

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-Q**

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2015

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number 1-4858

**INTERNATIONAL FLAVORS &
FRAGRANCES INC.**

(Exact name of registrant as specified in its charter)

New York
(State or other jurisdiction of
incorporation or organization)

13-1432060
(I.R.S. Employer
Identification No.)

521 West 57th Street, New York, N.Y. 10019-2960
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code (212) 765-5500

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Number of shares outstanding as of April 28, 2015: 80,886,358

ITEM 1. FINANCIAL STATEMENTS

PART I. FINANCIAL INFORMATION
INTERNATIONAL FLAVORS & FRAGRANCES INC.
CONSOLIDATED BALANCE SHEET
(DOLLARS IN THOUSANDS)
(Unaudited)

	March 31, 2015	December 31, 2014
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 443,689	\$ 478,573
Trade receivables (net of allowances of \$7,795 and \$9,147, respectively)	525,260	493,768
Inventories: Raw materials	258,779	275,161
Work in process	19,845	17,705
Finished goods	257,841	275,863
Total Inventories	536,465	568,729
Deferred income taxes	17,127	27,709
Prepaid expenses and other current assets	232,569	141,248
Total Current Assets	1,755,110	1,710,027
Property, plant and equipment, at cost	1,713,269	1,766,746
Accumulated depreciation	(1,021,261)	(1,046,478)
	692,008	720,268
Goodwill	675,484	675,484
Other intangible assets, net	74,717	76,557
Deferred income taxes	178,948	183,047
Other assets	130,905	129,238
Total Assets	\$ 3,507,172	\$ 3,494,621
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities:		
Bank borrowings and overdrafts and current portion of long-term debt	\$ 8,379	\$ 8,090
Accounts payable	215,915	229,866
Accrued payroll and bonus	41,350	71,264
Dividends payable	37,959	37,968
Other current liabilities	183,717	171,620
Total Current Liabilities	487,320	518,808
Long-term debt	935,170	934,232
Deferred gains	45,815	46,535
Retirement liabilities	353,748	354,333
Other liabilities	113,022	118,024
Total Other Liabilities	1,447,755	1,453,124
Commitments and Contingencies (Note 12)		
Shareholders' Equity:		
Common stock 12 1/2¢ par value; authorized 500,000,000 shares; issued 115,995,113 and 115,858,190 shares as of March 31, 2015 and December 31, 2014, respectively; and outstanding 80,902,319 and 80,777,590 shares as of March 31, 2015 and December 31, 2014	14,470	14,470
Capital in excess of par value	135,619	140,008
Retained earnings	3,441,033	3,350,734
Accumulated other comprehensive loss	(573,315)	(540,430)
Treasury stock, at cost - 35,092,794 shares as of March 31, 2015 and 35,080,600 shares as of December 31, 2014	(1,450,490)	(1,446,221)
Total Shareholders' Equity	1,567,317	1,518,561
Noncontrolling interest	4,780	4,128
Total Shareholders' Equity including noncontrolling interest	1,572,097	1,522,689
Total Liabilities and Shareholders' Equity	\$ 3,507,172	\$ 3,494,621

See Notes to Consolidated Financial Statements

INTERNATIONAL FLAVORS & FRAGRANCES INC.
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(AMOUNT IN THOUSANDS EXCEPT PER SHARE AMOUNTS)
(Unaudited)

	Three Months Ended March 31,	
	2015	2014
Net sales	\$ 774,907	\$ 770,224
Cost of goods sold	428,630	428,812
Gross profit	346,277	341,412
Research and development expenses	63,462	61,504
Selling and administrative expenses	120,835	123,733
Restructuring and other charges, net	187	122
Operating profit	161,793	156,053
Interest expense	11,095	11,677
Other (income) expense, net	(5,710)	1,443
Income before taxes	156,408	142,933
Taxes on income	28,150	36,226
Net income	128,258	106,707
Other comprehensive income (loss), after tax:		
Foreign currency translation adjustments	(50,515)	(9,396)
Gains on derivatives qualifying as hedges	12,083	460
Pension and postretirement net liability	5,547	4,365
Other comprehensive income (loss)	(32,885)	(4,571)
Total comprehensive income	\$ 95,373	\$ 102,136
Net income per share - basic	\$ 1.58	\$ 1.31
Net income per share - diluted	\$ 1.57	\$ 1.30
Average number of shares outstanding - basic	80,654	81,053
Average number of shares outstanding - diluted	81,195	81,732
Dividends declared per share	\$ 0.47	\$ 0.39

