

# Annual General Meeting 2017

## Invitation



Thursday 23 March 2017  
10:30 am (doors open at 09:00 am)  
Espace Hippomène  
Avenue de Châtelaine 7, 1203 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 23 March 2017 at 10:30 am at the Espace Hippomène, 7 avenue de Châtelaine, 1203 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 2016

Proposal of the Board of Directors: approval of the Annual Report, the annual financial statements and the consolidated financial statements 2016.

### 2. Consultative vote on the compensation report 2016

Proposal of the Board of Directors: approval on a consultative basis of the compensation report 2016 (pages 100 to 112 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 2016 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	500,446,384
Balance brought forward from previous year	CHF	41,648,082
<b>Total available earnings</b>	<b>CHF</b>	<b>542,094,466</b>
Distribution proposal of CHF 56.00 gross per share	CHF	517,080,816
<b>Total appropriation of available earnings</b>	<b>CHF</b>	<b>517,080,816</b>
<b>Amount to be carried forward</b>	<b>CHF</b>	<b>25,013,650</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 56.00 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 29 March 2017 (ex-dividend trading date: 27 March 2017).

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 re-elections are held individually.

The curricula vitae of the current directors are available in the 2016 Annual Report and also on Givaudan's internet site: [www.givaudan.com/our-company/management](http://www.givaudan.com/our-company/management).

The current Chairman of the Board, Dr Jürg Witmer, will not stand for re-election and will retire from the Board of Directors and from his position as Chairman of the Board at the Annual General Meeting of shareholders 2017.

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

The Board of Directors proposes to 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 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 2017 .

## **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 2018 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 members of the Executive Committee

#### 6.2.1 Short term variable compensation (2016 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 2016 of CHF 3,287,520.

#### 6.2.2 Fixed and long term variable compensation (2017 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 2017 of CHF 19,800,000.

**Explanation:** as an indication, this amount consists of up to CHF 7,800,000 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 2017 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 2016 Annual Report, consisting of the full business review, 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 report is also available on our website on [www.givaudan.com / investors / online report](http://www.givaudan.com/investors/online-report). The full Annual Report is published in English. A short version of the 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 8 March 2017, 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 8 March 2017, 5pm up to and including 23 March 2017, 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 proxy voting platform [www.ecomm-portal.com](http://www.ecomm-portal.com) (eComm) until 21 March 2017. 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 black ink, appearing to read 'J. Witmer', written in a cursive style.

The Chairman  
Dr Jürg Witmer

Vernier, 22 February 2017

## 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 2018;
2. the aggregate amount of short term variable compensation of the Executive Committee for the past fiscal year (2016); and
3. the maximum aggregate amount of fixed and long term variable compensation of the Executive Committee for the current fiscal year (2017).

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 100 to 112 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:

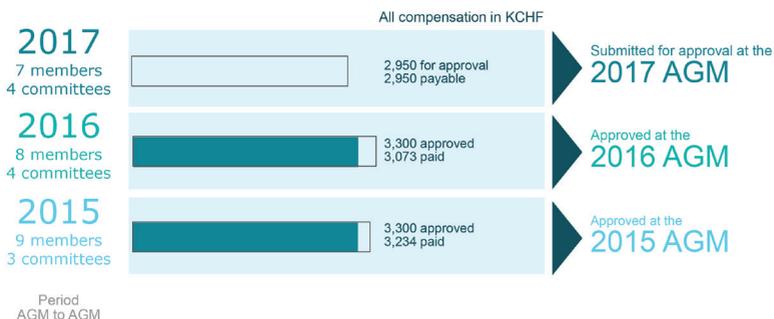
1. Fixed fees including Directors fees and Committee fees of up to CHF 1,400,000; and
2. Restricted Stock Units, the value of which is calculated using the economic value at grant according to IFRS methodology, with no discount applied for the three years vesting period.

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 decreased compared to last year. This reflects the reduction in the number of members of the Board of Directors by one to seven members.

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 100 to 112 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 (2016); and
2. the maximum aggregate amount of fixed and long term variable compensation for the current fiscal year (2017).

