



**Minutes**

**of the 2018 Annual General Meeting of the Shareholders  
of**

**GIVAUDAN SA  
("the Company")**

**held at the Bâtiment des Forces Motrices, Geneva,**

**on Thursday 22<sup>nd</sup> March 2018 at 10.30 am**

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The following are present:

Shareholders

371 shareholders and proxies at the opening of the meeting

Members of the Board of Directors

Victor Balli  
Prof. Werner Bauer  
Lilian Biner  
Michael Carlos  
Ingrid Deltenre  
Calvin Grieder (Chairman)  
Thomas Rufer

Members of the Executive Committee

Gilles Andrier  
Mauricio Graber  
Tom Hallam  
Simon Halle-Smith  
Willem Mutsaerts  
Anne Tayac  
Chris Thoen  
Maurizio Volpi

Calvin Grieder, Chairman of the Board, opens the meeting at 10.30 am and welcomes shareholders and guests.

After introducing the representatives of the Company present on the podium as well as the members of the Board and the Executive Committee seated in the audience, he reminds the meeting about the 250 years of heritage of the Company and comments on the highlights of the Company's performance during 2017. These include the status of the implementation of the Givaudan Business Solutions, acquisitions during the year, especially in the area of Naturals and expansion of the Company's footprint to address global megatrends through innovation, digitisation and sustainable business practices. He then describes a change to the executive committee that was announced in January 2018, the departure of the Head of Flavours Mauricio Graber to take up the role of CEO at Christian Hansen. The Chairman thanks Mauricio Graber and introduces Louie D'Amico, his successor, who will also be the guest speaker. Mr. D'Amico gives a presentation on the importance of Naturals for the Company's strategy.

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Turning to the formal part of the meeting, the Chairman states that notices calling the meeting were duly published in the Swiss Official Gazette of Commerce (FOSC/SHAB) on 23 March 2018 and sent to the shareholders who were registered with voting rights on or before 5pm on 7 March 2018 within the prescribed period and that the meeting has thus been validly convened.

He notes that no request that an item be included in the agenda was received from shareholders.

He further notes the presence of Ms Karine Szegedi-Pingoud, auditor in charge representing the statutory auditors, Deloitte SA, and of Mr Manuel Isler, attorney-at-law, elected as the independent voting rights representative by the shareholders at the previous general meeting.

The Chairman appoints

as secretary: Dr Annette Schüller, Secretary of the Board of Directors;

as vote counters: Mr Olof Engelbrekts, Credit Suisse SA, Zurich,  
Mr Serge Heimo, UBS AG, Nyon.

The Chairman informs the meeting that the minutes of the Annual General Meeting held on 23 March 2017 are available for consultation with the secretary and had also been published on the Company's website. The minutes of the current meeting will be available for consultation with the secretary as soon as recorded. He adds that the proceedings of the meeting are being tape recorded for the purpose of the minutes but deleted after the minutes have been established.

The Chairman states that the proposals placed before the meeting according to the agenda require an absolute majority of the votes allocated to the shares represented at the meeting. He also reminds the meeting that votes will be cast using an electronic voting system. Should the system fail to perform, the meeting will vote

on a show of hands or, if so decided by the Chairman, in writing. He further reserves the Chairman's right according to the articles of incorporation to establish all rules of procedure applicable to votes and elections.

### **Item 1 – Annual report 2017**

The Chairman introduces the Chief Executive Officer, Mr Gilles Andrier, who presents the business results of the year 2017 and the status of the Company's 2020 strategy, and Mr Tom Hallam, the Chief Financial Officer, who comments on the financial aspects of the 2017 results, as contained in the Annual Report 2017.

The Chairman then invites comments from the audience.

Mr. Riccardo Pacifico from Neuchâtel asks (1) how the Company's results and growth rates compare with its competitors and (2) how the Company deals with currency exchange risks, given that it reports in CHF, but has sales worldwide.

The Chairman invites Gilles Andrier to respond. Mr. Andrier explains that the Company has a share of approximately 25% of the fragrance and flavours market and that it typically grows by double the market growth, outgrowing competitors by 2-3%. Regarding currency exchange risks, Mr. Andrier explains that the Company is very well positioned, as it also manufactures regionally and locally and thus has both sales and cost in the same currencies. For this reason, the Company's earnings before interest, depreciation and amortisation (EBITDA) has not been impacted by recent currency volatility.

Mr. Pacifico thanks Mr. Andrier for the explanations.