See Notes to Consolidated Financial Statements

INTERNATIONAL FLAVORS & FRAGRANCES INC.
CONSOLIDATED STATEMENT OF CASH FLOWS
(DOLLARS IN THOUSANDS)
(Unaudited)

	Three Months Ended March 31,	
	2015	2014
Cash flows from operating activities:		
Net income	\$ 128,258	\$ 106,707
Adjustments to reconcile to net cash provided by operating activities:		
Depreciation and amortization	19,985	22,830
Deferred income taxes	13,932	8,246
(Gain) loss on disposal of assets	34	(811)
Stock-based compensation	5,387	4,695
Pension contributions	(54,048)	(5,316)
Changes in assets and liabilities, net of Aromor acquisition:		
Trade receivables	(62,891)	(41,569)
Inventories	13,172	(591)
Accounts payable	(3,061)	(11,989)
Accruals for incentive compensation	(27,675)	(62,282)
Other current payables and accrued expenses	20,264	1,096
Other assets/liabilities, net	(21,881)	13,977
Net cash provided by operating activities	31,476	34,993
Cash flows from investing activities:		
Cash paid for acquisition, net of cash received (including \$15 million of contingent consideration)	—	(102,400)
Additions to property, plant and equipment	(19,381)	(33,836)
Proceeds from life insurance contracts	—	12,308
Maturity of net investment hedges	—	(472)
Proceeds from disposal of assets	1,450	2,042
Net cash used in investing activities	(17,931)	(122,358)
Cash flows from financing activities:		
Cash dividends paid to shareholders	(37,971)	(31,743)
Net change in revolving credit facility borrowings and overdrafts	265	1,309
Proceeds from issuance of stock under stock plans	227	913
Excess tax benefits on stock-based payments	8,597	315
Purchase of treasury stock	(10,660)	(20,122)
Net cash used in financing activities	(39,542)	(49,328)
Effect of exchange rate changes on cash and cash equivalents	(8,887)	(228)
Net change in cash and cash equivalents	(34,884)	(136,921)
Cash and cash equivalents at beginning of year	478,573	405,505
Cash and cash equivalents at end of period	\$ 443,689	\$ 268,584
Interest paid, net of amounts capitalized	\$ 19,697	\$ 20,033
Income taxes paid	\$ 20,634	\$ 18,681

See Notes to Consolidated Financial Statements

Notes to Consolidated Financial Statements

Note 1. Consolidated Financial Statements:

Basis of Presentation

These interim statements and related management's discussion and analysis should be read in conjunction with the Consolidated Financial Statements and the related notes and management's discussion and analysis of results of operations, liquidity and capital resources included in our 2014 Annual Report on Form 10-K ("2014 Form 10-K"). These interim statements are unaudited. The year-end balance sheet data included in this Form 10-Q filing was derived from audited financial statements, but does not include all disclosures required by generally accepted accounting principles in the United States of America. We have historically operated and continue to operate on a 52/53 week fiscal year ending on the Friday closest to the last day of the quarter. For ease of presentation, March 31 and December 31 are used consistently throughout this Form 10-Q and these interim financial statements and related notes to represent the period-end dates. For the 2015 and 2014 quarters, the actual closing dates were April 3 and March 28, respectively. The unaudited interim financial statements include all adjustments (consisting only of normal recurring adjustments) and accruals necessary in the judgment of management for a fair statement of the results for the periods presented. When used herein, the terms "IFF," the "Company," "we," "us" and "our" mean International Flavors & Fragrances Inc. and its consolidated subsidiaries.

Recent Accounting Pronouncements

In April 2015, the Financial Accounting Standards Board ("FASB") issued authoritative guidance which provides a practical expedient related to the measurement date of defined benefit plan assets and obligations. This guidance is effective for annual and interim periods beginning after December 15, 2015. The Company is currently evaluating the impact that this new standard will have on its consolidated financial statements.

In April 2015, the FASB issued authoritative guidance which requires that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability. This guidance is effective for fiscal years beginning after December 15, 2015 and interim periods within fiscal years beginning after December 15, 2016. The Company is currently evaluating the impact that this new standard will have on its consolidated financial statements.

