

# corporate governance

## 1. THE BOARD OF DIRECTORS

It's composed of five members as at December 31, 2008 .

### 1.1

#### Board members, term of office and duties

##### Chairman

M. Jean-Baptiste Bosson

Nationality french, 66 years old.

Date first appointed : 1991

Date term expires : the Shareholders Meeting convened in 2009 to act upon the financial statements for the period ending December 31, 2008.

##### Position held with PSB Industries :

- manager of PSB Services,
- permanent PSB Industries representative to the boards of Baikowski and Texen,
- director of CGL Pack Service,
- permanent representative of PSB Services as a director of PSB Trésorerie cash management partnership.

##### Positions held outside of PSB Industries :

- member of the Supervisory Board of Sipaex Croissance,
- director of Lyon place financière et tertiaire,
- manager of Kidderminster.

##### Previous positions and offices

###### (relinquished in the last five years) :

- représentant permanent de PSB Industries au conseil d'administration des sociétés CGL Pack Lorient, Charles (dissoute le 31.10.2003), et de CGL Pack Service,
- administrateur de Michaux Gestion.

##### Administrateurs

M. Jean-Claude Cachat

Nationality french, 72 years old.

Date first appointed : 1978

Date term expires : the Shareholders Meeting convened in 2011 to act upon the financial statements for the period ending December 31, 2010.

##### Positions held outside of PSB Industries :

- chairman of the Board of Odes Immobilier,,
- chairman of the Supervisory Board of Sivalbp,
- manager of Jeanchrigest, Juligest, Emagest, Jemagest et de Majest,
- manager of the «société de participation au développement de l'économie savoyarde (SPADES)».

##### Previous positions and offices

###### (relinquished in the last five years) :

- director of Banque Laydernier, of TV8 Mont-Blanc and of CGL Pack Lorient,
- chairman of the Supervisory Board of Sopreda 2,
- chairman of société Annecy événements.

##### M. Jacques Entremont

Nationality french, 69 years old.

Date first appointed : 1984

Date term expires : the Shareholders Meeting convened in 2014 to act upon the financial statements for the period ending December 31, 2013.

##### Positions held outside of PSB Industries :

- director of société anonyme de gestion immobilière et de réalisation commerciale (SAGIR)
- member of the supervisory board of Banque de Vizille and of comptoir savoyard de distribution (CSD).

##### Previous positions and offices

###### (relinquished in the last five years) :

- chairman of the Supervisory Board of Entremont group,
- director of Finance et Management, of Parmareggio and of Entremont Italie,

- permanent representative of Entremont group, lwhich was manager of Sainte Catherine and director of Juragruyère,
- manager of Fimoncey,
- permanent representative of société Harfleuraise de participations to the boards of Franche Comté Sérum and Eurosérum.

#### M. Roger Rosnoble

Nationality french, 68 years old.

Date first appointed : 1984

Date term expires : the Shareholders Meeting convened in 2014 to act upon the financial statements for the period ending December 31, 2013.

#### Positions held outside of PSB Industries :

- director of Banque Populaire des Alpes,
- member and chairman of the supervisory board of comptoir savoyard de distribution (CSD),
- chairman of Genevois distribution, of Provendis and of Thônes distribution,
- vice-chairman of Stefano,
- general manager of Alpadistri, of Bernard, of Douvaine distribution, of Duparc et Geslin, of Proxima and of Provencia Novel,
- chairman of the board and general manager of Faraglia and of Mitaz Distribution,
- permanent representative of Provendis, which acts as Chairman of : Provencia Novel, of société d'exploitation Provencia, of Proved, of Val 4 and of Procared,
- manager of Sodevim,
- manager of Anthy, du Buis, de la Brunette, la Crusaz, Hélémanique, Latour, Margencel, des Mouettes, du Puy Saint Martin, les Roses, les Salines, de la Vénétié, le Vorgeray, and of C.Pro.

#### Previous positions and offices (relinquished in the last five years) :

- chairman of Chamtour, of société d'exploitation Provencia, of Provencia novel and of société financière Lejeune,
- general manager of Val 4,
- manager of Saint-Victor immobilier, of Chauvets, of Ceco, and of Lejeune.

#### M. Alain Wirth

Nationality french, 65 years old.

Date first appointed : 1984

Date term expires : the Shareholders Meeting convened in 2014 to act upon the financial statements for the period ending December 31, 2013.

#### Position held with PSB Industries :

- executive vice-president
- chairman of CGL Pack Annecy, CGL Pack Service, CGL Pack Lorient,
- director of Baikowski and Texen,

#### Positions held outside of PSB Industries :

- manager of Wapi, Wara, Finawi, Raf, HPF, la Rapière, and du Palais.

#### Previous positions and offices (relinquished in the last five years) :

- chairman of Relais Industries,
- legal representative of CGL Pack Service, which acts as Chairman of Inpack, of Maletras thermoformage, and of CGL Pack Chalons (dissolved in june 2007),
- chairman of Charles (dissolved in 10/31/03).

