

**ANNUAL  
ACTIVITY  
REPORT**

**2010**

**COTECNA**



# COMPANY PROFILE

**Cotecna is a Swiss-based multinational company providing a complete range of trade facilitation and inspection services to government and commercial customers.**

The worldwide leader in Customs inspection contracts, we specialize in developing innovative, customized solutions that allow governments to combat fraud and protect import tax revenues, maintain internal security, and increase the speed and efficiency of legitimate trade across their borders. We also cater to private sector customers, offering a full range of testing, inspection and certification services that verify conformity with commercial commitments or standards, as well as trade finance support and electronic documentation services.

Cotecna was founded in Switzerland in 1974 by Elie Georges Massey and remains a family-owned business today. The Group's international network comprises over 100 offices in more than 60 countries, with a workforce of about 4 000 employees and agents. Cotecna combines the professionalism, reliability, infrastructure and expertise of a long-established, world-class player with the flexibility and proximity of a smaller sized company. Proactive in its approach, Cotecna regularly implements new services adapted to its customers' specific needs. The Group's revenues have risen steadily over the years to over CHF 260 million in 2010, with more than CHF 30 billion of government certificates issued annually.

## PROXIMITY, INNOVATION & EFFICIENCY

These three words define our corporate values and account for Cotecna's respected position as an industry leader.

# TABLE OF CONTENTS





01

CEO INTERVIEW

P 4

---

02

2010 BUSINESS REVIEW

P 8

---

03

PRODUCTS AND SERVICES

P 18

---

04

CORPORATE SOCIAL RESPONSIBILITY

P 26

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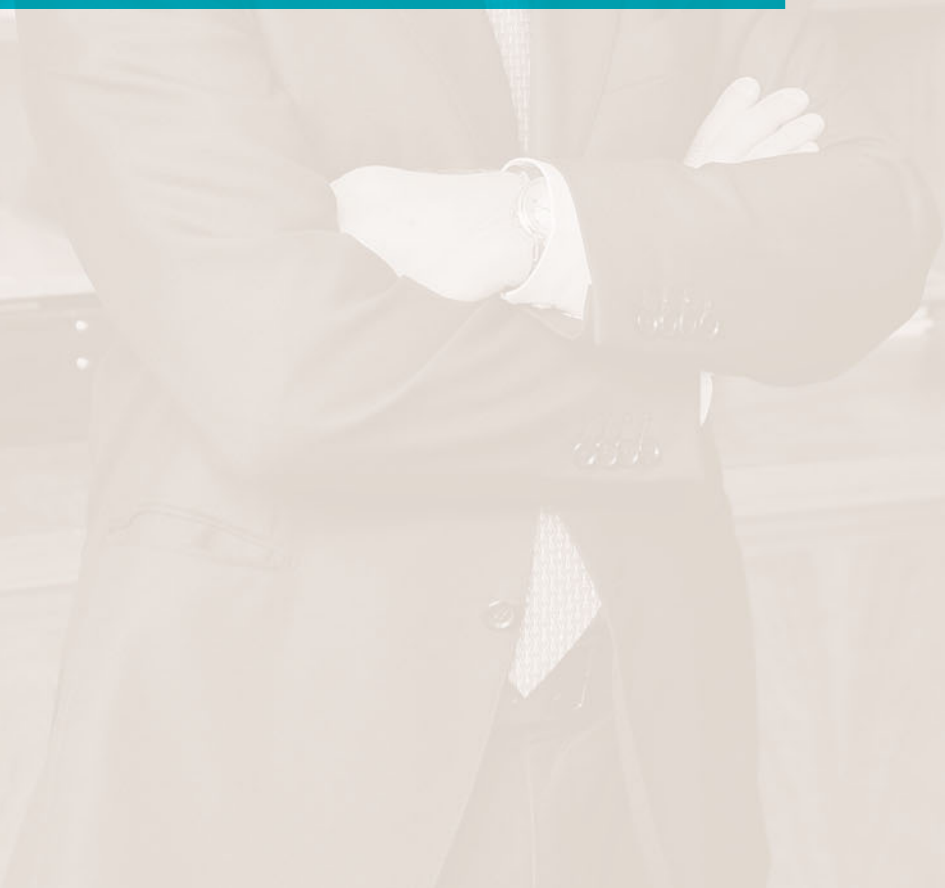
05

CORPORATE GOVERNANCE  
KEY FIGURES  
GROUP COMPANIES

P 30

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# CEO INTERVIEW



# INTERVIEW WITH ROBERT MASSEY, CEO OF COTECNA

## How would you summarize 2010 from a business perspective?

After the financial crisis of 2009, the past year saw a return to stability. We had a slight increase in revenues, in line with our budget and despite a less favorable USD/CHF exchange rate. Our commercial sector revenues would have been even higher if not for the severe drought affecting Russia and Ukraine in mid-2010, which resulted in a ban on wheat export. We have also had several notable successes in expanding our products and services and winning new business.

## What were some of the most significant achievements?

In Asia, we launched a technically advanced online service for ordering the inspection and quality control of consumer goods, a step we believe will give us an edge in competing for new business in this important market. We also expanded the range of inspections we can now provide as part of this comprehensive online service by establishing a new, certified toy testing laboratory in Hong Kong. In Africa, we launched new scanner operations in the Republic of Congo and secured a new destination inspection contract in Ghana. At the very end of 2010 we secured a new 5-year pre-shipment inspection contract with the government of the Republic of Niger, and we acquired 51% of the shares of a vehicle control company in Burkina Faso. I should also mention that we have received very complimentary feedback on our level of service from several of our clients, including in Tanzania and Nigeria, where we have successfully trained hundreds of Customs officers.

## What benefits have you seen from the new internal structure implemented in 2009?

Streamlining our business has given us an increased ability to address our two distinct markets, government and commercial, and to operate in closer proximity to our clients, while still allowing both entities to benefit from our global network.



## Looking specifically at the government services sector, what do you see as the main challenges?

The model that defines the introduction of new government services is Build-Operate-Transfer (BOT), with the client eventually taking control of operations. The success of the transfer stage depends on the local context, and one of our main challenges is to maintain continuity in the operations. This requires working closely with the client every step of the way and helping them to acquire the needed skills.



### Are there also challenges associated with introducing new technologies?

Advances in technology are increasing at an accelerating rhythm. We are constantly staying abreast of new developments and have regularly proven ourselves to be pioneers in introducing these technologies to the market. The use of high-energy cargo scanning in government inspection programs and, most recently, E-dox<sup>®</sup>, a system for the secure electronic transfer of bankable documents, are two such examples. At the same time, we need to strike a balance between, on the one hand, implementing the latest technological improvements, and on the other hand, ensuring stability in our clients' operations and their mastery of the technologies they are currently using.

### What advantages does being a family-owned business provide in today's environment?

With things changing very rapidly today, our family-owned business is able to offer a degree of continuity and stability, manifested in a strong corporate culture and a more personal approach to business with our clients. A minimal hierarchy allows us to make rapid decisions. Importantly, we also have the freedom to invest in the long term without the constraints of short-term profit-making.

### What would you cite as Cotecna's other main strengths?

Our proximity to our customers, our ability to provide tailor-made solutions, our focus on innovation, our worldwide network – these are all some of Cotecna's positive attributes that help distinguish us in the marketplace. We have a strongly hands-on corporate culture, and our people take pride in their ability to operate successfully in difficult environments. We are very proud of our staff's dedication, often working in small groups in offices around the world.

**With things changing very rapidly today, our family-owned business is able to offer a degree of continuity and stability, manifested in a strong corporate culture.**

## Where are the main growth opportunities you see for Cotecna?

A major source of new opportunities is the increased number of international regulations, especially those aimed at protecting consumers, with which companies are having to comply. These regulations create a need for our testing, inspection and certification services. While the new regulations initially appear in mature, developed markets such as Europe, the trend can be expected to have a markedly positive effect on our business in the future as similar regulations come into force in developing markets as well. In addition, we are already seeing a diversification in our service offering as clients come to us for solutions related to but distinct from our current core business, such as the preparation of draft legislative projects in areas where we have technical expertise.

