

Compensation report

Fair and competitive compensation is essential to attract, motivate and retain the best talent in the industry.

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Our value creation through the best professional and executive talent

Our long-term success is built on the strength of our employees. By developing, motivating and retaining the best executive talent, we foster a performance-driven organisation and a great place to work.



Compensation Report

Attract, motivate and retain

Givaudan aims to attract, motivate and retain the highest calibre of professional and executive talent to sustain its leadership position within the flavour and fragrance industry. The Company's compensation policies are an essential component of this strategy, as well as key drivers of organisational performance.

Our compensation programmes reflect the performance of the business and of individuals, and we have put in place rigorous governance, processes and policies to ensure that our compensation practices are aligned with our principles.

This report on compensation, complementing our business and financial reports, has been prepared in compliance with the Ordinance against Excessive Compensation at Listed Stock Companies (OaEC).

1. Compensation governance

1.1 Overview

The Compensation Committee of the Board of Directors (Board) consists of three members of the Board, all of whom are independent, and is currently chaired by

Prof. Dr-Ing. Werner Bauer. The Chief Executive Officer is regularly invited to Compensation Committee meetings, but does not participate in discussions regarding his own compensation. The Head of Global Human Resources acts as secretary of the Committee.

The Compensation Committee supports the Board in establishing and reviewing compensation policies. It regularly reviews Company-wide programmes in regard to base salary, pension and benefit plans. The Compensation Committee also regularly reviews and approves annual incentives and share-based long-term incentives, while the applicable performance criteria and targets are set by the Board.

The Compensation Committee is also responsible for reviewing and approving individual compensation and benefits of each Executive Committee member as well as recommending compensation for the Board.

The Compensation Committee meets three to five times a year and informs the Board of its deliberations, recommendations and resolutions after each meeting. It utilises independent external consultants to benchmark the compensation of senior management. For further information on the work of the Compensation Committee, please see page 87.

Table I on the next page summarises the Compensation Committee standing agenda items and approvals.

1.2 Key changes implemented during 2016

No changes in respect of Board of Director or Executive Committee compensation system were made in the reporting year.

Overall reported Executive Committee compensation increased due to the reporting of full year compensation for the three

I. Compensation Committee standing agenda items and approvals

Timing	Agenda items	Proposed ¹	Consultation	Approved
Beginning of year	Compensation Report	Compensation Committee		Board of Directors
	Prior year annual incentive achievement	CEO ²		Compensation Committee
	Set current year performance targets	CEO ²		Compensation Committee
	Long-term incentive award allocation	CEO ²		Compensation Committee
	Maximum amounts for shareholder voting on Executive Committee and Board compensation	Compensation Committee		Board of Directors (preliminary) ³
Mid-year / end of year	Long-term incentive achievement against targets	CEO ²		Compensation Committee
	Compensation of the Executive Committee	CEO ²		Compensation Committee
	Compensation of the Board of Directors	Compensation Committee		Board of Directors
	Changes to compensation system (if any)	Compensation Committee	Chairman	Board of Directors
	Preview of key items for next year	–		–

1. CEO compensation proposed by Chairman of the Compensation Committee.

2. Individual concerned does not attend/abstains.

3. Final approval by shareholders

Executive Committee members who joined during 2015 and the appointment of a new member in August 2016. Details are provided in section 4 of this report, 'Compensation of the Executive Committee'.

Overall reported Board of Directors' compensation decreased, which is explained by the reduction of the number of members by one, to eight members. With the establishment of a new Science and Innovation Committee at the beginning of 2016 additional Committee fees according to the Givaudan policy are now applicable.

1.3 Governance rules

The Articles of Incorporation of Givaudan include rules on the principles applicable to performance-related pay and to the allocation of equity securities, convertible rights and options (Arts. 23-25), additional amounts for payments to Executive Committee members appointed after the vote on pay at the shareholders' meeting (Art. 27), loans, credit facilities and post-employment benefits for the Executive Committee and Board (Arts. 30 and 31) and the vote on pay at the shareholders' meeting (Art. 26).

Full details on these rules are available on the Givaudan's website: www.givaudan.com – our company – corporate governance – rules and policies.

In line with Givaudan's Articles of Incorporation, at the 2017 Annual General Meeting the Board will submit the following maximum aggregate amounts for shareholder approval:

- Compensation of the Board for the period until the 2018 ordinary shareholders' meeting

- Short-term variable compensation of the Executive Committee for the 2016 fiscal year

- Fixed and long-term variable compensation of the Executive Committee for the 2017 fiscal year.

The calculation approach to be applied for determining the amounts to be approved by shareholders is aligned with the Compensation Report valuation methodologies.