**1.2****Compensation (in euros)**

• Summary of cash compensation, stock options and restricted stock awarded to each executive corporate officer :

<b>M. Jean-Baptiste Bosson</b>	<b>2008</b>	<b>2007</b>
Compensation for the reporting period	290,057	278,013
Value of options granted during the reporting period	NA	NA
Value of restricted stock incentives awarded during the reporting period	NA	NA
<b>Total</b>	<b>290,057</b>	<b>278,013</b>

<b>M. Alain Wirth</b>	<b>2008</b>	<b>2007</b>
Compensation for the reporting period	88,600	93,205
Value of options granted during the reporting period	NA	NA
Value of restricted stock incentives awarded during the reporting period	NA	NA
<b>Total</b>	<b>88,600</b>	<b>93,205</b>

• Summary of the compensation of every executive corporate officer

<b>M. Jean-Baptiste Bosson</b>	<b>2008</b>	<b>2008</b>	<b>2007</b>	<b>2007</b>
	<b>due*</b>	<b>paid**</b>	<b>due*</b>	<b>paid**</b>
Fixed compensation	269,104	269,104	259,371	259,371
Flexible compensation	-	-	-	-
Bonus	-	-	-	-
Director's fees	16,000	16,000	14,000	14,000
Perquisites***	4,953	4,953	4,642	4,642
<b>Total</b>	<b>290,057</b>	<b>290,057</b>	<b>278,013</b>	<b>278,013</b>

<b>M. Alain Wirth</b>	<b>2008</b>	<b>2008</b>	<b>2007</b>	<b>2007</b>
	<b>due*</b>	<b>paid**</b>	<b>due*</b>	<b>paid**</b>
Fixed compensation	60,000	60,000	60,000	60,000
Flexible compensation	-	-	-	-
Bonus	-	-	-	-
Director's fees	16,000	16,000	14,000	14,000
Perquisites***	12,600	12,600	19,205	19,205
<b>Total</b>	<b>88,600</b>	<b>88,600</b>	<b>93,205</b>	<b>93,205</b>

\*compensation given to the executive corporate officer for his or her services during the period, regardless of when paid

\*\*total compensation paid to the executive corporate officer for his or her services during the period

\*\*\*Perquisites refer to the use of a company car

• Director's fees paid

<b>Members of Directors' Board</b>	<b>in 2008</b>	<b>in 2007</b>
Jean-Baptiste Bosson	16,000	14,000
Jean-Claude Cachat	16,000	14,000
Jacques Entremont	16,000	14,000
Roger Rosnoble	16,000	14,000
Alain Wirth	16,000	14,000

## 2. RULES OF GOVERNANCE

It is the active policy of PSB Industries to make its corporate governance transparent, including the compensation paid to all its senior executives.

The terms on which PSB Industries' managerial and supervisory bodies operate were written to comply with guidelines widely used in France for the corporate governance of publicly traded companies—the AFEP-MEDEF Report of October 2003, which can be found at [www.medef.fr](http://www.medef.fr).

At its meeting of December 12, 2008, the Board of Directors heard the AFEP-MEDEF recommendations of October 06, 2008 concerning the compensation of executive corporate officers in publicly owned companies. The Board believes these recommendations pertain to the Company's corporate governance. It therefore voted to have the Company comply with the AFEP-MEDEF Code as amended by these recommendations. However, as all Board members are majority shareholders that live and work in Annecy, France, it was not thought necessary to form such Board committees as an Internal Auditing and Accounting Committee, a Compensation Committee and an Appointment Committee.

The Directors are appointed by the Shareholders Meeting for terms of six years. All the terms are staggered to provide continuity of membership.

There are no non-executive directors on the Board. The Chairman of the Board is responsible for the general management of PSB Industries with no specific limitation of powers.

In addition, since 2008 PSB Industries has had a Code of Conduct, so as to base our growth on a set of values and principles that clearly establish our commitment to ethical and responsible behavior in all our businesses.

## 3. SPECIAL PROVISIONS FOR SHAREHOLDERS' PARTICIPATION IN ANNUAL MEETINGS

Article 33 of the Company By-laws specifies how a shareholder may take part in shareholders' meetings, to wit :

Any shareholder is entitled to participate in or be represented at shareholders' meetings, regardless of how many shares he or she owns, provided his or her registered shares are fully paid up, taking into account any relevant provisions of law, and registered in his or her name at least five days before the meeting. He or she is then admitted simply with proof of identity. A shareholder who owns bearer shares must, at least five days before the meeting, deposit at the Company's registered office either the shares themselves or a receipt certifying that they are on deposit at a bank, financial institution or brokerage firm.

The Board of Directors may shorten these time periods provided they are shortened for all shareholders equally.

- In the event voting rights are stripped from share ownership, then only the holder of the voting rights may take part in or be represented at the meeting.
- Co-owners of undivided shares are represented at the shareholders' meeting by either one of the owners. In cases where the owners cannot agree, a single proxy agent shall be appointed by the chief judge of the commercial court, via a summary order upon request of whichever owner acts first.
- Any holder of stock of a given class may take part in special meetings of shareholders of that class, under the foregoing conditions.
- Shareholders who have pledged their stock and wish to take part in a meeting need to request that their pledgee deposit the pledged shares as indicated in the first paragraph above. Such deposit is at the pledgor's expense.
- A shareholder may be represented only by his or her spouse or by another shareholder holding his or her proxy.

#### **4. GENERAL MANAGEMENT**

It's composed of a chairman and CEO M. Jean-Baptiste Bosson, a chief operating officer, M. Alain Wirth and a financial director, M. Didier Mangin.