

# Corporate Governance

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The information that follows is provided in accordance with the Directive on Information Relating to Corporate Governance issued by the SIX Exchange Regulation (DCG). The principles and rules of Corporate Governance as practiced by Barry Callebaut are laid down in the Articles of Incorporation, the Regulations of the Board and the Charters of the Board Committees. These are reviewed regularly by the Board of Directors and adapted as needed.

### Group structure and shareholders

The organization of the Barry Callebaut Group has a structure which is divided into three different Regions: Region Europe (incl. Western Europe and Eastern Europe, Middle East & Africa), Region Americas and Region Asia-Pacific. The globally managed Global Sourcing & Cocoa business is reported as a separate segment like a Region. There are three different Product Groups: Cocoa Products, Food Manufacturers Products and Gourmet & Specialties Products. The following chart provides an overview of the operational Group structure as of November 7, 2012:

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**Additional information:**  
[www.barry-callebaut.com/  
corporate\\_governance](http://www.barry-callebaut.com/corporate_governance)  
[www.barry-callebaut.com/  
organization](http://www.barry-callebaut.com/organization)

## CORPORATE GOVERNANCE

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<b>Board of Directors</b> Chairman: <b>Andreas Jacobs</b>				
AFRQCC <sup>1</sup> Chairman: Jakob Baer		NCC <sup>2</sup> Chairman: Jim Donald		
Internal Audit Karel Diepenhorst		General Counsel & Corporate Secretary Roland Maurhofer		
<b>CEO</b> <b>Juergen Steinemann<sup>3</sup></b>				
CFO Victor Balli <sup>3</sup>		Corporate Communications & CSR Jörn Wagenbach		
Chief Innovation Officer <sup>4</sup> Dirk Poelman <sup>3</sup> (ad interim)		Global Human Resources Barbara Becker		
Chief Operations Officer Dirk Poelman <sup>3</sup>		Quality Assurance Jeff Banks		
		Gourmet Pascale Meulemeester		
Western Europe Massimo Garavaglia <sup>3</sup>	Eastern Europe Filip De Reymaeker	Americas David S. Johnson <sup>3</sup>	Asia-Pacific Maurizio Decio	Global Sourcing & Cocoa Steven Retzlaff <sup>3</sup>

1 AFRQCC: Audit, Finance, Risk, Quality & Compliance Committee.

2 NCC: Nomination & Compensation Committee.

3 Member of the Executive Committee.

4 This function will be taken over by Peter Boone as of December 2012.

The structure of the financial reporting is explained in note 3 to the Consolidated Financial Statements. Information about the stock listing, principal subsidiaries and significant shareholders of Barry Callebaut is given on pages 80, 94, 138, 140 and 141 of the Consolidated Financial Statements and on pages 149, 150 and 151 of the Financial Statements of Barry Callebaut AG. There are no cross-shareholdings equal to or higher than 5% of the issued share capital.

### Capital structure

The information required by the DCG regarding the capital structure is given in note 25 (share capital, movements in the share capital) of the Consolidated Financial Statements. The company has no convertible bonds outstanding. In the past three years, the Group's capital structure has not changed.

**Additional information:**  
[www.barry-callebaut.com/board](http://www.barry-callebaut.com/board)  
[www.barry-callebaut.com/regulations](http://www.barry-callebaut.com/regulations)

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### Board of Directors

The Board of Directors is ultimately responsible for the policies and management of Barry Callebaut. The Board establishes the strategic, accounting, organizational and financing policies to be followed, and appoints the Executive Committee, to which the Board of Directors has delegated the operational management of Barry Callebaut. Besides its non-transferable and inalienable duties, the Board has retained certain competencies as set forth in the Company's Internal Regulations, which are publicly accessible on the Barry Callebaut website ([www.barry-callebaut.com/regulations](http://www.barry-callebaut.com/regulations)).

As of August 31, 2012, the Board of Directors consisted of seven non-executive members. Each Director is elected by the shareholders of Barry Callebaut AG at the General Meeting for a term of office of one year and may be re-elected to successive terms.