In February 2015, the FASB issued authoritative guidance related to Consolidation which will change the analysis that a reporting entity must perform to determine the criteria for consolidating certain types of entities. This guidance is effective for annual and interim periods beginning after December 15, 2015. The Company is currently evaluating the impact that this new standard will have on its consolidated financial statements.

In May 2014, the FASB issued authoritative guidance to clarify the principles to be used to recognize revenue. The guidance is applicable to all entities and is effective for annual and interim periods beginning after December 15, 2016. Early adoption is not permitted. However, in April 2015, the FASB proposed a one-year deferral of the effective date. Under the proposal, the new guidance will be effective for reporting periods beginning after December 15, 2017. The Company is currently evaluating the impact that this new standard will have on its consolidated financial statements.

Accounts Receivable

The Company sells certain accounts receivable on a non-recourse basis to unrelated financial institutions under "factoring" agreements that are sponsored, solely and individually, by certain customers. The Company accounts for these transactions as sales of receivables, removes the receivables sold from its financial statements, and records cash proceeds when received by the Company. The beneficial impact on cash from operations from participating in these programs decreased approximately \$6.5 million for the three months ended March 31, 2015 compared to a decrease of approximately \$14.3 million for the three months ended March 31, 2014. The cost of participating in these programs was immaterial to our results in all periods.

Note 2. Net Income Per Share:

Net income per share is based on the weighted average number of shares outstanding. A reconciliation of the shares used in the computation of basic and diluted net income per share is as follows:

(SHARES IN THOUSANDS)	Three Months Ended March 31,	
	2015	2014
Basic	80,654	81,053
Assumed dilution under stock plans	541	679
Diluted	81,195	81,732

There were no stock options or stock-settled appreciation rights ("SSARs") excluded from the computation of diluted net income per share for the three months ended March 31, 2015 and 2014.

The Company has issued shares of purchased restricted common stock ("PRS") which contain rights to nonforfeitable dividends while these shares are outstanding and thus are considered participating securities. Such securities are required to be included in the computation of basic and diluted earnings per share pursuant to the two-class method. The Company did not present the two-class method since the difference between basic and diluted net income per share for both unrestricted common shareholders and PRS shareholders was less than \$0.01 per share for each period presented, and the number of PRS outstanding as of March 31, 2015 and 2014 was immaterial. Net income allocated to such PRS was \$0.6 million and \$0.7 million during the three months ended March 31, 2015 and 2014, respectively.

Note 3. Restructuring and Other Charges, Net:

In 2014, the Company closed its fragrance ingredients manufacturing facility in Augusta, Georgia and consolidated production into other Company facilities. In connection with this closure, during 2014 the Company recorded total charges of \$13.8 million, consisting of \$2.2 million of pre-tax charges related to severance included in Restructuring and other charges, net \$10.3 million of non-cash charges related to accelerated depreciation included in Cost of goods sold, and \$1.3 million in plant shutdown and other related costs in connection with the Fragrance Ingredients Rationalization. During the three months ended March 31, 2015, the Company recorded an additional \$0.2 million of plant shutdown and other related costs included in Restructuring and other charges. As a result of this closure, 43 positions have been eliminated.

Changes in employee-related restructuring liabilities during the three months ended March 31, 2015 related to the Fragrance Ingredients Rationalization were as follows:

(DOLLARS IN THOUSANDS)	Employee-Related Costs	Accelerated Depreciation	Other	Total
December 31, 2014	\$ 759	\$ —	\$ —	\$ 759
Additional charges, net	—	—	187	187
Non-cash charges	—	—	—	—
Payments and other costs	(258)	—	(187)	(445)
March 31, 2015	\$ 501	\$ —	\$ —	\$ 501

Note 4. Other Intangible Assets, Net:

Other intangible assets, net consist of the following amounts:

(DOLLARS IN THOUSANDS)	March 31, 2015	December 31, 2014
Gross carrying value ⁽¹⁾	\$ 218,676	\$ 218,676
Accumulated amortization	(143,959)	(142,119)
Total	\$ 74,717	\$ 76,557

⁽¹⁾ Includes patents, trademarks, technological know-how and other intellectual property, valued at acquisition.