Givaudan will also submit the 2016 Compensation Report to a consultative vote at the 2017 Annual General Meeting.

2. Compensation principles

The ability to attract, motivate and retain the right talented employees globally is key to the future success of Givaudan. A competitive remuneration policy supports this ambition and is therefore based on the following principles:

- Pay for performance: employees are rewarded for their contribution to business results. This is achieved through the variable pay plans described below
- External competitiveness: total compensation positioning should enable Givaudan to attract and retain highly talented individuals critical to its success
- Internal consistency and fairness: internal salary scales reflect job level, function and geographic market
- Alignment of interests: Givaudan seeks to align management and shareholders' interests by rewarding long-term value creation through share-based programmes.

Givaudan's total compensation offering in 2016 is composed of the following elements:

- Base salary: base salaries are regularly benchmarked in each location and pay scales are reviewed annually according to local market evolution. As a general rule, pay scales are built around market median.
- Profit Sharing Plan: non-management employees participate in the global Profit Sharing Plan. Pay-outs are based on yearly evolution of Group EBITDA.
- Annual Incentive Plan: this plan covers all managers and executives globally. It rewards participants for the achievement of financial targets and other organisational and individual objectives. Depending on the achievement of performance criteria, pay-outs can vary between 0% and 200% of target pay-out.
- Performance Share Plan (PSP): this plan links executives and selected manager compensation to the evolution of the Givaudan share price and long-term business objectives through the award of performance shares. Depending on the achievement of performance criteria, participants may receive between zero and two Givaudan shares per performance share at the end of the three-year vesting period.
- Restricted Stock Unit (RSU) Plan: this plan links Board member compensation with share price evolution by awarding a right to receive Givaudan shares after a three-year vesting period.
- Benefits (indirect compensation): benefit plans seek to address current and future security needs of employees. These generally include retirement, health, death and disability benefits. Benefits-in-kind such as Company vehicles are offered to certain employees according to local market practice.

As illustrated in the following table, every Givaudan employee's remuneration is linked to Company performance through cash-based and/or share-based variable pay plans and is aligned with Givaudan's compensation principles.

3. Compensation of Givaudan executives

The compensation of Givaudan executives, in terms of both structure and level, is regularly benchmarked against individuals in similar positions within listed European companies that are comparable in size and international presence. Comparable companies included in our compensation surveys may consist of:

- Flavour and fragrance companies,
- European companies in related industries:
 - consumer products
 - food and beverage
 - speciality chemicals
- Swiss multinational companies of a size similar to Givaudan (excluding the financial sector).

To the extent that the median size of the peer group of companies differs from Givaudan's size (taking into account revenue, market capitalisation and number of employees), regression techniques are applied to adjust raw survey results for strict comparability.

All benchmarking activity for Executive Committee members is performed by independent consultants. Benchmarking for other executives is performed internally by the Compensation unit, using survey data provided by external consultants. Givaudan's executive compensation targets base pay at the market median. Executives have the opportunity to be

II. Givaudan compensation

Compensation	Participants (number of participants)	Payout	Link to compensation principles	Alignment with the business strategy
Base salary	All employees (10,500)	Cash	Attract and retain highly talented individuals. Provides internal consistency and fairness	Nurture a pipeline of industry experts and future leaders to develop skills for sustained success
Profit Sharing Plan	Non-management employees (7,000)	Cash	Contribution to financial and key qualitative objectives	Reward our people to share in Group profit
Annual Incentive Plan ¹	Manager and executives (3,500)	Cash	Contribution to financial objectives	Achieve annual organic sales growth and EBITDA targets
Performance Share Plan ¹ (PSP)	Executives and selected managers (380)	Performance shares ²	Alignment of management with long-term targets and shareholders' interests	Achieve long-term organic sales growth and free cash flow targets

1. The Annual Incentive Plan and PSP plan are described in more detail in the next sections.

2. Unless local laws prevent allocation of Givaudan shares, in which case pay-out is in cash.

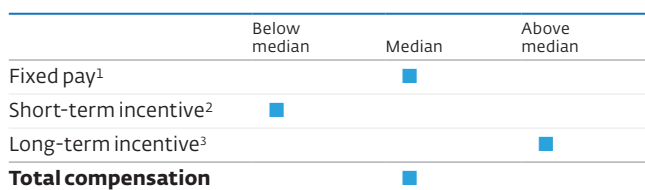
rewarded with above-median pay for sustained outstanding performance from a number of variable compensation components. These variable elements reflect achievements against quantitative targets established by the Board, as well as the contribution and leadership qualities of individual executives. Variable compensation, particularly long-term components, represents a significant portion of an executive's total compensation. The weight of variable compensation increases with executives' level of responsibility and the impact of their position on Company results.