As there are no further comments, the Chairman reads out the attendance list. It shows a presence at the opening of the meeting of 371 shareholders or proxies, representing a total of 3,851,046 shares with voting rights with a nominal value of CHF 38,510,460 and corresponding to 41.71% of the total share capital. Out of these, 3,824,878 shares with a nominal value of CHF 38,248,780 are represented by the independent voting rights representative. The absolute majority of shares represented amounts to 1,925,524 share votes.

No shares held by the Company or by affiliates of the Company are represented at the meeting.

The Chairman notes that the annual report has been made available to shareholders at the registered office of the Company within the prescribed time. He explains that the full report is published in English only with highlights available in English, French and German. The annual report and the highlights are available on the website of the Company. Shareholders can also order paper versions of the full report or highlights.

The reports of the statutory auditors on the financial statements of the Company and on the consolidated financial statements are contained [in the annual report,] on pages 150-155 and 164-166 of the complete English version of the annual report, respectively. The auditors recommend that the financial statements of the Company and the consolidated financial statements be approved.

The annual report is taken as read.

The Chairman reports that the representatives of Deloitte SA have indicated that they have nothing to add to their reports as statutory auditors and group auditors.

Once more he invites comments from the meeting on the presentations of Messrs Andrier and Hallam and on the annual report.

As there are none, the Secretary explains the functioning of the new electronic voting tool (new “televoter”). The Chairman then invites the shareholders to vote on the approval of the annual report, of the annual statutory financial statements and of the consolidated financial statements.

The Chairman declares that the shareholders meeting approved the 2017 annual report, the 2017 annual statutory financial statements and the consolidated financial statements by:

3,798,057 yes votes (98.62%),  
2,496 no votes (0.06%) and  
50,523 abstentions (1.32%).

## **Item 2 – Consultative vote on the Compensation Report 2017**

The Chairman explains that the Compensation Report is included in pages 78 to 91 of the full English version of the Annual Report, and the report of the statutory auditors on the Compensation Report at page 91. He then explains the principles of the compensation policy and system of the Company and their evolution over the last years to ensure a measured and transparent remuneration.

The Chairman invites comments from the audience. There being none, he invites the shareholders to vote on a consultative basis on the 2017 Compensation Report.

The Chairman declares that the shareholders approved the 2017 Compensation Report on a consultative basis by:

3,467,388 yes votes (90.03%),  
353,614 no votes (9.18%) and  
30'054 abstentions (0.79%).

### Item 3 – Appropriation of available earnings and dividend

The Chairman explains the Board of Directors' proposed appropriation of available earnings and dividend as follows:

#### Available Earnings

Net profit for the year	CHF	590,763,886
Balance brought forward from previous year	CHF	27,149,322
<b>Total available earnings</b>	CHF	<b>617,913,208</b>
Distribution proposal of CHF 58.00 gross per share	CHF	535,547,988
<b>Total appropriation of available earnings</b>	CHF	<b><u>535,547,988</u></b>
<b>Amount to be carried forward</b>	CHF	<b>82,365,220</b>

If accepted, the proposed dividend of CHF 58.00 gross per share will represent a 3.6% increase over the previous year and the seventeenth increase in a row since the Initial Public Offering of the Company. This dividend represents a return of 90% of free cash flow to the shareholders.

If the proposal is accepted, payment will be made on 28 March 2018 (first *ex-dividend* trading date will be 26 March 2018).

The Chairman asks for any comments on the proposed appropriation of available earnings and dividend.

As there are no comments, the Chairman invites the shareholders to vote on the proposal.

The Chairman declares that the shareholders accepted the proposal by:

3,827,404 yes votes (99.38%),  
2,365 no votes (0.06%) and  
21,287 abstentions (0.56%).

### Item 4 – Discharge of the Board of Directors

The Chairman indicates that in compliance with the Swiss code of obligations, any person who took part in the management of the Company in any way during 2017 has no voting right concerning the discharge of the Board of Directors.

There being no comments from the audience, the Chairman invites the shareholders to vote on the discharge of the Board of Directors.

The Chairman declares that the shareholders approved the discharge of the Board of Directors by:

3,727,515 yes votes (97.05%),  
57,074 no votes (1.48%) and  
55,865 abstentions (1.47%).

## **Item 5 – Elections**

The Chairman explains that all re-elections will be held individually but in one multiple ballot. He informs the meeting that all candidates had confirmed that they would accept their possible re-elections.