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

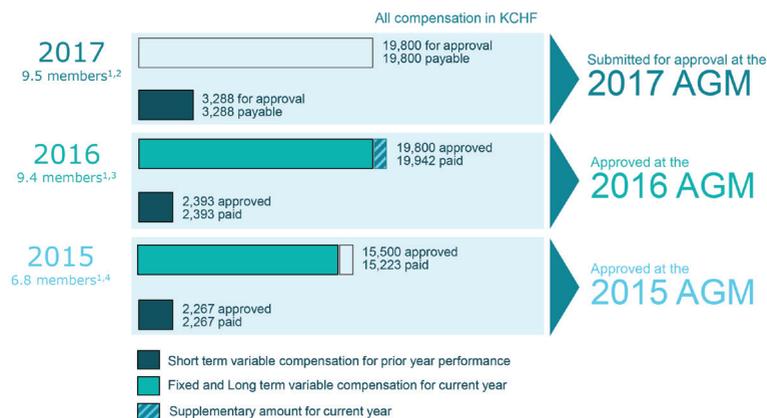
Givaudan has paid amounts within the approved maximum amounts and in accordance with the Articles of Incorporation. In 2016, due to the appointment of a new member to the Executive Committee, the full approved fixed and long term variable compensation amount of CHF 19,800,000 was awarded, with an additional supplementary amount of CHF 142,204 therefore awarded in accordance with the Articles of Incorporation (Art. 27).

The proposed maximum aggregate amount submitted for approval at this year's Annual General Meeting for the fixed and long term variable compensation of the Executive Committee remains stable compared to last year.

The arrival of the new Executive Committee member, Anne Tayac, who joined in August 2016, resulted in compensation payable for 9.4 full-time equivalent members for the fiscal year 2016.

For the current fiscal year (2017), we have additionally taken into account the appointment of the new Chief Financial Officer, Tom Hallam, as per January 2017, and the transitional period during which the outgoing CFO will provide management advice and support on some strategic projects, resulting in compensation payable for 9.5 full-time equivalent members for 2017.

The increase of the short term variable compensation for the past fiscal year (2016) is attributable to the three Executive Committee members who joined during 2015 and to the new Executive Committee member who joined in August 2016.



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

2) In 2017 the following member joined the Execution Committee: Tom Hallam, Chief Financial Officer (CFO). Due to the transitional period between the incoming CFO and the outgoing CFO, Matthias Währen, the total number of Executive Committee members corresponds to 9.5 full-time equivalent members.

3) During 2016 the following member was appointed: Anne Tayac, Head of Givaudan Business Solutions, as of 1 August 2016. Adrien Gonckel, Chief Information Officer, retired from the Executive Committee as of 1 August 2016 and was subject to a notice period ending 31 December 2016. Additional compensation of CHF 142'204 above the shareholder-approved amount was paid in accordance with our Articles of Incorporation (Art. 27).

4) During 2015 the following members were appointed: Simon Halle-Smith, Head of Global Human Resources as of 6 August 2015; Chris Thoen, Head of Global Science and Technology as of 16 October 2015, and Willem Mutsaerts, Head of Global Procurement as of 16 October 2015.

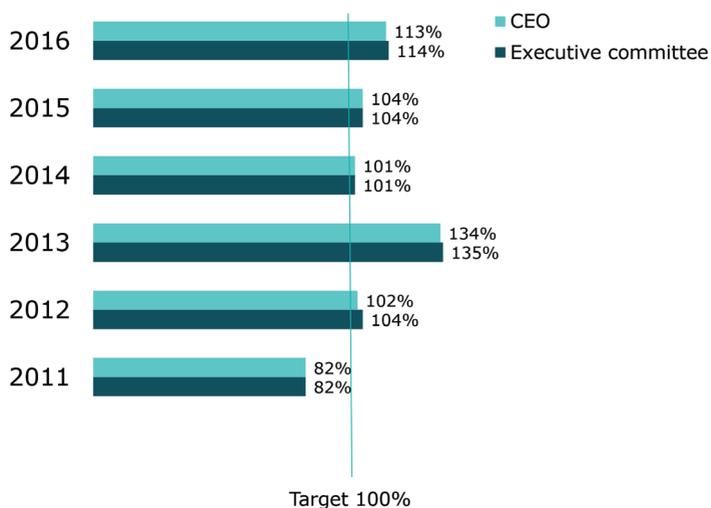
### Short term variable compensation (2016 Annual Incentive Plan) (item 6.2.1)

The proposed Annual Incentive amount of CHF 3,287,520 for 2016 has been calculated with respect to the achievement against the pre-determined financial performance conditions set for 2016; 50% related to sales growth in local currencies and 50% to EBITDA margin.

For further details on our 2016 Annual Incentive Plan, please refer to the compensation report (pages 100 to 112 of the Givaudan annual report): [www.givaudan.com/media/publications](http://www.givaudan.com/media/publications).

In 2016, Givaudan again delivered solid financial performance, with like-for-like sales growth and EBITDA reaching 4.2% and 24.1%, respectively. This resulted in the proposed 113% of target pay-out for the Chief Executive Officer and 114% for the other members of the Executive Committee.