In 2016, Executive Committee compensation was benchmarked against a peer group of 19 other Swiss multinational companies of a size similar to Givaudan. This peer group consisted of Swiss Leader Index (SLI) companies, excluding the five largest companies and financial services institutions.

The results confirm that all compensation elements are positioned around or below the median with some exceptions. Total compensation of the Executive Committee is aligned with the market. The long-term incentive compensation appears above median, which is in line with Givaudan policy and reflects our strong focus on rewarding outstanding performance over the long term. To achieve our 2020 strategy of responsible growth and shared success through an ambitious setting of free cash flow and sales growth targets, we have taken the position that increasing focus on long-term incentives is appropriate. As part of a longer-term programme to align all Executive Committee fixed compensation with the market, pension increases had been implemented. This programme came to a conclusion at the end of 2015.

In 2016, independent consulting services were contracted with EY to conduct this Executive Committee benchmark. EY provide additional advisory and tax services.

III. Executive compensation benchmark



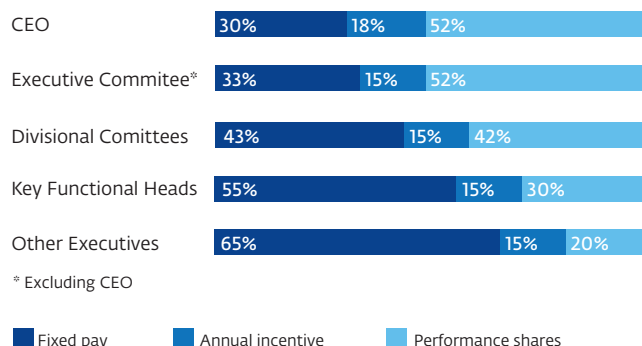
1. Includes base salary, pension and other benefits
 2. Annual Incentive Plan (please refer to section 3.2)
 3. Performance Share Plan (please refer to section 3.3)

The total compensation of Givaudan executives consists of direct and indirect compensation components.

- Direct compensation consists of base salary, annual incentive and share-based components
- Indirect compensation includes retirement coverage, health benefits, death and disability protection as well as certain benefits-in-kind according to local market practice.

The chart below illustrates the direct compensation mix at target for Givaudan executives in 2016.

IV. Direct compensation mix policy guidelines



3.1 Base salary

Base salary adjustments are based primarily on market evolution, taking into consideration the executive's performance and contribution to Company results.

Salary adjustments for Executive Committee members are decided by the Compensation Committee.

3.2 Annual Incentive Plan

The Annual Incentive Plan is designed to reward managers' and executives' individual performance and contribution to Givaudan annual objectives.

Performance criteria

Annual targets for Executive Committee members are set by the Board based on recommendations by the Compensation Committee. In 2016, the Annual Incentive Plan for Executive Committee members was based on the following performance criteria:

- Sales Growth targets in local currencies: 50%
- EBITDA margin targets: 50%

For the purpose of the Annual Incentive Plan, EBITDA is expressed as a percentage of sales. Achievements against these targets are reviewed and approved by the Compensation Committee.

Annual incentive pay-outs for lower level managers and executives are based on a mix of organisational performance objectives cascaded from Givaudan Group objectives and overall performance taking into consideration achievement of personal objectives, day-to-day job responsibilities and the Givaudan core values. Expressed as a percentage of base salary, annual incentives at target were the following in 2016:

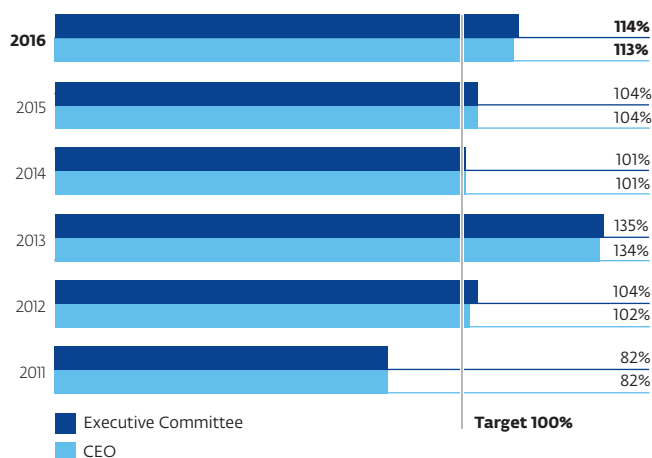
- Chief Executive Officer: 80%
- Chief Financial Officer and Division Presidents: 60%
- Other Executive Committee members: 50%
- Division Management Committee members: 35%-50%
- Other executives and managers: 10%-35%

Incentive caps and pay-outs

Based on the performance achievements, incentive pay-outs may vary between 0% and a cap of 200% of target incentive. Minimum threshold achievement is required, otherwise no annual incentive is paid.