Aromor

During the first quarter of 2014, the Company completed the acquisition of 100% of the equity of Aromor Flavors and Fragrances Ltd. ("Aromor"). Aromor is part of the IFF Fragrances Ingredients business. The Company paid \$102.6 million (including \$0.1 million of cash acquired) for this acquisition, which was funded out of existing cash resources. The purchase

price exceeded the carrying value of existing net assets by approximately \$56 million. The excess was allocated principally to identifiable intangible assets (approximately \$53 million), goodwill (approximately \$10 million) and approximately \$9 million to deferred tax liabilities. Separately identifiable intangible assets are principally related to technological know-how. The intangible assets are amortized using lives ranging from 13-19 years. Additionally, the consideration included \$15 million related to post-combination contingent consideration, held in escrow, which is being expensed by the Company as it is earned by the selling shareholders.

Amortization

Amortization expense was \$1.8 million and \$1.2 million for the three months ended March 31, 2015 and 2014, respectively. Annual amortization is expected to be \$7.2 million for the years 2015 through 2018, and \$6.5 million for the years 2019 and 2020.

Note 5. Borrowings:

Debt consists of the following:

(DOLLARS IN THOUSANDS)	Rate	Maturities	March 31, 2015	December 31, 2014
Senior notes - 2007	6.40%	2017-27	\$ 500,000	\$ 500,000
Senior notes - 2006	6.14%	2016	125,000	125,000
Senior notes - 2013	3.20%	2023	299,789	299,782
Bank overdrafts and other			14,032	12,335
Deferred realized gains on interest rate swaps			4,728	5,205
			943,549	942,322
Less: Current portion of long-term debt			(8,379)	(8,090)
			<u>\$ 935,170</u>	<u>\$ 934,232</u>

Note 6. Income Taxes:

Uncertain Tax Positions

At March 31, 2015, the Company had \$14.8 million of unrecognized tax benefits recorded in Other liabilities and \$0.7 million recorded in Other current liabilities. If these unrecognized tax benefits were recognized, the effective tax rate would be affected.

At March 31, 2015, the Company had accrued interest and penalties of \$0.8 million classified in Other liabilities and \$0.5 million recorded in Other current liabilities.

As of March 31, 2015, the Company's aggregate provisions for uncertain tax positions, including interest and penalties, was \$16.8 million associated with various tax positions asserted in foreign jurisdictions, none of which is individually material.

The Company regularly repatriates a portion of current year earnings from select non-U.S. subsidiaries. No provision is made for additional taxes on undistributed earnings of subsidiary companies that are intended and planned to be indefinitely invested in such subsidiaries. We intend to, and have plans to, reinvest these earnings indefinitely in our foreign subsidiaries to fund local operations and/or capital projects.

The Company has ongoing income tax audits and legal proceedings which are at various stages of administrative or judicial review, of which the most significant items are discussed below. In addition, the Company has open tax years with various taxing jurisdictions that range primarily from 2005 to 2014. Based on currently available information, we do not believe the ultimate outcome of any of these tax audits and other tax positions related to open tax years, when finalized, will have a material impact on our financial position.

The Company also has other ongoing tax audits and legal proceedings that relate to indirect taxes, such as value-added taxes, capital tax, sales and use taxes and property taxes, which are discussed in Note 12.

Spanish Tax

As of December 31, 2014, the Company had one outstanding income tax case in Spain relating to fiscal year 2002, which had been previously appealed by the Company. As of December 31, 2014, the Company had fully reserved the original assessment asserted by the Spanish Tax Authority. During the first quarter of 2015, the Company received a favorable ruling on

this appeal and accordingly, reversed the total reserve related to the 2002 fiscal year (with a value of Euro 1.9 million or \$2.3 million).

As of March 31, 2015, the Company had an aggregate value of Euro 4.7 million (\$5.1 million), which was fully reserved for and reflected in income taxes payable, related to three dividend withholding tax controversies in Spain, all of which have now been resolved. The Company made payments of Euro 3.5 (\$3.8 million) in April 2015 related to two of the controversies and expects to make the remaining payment during the second quarter of 2015. As of March 31, 2015, the Company had posted bank guarantees of Euro 4.7 million (\$5.1 million) associated with the appeals of these matters.