## And geographically?

We see the biggest growth potential in Central and Southeast Asia, Central America and Eastern Europe, while Africa remains an important core market for us. As emerging markets gain in importance and governments search for creative opportunities to harness the expertise of the private sector, both through Public-Private Partnerships (PPPs) and the outsourcing of trade facilitation services, the industry will expand, and Cotecna expects to play an important role. We are well positioned to take advantage of future opportunities to expand through organic growth and acquisitions.

## With the growing significance of Corporate Social Responsibility, what role is Cotecna playing?

Our whole business model is based on integrity and high ethical standards, formalized in a strict Business Ethics & Compliance Code. This philosophy is reflected in our interactions with local communities in which we operate. Aside from the fact that our business, by its very nature, contributes to local social and economic development, we make numerous charitable contributions and business-related sponsorships to support humanitarian projects, especially those focused on access to clean water, health and education.



# 2010 BUSINESS REVIEW



## GOVERNMENT SERVICES

Cotecna's services to its government customers ensure that import tax revenue is based on the fair value of goods and that prohibited, restricted or controlled imports are more readily detected. We also facilitate legitimate trade across borders through the introduction of new technologies and efficient processes, reducing lengthy and costly delays in the import and clearance process. The Group offers an entire spectrum of services to meet these needs, including post-clearance verification, risk management, destination inspection, pre-shipment inspection, non-intrusive scanning, valuation, transit monitoring, and other trade security and facilitation solutions, fully customized to meet the specific needs of our client partners. These services are described in greater detail in the separate Products and Services section.

In 2010, Cotecna had contracts with governments in 14 countries. In Africa: Angola, Burkina Faso, Congo, Ghana, Niger, Nigeria, Senegal, Tanzania and Togo. In Asia: Indonesia, the Philippines, Uzbekistan and Yemen. In Latin America: Mexico. The following are some of our notable achievements in 2010.

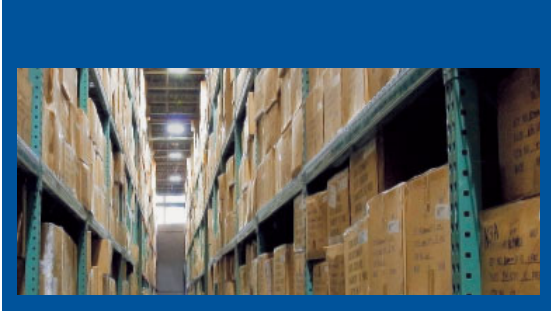
### ASIA

#### PHILIPPINES – First accreditation from CACSC to survey bulk and break-bulk

Cotecna Philippines was the first company to be accredited under the Philippine Customs bulk and break-bulk cargo program. The accreditation received towards the end of 2009 from the Committee for Accreditation of Cargo Surveying Companies (CACSC) provided Cotecna with the opportunity to increase its activities in 2010 as a surveyor of bulk and break-bulk cargo entering the Philippines.

#### UZBEKISTAN – Accreditation from Uzstandard for pre-shipment inspection

In March, Cotecna expanded its business into a new geographical area with its accreditation by Uzstandard, the Uzbekistan Agency for Standardization, Metrology and Certification, following a mandate from the government to provide pre-shipment inspection services. This is an integral part of the national trade facilitation and national economic development program, whose objective is to speed up the flow of imports and exports.



## AFRICA

### BURKINA FASO – Acquisition of CCVA, a vehicle testing company

Cotecna has contracts with the government of Burkina Faso for both pre-shipment inspection and destination inspection. In 2010, a new Cotecna office was opened at the dry port of Bobo to better service the country's destination inspection needs. Customs offices are already linked electronically with Cotecna's Burkina liaison office. An ORBUS project currently being implemented will allow the electronic transfer of preclearance documents. At the end of 2010, Cotecna acquired, via its subsidiary Burkina Controls, 51% of Centre de Contrôle des Véhicules Automobiles (CCVA), a company that carries out periodic technical controls on all automobiles circulating in Burkina Faso.

In March, during his traditional State of the Nation speech to Members of Parliament, the Prime Minister of Burkina Faso, Tertus Zongo, cited the implementation of public-private partnerships and their success in exceeding recent objectives for customs and excise and for fighting fraud and forgery. Cotecna has played a major role in these achievements through our work with the government of Burkina Faso, and it was a source of satisfaction to us and our local employees to have our efforts recognized at this level.

### CONGO – Launch of scanner operations for imported containers

In March, Cotecna launched scanner operations for imported containers at the port of Pointe-Noire as part of its goods inspection contract with the government of the Republic of Congo. The original pre-shipment inspection contract was signed in 2006, and an addendum was signed in June 2009 for the supply and installation of a 3.8 MeV mobile container scanner at the port of Pointe-Noire, as well as a Computerized Risk Management System (CRMS®). This addendum extended the contract

for a further four years starting from the first container scan. The program assists the government of the Republic of Congo in their Customs' capacity building and revenue protection programs and in improving security. Cotecna is responsible for training local staff and Customs agents.

### GHANA – New destination inspection contract

In August, Gateway Services Ltd (GSL), Cotecna's subsidiary in Ghana, signed a new 5-year contract with the government of Ghana to continue to provide destination inspection services under the Ministry of Trade and Industry. Cotecna pioneered the development and implementation of the destination inspection concept in Ghana, with the very first contract in 2000. GSL was the first inspection company to combine valuation services through its international network of price analysts, computerized risk management and a powerful fixed X-ray scanner in the context of the destination inspection program in Ghana. A special training program on effective supervision for coordinators and assistant managers of GSL kicked off at the start of the new contract. GSL was honoured by working visits to the scanner site and headquarters from both the Minister of Finance and the Deputy Minister of Trade, with the objective of gaining a fuller understanding of the destination inspection scheme operations.

### NIGER – New pre-shipment inspection contract including mobile scanners

In December, Cotecna Inspection signed a new contract with the Government of the Republic of Niger for pre-shipment inspection. The contract, which was awarded to Cotecna following an international call for tender, involves carrying out inspection and verification services of imported goods and the installation and the operation for five years of three mobile container scanners. At term, this scheme will evolve into a destination inspection programme.

Cotecna has been operating in Niger since 1995 when the company was awarded its first exclusive inspection contract by the government of Niger to check the quantity, quality and value of imported goods before shipment and at destination. In 2000, to support the government of Niger in its efforts to combat fraud, Cotecna increased its presence in the country to a total of nine offices and in 2003, Cotecna introduced a Computerized Risk Management System (CRMS®) and set up an electronic link between Customs Headquarters and Cotecna's Liaison office in Niamey to enable better utilization of the information collected.



### NIGERIA – Powerful fixed scanners commence operations in destination inspection program

In 2006, Cotecna Destination Inspection Ltd. (CDIL), Cotecna's Nigerian subsidiary kicked off a major destination inspection program in Nigeria that included the installation and operation of a total of eight scanners (fixed, mobile and palette) at six different sites in Nigeria. In April 2010, the multimillion dollar fixed scanner installed at the dedicated scanner site built by Cotecna at the Apapa port in Lagos commenced operations. The 9 MeV dual view container scanner was the first and most powerful of its generation to be installed in Sub-Saharan Africa. In July, a 3.8 MeV mobile scanner was deployed at the Jibiya

land border post and housed in a specially built warehouse. Throughout the year, Cotecna actively participated in destination inspection program stakeholder events, whose participants included banks, government officials, Customs, importers and manufacturers. CDIL's vast training program continued with close to 1 000 Nigerian Customs officers trained during 2010. Over 1 000 more were trained jointly with other service providers.

### TANZANIA – Handover of BOT services and scanners to Tanzania Revenue Authority

2010 was the final phase of a highly productive, 7-year Build-Operate-Transfer (BOT) contract with the Tanzania Revenue Authority (TRA). Through this partnership, Cotecna helped the TRA to achieve major and unprecedented success in its Customs modernization and capacity building. This included the successful adoption by the TRA of Cotecna's pre-arrival declaration (PAD) processing software for all import transactions as of September 2010. Import declaration processes are fully electronic since 2009, with all interactions and document interchanges between importers, clearing and forwarding agents, TRA and Cotecna taking place through a customer-friendly Internet interface that was developed and supported by Cotecna. All Cotecna Tanzania operations were relocated to the TRA Customs Service Centre by the end of October 2010, including the transfer of close to 70 Cotecna employees to facilitate a smooth takeover of Cotecna's services by TRA on the last day of the contract, 31 December 2010. Ownership of all three Cotecna X-ray scanners was also transferred to TRA at the end of the contract.