In 2016, the sales growth and the EBITDA were above target. This resulted in an average of 114% of target pay-out for the members of the Executive Committee and 113% of target pay-out for the Chief Executive Officer. The table below summarises historical annual incentive achievement against target for the past six years.

V. Historical annual incentive achievement



3.3 Performance Share Plan

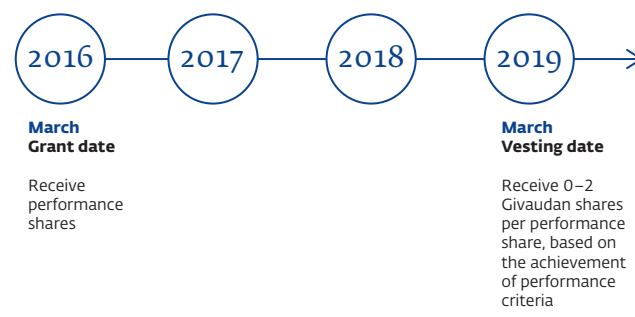
Executives and selected management are eligible to participate in the Performance Share Plan (PSP). The PSP is designed to reward executives and key talent who significantly influence the long-term success of the business.

Within the plan, participants are granted performance shares annually. The total number of performance shares granted, and the plan parameters generally, are approved each year by the Compensation Committee. Givaudan applies a policy to cap the maximum value of PSP allocations from year to year.

The performance shares vest three years from grant date, based on the achievement of performance criteria measured over the performance period. The operation of the new PSP is summarised in the following diagram:

VI. Operation of the new PSP

Performance criteria



Performance is measured on the vesting date based on the extent performance criteria have been met over the previous four years. Measuring performance over an extended four-year period is consistent with the long-term outlook of the business. The performance criteria that apply to grants are a combination of:

- Relative average sales growth as compared to the sales growth of selected peer group companies; and
- Cumulative Free Cash Flow (FCF) margin, expressed as a percentage of cumulative sales.

The peer group include companies selected from the flavour and fragrance industry that publish sales in local currency. These companies represent in total approximately 75% of this market. The peer companies currently included in the group are Firmenich, Hasegawa, IFF, Robertet, Sensient, Symrise and Takasago.

The structure of performance criteria calculation has specifically been designed to be challenging. In the case of Cumulative Free Cash Flow (FCF) margin, final achievement is calculated as the average of the reported FCF margin for each of the four performance years. This means that the

Givaudan's FCF for each year of the performance period is summed, and this cumulative result is divided by the sum of Givaudan's sales in each year of the performance period. The assessment over four years ensures that the performance targets are stringent and reward sustained Company performance.

Share pay-out caps

Based on the extent that performance criteria are met, the actual number of shares vesting at the end of the performance period will vary between 0% and 200% of the performance shares initially granted. The level of vesting is dependent on the combination of performance criteria that are satisfied.

The performance range for relative sales growth extends from -2% to +2%. This represents annualised sales growth versus peer group over the four-year performance period.

The performance range for FCF margin, measured over the four-year performance period, extend from 9% to 19%.

A pay-out of 200% would require an achievement level above the maximum threshold for both measures, relative sales growth and FCF margin.

A 0% pay-out would be obtained if the achievement level on either measure were below the minimum threshold.

Different combinations of relative sales growth and FCF achievements within the above ranges lead to pay-outs between 0% and 200%, ranked according to their long-term economic value generation for the Company.

A 100% pay-out can be obtained where a target combination of the performance criteria is met, such as when relative average sales growth is in line with the peer group and cumulative FCF margin is 14%. High achievement against one performance criteria can be counterbalanced by low achievement on the

other provided both minimum thresholds are reached, such that 100% pay-out may occur when relative average sales growth is above the peer group, or FCF/Sales is above 14% (and vice versa).

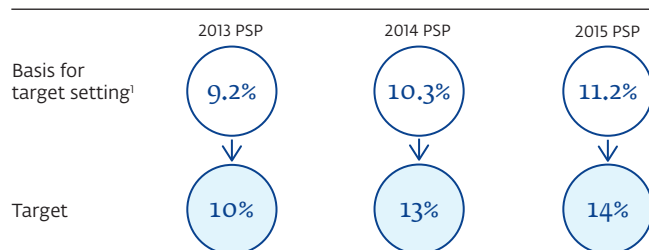
Participants do not receive any dividends or have any voting rights in respect of performance shares during the vesting period.