Name	Nationality	Member since	Board of Directors Function	AFROCC	NCC
Andreas Jacobs	German	2003	Chairman		
Andreas Schmid	Swiss	1997	Vice Chairman	Member	
Jakob Baer	Swiss	2010	Director	Chairman	
James L. Donald	U.S.	2008	Director		Chairman
Markus Fiechter	Swiss	2004	Director	Member	
Stefan Pfander	German	2005	Director		Member
Ajai Puri	U.S.	2011	Director		Member



#### Andreas Jacobs

Chairman of the Board since 2005, member of the Board since 2003, German national

In December 2005, Andreas Jacobs (1963) was appointed Chairman of the Board of Barry Callebaut AG. He had served as a member of the Board since 2003.

Since 1992, Andreas Jacobs has been an independent entrepreneur with a stake in several companies (Minibar AG, Baar; and Acentic GmbH) plus minority interests in several other companies. From 1991 to 1993, Andreas Jacobs worked as a consultant and project manager at The Boston Consulting Group in Munich. He is also Chairman of Jacobs Holding AG and Vice-Chairman of the Board of Adecco SA.

Andreas Jacobs studied law at the Universities of Freiburg im Breisgau, Munich and Montpellier and subsequently obtained a post-graduate degree in European competition law (Dr. iur.) from the University of Freiburg im Breisgau. Afterwards, he earned a Master of Business Administration from INSEAD in Fontainebleau.

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Andreas Schmid (1957) was appointed CEO of Jacobs Holding AG in 1997. In 1999, he became Chairman of the Board and CEO of Barry Callebaut AG. In June 2002, he handed over the CEO function but continued to assume the responsibility of Chairman until December 2005. Since then he has been Vice Chairman of the Board.

He started his career in 1984 at Union Bank of Switzerland. Following a position as assistant to a Swiss industrialist, he was CEO and Managing Director of Kopp Plastics (PTY) Ltd in South Africa from 1989 to 1992. He then worked for the Jacobs Group in various staff and line functions until 1993. From 1993 to 1997, Andreas Schmid was President of the Mövenpick Consumer Goods Division and a member of the worldwide Group Executive Board of Management. Between December 2007 and May 2011, Andreas Schmid was Chairman of the Supervisory Board of Symrise AG, and between 2002 and 2006 he chaired the Board of Kuoni Travel Holding AG. He was a member of the Board of Adecco SA from 1999 to 2004 and a member of the Advisory Board of the Credit Suisse Group from 2001 to 2007, before the Advisory Board was dissolved.

Andreas Schmid is Executive Chairman of Oettinger Davidoff Group, Chairman of the Board of Directors of Flughafen Zurich AG and gatigroup Holding AG and member of the Board of Directors of Karl Steiner AG.

Andreas Schmid holds a Master's degree in law and studied economics at the University of Zurich.

Jakob Baer (1944) started his career in 1971 at the Federal Finance Administration. From 1975 until 1991, he was with Fides Group, where he held various positions (as Consultant, Head of Legal Department, Branch Office Manager Zurich, Member of the Division Management Advisory Services). 1991/1992, Jakob Baer led the planning and execution of the management buy-out of the Advisory Services unit of Fides Group, which became part of KPMG Switzerland. He was a member of the Executive Committee of KPMG Switzerland from 1992 until 1994. From 1994 to 2004, he held the position of Chief Executive Officer of KPMG Switzerland, and was a member of KPMG's European and International Leadership Boards. Jakob Baer served as a member of the Board of Directors of Adecco from 2004 until April 2012.

Jakob Baer is Board Member of Swiss Re, Rieter Holding AG, Allreal Holding AG, IFBC AG and Chairman of Stäubli Holding AG, all in Switzerland.

He was admitted to the bar (1971) and subsequently obtained a doctorate degree in law (Dr. iur.) from the University of Berne, Switzerland.



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**Andreas Schmid**  
Vice Chairman,  
member of the Board  
since 1997,  
Swiss national



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**Jakob Baer**  
Director since 2010,  
Swiss national

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**James L. Donald**  
Director since 2008,  
U.S. national

James “Jim” L. Donald (1954) has been CEO of Extended Stay, a large US-based hotel chain, since February 2012. He also serves as a Board Member of Rite Aid Corporation, one of the leading drugstore chains in the U.S. with more than 4,900 stores in 31 states.