Cotecna is proud to have contributed so substantially to building capacity in Tanzania, with a successful transition from a fully paper-based import declaration process to an entirely electronic one over just a 4-year period. A possible continued collaboration with the TRA is envisaged for further Customs modernization support.



### TOGO – Electronic tracking service for declared goods in transit

In November 2010, Cotecna signed a contract with the Togolese Ministry for the Economy and Finance for the tracking of declared goods in transit. Cotecna was commissioned to set up and manage a remote, electronic tracking system for land transport across the national territory using GPS/GSM/GPRS mobile tags. The 5-year contract, known as SSE, will be launched in mid-2011 and covers goods in transit throughout the Togolese territory. This new service for Togo Customs is Cotecna's second contract of this kind, after a previous one signed with Senegal in March 2008. Cotecna's partnership with the government of Togo stretches back to an import verification program in 1995 that has been continually updated: in 2003, the installation of a first scanner combined with a Computerized Risk Management System (CRMS®); in 2006, the evolution to a destination inspection program; and in 2009, a new Gantry HCV 6 034 6 MeV scanner in Lome's port that can distinguish between organic and inorganic matter and detect radioactive substances.



### YEMEN – End of VoC inspection contract with YSMO

In December 2010, in agreement with the Yemen Standards and Metrology Organization (YSMO), Cotecna did not renew its 2-year Verification of Conformity (VoC) inspection contract and the office was closed.

## LATIN AMERICA

### MEXICO – Extension of Customs second inspection contract

In April, Cotecna's Mexican subsidiary signed an extension to its Customs inspection contract with the Servicio de Administración Tributaria (SAT). A 4-year contract originally signed in February 2006 was extended until December 2010. The service provided by Cotecna was known as "Segundo Reconocimiento", or second inspection, and was the only one of its kind in the world. It was intended to reduce fraud and prevent the use of forged documentation or triangulation that may conceal the true origin of goods. The service was carried out by close to 120 Cotecna employees in the Customs Primary Zones at 16 border ports of entry. Cotecna supplied state-of-the-art equipment and infrastructure, enabling constant real-time communication with SAT, as well as permanent Internet access to a digital database.

## PERU – Inauguration of container scanning system at El Callao port

In August, Alan García, President of Peru, and Cotecna inaugurated a new Non-Intrusive Inspection (NII) complex at the port of El Callao, the country's biggest maritime port. The inauguration is the result of a contract awarded to Cotecna in 2007 by the United Nations Office for Project Services to provide consulting services to the Peruvian Customs Authority (SUNAT) on the purchase and complete implementation of a state-of-the-art container scanning control system at El Callao port. Services included recommendations on technical specifications, procedures and location, factory and on-site acceptances, implementation supervision, operation of the scanner and training of local operators. Cotecna successfully completed the on-site acceptance test of the new scanner, a relocatable 6 MeV dual high energy scanner housed in a fully covered tunnel. The scanner has a 320 mm penetration capability and is able to distinguish between organic and inorganic materials as well as detect radioactive materials. Cotecna will continue to support SUNAT for a period of two years from December 2010 by providing technical assistance for the implementation, training and operation of the NII. A highly experienced and multinational Cotecna team is located in El Callao to provide 24/7 support and training.

**We facilitate legitimate trade across borders through the use of new technologies and efficient processes.**

## EUROPE

### Consulting for handbook of best practice at border crossings

In July, Cotecna was awarded a consulting contract by the Organization for Security and Co-operation in Europe (OSCE), the largest regional security organization in the world, to support the development of the OSCE Handbook on Best Practices at Border Crossings. This project will assist the 56 participating OSCE states, particularly landlocked countries, to make their border and Customs policies more efficient. Cotecna's extensive expertise in Customs issues made us the ideal partner to be called on for this mission.

### FRANCE – Activities impacted by Angola's new law on the import of used vehicles

For the past three and a half years, Cotecna France had a steady activity inspecting used cars that were exported to Angola. However, after a presidential decree in July 2010 that now forbids the import of cars more than three years old and trucks more than five years old, the activity decreased to such an extent that Cotecna France was forced to lay off members of staff. Cotecna's issuing units in Germany, the USA and Portugal were also affected by this decision, though to a lesser extent.

### ITALY – Increase of pre-shipment inspection for exports to Algeria

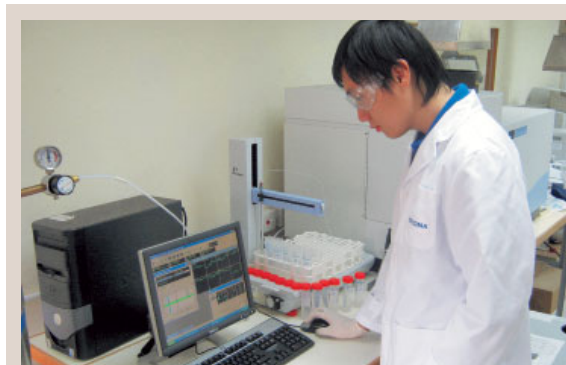
Following the 2009 ruling by the Bank of Algeria that all imported goods must undergo pre-shipment inspection in their country of origin by third party surveyors, Cotecna Italy saw an important increase in pre-shipment inspection services during 2010 for goods bound for Algeria, as leading global companies based in Italy chose it as their preferred inspection company. Cotecna Italy will celebrate its 25<sup>th</sup> anniversary in 2011.

## COMMERCIAL SERVICES

Cotecna provides its commercial, private sector customers with Testing, Inspection and Certification (TIC) services. We ensure contractual compliance for a wide range of commodities, including agricultural products, metals and minerals, as well as consumer goods and general cargo. For this purpose, the Group operates a network of dedicated, accredited regional laboratories. In our quest to provide our customers with innovative solutions, we also offer our eUCP-compliant E-dox<sup>®</sup> service, allowing clients to transmit and negotiate documents electronically using the most advanced encryption technology. Customers of our trade finance support services benefit from our unique online administration and reporting tool, Vestalis<sup>®</sup>. The full range of services is described in the Products and Services section. The following are some of the highlights from 2010 that will positively impact our business with commercial customers.

### New testing laboratory in Hong Kong for toys manufactured in China

In August, Cotecna set up a laboratory in Hong Kong specialized in testing toys manufactured in China. Tests the lab can carry out include physical and mechanical tests to investigate the reaction of toys under abuse (e.g. drop test, tension test, torque test, small part test and compression test); flammability tests to determine if a toy catches fire easily by a simple spark or a stream of fire, and if so, within what time frame; and chemical tests to detect prohibited substances in materials used in toys, such as paints containing heavy metals that pose a health hazard, as well as substances considered a threat to the environment once the toy is discarded at the end of its life. The tests are conducted under the European Standard EN 71 (safety for toy products), and the laboratory received ISO 17025 accreditation from United Kingdom Accreditation Service (UKAS) accreditation at the end of 2010.



## Fast turn-around online service for consumer goods inspection and testing in Asia

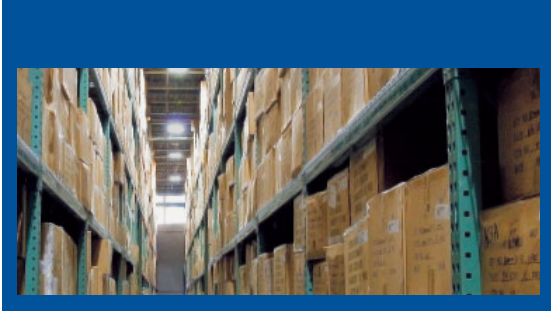
In June, Cotecna launched a new online service for inspections in Asia that we believe is the most technically advanced, reliable and flexible online service for the inspection and quality control of consumer goods currently available in the marketplace. Aimed at importers, distributors and retailers, and backed up by a unique worldwide support network covering 60 countries, the service includes a range of quality control and process supervision services. From initial production to loading supervision, Cotecna can perform verifications at every stage of the supply chain process and ensure that products meet client expectations and quality standards. Laboratory tests also ensure that goods meet international standards and comply with customer requirements.