In general, performance shares lapse on cessation of employment. In specific circumstances such as death, disability or retirement, performance shares may vest subject to satisfaction of the performance criteria.

Target setting and achievement

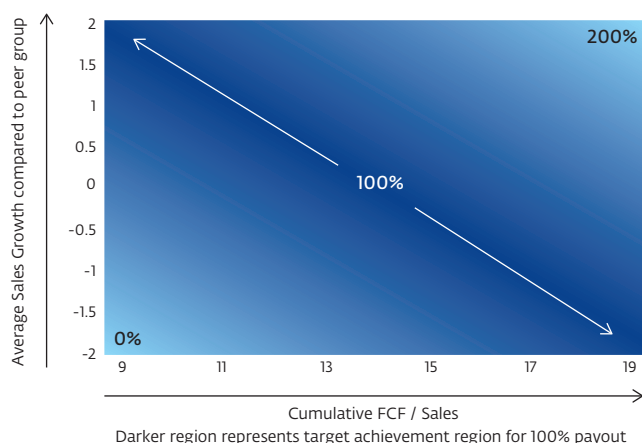
Target setting and testing against targets follows adherence to strict governance policies. For the first year of PSP grants in 2013, targets were set at the median of the peer group for Sales Growth and at 10% Cumulative FCF/Sales. The cumulative FCF/Sales target was set above our achievement for the four-year periods immediately prior to the introduction of the plan. Since introduction of the plan, these targets have been set to be increasingly challenging in line with Givaudan's high performance.

VIII. Basis of the cumulative FCF margin target setting: Historical FCF margin vs set target



1. Cumulative FCF margin of the related previous 4 years

VII. Performance Share Plan pay-out matrix



Considering Givaudan historical cumulative FCF margin performance, PSP targets have been set on a challenging basis.

The 2013 PSP vested on 29 March 2016 with a 145% pay-out. This reflects strong overachievement against targets on both performance measures. In contrast, in the event of lower levels of achievement the PSP will vest below target (or not at all) such as was the case for the PSP having vested in 2013 at 50% achievement.

For reference, Givaudan tests performance against other benchmark metrics, including relative total shareholder return (TSR), and we continue to outperform the market in many regards. For instance, Givaudan's TSR measured over the period from 2012 to 2016 has been above third quartile compared to our benchmark peer group.

IX. 2013 PSP achievement

Criteria	Performance Pay-out	Pay-out
Average sales growth compared to peer group	0.1%	→ 145% of performance shares granted
Cumulative FCF/sales*	14.3%	

Formula = Σ (Free cash flow margin reporting year x sales in reporting currency in year / Σ Sales in reporting currency in year)

X. Variable compensation overview

	Annual Incentive Plan	Performance Share Plan
Participants	Managers and executives	Key talent and executives
Purpose	To reward managers and executives for the achievement of annual organisational targets and overall individual performance	To link compensation to shareholder value creation and achievement of business objectives
Grants	Annual grant	Annual grant
Vesting	End of each year	3 years
Conditions for vesting	Achievement of annual EBITDA and sales growth targets	Achievement relative sales growth and FCF/sales targets over 4 years
Pay-out	Cash	Shares ¹

1. Unless local laws prevent allocation of Givaudan shares, in which case pay-out is in cash.

3.4 Previous long-term incentive plan arrangements

The PSP, which was introduced for grants in 2013, replacing all existing LTIP arrangements. Any awards under the previous LTIPs were not cancelled, but rather continued to be held in accordance with the rules of those plans. All awards under the previous plans have now vested.

Previous awards under LTIP arrangements included stock-options, restricted share units and Performance Shares. The previous Performance Shares granted in 2008 vested in 2013 to an achievement level of 50% based on testing against the predefined economic value generation measured over a five-year period.

4. Compensation of the Executive Committee

4.1 Compensation levels in 2016

In 2016, total compensation reported increased due to the reporting of full year compensation for the three Executive Committee members who joined during 2015 and the appointment of Anne Tayac as Head of Givaudan Business Solutions in August 2016. Additional compensation above the shareholder approved amount was paid in accordance with our Articles of Incorporation (Art. 27). Further details are

provided in section 4.6. The compensation package for the newly appointed Executive Committee member has been set in accordance with our compensation principles, including consideration of roles and responsibilities and with reference to our compensation benchmarks.

4.2 Highest total compensation

The Chief Executive Officer, Gilles Andrier, received the highest total compensation in 2016. For compensation details, please refer to table XI.