James Donald has served as President and CEO of Haggan, Inc., a 33-store Pacific Northwest grocery company based in Bellingham from September 2009 until March 2011. James Donald also was President & Chief Executive Officer of Starbucks Corporation from April 2005 to January 2008. From October 2002 to March 2005, James Donald served as President of Starbucks, North America. Under his leadership, Starbucks experienced strong growth and performance. From October 1996 to October 2002, James Donald served as Chairman, President & Chief Executive Officer of Pathmark Stores, Inc., a USD 4.6 billion regional supermarket chain located in New York, New Jersey and Pennsylvania. Prior to that time, he held a variety of senior management positions with Albertson’s, Inc., Safeway, Inc. and Wal-Mart Stores, Inc.

James L. Donald graduated with a Bachelor’s degree in Business Administration from Century University, Albuquerque, New Mexico.



**Markus Fiechter**  
Director since 2004,  
Swiss national

Markus Fiechter (1956) served as CEO of Jacobs Holding AG from September 2004 until end of 2011.

He started his career as Assistant Professor in Chemistry at the University of Applied Sciences in Horw, Lucerne. From 1984 until 1991, he held various managerial positions at Mettler Toledo AG.

From 1991 to 1994, he worked for The Boston Consulting Group as a Manager at the Zurich office. From 1994 to 2004, he was CEO of the Minibar Group. Markus Fiechter is Vice President of the Board of Directors of Valora Holding AG and a member of the Board of Directors of Minibar AG. He is also member of the Board of the Federal Foundation for the Advancement of the Swiss Economy through Scientific Research.

Markus Fiechter holds a Master’s degree in Chemical Engineering from the Federal Institute of Technology in Zurich (ETH) and an MBA from the University of St. Gallen.

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Stefan Pfander (1943) started his career in 1971 as Product Manager with General Foods GmbH in Elmshorn, Germany, and later worked for Mars Inc. (as Marketing Manager for Effem GmbH, Verden, Germany, as Marketing Director for Kal Kan Foods Inc., Los Angeles, U.S.). In 1981, he joined the Wm. Wrigley Jr. Company as Managing Director initially responsible for Germany and later Europe, Middle East, Africa and India, building leading market positions for Wrigley in over 40 countries. Until January 2006, he was Chairman Europe and Vice President of the Wm. Wrigley Jr. Company in Chicago, U.S. Until 2010, he also served as a member of the Board of Directors of Sweet Global Network e.V. (international confectionery trade association).

Stefan Pfander is a Supervisory Board Member of Maxingvest AG (Holding company, Beiersdorf AG, Tchibo GmbH), Deputy Chairman of the Supervisory Board of GfK SE (market research institute) and Chairman of the Supervisory Board of Treofan GmbH.

Stefan Pfander holds a degree in Economics from the University of Hamburg.



**Stefan Pfander**  
Director since 2005,  
German national

Stefan Pfander will not be available for re-election to the Board of Directors at the next Annual General Meeting of Shareholders on December 5, 2012.

Ajai Puri (1953) has been a member of the Supervisory Board of Nutreco N.V. (Amersfoort, The Netherlands), a leading global animal nutrition and aquaculture company, since April 2009. Additionally, he serves as a Non-Executive Director on the Board of Britannia Industries Limited (Bangalore, India), India's largest independent food group, and as member of the Board of Directors of Tate & Lyle (London, United Kingdom), a global provider of distinctive, high-quality ingredients and solutions to the food, beverage and other industries.

Ajai Puri has a broad know-how and experience in the fields of Management, R&D/Innovation, Marketing and Manufacturing, Product Safety and Quality Assurance which he gained during his assignments with the companies Cadbury Schweppes PLC, The Minute Maid Company/The Coca-Cola Company and latest with Royal Numico N.V. in the Netherlands. During his career, Ajai Puri has held a variety of positions of global scope including that of Senior Vice President Technical (Science and Technology) at The Minute Maid Co in the U.S., and President Research, Development and Product Integrity at Royal Numico in the Netherlands.