The procedure is simple: the buyer registers on the site and submits a request for inspection. An inspection takes on average from one to two days, during which time the buyer can follow the progress of the inspection request online via the site. Products of Asian origin that are inspected and tested include hard-line (e.g. furniture, home furnishings, kitchenware, DIY, garden tools), food, soft-line (e.g. textiles, garments, shoes, accessories), electrical goods, electronics and toys. Services are coordinated throughout Asia with Cotecna's main offices in China (Hong Kong and mainland), Korea, India, Singapore, Thailand, Vietnam and the Philippines.

## FOSFA accreditation in Brazil

In May, Cotecna's laboratory in Paranaguá, Brazil received "Analyst Member" accreditation from the FOSFA (Federation of Oils, Seeds and Fats Associations) Council. Cotecna's Paranaguá laboratory specializes in the testing of oilseeds, vegetable oils, protein meals and grains, and is also accredited by GAFTA (Grain and Feed Trade Association). Cotecna has been present in Brazil since 1988 and employs trained surveyors in all major trade and export centers. Cotecna Brazil has laboratories in the ports of Santos and Victoria that specialize in the inspection and testing of sugar and ethanol. The office is a member of the Sugar Association of London, and in March, Cotecna Brazil also became a member of IETHA (International Ethanol Trade Association), a non-profit association founded in São Paulo in 2006 whose activities support the international trade of ethanol.

**[www.cotecna-inspection.com](http://www.cotecna-inspection.com),  
the most technically advanced, reliable  
and flexible on-line inspection and quality  
control service for consumer goods.**



## New GAFTA accreditations

### Spain

In August, Cotecna Spain received its superintendent registration from GAFTA (Grain and Feed Trade Association). As a GAFTA-registered superintendent, Cotecna Spain may carry out inspections, verifications, examinations, and quality and condition assessment of grains, feedstuffs, pulses, rice and other commodities traded on GAFTA contract terms. Cotecna Spain may also issue reports and certificates relating to its operations and render advisory services. Cotecna Spain's principal activities are the commercial inspections of commodities and consumer products for Spanish exporters, facilitating their access to Cotecna's worldwide network. Cotecna Spain also carries out inspections for different liaison offices within the framework of pre-shipment inspection programs, mainly for Angola, Burkina Faso, Ghana, Niger, Nigeria, Senegal, Tanzania and Togo. Cotecna Spain has been operating since 1985.

### Houston

Cotecna's subsidiary in Houston, Texas also received accreditation from GAFTA in November, making the Cotecna Houston laboratory one of only seven laboratories in the US that are certified to run GAFTA methods. The accreditation expands the analysis services that the Houston laboratory can offer, already certified for methods from AOCS (American Oil Chemists' Society), AACC (previously known as the American Association of Cereal Chemists) and FOSFA (Federation of Oils, Seeds and Fats Associations). Cotecna Houston participates in monthly AACC round robin proficiency samples, and its laboratory routinely runs a wide variety of tests on grains, meals, beans and other products under all four accreditations.

### Egypt

In September, Cotecna Inspection Egypt Laboratory (C.I.E. Lab) in Alexandria was certified to issue analysis certificates for grain under GAFTA's Approved Analysts Scheme. Cotecna Egypt carries out inspections, verifications, examinations and, as a GAFTA-certified laboratory, quality and condition assessment of grains traded on GAFTA contract terms. Cotecna Egypt may issue reports and certificates relating to its operations and can render advisory services. Cotecna's Alexandria laboratory near the Dekheila port, the largest grain receiving port in Egypt and the Middle East, is the only GAFTA analysis accredited laboratory in the Middle East outside Israel. Cotecna Egypt's laboratory services will be expanded to cover a wide range of analyses to meet the demands of local and international clients, who will no longer need to send samples abroad for analysis. Cotecna Egypt is registered at Egypt's General Authority for Supply Commodities (GASC) and works on behalf of GASC in the country of origin, performing analysis of wheat and edible oils. Egypt's population has one of the highest wheat consumption levels per capita in the world, and wheat is one of the country's main imports.

## OTHER CORPORATE HIGHLIGHTS

### Conferences

Cotecna participated in numerous conferences and trade events throughout the year, providing opportunities to promote our business and share our expertise. At the Global Commodities Forum, held at the UN headquarters in Geneva in March 2010 and organized by the United Nations Conference on Trade and Development (UNCTAD), we moderated a panel of experts in Logistics and Collateral, covering topics such as logistics in developing countries, supply chain financing and financing products and the use of technology in supply chain solutions. Cotecna also gave the keynote speech at a recent kick-off meeting of the CEN SMART-CM workshop on Container Security and Tracking devices, held in Brussels in September.

In April, the Chamber of Commerce of Bergamo, Italy organized a seminar on doing business in Algeria and Morocco, which close to 50 companies attended. Cotecna was invited as an expert on Algerian Customs procedures, specifically on the certificate of conformity, in light of the Bank of Algeria's 2009 decision that all imported goods must undergo pre-shipment inspection by third party surveyors in their country of origin.

Cotecna also attended several conferences related to the grain trade. In October, Cotecna participated in and co-sponsored the second edition of the World Rice Conference in Phuket, Thailand. In November, Cotecna was an exhibitor at the 8<sup>th</sup> Annual Global Grain Conference in Geneva, one of the most important grain venues, attended by over 900 delegates.

### E-learning

In March, following negotiations with the World Customs Organization (WCO), the world's leading authority on classification, Cotecna was pleased to launch the WCO Classification e-learning program. This unique and innovative training is aimed at Cotecna's price analysis colleagues working in several offices around the world. The training features an Internet-based application installed on Cotecna servers, giving trainees the freedom and flexibility to learn at their own pace. 109 trainees led by 23 tutors representing 23 Cotecna offices worldwide were enrolled.



### Co-founder of Swiss-African Business Circle

In March, Cotecna co-founded the Swiss-African Business Circle (SABC), a business-to-business association whose objective is to offer a unique platform for the exchange of experiences, projects and ideas between Swiss and African (principally Sub-Saharan) companies, fostering partnerships and opening new business perspectives between members. The SABC provides an efficient organization, top quality services and an influential network for its members to promote their interests on the African continent.

# PRODUCTS AND SERVICES



03



# GOVERNMENT SERVICES

## Destination Inspection (DI)

Cotecna pioneered destination inspection in 1999 and is now the recognized world leader. We developed this set of tailor-made verification and capacity building services to assist Customs with the inspection of targeted imported goods upon arrival in the destination country, based on the declaration of goods and commercial documents.

### What we do

- › Provide document review, tariff classification, valuation and, when required, physical inspection, in the country of origin and/or in the country of destination
- › Integrate sophisticated technologies such as the Computerized Risk Management System (CRMS®) and non-intrusive inspection services using scanner imaging in the country of destination
- › Provide training, capacity building and technology transfer

### The benefits

- › Trade facilitation by combining risk management with technological tools that contribute to a reduction in the time required for imported goods to clear Customs
- › Compliance with prevailing international regulations and guidelines
- › Protection of government revenues by focusing on high-risk transactions, reducing opportunities for fraud, fiscal evasion and price discrimination
- › Security enhancement at airports, seaports and borders, assisting with national security and the fight against international terrorism

## Pre-Shipment Inspection (PSI)

Cotecna has been offering pre-shipment inspection services to countries on five continents since 1984 and is the leader in government Customs inspection contracts today.

These tailor-made verification services were developed to assist Customs with targeted inspection of imported goods from the country of supply and before shipment.

### What we do

We physically inspect goods to determine:

- › Quality and quantity of goods
- › Accurate classification of tariff codes
- › Accurate valuation of goods for payable duties and taxes

Cotecna also controls the transaction documents and provides added-value reporting to Customs.

### The benefits

- › Protection of government revenues through the assessment of imports by experienced staff, thereby preventing the unjustified transfer of foreign exchange to other countries and the collection by Customs of insufficient duties and taxes
- › Trade facilitation through an accelerated clearance process for importers
- › Increased security by ensuring compliance with prevailing international regulations and guidelines



## Scanning Services

Cotecna was the first private company to own and invest in high-energy cargo scanning technology for destination inspection and has the most experience worldwide in this domain.