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

The Chairman states that the Board proposes the re-election of each of the following Board members:

- Mr Victor Balli
- Prof. Werner Bauer
- Ms Lilian Biner
- Mr Michael Carlos
- Ms Ingrid Deltenre
- Mr Thomas Rufer

each as a director, each for a term of one year ending after completion of the next annual shareholders' meeting.

There being no comments from the audience, the Secretary explains the multiple voting function of the televoter.

Thereafter, the Chairman invites the shareholders to vote on each of the seven candidates.

The Chairman declares that the shareholders re-elected the Board members with the following results:

#### **5.1.1 Mr Victor Balli:**

3,824,888 yes votes (99.32%),  
20,876 no votes (0.54%) and  
5,292 abstentions (0.14%).

5.1.2 Prof. Dr Werner Bauer:

3,777,705 yes votes (98.09%),  
67,641 no votes (1.75%) and  
5,710 abstentions (0.16%).

5.1.3 Ms Lilian Biner:

3,806,864 yes votes (98.85%),  
36,619 no votes (0.95%) and  
7,573 abstentions (0.20%).

5.1.4 Michael Carlos:

3,762,470 yes votes (97.69%),  
81,771 no votes (2.12%) and  
6,815 abstentions (0.19%).

5.1.5 Ms Ingrid Deltenre:

3,814,697 yes votes (99.05%),  
30,712 no votes (0.79%) and  
5,647 abstentions (0.16%).

5.1.6 Mr Calvin Grieder:

3,811,454 yes votes (98.97%),  
33,156 no votes (0.86%) and  
6,446 abstentions (0.17%).

5.1.7 Mr Thomas Rufer:

3,834,003 yes votes (99.55%),  
10,124 no votes (0.26%) and  
6,929 abstentions (0.19%).

**5.2 Re-election of the Chairman**

Prof Werner Bauer, the Vice-Chairman of the Board of Directors, takes the chair of the meeting and states that the Board proposes that Calvin Grieder be re-elected

as Chairman of the Board of Directors for a term of one year ending after completion of the next annual shareholders' meeting.

There being no comments from the audience, the Vice-Chairman invites the shareholders to vote on the proposal.

The Vice-Chairman declares that the shareholders re-elected Mr Calvin Grieder as Chairman of the Board by:

3,832,746 yes votes (99.52%),  
10,922 no votes (0.28%) and  
7,388 abstentions (0.20%).

Mr Calvin Grieder thanks the shareholders for their vote of confidence and resumes the chair of the meeting.

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

The Chairman states that the Board proposes all three members of the Compensation Committee for individual re-election by the shareholders. He notes that none of the candidates has ever held an executive position with the Company. He also explains that this vote will also be cast using the multiple voting function of the televoter.

The Chairman states that the Board proposes the re-election of the following Board members as member of the Compensation Committee for a term of one year ending after completion of the next annual shareholders' meeting:

- Prof. Werner Bauer
- Ms Ingrid Deltenre
- Mr Victor Balli

There being no comments from the audience, the Chairman invites the shareholders to vote on each of the three candidates.

The Chairman declares that the shareholders re-elected the members of the Compensation Committee with the following results:

#### **5.3.1 Prof. Dr Werner Bauer**

3,812,135 yes votes (98.98%),  
31,785 no votes (0.82%) and  
7,136 abstentions (0.20%).



### 5.3.2 Ms Ingrid Deltenre

3,804,345 yes votes (98.78%),  
39,999 no votes (1.03%) and  
6,712 abstentions (0.19%).

### 5.3.3 Mr Victor Balli

3,811,522 yes votes (98.97%),  
32,451 no votes (0.84%) and  
7,083 abstentions (0.19%).

## **5.4 Election of the independent voting rights representative**

The Chairman re-introduces Mr Manuel Isler, attorney-at-law with the Geneva law firm BMG. He notes that Mr Isler is independent from the Company and has held the office of independent voting rights representative since 2004. During this time, Mr Isler had always carried out his function correctly.

The Chairman states that the Board proposes the re-election of Mr Manuel Isler as the independent voting rights representative for a term of one year ending after completion of the next ordinary annual shareholders' meeting.

There being no comments from the audience, the Chairman invites the shareholders to vote on the proposal.

The Chairman declares that the shareholders re-elected Mr Manuel Isler as independent voting rights representative by:

3,845,319 yes votes (99.85%),  
1,232 no votes (0.03%) and  
4,505 abstentions (0.12%).