Ajai Puri is furthermore co-founder of P.A.N.I., a self-funded charitable foundation dedicated to improving the lives of the underprivileged in India. The focus of the foundation is education for children and women, and cleft lip surgical corrections.

Ajai Puri holds a Ph.D. in Food Science from the University of Maryland and an MBA from the Crummer Business School, Rollins College, Florida.



**Ajai Puri**  
Director since 2011,  
U.S. national

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### Functioning of the Board

The Board of Directors constitutes itself at its first meeting subsequent to the Ordinary General Meeting. The Board elects its Chairman and its Vice Chairman. It meets as often as business requires, but at least four times per fiscal year. The meetings usually take place in Zurich. If possible, the Board meets once per year at one of the Barry Callebaut production sites and combines this meeting with a visit of the local operation. During this fiscal year, the Board of Directors met six times for regular Board meetings. Four meetings lasted approximately six hours, two meetings lasted one and a half hours and took place in the form of a conference call. In the year under review, the Board held one of the regular meetings in the context of a three-day visit to the production sites in Singapore and Malaysia.

The Chairman invites the members to the meetings in writing, indicating the agenda and the motion for resolution thereto. The invitations are sent out at least ten business days prior to the meeting. Each member of the Board can request the Chairman to call a meeting without undue delay. In addition to the materials for meetings, the Board members receive monthly financial reports.

At the request of one member of the Board, members of the Executive Committee shall be invited to attend meetings. The Board of Directors can determine by majority vote that other third parties, for example external consultants, may attend part or all of the meetings. Last year, the CEO, the CFO and, depending on the agenda items, other members of the Executive Committee or management were present at all Board and Committee meetings, with the exception of a closed discussion on the Board of Director's self-assessment in the context of a regular Board meeting.

Resolutions are adopted by a simple majority of the Board members present or represented. Members may only be represented by a fellow Board member. In the event of a tie vote, the proposal is deemed to be not resolved. Resolutions made at the Board meetings are documented through written minutes of the meeting.

Directors may request any information necessary to fulfill their duties. Outside of meetings, any Director may request information from members of the Executive Committee concerning the Group's business development. Requests for information must be addressed to the Chairman of the Board.

The Board of Directors has formed the following committees:

**Audit, Finance, Risk, Quality & Compliance Committee**

Jakob Baer (Chairman), Andreas Schmid and Markus Fiechter

The primary task of the Audit, Finance, Risk, Quality & Compliance Committee (AFRQCC) is to assist the Board in carrying out its responsibilities and make recommendations for the Board's policy decisions as they relate to the company's accounting policies, financial reporting, internal control system, legal and regulatory compliance functions and quality management. In addition, to ensure financial risk management, the AFRQCC reviews the basic risk management principles and guidelines, reviews the hedging and financing strategies, reviews the bases upon which the Board of Directors determines risk tolerance levels and trading limits, and reviews the appropriateness of the risk management instruments and techniques employed. For details of the risk management system, see note 7 to the Financial Statements of Barry Callebaut AG and notes 26 and 30 to the Consolidated Financial Statements.

The Audit, Finance, Risk, Quality & Compliance Committee assists the Board of Directors in fulfilling its oversight responsibility of the external auditors. The specific steps involved in carrying out this responsibility include recommending the external auditors, reviewing their qualifications and independence, evaluating the audit fees, overseeing the external audit coverage, specifying how the external auditors report to the Board and/or the Audit Committee, assessing additional non-audit services, reviewing accounting policies and policy decisions, and reviewing the annual financial statements and related notes.

The scope of internal auditing encompasses the examination and evaluation of the adequacy and effectiveness of the organization's system of internal control and the quality of performance in carrying out assigned responsibilities. The internal audit function reports to the Chairman of the AFRQCC. Significant findings of internal audits are presented and reviewed in the meetings of the AFRQCC and of the Board of Directors. In the last fiscal year, the internal audit team was supported on three projects by third-party experts.