Non-Intrusive Inspection (NII) scanning technology solutions make it possible to verify the contents of containers without the need for physical inspection.

We create tailor-made solutions and can offer either Private-Public Partnerships (PPP) or technical assistance and consultancy services.

### What we do

We assist Customs and security organizations in implementing and managing scanning operations in an efficient manner. We provide clients with either:

- › BOT (Build, Operate, Transfer) contracts; or
- › Expert advice and assistance to evaluate and choose the best solution for their needs

Services include feasibility studies, procurement assistance, scanner facility implementation, scanner operation and maintenance, training, capacity building, know-how transfer and audits, and can include the integration of risk management.

### The benefits

- › Avoids the unpacking and repacking of goods
- › Inspection is completed quickly, leading to faster clearance
- › Reduced congestion at ports
- › Increased Customs revenues
- › Detection of discrepancies between goods and declarations
- › Reduced smuggling and fraud
- › Improved security
- › Increased compliance

## Cotrack® Transit Monitoring Solution

Cotrack® is a powerful solution for monitoring a vehicle and its cargo using a combination of state-of-the-art telecommunication technology, GPS, electronic seals and unique, integrated Customs transit monitoring software.

### What we do

We carry out technical feasibility studies to identify the appropriate solutions. The GPS devices we attach to vehicles transmit data on position, speed and direction of movement. Cotecna's system detects and provides alerts about unpredicted events. The services we provide include:

- › Supply and installation of global transit monitoring solution
- › Setup of the control station and substations
- › Parameterization of the system
- › Analysis and reporting of data received
- › Training and capacity building
- › Technical support and maintenance

### The benefits

- › Allows national authorities to closely control transit operations by identifying the exact location of vehicle and cargo
- › Facilitates the transit of goods within countries and across borders
- › Helps fight fraud and terrorism by detecting and reporting abnormal behavior
- › Provides Customs with evidence in cases of investigation or dispute

## Trade Security and Facilitation

Supply chain security inspection and surveillance services protect international trade activities from terrorist and criminal acts while enhancing commercial flows. We provide impact and assessment studies, cost/benefit analysis, development of reference materials, and supply chain security pilot projects and programs.

### What we do

Supply chain security & visibility:

- › Inspection of goods at point of origin and at points of transit
- › Non-intrusive inspection of containers and cargo
- › Supply chain security management systems training and consulting
- › Vendor/factory assessments
- › Post-manufacturing traceability

Ports and containers security:

- › Container scanning
- › Perimeter/access security
- › Electronic smart seals
- › RFID/barcode reading via portable data terminals
- › Credentialing of employees and visitors
- › Automated risk analysis on exports (CRMS®)

### The benefits

- › Enhanced confidence, greater visibility and control over the supply chain
- › Lower Customs risk score leading to fewer physical and documentary controls
- › Reduced theft and losses
- › Fewer disruptions to the supply chain and delayed shipments
- › Improved security and safety leading to fewer incidents
- › Lower insurance premiums
- › Improved planning

## Computerized Risk Management System (CRMS®)

Cotecna's CRMS® is internationally recognized as an innovative solution that can recommend the appropriate level of Customs intervention, taking into consideration the risk of fraud and the availability of human and physical resources. The system is a perfect complement to other Cotecna services, such as pre-shipment inspection, destination inspection and scanning activities, and offers revenue authorities a powerful tool for optimizing their activities.

### What we do

- › Feasibility studies
- › Implementation of risk management operational structures
- › Setup of fraud reporting systems and processes
- › Design and development of a risk-scoring system using econometric modeling adapted to the local environment
- › Customized management of risk criteria and intervention levels
- › Centralized or distributed system rollout
- › Technical support and system maintenance
- › Full integration with Customs scanning and valuation services
- › Training and capacity building

### The benefits

- › Reduces and targets the need for physical inspections
- › Facilitates trade by reducing costs and port congestion and speeds up import processing
- › Protects revenue through focused interventions based on risk level
- › Enhances security by directing attention to high-risk imports
- › Encourages importer compliance
- › Identifies and evaluates level of fraud risk



## Customs Valuation – ValueQuest®

ValueQuest® is a comprehensive, modular and customizable software solution that enables governments and Customs to verify the accuracy of the declared value of goods. It is specially designed for and with Customs authorities to support the implementation of the WTO Agreement on Customs Valuation.

### What we do

- › Building of a dedicated valuation database with Customs
- › Delivery of valuation services to Customs through the Privileged Access Program
- › Customization to local rules and regulations and installation of relevant applications in Customs' offices
- › Standalone or network system
- › Technical support and maintenance
- › Training and capacity building
- › Additional services for verification of transaction existence and diverse investigations

### The benefits

- › Combats commercial fraud and increases Customs revenues
- › Faster valuation decisions and better risk assessment
- › Trade facilitation
- › Conformity and verification of import compliance to WTO Agreement on Customs Valuation (ACV)
- › Contributes to Customs modernization and efficiency
- › Contributes to the implementation of an effective risk management policy

## Verification of Conformity (VoC)

### What we do

Verification of Conformity involves checking goods before they are shipped, in order to ensure that they meet required quality and safety standards. Thanks to our network of offices, inspectors, and accreditations Cotecna performs a combination of physical inspection, collection of samples for laboratory testing, and documentary checks. If conformity is confirmed, Cotecna issues Certificates of Conformity recognized in the destination country.

Building on its leading position in pre-shipment inspection and risk management, Cotecna has extended its expertise into products conformity, testing, auditing and conformity assessments.

### The benefits

- › Protection of consumers – through assurance that products meet agreed standards for health and safety
- › Detection of fraudulent, counterfeit or substandard goods
- › Faster Customs clearance – for goods that have been certified
- › Easier comparison between local and imported goods, thanks to the application of objective criteria, along the WCO trade facilitation rules
- › A transparent process for issuing Certificates of Conformity, known to the trade community
- › Access to Cotecna's own laboratories

## Post-Clearance Verification Services

These are a set of tailor-made verification and capacity-building services developed in an innovative approach to assist Customs in verifying customs declarations on a post-clearance scheme.

### What we do

We provide the following services:

- › Documentary check and investigation
- › Tariff classification
- › Valuation assistance
- › Duties and taxes calculation
- › Updated price database
- › Computerized Risk Management System (CRMS®)
- › Technical support
- › Regular reporting process
- › Training and capacity building
- › Transfer of technology

### The benefits

- › Facilitates trade
- › Ensures compliance with prevailing international regulations and guidelines
- › Contributes to Customs modernization and efficiency
- › Secures Customs revenue collection
- › Empowers post-clearance audit department
- › Accelerated release of goods and focus on post-clearance audits
- › Relief of port and in-land border post congestion

**Our main strengths are: our proximity to clients, our tailor made solutions, our focus on innovation and our worldwide network.**

# COMMERCIAL SERVICES

Cotecna has 36 years of global experience in testing, inspection and certification. Our mission is to provide specialized international inspection, testing and trade finance-related services, offering innovative, tailor-made solutions for the commodities and consumer goods sectors. Cotecna is continually increasing its network of accredited testing laboratories throughout the world, especially in South America, Eastern Europe and Asia.

## Commodities

Cotecna's commodity services include agricultural products, minerals, metals and general cargo; providing services such as:

- › Loading and discharge supervision
- › Vessel hatch and hold inspection. Water tightness
- › Supervision of weighing/tally control
- › Draft survey and tank gauging
- › Contractual sampling, samples preparation and sealing
- › Testing and analysis
- › Traceability/identity preservation

## Agricultural inspection

Cotecna has a worldwide network of specialists and laboratories and helps shippers, traders, end-users and government bodies assess the quality, quantity and integrity of their products. We offer our services to all agricultural market segments: from grains, pulses, oilseeds and feedstuffs to liquid cargoes, sugar, fibers, fruit, coffee, fertilizers and more.