Effective Tax Rate

The effective tax rate for the three months ended March 31, 2015 was 18.0% compared with 25.3% for the three months ended March 31, 2014. The quarter-over-quarter decrease is largely due to a benefit of \$10.5 million recorded in the first quarter of 2015, as a result of favorable tax rulings in Spain and another jurisdiction for which reserves were previously recorded.

Note 7. Stock Compensation Plans:

The Company has various plans under which its officers, senior management, other key employees and directors may be granted equity-based awards. Equity awards outstanding under the plans include PRS, restricted stock units ("RSUs"), stock options, SSARs and Long-Term Incentive Plan awards; liability-based awards outstanding under the plans are cash-settled RSUs.

Stock-based compensation expense and related tax benefits were as follows:

(DOLLARS IN THOUSANDS)	Three Months Ended March 31,	
	2015	2014
Equity-based awards	\$ 5,387	\$ 4,695
Liability-based awards	1,907	1,245
Total stock-based compensation expense	7,294	5,940
Less: tax benefit	(2,187)	(1,726)
Total stock-based compensation expense, after tax	\$ 5,107	\$ 4,214

On May 6, 2015, the shareholders of the Company approved the 2015 Stock Award and Incentive Plan (the "2015 Plan"). The 2015 Plan replaces the 2010 Stock Award and Incentive Plan (the "2010 Plan"). The total number of shares authorized for issuance under the Plan is 1,500,000 shares plus shares that remained available for issuance under the 2010 Plan as of May 6, 2015 and any shares subject to outstanding awards under the 2010 Plan that are cancelled, forfeited or expire.

Note 8. Segment Information:

The Company is organized into two operating segments: Flavors and Fragrances. These segments align with the internal structure of the Company used to manage these businesses. Performance of these operating segments is evaluated based on segment profit which is defined as operating profit before Restructuring and other charges, net, Global expenses (as discussed below) and certain non-recurring items, Interest expense, Other income (expense), net and Taxes on income.

The Global expenses caption below represents corporate and headquarters-related expenses which include legal, finance, human resources, certain incentive compensation expenses and other R&D and administrative expenses that are not allocated to individual operating segments.

Reportable segment information is as follows:

(DOLLARS IN THOUSANDS)	Three Months Ended March 31,	
	2015	2014
Net sales:		
Flavors	\$ 377,108	\$ 366,505
Fragrances	397,799	403,719
Consolidated	<u>\$ 774,907</u>	<u>\$ 770,224</u>
Segment profit:		
Flavors	\$ 92,727	\$ 88,063
Fragrances	81,598	87,166
Global expenses	(11,564)	(16,435)
Restructuring and other charges, net	(187)	(122)
Acquisition and related costs ⁽¹⁾	(500)	—
Operational improvement initiative costs ⁽²⁾	(281)	(2,619)
Operating profit	161,793	156,053
Interest expense	(11,095)	(11,677)
Other income (expense), net	5,710	(1,443)
Income before taxes	<u>\$ 156,408</u>	<u>\$ 142,933</u>

(1) Acquisition and related costs are associated with the acquisition of Henry H. Ottens Manufacturing Co., Inc., as discussed in Note 13.

(2) Operational improvement initiative costs relate to the closing of a smaller facility in Europe and certain manufacturing activities in Asia, while transferring production to larger facilities in each respective region.

Net sales are attributed to individual regions based upon the destination of product delivery. Net sales related to the U.S. for the three months ended March 31, 2015 and 2014 were \$164 million and \$159 million, respectively. Net sales attributed to all foreign countries in total for the three months ended March 31, 2015 and 2014 were \$611 million in both years. No country other than the U.S. had net sales in any period presented greater than 7.1% of total consolidated net sales.

Note 9. Employee Benefits:

Pension and other defined contribution retirement plan expenses included the following components:

U.S. Plans (DOLLARS IN THOUSANDS)	Three Months Ended March 31,	
	2015	2014
Service cost for benefits earned	\$ 984	\$ 885
Interest cost on projected benefit obligation	5,953	6,232
Expected return on plan assets	(8,083)	(6,913)
Net amortization and deferrals	5,203	4,255
Net periodic benefit cost	4,057	4,459
Defined contribution and other retirement plans	2,135	2,112
Total expense	\$ 6,192	\$ 6,571