The external auditors attended one meeting of the Audit, Finance, Risk, Quality & Compliance Committee in fiscal year 2011/12.

The AFRQCC meets as often as business requires, but at least three times per fiscal year. The meetings usually take place in Zurich. In the last fiscal year, the committee met four times. The meetings lasted for approximately two hours. One of the meetings took place in Singapore in the context of the Board's three-day visit to the production sites in Singapore and Malaysia. One meeting took place in the form of a conference call.

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### Nomination & Compensation Committee

James Donald (Chairman), Stefan Pfander, Ajai Puri

The responsibilities of the Nomination & Compensation Committee (NCC) are to make recommendations to the Board with respect to the selection, nomination, compensation, evaluation, and, when necessary, the replacement of key executives. The NCC establishes jointly with the CEO a general succession planning and development policy. The committee also reviews remuneration paid to members of the Board of Directors, ensures a transparent Board and Executive Committee nomination process, and is responsible for monitoring and managing potential conflicts of interest involving executive management and Board members.

The NCC meets as often as business requires, but at least three times per fiscal year. The meetings usually take place in Zurich. Last year, the committee met four times. The meetings lasted for approximately two hours. One of the meetings took place in Singapore in the context of the Board's three-day visit to the production sites in Singapore and Malaysia.

### Executive Committee

The Executive Committee consists of seven functions and is headed by the Chief Executive Officer. For external activities of each member of the Executive Committee, see the respective curriculum vitae.

Name	Function	Nationality	Member since
Juergen Steinemann	Chief Executive Officer	German	2009
Victor Balli	Chief Financial Officer	Swiss	2007
Massimo Garavaglia	Western Europe	Italian	2004
David S. Johnson	Americas	U.S.	2009
Steven Retzlaff	Global Sourcing & Cocoa	U.S./Swiss	2008
Dirk Poelman	Chief Operations Officer (COO) Chief Innovation Officer (CIO) ad interim <sup>1</sup>	Belgian	2009

<sup>1</sup> This function will be taken over by Peter Boone as of December 2012.

Hans Vriens resigned from his function as Chief Innovation Officer effective June 12, 2012. Since then, Dirk Poelman has also taken over the function as Chief Innovation Officer ad interim. On December 3, 2012, Peter Boone will join the Group as Chief Innovation Officer.

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Juergen Steinemann (1958) was appointed Chief Executive Officer of Barry Callebaut AG in August 2009.

Before joining Barry Callebaut, Juergen Steinemann served as a member of the Executive Board of Nutreco and as Chief Operating Officer since October 2001. Nutreco, quoted on the Official Market of Euronext Amsterdam, is a leading global animal nutrition and aquaculture company, headquartered in the Netherlands.

From 1999 to 2001, Juergen Steinemann served as CEO of Unilever's former subsidiary Lodders Croklaan, which produced and marketed specialty oils and fats for the chocolate, bakery and functional foods industry. Between 1990 and 1998, Juergen Steinemann was with the former Eridania Beghin-Say Group, where he held various senior positions in business-to-business marketing and sales, ultimately in the "Corporate Plan et Stratégie" unit at the head office in Paris.

Juergen Steinemann graduated from his economics/business studies at the European Business School in Wiesbaden, Germany, London, and Paris in 1985.



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**Juergen Steinemann**  
Chief Executive Officer,  
German national

Victor Balli (1957) was appointed Chief Financial Officer and member of the Executive Committee of Barry Callebaut AG in February 2007.

Before joining Barry Callebaut, Victor Balli was with Minibar since 1996. He began his career at Minibar as CFO and additionally held the position of CEO EMEA as of 2005. During this time, he also served as executive director and board member of several group companies of Niantic, a family investment holding. From 1991 to 1995, he worked as a Principal with Adinvest AG, a corporate finance advisory company with offices in Zurich, San Francisco, New York, and London. From 1989 to 1991, Victor Balli served as Director of Corporate Finance with Marc Rich & Co. Holding in Zug. He started his professional career in 1985, working as a Financial Analyst & Business Development Manager with EniChem International SA in Zurich and Milan.