## Metals & minerals inspection

On-the-spot independent inspection services for ferrous and non-ferrous metals, coals, ores and other minerals, concentrates, scrap metal, etc., help safeguard our clients' interests. Services include:

### Minerals

- › Pre-shipment quality control at mine heads
- › Vessel hatch and hold inspection
- › Supervision and inspection of vessel at loading and discharge, including transshipments
- › Weight determination (weigh bridges, draft surveys or belt weigh scales) and certification
- › Sampling, sample preparation
- › Testing and analysis (chemical properties, moisture determination, transportable moisture limit, flow moisture point, size distribution, granulometry)

### Metals

- › Chemical analysis
- › Dimensions
- › Packing and marking
- › Tally (number of bundles per type and size)
- › Weight
- › Loading inspection
- › Visual control (rust, surface condition) and report on condition

## Marine surveys

Inspection services of vessels and containers that include the condition of holds and tanks, water tightness, validity of certificates, and supervision during loading and discharge can be performed in conjunction with cargo inspections.

## Full outturn guarantee

In conjunction with top-rated underwriters, Cotecna can provide clients with a guarantee against the possible shortage of goods which may occur between their loading at origin and their unloading at destination, resulting in compensation for the client in the event of a shortage.

## Consumer Goods

Offering a complete range of services including product inspection, process assessment and technical assistance, Cotecna's network of experts ensures that the product conforms to clients' specifications and is safe for use.

Controls and testing of consumer goods can involve the following services:

- › Raw material quality control
- › Initial Production Inspection (IPI)
- › During Production Inspection (DUPRO)
- › Final Random (FRI)/Pre-Shipment Inspection (PSI)
- › Loading Supervision (LS)
- › Factory Audits (FA) & Social Audits (SA)
- › Laboratory Testing (LT)
- › Product conformity testing

## Laboratories

Cotecna has a global network of laboratories certified to international and national standards that offer services for products ranging from grains, feeding stuffs and vegetable oils and fats to consumer goods such as toys.

We also provide quality certificates on the basis of results by independent and accredited laboratories (e.g. GAFTA and FOSFA for agricultural products).

## Other Commercial Services

### E-dox®

Cotecna has developed E-dox®, a state-of-the-art solution to issue e-documents that are fully compliant with eUCP600 requirements. The E-dox® solution enables the transmission of e-certificates by email instead of paper certificates and significantly speeds up and secures the process of transmitting such documents.

### Trade finance services

Cotecna's mission in the field of trade finance services is to assist borrowers and lenders in setting up cost-effective yet solid and Basel II-compliant financing structures. Services include the monitoring of physical collateral security at any stage of financed transactions, local custody and handling of titles or other documentation related to the goods, and other tailor-made interventions. Cotecna developed a unique on-line administration and reporting tool, Vestalis®, to facilitate our trade finance clients' transactions.

# CORPORATE SOCIAL RESPONSIBILITY



04



## WATER, HEALTH AND EDUCATION

Cotecna's entire business model and philosophy are centered on integrity in our relations with our clients, and we place professional ethics above commercial considerations. We respect confidentiality while maintaining full transparency about our role, deliverables and what is done with information we handle. Throughout our organization our employees respect a strict Business Ethics & Compliance Code, described in the Corporate Governance section.

Cotecna also demonstrates solidarity with the communities in which we operate. Our business activities inherently contribute to the long-term social and economic evolution of developing countries. Besides protecting government revenues, we create jobs and use local suppliers where possible, help governments meet international objectives such as the Millennium Development Goals, and ensure internal security and safety by helping prevent the import of counterfeit drugs, dangerous toys, tainted food, illegal weapons and munitions and instruments of terrorism. Modern processes also lead to reduced environmental impact, such as through the reduced use of paper documents.

Cotecna's social contributions extend well beyond our core business, with numerous charitable contributions and business-related sponsorships supporting humanitarian projects, focusing especially on clean water, health and education. We also provide emergency aid to countries suffering from natural disasters. The following are a few recent initiatives from 2010.



### Refurbishment of a junior school in Kano, Nigeria

In June, Cotecna Nigeria inaugurated a newly refurbished building at a junior school in Kano in the north of the country, in order to provide the pupils with a more conducive atmosphere for learning. Cotecna totally renovated a four-classroom block and administration office as well as supplying desks, benches and chairs for the 650 pupils and their 21 teachers.

The building was re-roofed and the floors, walls, doors and windows were repaired or replaced and repainted. The electrical and plumbing systems were completely reviewed and brand new sanitary facilities were installed. Ceiling fans and air-conditioning units were installed at the school, which is situated in a region where summertime temperatures can rise to close to 40°C.



### Donation to Haiti

In February, Cotecna made a donation of CHF 50 000 to the Fondation Chaîne du Bonheur within the framework of this foundation's fundraising drive to help Haiti. The terrible earthquake in mid-January caused the deaths of more than 200 000 people and injured at least 300 000. The Fondation Chaîne du Bonheur benefits from a partnership with 30 aid organizations, 16 of which have been active in Haiti for many years.

### Supply of electricity to Nkowe Secondary School in Tanzania

In January, Tiscan, Cotecna's Tanzanian subsidiary, celebrated the completion of a project to supply electricity to an entire school. Tiscan financed electrification works at Nkowe Secondary School in Ruangwa District, Lindi Region, which lacked the infrastructure for power distribution within the compound and buildings. Tiscan financed the project with a budget of 27 million shillings (ca. USD 21 000) to extend the main electricity supply to the school.

Tiscan's donation brought power to all classrooms, administration blocks and teachers' accommodation facilities, opening the way for further education programs such as computer, applied science and technology classes as well as evening classes. The inauguration ceremony was attended by the Lindi Regional Commissioner, Said Meck Sadiki, accompanied by a group of high-level officials from the Lindi region and Ruangwa district.

## Support of marginalized women in Burkina Faso

In May, Cotecna made a donation of food and medicine to the Delwende Centre in Ouagadougou, Burkina Faso. This institution accommodates approximately 400 women who have been accused of sorcery and banished from their villages. Separated from their families, these women are welcomed by the Centre, where they work at spinning raw cotton. Fear of presumed sorcerers is a problem that has persisted in Burkinabe society for many generations, although there are signs that it is slowly subsiding. Other donations by Cotecna Burkina Faso included tables and benches for a school in Kamshoonghin, support for an association for women in Ziniare, and materials for the blood collection association SOS Sang.



**Cotecna demonstrates solidarity with the communities in which we operate. Our social contributions extend well beyond our core business and focus on clean water, health and education.**



CORPORATE  
GOVERNANCE

KEY FIGURES

GROUP COMPANIES

# CORPORATE GOVERNANCE

## BUSINESS ETHICS AND COMPLIANCE

Cotecna is committed to professional excellence. As a company, we believe that our contractual and business obligations can only be fulfilled through uncompromising dedication to our clients' requirements and by adopting the highest professional and ethical standards in all we do. This constitutes our business promise.

For this reason, Cotecna has implemented a Business Ethics & Compliance program throughout its network of offices. At the heart of the program is the Business Ethics & Compliance Code. The Code's principles and rules apply to all Group activities, and include standards for technical and professional conduct in the following areas:

- › Integrity
- › Conflicts of interest
- › Confidentiality
- › Prevention of bribery
- › Ethical marketing and fair competition

Most importantly, we place business ethics and compliance above all commercial considerations. To ensure the effectiveness of the implementation of our code, we subject our Business Ethics & Compliance program to an annual independent assessment conducted by the company's external auditors.

The complete Cotecna Business Ethics & Compliance Code can be viewed on our website at [www.cotecna.com](http://www.cotecna.com).

# CORPORATE GOVERNANCE

## QUALITY MANAGEMENT SYSTEMS (QMS)

The Cotecna Quality Management Systems (QMS) and Group certification scheme began with the ISO 9001:2000 certification of the Geneva head office in 2002. Since then, all significant offices within the Group have been certified, most recently to the updated ISO 9001:2008 standard, which was introduced in 2008.

### Audits performed in 2010

The following offices were successfully audited and joined the Group certification scheme for the first time in 2010: Alexandria (Egypt) and Porto (Portugal).

During 2010, the following Cotecna offices were successfully re-audited: Niamey (Niger), Bogota (Colombia) and Lima (Peru).