The below table summarises 2016 and historical Annual Incentive achievement against target for the past six years. Consistent with our compensation policy over this period, pay-out potential ranged between 0% and 200% of target.



## **Fixed and long term variable compensation (2017 Performance Share Plan – “PSP”) (item 6.2.2)**

The proposed fixed and long term variable compensation is CHF 19,800,000 and, as an indication, consists of:

1. up to CHF 7,800,000 fixed compensation, comprising base salary, pension and other benefits; and
2. Performance Share Plan (PSP) grants.

The maximum compensation is stable compared to the 2016 amount approved by shareholders (CHF 19,800,000). Based on the Executive Committee changes indicated above, the proposed amount represents fixed and long term variable compensation for 9.5 full-time equivalent Executive Committee members (9.4 full-time equivalent members in 2016).

The maximum fixed compensation amount represents stable base salaries versus 2016 for existing members of the Executive Committee.

The PSP grants continue to represent more than half (52%) of total compensation at target for Executive Committee members, a practice which reinforces Givaudan's strong focus on long term performance.

The value of the PSP grants for 2017 are 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 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 further details on the PSP, please refer to the compensation report (pages 100 to 112 of the Givaudan Annual Report): [www.givaudan.com/media/publications](http://www.givaudan.com/media/publications).

## Appendix 2

### **Vote easily online! – Opening your shareholder account on the eComm-Portal www.ecomm-portal.com**

Dear shareholder,

In accordance with the Ordinance against Excessive Compensation in listed Stock Companies (OaEC) from 20.11.2013 (Minder initiative) shareholders must be able to vote “at a distance”.

Accordingly, you have the opportunity to use the eComm-Portal to cast your votes online. To familiarize yourself with the procedure and learn about the benefits of electronic voting please proceed as follows:

Please note: If you already have a shareholder account with eComm, please log in via [www.ecomm-portal.com](http://www.ecomm-portal.com) using your user ID and the password you have selected and add Givaudan SA to your portfolio using the unique key on your inscription form.

#### **How to open your shareholder account at eComm:**

- Log in via the [www.ecomm-portal.com](http://www.ecomm-portal.com) website.
- Then click on “Register Now” to proceed to the next page.
- Enter your Unique Key, which can be found on your inscription form. Please keep in mind that your key can be used once only.
- To register, then enter your personal details. The password should comprise at least 8 characters, including a mix of upper- and lowercase letters and at least one number (0-9).
- Confirm your entry with “Proceed”.
- You will now receive an activation e-mail from us sent to the e-mail address you specified.
- Please enter the e-mail activation code sent to you (8 characters) in the corresponding field on our website and confirm your entry by clicking “Confirm your e-mail address”.
- You will now receive an SMS in order to check your mobile phone number.
- Please enter the mobile phone activation code sent to you (6 characters) in the corresponding field on our website and confirm your entry by clicking “Confirm your mobile number”.

You are now registered on our system and your shareholder account is opened on eComm.

#### **Login to your shareholder account on the eComm-Portal.**

You can log in any time on the eComm online portal. Please proceed as follows:

- Enter your personal E-Mail-Address and password.
- You will receive a «One-Time-Passcode» to your mobile phone as soon as you are logged in.
- Enter the code in the corresponding field on the website and confirm with «Proceed».
- Read and accept the terms of use (Disclaimer) by clicking on «Confirm».

You are on the live portal now and have the chance to cast your votes online.

You can also:

- See the time and date of the Annual General Meeting and view the agenda items.
- Order your admission card for the upcoming Annual General Meeting
- Authorise the independent proxy, and capture your voting instructions

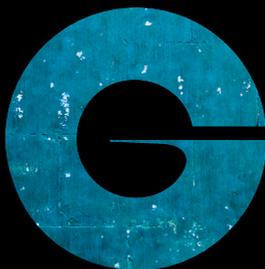
The deadline to exercise your right to vote online is set to Tuesday, 21 March 2017, 11.59 pm.

Once your shareholder account has been opened, you will receive notifications of Annual General Meetings of Givaudan SA via email. However, you may deactivate your eComm shareholder account at any time in order to again receive invitations in paper form. In order to do so, send us a deactivation confirmation to the email address specified below or to:

Computershare Schweiz AG  
General meetings  
P.O. Box  
4601 Olten  
Switzerland

Should you have any questions, please contact us at [ServiceDesk@sisclear.com](mailto:ServiceDesk@sisclear.com) or between 7 am and 6 pm (CET) on our hotline number +41 58 399 4848.

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



Givaudan

engage your senses