Non-U.S. Plans (DOLLARS IN THOUSANDS)	Three Months Ended March 31,	
	2015	2014
Service cost for benefits earned	\$ 4,383	\$ 3,948
Interest cost on projected benefit obligation	6,392	8,412
Expected return on plan assets	(12,950)	(12,481)
Net amortization and deferrals	3,486	2,955
Loss due to settlements and special terminations	—	—
Net periodic benefit cost	1,311	2,834
Defined contribution and other retirement plans	1,595	1,177
Total expense	\$ 2,906	\$ 4,011

The Company expects to contribute a total of approximately \$30 million to its non-U.S. pension plans during 2015. During the three months ended March 31, 2015, \$35.0 million of contributions were made to the qualified U.S. pension plans. In the three months ended March 31, 2015, \$19.1 million of contributions were made to the non-U.S. plans. In the three months ended March 31, 2015, \$1.1 million of benefit payments were made with respect to the Company's non-qualified U.S. pension plan.

Expense recognized for postretirement benefits other than pensions included the following components:

(DOLLARS IN THOUSANDS)	Three Months Ended March 31,	
	2015	2014
Service cost for benefits earned	\$ 300	\$ 323
Interest cost on projected benefit obligation	1,082	1,238
Net amortization and deferrals	(711)	(978)
Total postretirement benefit expense	\$ 671	\$ 583

The Company expects to contribute approximately \$5 million to its postretirement benefits other than pension plans during 2015. In the three months ended March 31, 2015, \$1.7 million of contributions were made.

Note 10. Financial Instruments:**Fair Value**

Accounting guidance on fair value measurements specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect our market assumptions. These two types of inputs create the following fair value hierarchy:

- Level 1—Quoted prices for *identical* instruments in active markets.
- Level 2—Quoted prices for *similar* instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets.

- Level 3—Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

This hierarchy requires us to use observable market data, when available, and to minimize the use of unobservable inputs when determining fair value. We determine the fair value of structured liabilities (where performance is linked to structured interest rates, inflation or currency risks) using the LIBOR swap curve and forward interest and exchange rates at period end. Such instruments are classified as Level 2 based on the observability of significant inputs to the model. We do not have any instruments classified as Level 1 or Level 3, other than those included in pension asset trusts as discussed in Note 13 of our 2014 Form 10-K.

These valuations take into consideration our credit risk and our counterparties' credit risk. The estimated change in the fair value of these instruments due to such changes in our own credit risk (or instrument-specific credit risk) was immaterial as of March 31, 2015.

The amounts recorded in the balance sheet (carrying amount) and the estimated fair values of financial instruments at March 31, 2015 and December 31, 2014 consisted of the following:

	March 31, 2015		December 31, 2014	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
(DOLLARS IN THOUSANDS)				
Cash and cash equivalents ⁽¹⁾	\$ 443,689	\$ 443,689	\$ 478,573	\$ 478,573
Credit facilities and bank overdrafts ⁽²⁾	14,032	14,032	12,335	12,335
Long-term debt: ⁽³⁾				
Senior notes - 2007	500,000	591,713	500,000	587,650
Senior notes - 2006	125,000	131,786	125,000	133,137
Senior notes - 2013	299,789	304,294	299,782	296,290

(1) The carrying amount of cash and cash equivalents approximates fair value due to the short maturity of those instruments.

(2) The carrying amount of our credit facilities and bank overdrafts approximates fair value as the interest rate is reset frequently based on current market rates as well as the short maturity of those instruments.

(3) The fair value of our long-term debt was calculated using discounted cash flows applying current interest rates and current credit spreads based on our own credit risk.

Derivatives

We periodically enter into foreign currency forward contracts with the objective of reducing exposure to cash flow volatility associated with our intercompany loans, foreign currency receivables and payables, and anticipated purchases of certain raw materials used in operations. These contracts generally involve the exchange of one currency for a second currency at a future date, have maturities not exceeding twelve months and are with counterparties which are major international financial institutions.

During the three months ended March 31, 2015 and the year ended December 31, 2014, we entered into forward currency contracts which qualified as net investment hedges, in order to mitigate a portion of our net European investments from foreign currency risk. The effective portions of net investment hedges are recorded in Other comprehensive income ("OCI") as a component of Foreign currency translation adjustments in the accompanying Consolidated Statement of Comprehensive Income. Realized gains (losses) are deferred in accumulated other comprehensive income ("AOCI") where they will remain until the net investments in our European subsidiaries are divested. The outstanding forward currency contracts have remaining maturities of approximately one year.