In June, a surveillance audit was also successfully carried out at the Geneva head office, the office's second surveillance audit and the ninth consecutive year that the office was audited.

Our ISO 9001:2008 Group certificate covers over 35 offices worldwide.

ISO 9001 QMS audits also included the IFIA (International Federation of Inspection Agencies) Code of Practice within their scope.

In 2010, a number of Quality Managers and Quality Representatives successfully completed the IRCA Lead Auditor Course. Internal systems for the exchange of knowledge and information between the Group's Quality Managers and staff worldwide were also enhanced.

The QMS Intranet has evolved to offer access to all documentation required in view of certification to ensure documental coherence throughout the Group, facilitating internal and third party audits.

### ISO 9001 and GAFTA

As part of the ISO 9001:2008 certification program, nine commercial business units were successfully audited against the GAFTA Code of Practice for Supervision, Sampling and Weighting (GAFTA N° 123 & 124). A further three offices are to be re-audited in early 2011.

### Looking ahead

In 2011, the Geneva head office will be re-audited against the ISO 9001:2008 standard, and other offices in Africa, Asia and the Americas are being prepared for inclusion in the Group certification scheme.

# CORPORATE GOVERNANCE

## GROUP STRUCTURE

### Cotecna SA

Cotecna SA is the Group's Swiss, non-listed holding company. The Group's main operating companies are Cotecna Inspection SA and Cotecna Trade Services SA and their subsidiary companies.

### Capital

Cotecna SA has a share capital of CHF 2 000 000 divided into 4 000 bearer shares of CHF 500 each.

### Shareholders

All the company's shares are held by members of the Massey family.

### Remuneration

The remuneration of members of the Board is determined by the Annual General Meeting of shareholders.

### Board of Directors of Cotecna SA



Elie Georges Massey – Chairman



Arlette Massey – Director



Robert Massey – Director



Philippe Massey – Director



Georges Massey – Director



Claude Béglé – Non-executive Director



Dan Kerpelman – Non-executive Director



Thierry de Loriol – Non-executive Director



### Company Financial Accounts

Consolidated Cotecna SA accounts are prepared each year in accordance with International Financial Reporting Standards (IFRS). The annual budget and 3-year plan are the outcome of an in-depth review process, and monthly performance reviews are undertaken by the management.

### Auditors

Cotecna SA's auditors are KPMG.

### Board of Directors

Cotecna SA's Board is chaired by Elie Georges Massey, founder of the private, family-owned company.

**Elie Georges Massey**  
Chairman

**Arlette Massey**  
Director

**Robert Massey**  
Director

**Philippe Massey**  
Director

**Georges Massey**  
Director

**Claude Béglé**  
Non-executive Director

**Dan Kerpelman**  
Non-executive Director

**Thierry de Loriol**  
Non-executive Director

The members of the Board are nominated by the Annual General Meeting for a term of office of one year.

The role of the Board of Cotecna SA is to ensure the protection and development of the Cotecna SA portfolio of investments, principally Cotecna Inspection SA and Cotecna Trade Services SA and their respective subsidiary companies.

### Cotecna Inspection SA

Cotecna Inspection SA is the main operating subsidiary whose activities are principally for governments and institutions. Corporate Services are also placed under Cotecna Inspection SA.

### Board of Directors

Cotecna Inspection SA's Board is chaired by Elie Georges Massey.

**Elie Georges Massey**  
Chairman

**Robert Massey**  
Director and Chief Executive Officer

**Philippe Massey**  
Executive Director

**Claude Béglé**  
Non-executive Director

**Dan Kerpelman**  
Non-executive Director

**Thierry de Loriol**  
Non-executive Director

The Cotecna Inspection SA Board of Directors focuses primarily on the strategic management of the company's business activities.

The members of the Board are nominated by the Annual General Meeting for a term of office of one year.

### Chief Executive Officer

The Board of Directors delegates the operational management of Cotecna Inspection SA to Robert Massey, who has been Chief Executive Officer since January 1993.

Cotecna Inspection's ISO 9001:2008 Quality Management System defines the Company's operating framework.

## Remuneration

The remuneration of members of the Board is determined by the Annual General Meeting of Shareholders.

## Committees

The Compliance Committee was established in 2004 and comprises a non-executive Chairmanship held by one of the non-executive Board members, the Company Compliance Officer and the Chief Executive Officer, as well as management representatives from the operational, legal, and human resources departments.

The Compliance Committee conducts periodic reviews of Cotecna's Business Ethics & Compliance Programme throughout the Group and provides policy guidance to the Board on compliance-related matters. As part of its remit, the Compliance Committee also reviews the appointment of business partners and key suppliers. Regular reports on the activities of the Compliance Committee, which met seven times in 2010, are submitted to the Board of Directors.

Although there are currently no other committees, the Board may establish other committees on an ad hoc basis for specific tasks, if and when it determines them to be necessary.

## Internal Control

The Board of Directors is responsible for the internal controls throughout the Group. These controls are formalised in a documented Internal Control System conforming to NAS 890 (Norme d'audit Suisse) and are designed to give reasonable assurance regarding the efficiency and effectiveness of operations, the maintenance of proper accounting records, the reliability of financial information and compliance with applicable laws, regulations and internal procedures.

The Board's internal control system includes a periodic risk analysis, a documented organizational structure, defined authority limits for management, the implementation of key controls throughout the Group and the regular review of financial and operational information.

A dedicated Internal Audit function, reporting to the Board, conducts periodic financial and operational audits throughout the Group. The Head of Internal Audit reports key audit findings to the Board and detailed audit findings to the CEO and senior, regional and country management.

## Executive Committee

**Robert Massey**  
Chief Executive Officer

**Serge Depallens**  
Chief Financial Officer, Executive Vice President – Operations, Corporate Services, Development & Marketing

**Haja Rajaonarivo**  
Senior Vice President – Human Resources

**Didier Reymond**  
Executive Vice President – Sales

**Tyrone Taylor**  
Executive Vice President – Contract Management

## Corporate Services

**Christian Arroyo**  
Senior Vice President – CITT (Information Technology & Telecommunications)

**Antoine Chavan**  
Senior Vice President – Legal Department

**Serge Depallens**  
Chief Financial Officer – Finance & Administration

**Pierre-Olivier Pellegrin**  
Senior Vice President – Security & Inspection Technology



### **Group Services**

[Alison Bourgeois](#)

Vice President – Corporate Communications

[Adrian Walker](#)

Group Compliance Officer – Compliance & Internal Audit

### **Cotecna Trade Services SA**

Cotecna Trade Services SA is the principal subsidiary of Cotecna SA that focuses on Commercial activities.

#### **Board of Directors**

[Elie Georges Massey](#)

Chairman

[Robert Massey](#)

Director and Chief Executive Officer

[Philippe Massey](#)

Executive Director

The Board of Directors nominates Robert Massey as Chief Executive Officer of Cotecna Trade Services SA. Robert Massey has delegated the operational management to Matthieu Delorme, Chief Operating Officer since June 1, 2009.

Cotecna Trade Services' ISO 9001:2008 Quality Management System defines the Company's operating framework.

### **Executive Committee**

[Robert Massey](#)

Chief Executive Officer

[Matthieu Delorme](#)

Chief Operating Officer – Commercial Services

[Serge Depallens](#)

Chief Financial Officer, Executive Vice President – Operations, Corporate Services, Development & Marketing

[Emmanuel Bonnet](#)

Executive Vice President – Americas

[Philippe Gonnet](#)

Executive Vice President – Asia

# CORPORATE GOVERNANCE

## HUMAN RESOURCES

Following the review of our organisational structure the previous year, 2010 was a year of stabilization. The decision to offer each division and department a dedicated Human Resources business partner – a move towards greater personalization that mirrors the way we do business with our clients – was extremely well received within the organization and has already proven effective in meeting the needs of our business.

A role of our HR strategy is to preserve the diversity of our staff in terms of expertise, origin and culture, one of our most important strengths as a company. For example, an important feature of our new on-line consumer goods testing service for products manufactured in China is that clients from anywhere in the world can talk to a Cotecna representative in their own language in their own time zone without any obligation to contact our Asian offices directly. Our diversity is well represented at our headquarters in Geneva, where we have 15 different nationalities among our 144 employees.

