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;
- g. 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;
- h. 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;
- i. the preparation of the business and compensation reports ;
- j. the preparation of the of the General Meeting of shareholders and the implementation of its resolutions;
- k. the notification of the court in case of insolvency;
- l. the decisions regarding the subsequent performance of contributions on shares not fully paid in;
- m. the ascertainment of share capital increases and resulting modifications of the articles of incorporation;
- n. the verification of the special professional qualifications of the auditors.



## 2.2 Organisation of the Board of Directors

The Board of Directors consists of seven to nine members. If this number decreases to less than seven between two ordinary shareholders meetings, a complementary election shall not be required until the next ordinary shareholders meeting.

The term of office of the members of the Board of Directors is the period of time between two ordinary shareholders meetings. The term is subject to prior resignation or removal. The Chairman is elected by the General Meeting of shareholders. If the Chairman resigns within the term of office or is otherwise unable to act, unless otherwise resolved by the board of directors, the vice chairman shall exercise his functions, assuming all his tasks and powers until completion of the next ordinary shareholders meeting. The Board of Directors periodically assesses its own functioning and ensures that appropriate succession planning is in place for the timely renewal of its members. It further ensures that adequate competencies are represented among its members to allow for the proper performance of its duties.

The Board of Directors designates its Secretary, who does not need to be a member of the Board of Directors.

The Board of Directors shall not propose to the General Meeting of shareholders a candidate for election or re-election to the Board of Directors who is older than 70 at the time of the relevant General Meeting of shareholders.

## 2.3 Meetings and Decisions

The Board of Directors is convened by the Chairman.

Deliberations and decisions shall be minuted and signed by the Chairman and the Secretary.

No quorum is required for decisions to adapt the articles of incorporation and ascertain share capital increases (art. 651a, 652g, 653g CO).

## 2.4 Right to Request Information

Each of the members of the Board of Directors may ask for information on all matters concerning the Company according to the following provisions:

- a. at each meeting of the Board of Directors, the Chairman and the Chief Executive Officer or the members of management designated by him inform the Board of Directors on the course of business and on important events. All members of the Executive Committee have a duty to provide information at meetings of the Board of Directors on request;
- b. members of the Board are immediately informed by mail, telephone, telefax or electronic data transmission on extraordinary events;



- c. apart from the meetings, any member may, subject to prior notification to the Chairman, request from the Chief Executive Officer and other members of the Executive Committee information concerning the course of the business and, with the authorisation of the Chairman, also information concerning specific matters;
- d. to the extent necessary for the fulfilment of a duty, any member may apply to the Chairman to be shown the books and the files;
- e. if the Chairman declines a request for information, a hearing, or an inspection, the Board of Directors shall decide.
- d. to the extent necessary for the fulfilment of a duty, any member may apply to the Chairman to be shown the books and the files;
- e. if the Chairman declines a request for information, a hearing, or an inspection, the Board of Directors shall decide.

## **2.5 Conflicts of Interest**

In the event of a conflict of interest, the member concerned shall immediately inform the Chairman. The Chairman shall either decide himself how to resolve the matter or refer it to the Board of Directors.

## **2.6 Authority to Sign**

The Chairman, the Chief Executive Officer, and further persons designated by the Board of Directors are authorised to sign on behalf of the Company. Documents that are binding on the Company towards third parties are to be signed in principle by two persons authorised to sign.

# **3 Committees of the Board of Directors**

## **3.1 Committees of the Board**

The Board of Directors shall appoint the following standing Committees among its members:

- the Nomination & Governance Committee,
- the Audit Committee,
- the Science and Innovation Committee.

The Board of Directors proposes the members of the Compensation Committee for election by the General Meeting of Shareholders.

The mission, organisation, roles and responsibilities of the Committees are, within the limits set forth in the Articles of Incorporation, as set forth in their Charters, approved by the Board of Directors.



Each of the Committees consists of at least three members. Each Committee designates a Chairman among its members. The Chairman is responsible for the preparation, agenda and minutes of the meeting. All deliberations, decisions and proposals to the Board of Directors shall be minuted and the minutes shall be signed by the Chairman of the Committee and either another member or the secretary of the Committee.

Each committee shall report to the full Board at least once a year. deliberations, decisions and proposals to the Board of Directors shall be minuted and the minutes shall be signed by the Chairman of the Committee and either another member or the secretary of the Committee.

Each committee shall report to the full Board at least once a year.