4.3 Other compensation, fees and loans to members or former members of the Executive Committee

No other compensation or fees were accrued for or paid to any member or former member of the Executive Committee during the reporting period. No member or former member of the Executive Committee or related parties had any loan outstanding as of 31 December 2016.

4.4 Special compensation of Executive Committee members who left the Company during the reporting period

Adrien Gonckel retired from his role as Chief Information Officer on 1 August 2016. He did not receive any special compensation as a result of his retirement. All compensation is included in the compensation table XI.

4.5 Employment contract termination clauses of Executive Committee members

Employment contracts of Executive Committee members have been amended for compliance with the OaEC and our Articles of Incorporation. Accordingly, contractual entitlements are within the specified thresholds, in particular the maximum contractual notice period is six months and any non-compete clause does not exceed 12 months. No additional compensation or benefits are provided in the case of change in control, except for long-term incentive awards that may vest immediately.

All contractual arrangements of Executive Committee members are approved by the Compensation Committee of the Board.

4.6 Compensation voting for Executive Committee members

As indicated in section 4.1, a new member joined the Executive Committee in 2016. Consequently, additional compensation above the shareholder approved amount has been paid in accordance with the Givaudan Articles of Incorporation (Art. 27), which provides that certain supplementary amounts may be paid for newly appointed Executive Committee members within certain thresholds. The total supplementary amount used for the relevant period amounts to CHF 142,204.

The fixed and long term variable compensation approved for 2016 was CHF 19,800,000 (2015: CHF 15,500,000).

The annual incentive, short term variable compensation for 2016 was CHF 3,287,520 and will be submitted for approval at the 2017 Annual General Meeting (2015: CHF 2,392,716).

XI. Executive Committee compensation summary

in Swiss francs	Gilles Andrier CEO 2016	Gilles Andrier CEO 2015	Executive Committee members (excluding CEO) ¹ 2016	Executive Committee members (excluding CEO) ² 2015	Total 2016	Total 2015
Base salary	1,035,599	1,027,689	3,819,306	2,662,741	4,854,905	3,690,430
Pension benefits ³	442,705	459,199	1,558,506	1,119,563	2,001,211	1,578,762
Other benefits ⁴	111,061	100,616	792,134	591,992	903,195	692,608
Total fixed compensation	1,589,365	1,587,504	6,169,946	4,374,296	7,759,311	5,961,800
Annual incentive ⁵	944,804	854,544	2,342,717	1,538,172	3,287,521	2,392,716
Number of performance shares granted ⁶	1,686	1,446	5,441	4,396	7,127	5,842
Value at grant ⁷	2,882,048	2,307,671	9,300,845	7,015,576	12,182,893	9,323,247
Total variable compensation	3,826,852	3,162,215	11,643,562	8,553,748	15,470,414	11,715,963
Total compensation	5,416,217	4,749,719	17,813,508	12,928,044	23,229,725	17,677,763
Employer social security ⁸	438,000	382,000	1,427,000	1,064,000	1,865,000	1,446,000

1. Represents full year compensation of eight Executive Committee members and partial year compensation of the new Executive Committee member in 2016. Adrien Gonckel retired from his role as Chief Information Officer on 1 August 2016. Part of his total compensation for 2016 relates to the period from the time he ceased to be an EC member until 31 December 2016.

2. Represents full year compensation of five Executive Committee members and partial year compensation of the three new Executive Committee members in 2015.

3. Company contributions to broad-based pension and retirement savings plans and annualised expenses accrued for supplementary executive retirement benefit.

4. Represents annual value of health and welfare plans, international assignment benefits and other benefits in kind.

5. Annual incentive accrued in reporting period based on 2016 performance.

6. 2016 Performance shares vest on 15 April 2019, 2015 Performance shares vest on 31 March 2018.

7. Value at grant calculated according to IFRS methodology and based on 100% achievement of performance targets.

8. 2016 estimated social security charges based on 2016 compensation; 2015 estimated social security charges based on 2015 compensation.

5. Compensation of the Board of Directors

Compensation of Board members consists of Director fees, Committee fees and restricted share units (RSUs). Fees are paid at the end of each year in office completed. RSUs give participants the right to receive Givaudan shares (or a cash equivalent in countries where securities laws prevent the offering of Givaudan securities) at the end of a three-year vesting period.

With the exception of the Chairman and outgoing Board members, each Board member receives an additional amount of CHF 10,000 to cover out-of-pocket expenses. This amount is paid for the coming year in office. The equity awards are also granted for the same period. The compensation paid out to the Board members for the reporting period is shown in table XII.