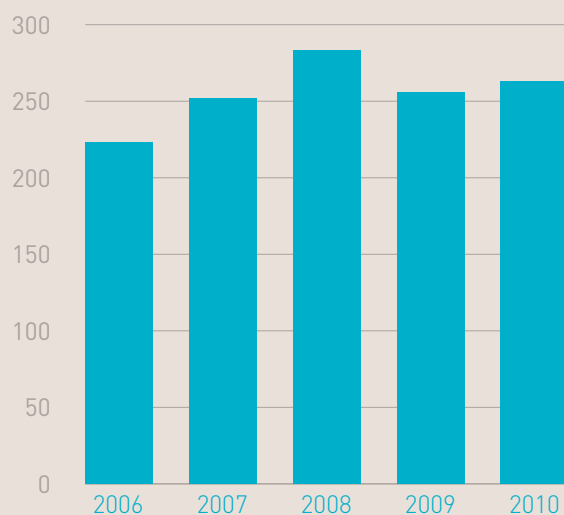
Cotecna is also pursuing management training and development initiatives aimed at providing current and future managers with new skills. The international management trainee program we introduced in 2010 to prepare young managers for leadership tomorrow has been a great success and will be continued. Building on successful financial training, we will also be addressing human capital management and work on shared best practices with an aim to improve operational efficiency.

Cotecna strongly encourages local HR initiatives, especially in countries like Nigeria with over 450 employees, where quarterly staff awards go to those who are recognised for outstanding performance in areas such as commitment, initiative and team-building.

# KEY FIGURES

## ANNUAL REVENUE

Annual revenue in CHF million



2006	223
2007	252
2008	283
2009	256
2010	262

Cotecna SA generated revenue of CHF 262 million in 2010. This is a slight increase on 2009 and in line with our budget despite a less favourable USD /CHF exchange rate. This increase can principally be attributed to an overall pick-up following the financial and economic crises of 2009 and the strong performance of contracts in Africa and Latin America. Cotecna's 2010 net result was above expectations.

The consolidated 2010 annual financial statements were drawn up in accordance with the International Financial Reporting Standards (IFRS) and were audited by KPMG.

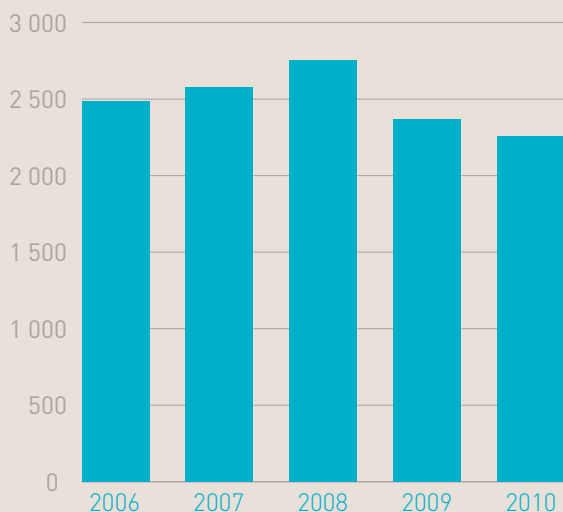
# KEY FIGURES

## GLOBAL PRESENCE

### Cotecna Staff

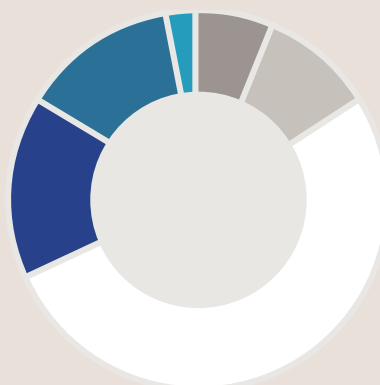
Cotecna has a strong worldwide network of close to 100 offices and a dedicated workforce of over 4 000 employees and agents. In the Group's Geneva headquarters, 15 nationalities are represented among the 144 employees. The slight decrease in total staff worldwide was principally due to the end of our contract in Mexico and a reduction of commercial inspection staff in Russia and Ukraine following the wheat export ban. Restructuring and rationalisation of operations in Latin America were also contributing factors. This was partially offset by growth of business in Asia and Africa.

### Full-time staff as at December 31



2006	2 486
2007	2 578
2008	2 754
2009	2 371
2010	2 255

### Full-time staff by geographical region as at December 31, 2010



Geneva HQ	144
Europe	220
Africa	1 175
Americas	351
Asia	302
Middle East	63
<b>Total</b>	<b>2 255</b>

### Cotecna agents

Cotecna has a vast network of almost 1 500 experienced agents and representatives throughout the world, often in countries where there is no Cotecna subsidiary or joint venture. Such agents and representatives operate in accordance with methodologies, techniques and procedures (including quality audits) clearly defined and continuously monitored by Cotecna.

# GROUP COMPANIES AT 31.12.2010

## Cotecna SA

Cotecna Serviços (Angola) Limitada  
Cotecna Inspección (Comores) SARL  
Gateway Services Limited  
Cotecna Inspection Limited  
↳ Cotecna Destination Inspection Limited

Cotecna Inspecciones de México SA de CV  
Coins Portugal, Unipessoal LDA  
Cotecna Inspection (Vostok) LLC  
Cotecna Inspection Senegal Sarl  
Cotecna International Trade Consulting (Shanghai) Ltd

## Cotecna Trade Services SA

↳ Cotecna Trade Support Company SAE  
↳ Cotecna Kazakhstan LLP  
Tiscan Limited  
Cotecna Uluslararası Gözetim Danışmanlık Anonim  
şirketi Anasözleşmesi

Cotecna Ukraine Limited  
Cotecna Quality Resources, Inc.  
↳ Cotecna Quality Resources, Inc. (Quito)  
Cotecna, Inc.  
Cotecna Inspeccion, CA

## Cotecna Inspection SA

Cotecna Inspección Argentina S.A  
Cotecna Inspection (Bangladesh) Ltd  
Cotecna Inspection Bangladesh Ltd  
Cotecna Benin Sarl  
Cotecna Inspección (Bolivia) SA  
Cotecna Serviços Ltda  
Burkina Contrôle SA  
Cotecna Canada Inc.  
Sinoswiss Inspection Co., Ltd  
Cotecna Inspection Chile SA  
Cotecna Côte d'Ivoire Sarl  
Cotecna Certificadora Services Limitada  
↳ Cotecna Certificadora Services Limitada (Quito)  
Cotecna Inspection Congo Sarl  
Cotecna Del Ecuador SA  
Cotecna Inspection Egypt SAE  
Cotecna Inspection France Sarl  
Cotecna Inspection GmbH  
Cotecna Inspeção & Gestão Da Guiné-Bissau, Sarl  
Cotecna Guinée Equatoriale Sarl  
Cotecna Inspection Hong Kong Limited  
Cotecna Inspection India Private Limited  
Cotecna Quality S.r.L  
Cotecna Inspection Japan Limited  
Cotecna Inspection East Africa Ltd  
Cotecna Mali Sarl

Cotecna Maroc SNC  
Cotecna Services De Mexico, S.A de C-V  
Cotecna Reconocimientos, S.A de C.V  
Cotecna Del Peru S.A.  
Cotecna Inspection Philippines Inc  
Cotecna Risk Management Philippines Inc  
Cotecna Singapore Pte, Ltd  
Cotecna Inspection South Africa Ltd  
Cotecna Inspection Korea Inc  
Cotecna Inspección S.L  
Cotecna (Tanzania) Limited  
Cotecna Togo Sarl  
Kotecna Gözetim Anonim Sirketi  
Cotecna Inspection (Thailand) Co, Ltd  
Cotecna Uganda Ltd  
Cotecna Inspection Limited  
↳ Cotecna International Limited  
↳ Cotecna Laboratories Limited  
Cotecna Inspection Inc  
Cotecna Inspección Uruguay S.A  
Cotecna de Venezuela, CA  
Cotecna Vietnam Co., Ltd  
Cotecna Inspection de Guatemala SA  
Cotecna Inspection Tashkent LLC  
Cotecna Inspection Yemen LLC

## Cotecna SA

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Cotecna Corporate Communications

April 2011 – communication@cotecna.ch

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