

corporate governance

1. THE BOARD OF DIRECTORS

M. Jean-Baptiste Bosson, chairman

M. Jean-Claude Cachat, Jacques Entremont, François-Xavier Entremont permanent representative of MB Investissement, Roger Rosnoble, Alain Wirth, managers

	Nationality	year sold	Date of the 1 st appointed	Date term expires*
JB. Bosson	French	67	1991	Shareholders Meeting in 2015
JC. Cachat	French	73	1978	Shareholders Meeting in 2011
J. Entremont	French	70	1984	Shareholders Meeting in 2014
FX. Entremont	French	38	2009	Shareholders Meeting in 2015
R. Rosnoble	French	69	1984	Shareholders Meeting in 2014
A. Wirth	French	66	1984	Shareholders Meeting in 2014

* to act upon the financial statements of the previous year

1.1

Term of office and duties of chairman

1.1.1

Position held with PSB Industries :

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

1.1.2

Positions held outside of PSB Industries :

- member of the Supervisory Board of Siparex Croissance, of Sigefi Nord Gestion and of Siparex Development,
- chairman and director of Lyon Pôle Bourse,
- director of Lyon place financière et tertiaire,
- manager of Kidder Minster.

1.1.3

Previous positions and offices

(relinquished in the last five years) :

- Permanent PSB Industries representative to the boards of CGL Pack Lorient and of CGL Pack Service.

1.2

Term of office and duties of managers

1.2.1

Positions held with PSB Industries:

- M. Alain Wirth

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

1.2.2

Positions held outside of PSB Industries :

- M. Jean-Claude Cachat

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

- M. Jacques Entremont

- manager of «Société Anonyme Gestion Immobilière et de Réalisation commerciale (SAGIR)»,
- member of the supervisory board of Banque de Vizille and of Comptoir Savoyard de Distribution (CSD).

- M. François-Xavier Entremont

- CEO and Chairman of SAGIR,
- Joint managing partner of MB Investissement.

- M. Roger Rosnoble

- 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 and 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 Vénétie, le Vorgeray, and of C.Pro.

- M. Alain Wirth

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

1.2.3

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

- M. Jean-Claude Cachat

- manager of Banque Laydernier, of TV8 Mont-Blanc and of CGL Pack Lorient,
- chairman of the supervisory board of Sopreda 2,
- chairman of Annecy Evénements.

- M. Jacques Entremont

- chairman of the Supervisory Board of Entremont group,
- director of Finance and Management,
- permanent representative of Entremont group, which was manager of Sainte Catherine and director of Juragruyère
- manager of Fimoncey.

- M. Roger Rosnoblet

- chairman of Chamtour, of société d'exploitation Provencia and of Provencia novel,
- general manager of Val 4,
- manager of Chauvets.

- M. Alain Wirth

- chairman of Relais Industries,
- legal representative of CGL Pack Service, which acts as Chairman of Inpack, of Maletras thermoformage and of CGL Pack Chalon (dissolved in June 2007).

1.3**Compensation (in euros)****1.3.1****Summary of cash compensation, stock options and restricted stock awarded to each executive corporate officer**

2009 Exercise	JB. Bosson	A. Wirth
Compensation for the reporting period	293,180	88,600
Value of options granted during the reporting period	NA	NA
Value of restricted stock incentives awarded during the reporting period	NA	NA
Total	293,180	88,600

2008 Exercise

Compensation for the reporting period	290,057	88,600
Value of options granted during the reporting period	NA	NA
Value of restricted stock incentives awarded during the reporting period	NA	NA
Total	290,057	88,600

1.3.2**Summary of the compensation of every executive corporate officer**

2009 Exercise	JB. Bosson	A. Wirth
Fixed compensation	274,161	60,000
Flexible compensation	-	-
Bonus	-	-
Director's fees	16,000	16,000
Perquisites*	3,019	12,600
Total	293,180	88,600

2008 Exercise

Fixed compensation	269,104	60,000
Flexible compensation	-	-
Bonus	-	-
Director's fees	16,000	16,000
Perquisites*	4,953	12,600
Total	290,057	88,600

* Perquisites refer to the use of a company car.

The compensation given to the executive corporate officer for his or her services during the period, regardless of when paid and the total compensation paid to the executive corporate officer for his or her services during the period are similar.

1.3.3

Director's fees paid

	2009	2008
Jean-Baptiste Bosson	16,000	16,000
Jean-Claude Cachat	16,000	16,000
Jacques Entremont	16,000	16,000
MB Investissement	-	NA
Roger Rosnoble	16,000	16,000
Alain Wirth	16,000	16,000

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.

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.

Pursuant to article L823-19 and subsequent of the French Commercial Code, the Board of Directors has decided to fulfill the duties of the audit 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.