Victor Balli holds a Master's degree in Economics from the University of St. Gallen and a Master's degree as a Chemical Engineer from the Swiss Federal Institute of Technology in Zurich.



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**Victor Balli**  
Chief Financial Officer,  
Swiss national

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**Massimo Garavaglia**  
President Western Europe,  
Italian national

Massimo Garavaglia (1966) was appointed President Western Europe in June 2009 and is a member of the Executive Committee of Barry Callebaut AG. Prior to this, he served for three years as President for the Region Americas.

From 1990 to 1992, Massimo Garavaglia was sales manager for an Italian food products importer. He joined Callebaut Italy S.p.A. in 1992 as the country manager for Italy. After the merger between Callebaut and Cacao Barry in 1996, he was Barry Callebaut's country manager in Italy until 2003. From 2003 until September 2004, he headed the region consisting of the Mediterranean Countries/Middle East/Eastern Europe. From September 2004 until 2006, he was President Food Manufacturers.

Massimo Garavaglia holds a Master's degree in Economics and Business Administration from Bocconi University, Milan.



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**David S. Johnson**  
CEO and President Americas,  
U.S. national

David S. Johnson (1956) was appointed CEO and President Americas in May 2009, and is a member of the Executive Committee of Barry Callebaut AG.

Before joining Barry Callebaut, David Johnson served as CEO and member of the board for Michael Foods, Inc., a food processor and distributor headquartered in Minnetonka, MN, U.S.

From 1986 to 2006, David Johnson was with Kraft Foods Global, Inc., the second-largest food and beverage company in the world. At Kraft Foods, he held several senior positions in different divisions, including marketing, strategy, operations, procurement and general management. His last position was President Kraft North America and Corporate Officer Kraft Foods Global, Inc. He started his career in 1980 at RJR Nabisco.

David Johnson is a member of the board of directors of Arthur J. Gallagher & Co., an international insurance brokerage and risk management company with headquarters in Itasca, IL, U.S.

David Johnson holds both a Bachelor's and Master's degree in business from the University of Wisconsin.

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Dirk Poelman (1961) was appointed Chief Operations Officer (COO) in September 2006 and member of the Executive Committee in November 2009, as well as Chief Innovation Officer (CIO) ad interim as of June 12, 2012. Since 1984, he has been working with Callebaut – which merged with Cacao Barry in 1996 – in various positions and countries: first as Engineering Manager, then as Production Manager, Operations Director and Chief Manufacturing Officer.

In 1997, Dirk Poelman became Executive Vice President Operations, responsible for the operations of the Group, and a member of the Senior Management Team. In 2004, he was appointed Vice President Operations and Research & Development.

Dirk Poelman holds an industrial engineering degree in electromechanics from the Catholic Industrial High School in Aalst, Belgium.



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**Dirk Poelman**  
Chief Operations Officer  
and Chief Innovation Officer  
ad interim (until December  
2012), Belgian national

Steven Retzlaff (1963) was appointed President Global Sourcing & Cocoa and member of the Executive Committee of Barry Callebaut AG in January 2008.

Steven Retzlaff started his career in 1987 at KPMG Peat Marwick, San Francisco, where he became a Certified Public Accountant. In 1990, he transferred to the Zurich office of KPMG, where he worked until 1993. He then joined JMP Newcor AG, Zug, as Director of European Finance and Operations, where he worked for three years.

Steven Retzlaff joined Barry Callebaut as CFO of Barry Callebaut Sourcing AG in 1996. From 1999 to 2001, he served as CFO Swiss Operations (BC Sourcing AG and BC Switzerland AG). From 2001 to 2003, he was CFO of the business unit Cocoa, Sourcing & Risk Management, and from 2003 to 2004 he worked as the Cocoa Division Head. In 2004, he was appointed President Sourcing & Cocoa and member of the Senior Management Team in Zurich. From September 2006 until December 2007, he focused on developing the Group's global compound business.

Steven Retzlaff holds a Bachelor of Arts in Economics from Whitman College. He also studied at the Institute of European Studies in Madrid and at INSEAD in Fontainebleau.