During the three months ended March 31, 2015 and the year ended December 31, 2014, we entered into several forward currency contracts which qualified as cash flow hedges. The objective of these hedges is to protect against the currency risk associated with forecasted U.S. dollar (USD) denominated raw material purchases made by Euro (EUR) functional currency entities which result from changes in the EUR/USD exchange rate. The effective portions of cash flow hedges are recorded in OCI as a component of Gains/(losses) on derivatives qualifying as hedges in the accompanying Consolidated Statement of Comprehensive Income. Realized gains/(losses) in AOCI related to cash flow hedges of raw material purchases are recognized

as a component of Cost of goods sold in the accompanying Consolidated Statement of Comprehensive Income in the same period as the related costs are recognized.

During 2014, we entered into interest rate swap agreements that effectively converted the fixed rate on a portion of our long-term borrowings to a variable short-term rate based on the LIBOR plus an interest markup. These swaps are designated as fair value hedges. Amounts recognized in Interest expense were immaterial for the three months ended March 31, 2015.

The following table shows the notional amount of the Company's derivative instruments outstanding as of March 31, 2015 and December 31, 2014:

(DOLLARS IN THOUSANDS)	March 31, 2015		December 31, 2014	
Foreign currency contracts	\$	297,050	\$	191,150
Interest rate swaps	\$	425,000	\$	425,000

The following tables show the Company's derivative instruments measured at fair value (Level 2 of the fair value hierarchy), as reflected in the Consolidated Balance Sheets as of March 31, 2015 and December 31, 2014:

(DOLLARS IN THOUSANDS)	March 31, 2015		
	Fair Value of Derivatives Designated as Hedging Instruments	Fair Value of Derivatives Not Designated as Hedging Instruments	Total Fair Value
Derivative assets ^(a)			
Foreign currency contracts	\$ 31,972	\$ 17,693	\$ 49,665
Interest rate swaps	2,676	—	2,676
	\$ 34,648	\$ 17,693	\$ 52,341
Derivative liabilities ^(b)			
Foreign currency contracts	\$ 1,193	\$ 9,362	\$ 10,555
	\$ 1,193	\$ 9,362	\$ 10,555
(DOLLARS IN THOUSANDS)	December 31, 2014		
	Fair Value of Derivatives Designated as Hedging Instruments	Fair Value of Derivatives Not Designated as Hedging Instruments	Total Fair Value
Derivative assets ^(a)			
Foreign currency contracts	\$ 16,637	\$ 4,398	\$ 21,035
Interest rate swaps	683	—	683
	\$ 17,320	\$ 4,398	\$ 21,718
Derivative liabilities ^(b)			
Foreign currency contracts	\$ 6	\$ 1,055	\$ 1,061

(a) Derivative assets are recorded to Prepaid expenses and other current assets in the Consolidated Balance Sheet.

(b) Derivative liabilities are recorded as Other current liabilities in the Consolidated Balance Sheet.

The following table shows the effect of the Company's derivative instruments which were not designated as hedging instruments in the Consolidated Statement of Comprehensive Income for the three months ended March 31, 2015 and 2014 (in thousands):

Derivatives Not Designated as Hedging Instruments	Amount of Gain (Loss) Recognized in Income on Derivative		Location of Gain (Loss) Recognized in Income on Derivative
	Three Months Ended March 31,		
	2015	2014	
Foreign currency contracts	\$ 9,704	\$ (2,926)	Other (income) expense, net

Most of these net gains (losses) offset any recognized gains (losses) arising from the revaluation of the related intercompany loans during the same respective periods.

The following table shows the effect of the Company's derivative instruments designated as cash flow and net investment hedging instruments in the Consolidated Statements of Comprehensive Income for the three months ended March 31, 2015 and 2014 (in thousands):

	Amount of (Loss) Gain Recognized in OCI on Derivative (Effective Portion)		Location of (Loss) Gain Reclassified from AOCI into Income (Effective Portion)	Amount of (Loss) Gain Reclassified from Accumulated OCI into Income (Effective Portion)	
	Three Months Ended March 31,			Three Months Ended March 31,	
	2015	2014		2015	2014
Derivatives in Cash Flow Hedging Relationships:					
Foreign currency contracts	12,014	391	Cost of goods sold	1,023	(753)
Interest rate swaps ⁽¹⁾	69	69	Interest expense	(69)	(69)
Derivatives in Net Investment Hedging Relationships:					
Foreign currency contracts	4,561	(375)	N/A	—	—
Total	<u>\$ 16,644</u>	<u>\$ 85</u>		<u>\$ 954</u>	<u>\$ (822)</u>

(1) Interest rate swaps were entered into as pre-issuance hedges for the \$300 million bond offering.