## 4 Chairman and Vice-Chairman

### 4.1 The Chairman of the Board of Directors

The tasks and powers of the Chairman are, in particular, the following:

- a. to convene the meetings of the Board of Directors, prepare and chair the meetings;
- b. to prepare and supervise the implementation of resolutions of the Board of Directors, to the extent that this regulation or the Board of Directors does not delegate these functions to a committee of the Board of Directors;
- c. to supervise the course of business and the activities of the Executive Committee. To that end, the Chief Executive Officer and the Chief Financial Officer report regularly to the Chairman; the Chairman may further attend meetings of the Executive Committee. He receives invitations and minutes of Executive Committee meetings on a regular basis;
- d. to propose succession candidates for appointment to the Board of Directors or to the Executives Committee;
- e. to propose to the Compensation Committee the global remuneration (including pension benefits, incentives such as options, etc.) of the Chief Executive Officer and other members of the Executive Committee;
- f. to co-ordinate the work of the Committees of the Board of Directors; the Chairman receives all invitations and minutes of Board 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 the urgency. In such cases, the Chairman will inform the members of the Board of Directors as quickly as possible by mail, telephone, telefax or electronic data transmission and the corresponding resolution will be minuted at the next following meeting.





## **4.2 The Vice-Chairman of the Board of Directors**

The Board of Directors designates a Vice-Chairman among its members.

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

## **5 Chief Executive Officer, Executive Committee and Members of the Executive Committee**

### **5.1 The Chief Executive Officer**

The Chief Executive Officer, subject to the powers attributed to the higher executive bodies and in addition to the direction of the business units reporting directly to him, has the following tasks:

- a. to achieve the strategic objectives of the Group, determine the operational priorities and manage the necessary resources;
- b. to lead, supervise and co-ordinate the other members of the Executive Committee;
- c. to convene, prepare and chair the meetings of the Executive Committee;
- d. to designate the members of the boards of other Group companies in consultation with the Chairman and to designate Company Managers as well as other key management positions;
- e. to approve, within the annual Group budget approved by the Board of Directors, the salary budgets of the divisions and functional units and individual salaries as determined by him in line with the Group's compensation policy;
- f. to regularly inform the Chairman of the Board of Directors and the Board of Directors on the course of business;
- g. to train and coach the upper management;
- h. to decide in cases of overlapping interests of divisions, functions and/or Group companies.

### **5.2 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 tasks and powers of the Executive Committee include the following:

- a. the approval of investments, leasing agreements and divestments within the corporate investment guidelines as well as recommendations to the Board of Directors for investments in, or divestments of, property plant and equipment within the corporate investment guidelines;
- b. the approval of important business projects scheduled by the Chief Executive Officer;
- c. the elaboration of the business plan of the group and of the budgets of the individual divisions and functions;
- d. the periodic review of the talent management programme of the Group, including succession planning for key positions.

### **5.3 The Members of the Executive Committee**

The tasks of the members of the Executive Committee are defined by the Chief Executive Officer. The members of the Executive Committee are individually responsible for the business areas (divisions, functions) assigned to them. Each of the members of the Executive Committee has in particular the following tasks:

- a. to achieve, in his division or function and in the business units thereof, the strategic operational and quantitative objectives set by the Chief Executive Officer;
- b. to establish and to assume the responsibility of the budget of his area;
- c. to establish and supervise his management team and an organisation structure adapted to the needs of his area, in conformity with the principles of delegation and powers;
- d. to prepare recommendations for the salaries of the personnel of his area, within the limits set by the Chief Executive Officer (section 5.1.e);
- e. to supervise world-wide the course of business within his area and to give the necessary guidelines and instructions, especially as regards the compliance with legal provisions relevant to his area;
- f. to represent the views and wishes of his area and of its business units with the other divisions and functions and higher executive bodies;
- g. to report regularly on the course of business to the Chief Executive Officer.



## 6 Corporate Internal Audit

### 6.1 Mission of Corporate Internal Audit

Corporate Internal audit shall have the following mission:

- a. to assist the Audit Committee and the Board of Directors in carrying out their duties;
- b. to provide independent and objective advice to assist management in achieving its objectives, and to contribute to the effectiveness of risk management, control and governance systems of the Group by way of reviewing and evaluating the underlying processes and methods, and proposing improvements where necessary;
- c. to steadily inform the Audit Committee and the Chairman of the Board of Directors of the results of the audits performed, and to report without delay any actual or suspected irregularities.

## 7 Effective date

This regulation was approved by the Board of Directors with effect from 30 March 2000. It was amended on 18 September 2003, 17 February 2006, 2 October 2007, 8 July 2011, on 15 July 2014 and on 30 November 2016.

Kemptthal, 30 November 2016

**Dr Jürg Witmer**  
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**Dr Annette Schüller**  
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