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**Steven Retzlaff**  
President  
Global Sourcing & Cocoa,  
U.S. and Swiss national

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### Compensation Report

The Board of Directors has the final responsibility for the remuneration of the Directors and the Executive Committee. The Nomination & Compensation Committee assists the Board in fulfilling its responsibility by evaluating the remuneration strategy and proposing individual compensation packages for the Executive Committee members and other key members of the management.

The Nomination & Compensation Committee ensures that Barry Callebaut offers an overall remuneration package which is aligned with corporate and individual performance and market practice, in order to attract and retain Directors and Executives with the necessary skills. The current remuneration scheme is not linked to any external benchmarks. The remuneration structure of the Board of Directors is comprised of fixed directors' fees and grants of Barry Callebaut AG shares. The shares granted to the members of the Board of Directors vest after one year.

The top management remuneration framework of Barry Callebaut consists of four compensation elements: an annual base salary, an annual short-term cash bonus linked to the achievement of the short-term bonus criteria for the respective fiscal year (the on-target bonus ranges from 30% to 100% of base salary), long-term incentive comprised of a share grant (with a target value of 70% to 125% of the annual base salary, with the exception of the CEO) and other benefits (with a value of 10% to 20% of the base salary). The short-term bonus criteria for the members of the Executive Committee (the on-target bonus amounts to 100% of the annual base salary) have been defined by the Board of Directors upon evaluation and recommendation of the NCC as follows for the current fiscal year (the percentage figures indicating the weight of the respective target):

	CEO/CFO	President Global Sourcing & Cocoa	Presidents Western Europe/Americas	COO	CIO
Group EBIT	25%	10%	10%	60%	60%
Group EBIT/MT	15%	–	–	–	–
Group EVA	20%	–	–	–	–
Earnings per share	20%	–	–	–	–
Regional EBIT	–	50%	35%	–	–
Regional EBIT/MT	–	–	15%	–	–
Working Capital	–	15%	15%	15%	–
Individual Strategic targets	20%	25%	25%	25%	40%

For the remuneration to the Executive Committee recorded in the fiscal year under review, please see note 6 to the Financial Statements of Barry Callebaut AG.

The granting of shares is regulated by a Deferred Share Plan (DSP), which was revised in the previous fiscal year without any external compensation advisors and has become effective as of fiscal year 2011/12. For a period of three years (a “Grant Cycle”), an annual share value is determined by the Board of Directors for each individual plan participant. The number of shares to be granted to each participant with respect to each fiscal year is calculated by dividing the annual share grant value by the average closing price of Barry Callebaut shares during the last three months of the previous fiscal year. The granted shares vest according to the following schedule: 30% after one year, 30% after two years and 40% after three years. The vesting is subject to service criteria but not subject to any performance criteria. In addition, each participant is entitled to receive an upside bonus calculated on each share granted during the three-year Grant Cycle. This upside bonus is payable if the actual share price at the end of the respective Grant Cycle exceeds a certain benchmark share price defined by the Board of Directors at the onset of the Grant Cycle. Such upside bonus, if any, is paid in cash at the end of the respective Grant Cycle, subject to continued employment at the end of a Grant Cycle.

For details regarding the compensation, shareholdings and loans of the members of the Board of Directors and the Executive Committee during the last fiscal year, see note 6 in the Financial Statements of Barry Callebaut AG.

Barry Callebaut and Jacobs Holding AG, Zurich, have agreed to execute administrative service agreements, under which Jacobs Holding AG offers to Barry Callebaut certain management and consultancy services. In the fiscal year 2011/12, the total compensation paid by Barry Callebaut under these agreements amounted to CHF 1.45 million. The contract is renewable annually.

### **Shareholders' participation**

Each share of Barry Callebaut AG carries one vote at the General Meeting. Voting rights may be exercised only after a shareholder has been registered in the Barry Callebaut AG share register as a shareholder with voting rights.

No shareholder holding more than 5% of the share capital may be registered as a shareholder with voting rights with respect to the shares such shareholder holds in excess thereof. For purposes of the 5% rule, groups of companies and groups of shareholders acting in concert or otherwise related are considered to be one shareholder.