5.1 Compensation of the Board member with the highest compensation

The Board member with the highest compensation in 2016 was Dr Jürg Witmer, Chairman of the Board since 28 April 2005. For compensation details please refer to table XII.

5.2 Other compensation, fees and loans to members or former members of the Board

No additional compensation or fees were paid to any member of the Board. No Board member or related parties had any loan outstanding as of 31 December 2016.

5.3 Special compensation of members of the Board who left the Company during the reporting period

No such compensation was incurred during the reporting period.

5.4 Compensation voting for members of the Board

The compensation paid to the Board members for the period between the 2015 and 2016 Annual General Meetings is within the amount approved by shareholders at the 2015 Annual General Meeting (CHF 3,300,000). Amounts approved at the 2016 Annual General Meeting (CHF 3,300,000) will be paid by the end of the year in office and validated in the 2016 Compensation Report. Such approved and paid amounts will differ from those shown in the Board of Directors compensation summary table which, according to the OaEC, must include compensation paid in the reporting year.

XII. Board of Directors compensation summary

2016 in Swiss francs	Dr Jürg Witmer Chairman ⁷	André Hoffmann ^{6,7}	Victor Balli ^{5,7}	Prof. Dr-Ing. Werner Bauer ⁷	Lilian Biner ⁷	Michael Carlos ⁷	Ingrid Deltenre ⁷	Calvin Grieder ⁷	Peter Kappeler ^{6,7}	Thomas Rufer ⁷	Total 2016 ¹
Director fees ²	400,000	25,000	75,000	100,000	100,000	100,000	100,000	100,000	25,000	100,000	1,125,000
Committee fees ²	40,000	10,000	18,750	65,000	50,000	40,000	50,000	50,000	6,250	55,000	385,000
Total fixed (cash)	440,000	35,000	93,750	165,000	150,000	140,000	150,000	150,000	31,250	155,000	1,510,000
Number of RSUs granted ³	340		85	85	85	85	85	85		85	935
Value at grant ⁴	581,196		145,299	145,299	145,299	145,299	145,299	145,299		145,299	1,598,289
Total compensation	1,021,196	35,000	239,049	310,299	295,299	285,299	295,299	295,299	31,250	300,299	3,108,289

1. Represents total compensation for the Board of Director paid in respect of the reporting year, reported in accordance with the accrual principle.
2. Represents Director and Committee fees paid in respect of the reporting year, reported in accordance with the accrual principle.
3. RSUs vest on 15 April 2019.
4. Economic value at grant according to IFRS methodology, with no discount applied for the vesting period.
5. Elected at the Annual General Meeting in March 2016.
6. Retired at the Annual General Meeting in March 2016.
7. The function of each member of the Board of Directors are indicated on pages 80-84 in the Corporate Governance section of the 2016 Annual Report.

Estimated social security charges based on 2016 compensation amounted to CHF 221,000 (2015: CHF 232,000).
In addition to the above, payments to Board members for out-of-pocket expenses amounted to CHF 70,000 (2015: 80,000).

2015 in Swiss francs	Dr Jürg Witmer Chairman ⁷	André Hoffmann ⁷	Prof. Dr-Ing. Werner Bauer ⁷	Lilian Biner ⁷	Michael Carlos ^{5,7}	Ingrid Deltenre ^{5,7}	Calvin Grieder ⁷	Peter Kappeler ⁷	Thomas Rufer ⁷	Nabil Sakkab ^{6,7}	Total 2015 ¹
Director fees ²	400,000	100,000	100,000	100,000	75,000	75,000	100,000	100,000	100,000	25,000	1,175,000
Committee fees ²	40,000	40,000	25,000	31,250	18,750	18,750	25,000	25,000	55,000	6,250	285,000
Total fixed (cash)	440,000	140,000	125,000	131,250	93,750	93,750	125,000	125,000	155,000	31,250	1,460,000
Number of RSUs granted ³	364	91	91	91	91	91	91	91	91		1,092
Value at grant ⁴	580,908	145,227	145,227	145,227	145,227	145,227	145,227	145,227	145,227		1,742,724
Total compensation	1,020,908	285,227	270,227	276,477	238,977	238,977	270,227	270,227	300,227	31,250	3,202,724

1. Represents total compensation for the Board of Director paid in respect of the reporting year, reported in accordance with the accrual principle.
2. Represents Director and Committee fees paid in respect of the reporting year, reported in accordance with the accrual principle.
3. RSUs vest on 31 March 2018.
4. Economic value at grant according to IFRS methodology, with no discount applied for the vesting period.
5. Elected at the Annual General Meeting in March 2015.
6. Retired at the Annual General Meeting in March 2015.
7. The function of each member of the Board of Directors are indicated on pages 74-78 in the Corporate Governance section of the 2015 Annual Report.