## **5.5 Re-election of the statutory auditors**

The Chairman thanks Deloitte SA, statutory auditors of the Company since 2009 for the quality of services provided during the previous financial years. He also explains that the Board, with the help of the Audit Committee of the Board, evaluates once annually whether to propose the re-election of the statutory auditors to the annual general meeting of shareholders. Following this process, the Board proposes that Deloitte SA be re-elected as statutory auditors for the financial year 2018.

There being no comments from the audience, the Chairman invites the shareholders to vote on the proposal.

The Chairman declares that the shareholders re-elected Deloitte SA as statutory auditors for the financial year 2018 by:

3,794,410 yes votes (98.53%),  
47,315 no votes (1.22%) and  
9,216 abstentions (0.25%).

## **Item 6 – Consultative vote on the compensation of the members of the Board of Directors and the Executive Committee**

### **6.1 Compensation of the members of the Board of Directors**

The Chairman explains that the Board of Directors seeks approval for a maximum aggregate amount of compensation of the Board of Directors for the term until the 2019 annual shareholders' meeting of CHF 2,950,000.

He explains that the amount is unchanged against the amount approved by the shareholders in 2017 and that the total amount of CHF 2,950,000 will comprise up to CHF 1,400,000 of director's and committee fees in cash and the remainder, restricted share units (RSUs) of the Company that will be blocked for a period of three years. The Company also pays compulsory social security insurance contributions as required by law. The Chairman confirms that the Board members receive neither a variable remuneration nor any pension benefits.

The Chairman invites comments from the audience. There being none, he invites the shareholders to vote on the proposal.

The Chairman declares that the shareholders approved the maximum aggregate amount of compensation of the Board of Directors for the term until the 2019 annual shareholders' meeting of CHF 2,950,000 by:

3,737,230 yes votes (97.04%),  
94,251 no votes (2.44%) and  
19,460 abstentions (0.52%).

### **6.2 Compensation of the members of the Executive Committee**

Turning to the compensation of the members of the Executive Committee, the Chairman reiterates that the compensation will be submitted to the shareholders in two different votes.

#### 6.2.1 Short term variable compensation (2017 Annual Incentive Plan)

The Chairman states that the first approval is requested for the aggregate amount of short term variable compensation of the Executive Committee for the financial year 2017 in an amount of CHF 3,490,698, as evidenced in the 2017 Compensation Report.

He explains that this amount results from the application of the performance criteria for the short term variable compensation, which is based on the Company's performance against two criteria, namely sales growth in local currencies and the EBITDA margin, and which, depending on the Company's performance, could amount to between 0% and 200% of the target bonus. In 2017, the Company achieved a sales growth in local currency (like-for-like) of 4.9% and an EBITDA margin of 21.6%. This performance translates into the CHF 3,490,698 for which approval is being sought.

The Chairman invites comments from the audience. There being none, he invites the shareholders to vote on the proposal.

The Chairman declares that the shareholders approved the aggregate amount of short term variable compensation of the Executive Committee for the financial year 2017 of CHF 3,490,698 by:

3,738,170 yes votes (97.07%),  
71,784 no votes (1.86%) and  
40,951 abstentions (1.07%).

#### 6.2.2 Fixed and long term variable compensation (2018 Performance Share Plan – “PSP”)

The Chairman explains that the second approval sought is the approval of the maximum aggregate amount of fixed compensation and long term variable compensation of the Executive Committee prospectively for the financial year 2018 of CHF 17,000,000.

The Chairman clarifies that the amount requested includes up to CHF 7,000,000 in fixed remuneration (comprising base salary, pension and other benefits) as well as grants of performance shares under the performance share plan for 2018.

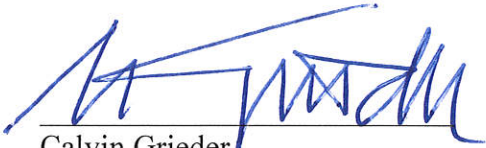
He notes that the maximum amount decreased compared to the one approved by the annual general meeting 2017. This is due to changes in the Executive Committee that have been described in the invitation to the annual general meeting.


The Chairman invites comments from the audience. As there are none, he invites the shareholders to vote on the proposal.

The Chairman declares that the shareholders approved the fixed and long term variable compensation for the Executive Committee for 2018 by:

3,534,340 yes votes (91.77%),  
268,364 no votes (6.96%) and  
48,201 abstentions (1.27%).

There being no further business, the Chairman closes the meeting at 12.25 pm, inviting shareholders already to the next annual meeting which will be held on 28 March 2019.

  
Calvin Grieder  
Chairman

  
Dr Annette Schüller  
Secretary

Vernier, 22 March 2018