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Shareholders may register their shares in the name of a nominee approved by Barry Callebaut AG and may exercise their voting rights by giving instructions to the nominee to vote on their behalf.

However, a nominee holding more than 3% of the share capital will be registered as nominee for shareholders with voting rights only if it discloses the identity of each beneficial owner of shares claiming 0.5% or more of the share capital. No nominee holding more than 8% of the share capital may be registered as a shareholder with respect to the excess shares. The Board of Directors may, however, on a case-by-case basis, permit some or all of the excess shares to be registered with voting rights. In fiscal year 2011/12, no such exception was granted by the Board of Directors.

A resolution passed at the General Meeting with a majority of at least two-thirds of the shares represented at such meeting is required to lift the restrictions on the transferability of registered shares.

Shareholders may be represented at the General Meeting by proxy. Proxy holders must themselves be shareholders, or be appointed by Barry Callebaut, independent representatives nominated by Barry Callebaut AG, or a depository institution.

The Articles of Incorporation follow the majority rules and the provisions on convocation prescribed by the Swiss law concerning general meetings of shareholders.

Shareholders with voting rights holding shares representing in total at least 0.25% of the share capital or the voting rights have the right to request in writing – giving at least 60 days' notice – that a specific proposal be discussed and voted upon at the next General Meeting.

Shareholders registered in the share register with voting rights at the date specified in the invitation will receive an invitation to the General Meeting. The published disclosures on significant shareholders of Barry Callebaut are accessible via the disclosure platform of SIX Exchange Regulation: [www.six-exchange-regulation.com/obligations/disclosure/major\\_shareholders\\_en.html](http://www.six-exchange-regulation.com/obligations/disclosure/major_shareholders_en.html).

### **Change of control and defense measures**

An investor who acquires 33⅓% of all voting rights has to submit a take-over offer for all shares outstanding, according to the Swiss Stock Exchange Law. Barry Callebaut has not elected to change or opt out of this rule.

The employment contracts of the members of the Executive Committee are open-ended and contain notice periods of 6 to 12 months, during which they are entitled to full compensation.

### External auditors

At the Annual General Meeting of Shareholders of Barry Callebaut AG on December 8, 2005, the shareholders voted to appoint KPMG AG, Zurich, as statutory auditors. The statutory auditors are appointed annually by the General Meeting for a one-year term of office. The current auditor in charge has exercised this function since fiscal year 2011/12. Pursuant to the Swiss regulations, he may remain in this function until and including fiscal year 2017/18.

For the fiscal year 2011/12, the remuneration for the audit of the accounting records and the financial statements of Barry Callebaut AG, and the audit of the consolidated financial statements, amounted to CHF 2.3 million. This remuneration is evaluated by the AFRQCC in view of the scope and the complexity of the Group. The performance of the auditors is monitored by the AFRQCC, to which they present a detailed report on the result of the audit of the Group. Prior to the presentation to the AFRQCC, the lead auditor reviews the audit findings with the Chairman of the AFRQCC without the presence of any members of the management.

KPMG received a total amount of CHF 0.2 million for additional services, i.e. for transaction and other advisory (incl. due diligence). Adequate measures for the avoidance of potential conflicts of interests between the different services provided by KPMG were observed.

### Information policy

Barry Callebaut is committed to continuous and open communication with its shareholders, potential investors and other stakeholders based on the principles of transparency and equal treatment, i.e. simultaneous provision of price-sensitive information and no selective disclosure.

The Group provides detailed information on its business activities and financial performance in its Annual and Half-year reports and press releases, at conferences for media and financial analysts as well as at the Annual General Meeting of Shareholders. Further, representatives of the Group regularly meet (potential) investors in personal meetings as well as present Barry Callebaut at industry events and investor conferences.

Presentations are also made available on the Group's website, which is updated continuously. The financial calendar for the fiscal year 2012/13 and contacts are given on page 174.

The published media releases of Barry Callebaut are accessible via [www.barry-callebaut.com/51](http://www.barry-callebaut.com/51). To subscribe to Barry Callebaut's electronic news alerts please go to: [www.barry-callebaut.com/55](http://www.barry-callebaut.com/55).