6. Share ownership guidelines

Givaudan introduced share ownership guidelines in 2013, under which Executive Committee members must hold approximately one times their annual base salary in Givaudan shares. This requirement should be met by 2016, or within three years from the beginning of the calendar year after joining the Executive Committee. Ownership of Givaudan shares by Executive Committee members as per 31 December 2016 is shown in table XIII.

7. Ownership of Givaudan securities

7.1 Board of Directors

As per 31 December 2016, the Chairman and other Board members, including persons closely connected to them held 5,546 Givaudan shares in total. For further details, please refer to table XIII showing:

- The shares held individually by each Board member as per 31 December 2016
- The RSUs that were granted in 2014-2016 and were still owned by members of the Board as per 31 December 2016

XIII. Board of Directors: ownership of Givaudan securities

2016 in numbers	Shares	Unvested RSUs
Dr Jürg Witmer, Chairman	1,500	1,180
Victor Balli		85
Prof. Dr.-Ing. Werner Bauer	970	295
Lilian Biner	377	295
Michael Carlos ¹	2,083	176
Ingrid Deltenre	26	176
Calvin Grieder		295
Thomas Rufer	590	295
Total 2016	5,546	2,797
Total 2015	93,901	3,526

1. Mr Carlos also held 1,750 unvested performance shares as per 31 December 2016 granted to him during his tenure as an Executive Committee member.

The Company is not aware of any other ownership of shares, share options/option rights, RSUs or performance shares as per 31 December 2016 by persons closely connected to members of the Board.

7.2 Executive Committee

The Chief Executive Officer and other members of the Executive Committee, including persons closely connected to them, held 4,460 Givaudan shares. For further details, please refer to table XIV showing:

- The shares held individually by each member of the Executive Committee as per 31 December 2016
- The unvested performance shares that were granted in 2014–2016 and were still owned by members of the Executive Committee as per 31 December 2016

XIV. Executive Committee: ownership of Givaudan securities

2016 in numbers	Shares	Unvested performance shares
Gilles Andrier, CEO	2,400	5,032
Matthias Waehren	300	3,293
Mauricio Graber	550	2,929
Maurizio Volpi	486	1,710
Joe Fabbri	100	2,287
Simon Halle-Smith		943
Willem Mutsaerts	56	1,312
Anne Tayac	104	529
Chris Thoen	464	1,243
Total 2016	4,460	19,278
Total 2015	3,575	21,845

No member of the Executive Committee held any share options or option rights as at 31 December 2016 (31 December 2015: no member of the Executive Committee held any share options or option rights).

Two people closely connected to members of the Executive Committee owned Givaudan securities as at 31 December 2016:

- One person owned 859 shares
- One person owned 264 unvested performance shares.

The Company is not aware of any other ownership of shares, share options/option rights, RSUs or performance shares as per 31 December 2016 by persons closely connected to members of the Executive Committee.



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Statutory Auditor's Report To the General Meeting of Givaudan SA, Vernier

Report of the statutory auditor in relation to sections 4 and 5 of the Compensation Report in accordance with the Ordinance against Excessive Compensation in Stock Exchange Listed Companies (Ordinance)

We have audited sections 4 and 5 of the Compensation Report of Givaudan SA for the year ended December 31, 2016, presented on pages 108 to 110.

Responsibility of the Board of Directors

The Board of Directors is responsible for the preparation and overall fair presentation of the Compensation Report in accordance with Swiss law and the Ordinance against Excessive Compensation in Stock Exchange Listed Companies (Ordinance). The Board of Directors is also responsible for designing the remuneration system and defining individual remuneration packages.

Auditor's Responsibility

Our responsibility is to express an opinion on the Compensation Report. We conducted our audit in accordance with Swiss Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Compensation Report complies with Swiss law and articles 14 – 16 of the Ordinance.

An audit involves performing procedures to obtain audit evidence on the disclosures made in the Compensation Report with regard to compensation, loans and credits in accordance with articles 14 – 16 of the Ordinance. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements in the Compensation Report, whether due to fraud or error. This audit also includes evaluating the reasonableness of the methods applied to value components of remuneration, as well as assessing the overall presentation of the Compensation Report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, sections 4 and 5 of the Compensation Report of Givaudan SA for the year ended December 31, 2016 comply with Swiss law and articles 14 – 16 of the Ordinance.

Deloitte SA

Karine Szegedi Pingoud
Licensed Audit Expert
Auditor in Charge

Joëlle Herbette
Licensed Audit Expert

Geneva, 27 January 2017