No ineffectiveness was experienced in the above noted cash flow hedges during the three months ended March 31, 2015 and 2014. The ineffective portion of the net investment hedges was not material during the three months ended March 31, 2015 and 2014.

The Company expects that approximately \$15.2 million (net of tax) of derivative gains included in AOCI at March 31, 2015, based on current market rates, will be reclassified into earnings within the next 12 months. The majority of this amount will vary due to fluctuations in foreign currency exchange rates.

Note 11. Accumulated Other Comprehensive Income (Loss):

The following tables present changes in the accumulated balances for each component of other comprehensive income, including current period other comprehensive income and reclassifications out of accumulated other comprehensive income:

	Foreign Currency Translation Adjustments	(Losses) Gains on Derivatives Qualifying as Hedges	Pension and Postretirement Liability Adjustment	Total
(DOLLARS IN THOUSANDS)				
Accumulated other comprehensive (loss) income, net of tax, as of December 31, 2014	\$ (173,342)	\$ 12,371	\$ (379,459)	\$ (540,430)
OCI before reclassifications	(50,515)	13,037	—	(37,478)
Amounts reclassified from AOCI	—	(954)	5,547	4,593
Net current period other comprehensive income (loss)	(50,515)	12,083	5,547	(32,885)
Accumulated other comprehensive (loss) income, net of tax, as of March 31, 2015	\$ (223,857)	\$ 24,454	\$ (373,912)	\$ (573,315)

	Foreign Currency Translation Adjustments	(Losses) Gains on Derivatives Qualifying as Hedges	Pension and Postretirement Liability Adjustment	Total
(DOLLARS IN THOUSANDS)				
Accumulated other comprehensive (loss) income, net of tax, as of December 31, 2013	\$ (104,278)	\$ (4,012)	\$ (284,421)	\$ (392,711)
OCI before reclassifications	(9,396)	(361)	—	(9,757)
Amounts reclassified from AOCI	—	821	4,365	5,186
Net current period other comprehensive income (loss)	(9,396)	460	4,365	(4,571)
Accumulated other comprehensive (loss) income, net of tax, as of March 31, 2014	\$ (113,674)	\$ (3,552)	\$ (280,056)	\$ (397,282)

The following table provides details about reclassifications out of accumulated other comprehensive income to the Consolidated Statement of Comprehensive Income:

	Three Months Ended March 31, 2015	Three Months Ended March 31, 2014	Affected Line Item in the Consolidated Statement of Comprehensive Income
(DOLLARS IN THOUSANDS)			
(Losses) gains on derivatives qualifying as hedges			
Foreign currency contracts	1,169	(1,038)	Cost of goods sold
Interest rate swaps	(69)	(69)	Interest expense
	(146)	286	Provision for income taxes
	<u>\$ 954</u>	<u>\$ (821)</u>	Total, net of income taxes
(Losses) gains on pension and postretirement liability adjustments			
Prior service cost	1,166	1,111	(a)
Actuarial losses	(9,144)	(7,343)	(a)
	2,431	1,867	Provision for income taxes
	<u>\$ (5,547)</u>	<u>\$ (4,365)</u>	Total, net of income taxes

(a) The amortization of prior service cost and actuarial loss is included in the computation of net periodic benefit cost. Refer to Note 13 of our 2014 Form 10-K for additional information regarding net periodic benefit cost.

Note 12. Commitments and Contingencies:

Guarantees and Letters of Credit

The Company has various bank guarantees and letters of credit which are available for use regarding governmental requirements associated with pending litigation in various jurisdictions and to support its ongoing business operations.

At March 31, 2015, we had total bank guarantees and standby letters of credit of approximately \$36 million with various financial institutions. Of this amount, Euro 4.7 million (\$5.1 million) in bank guarantees are related to governmental requirements on income tax disputes in Spain, as discussed in further detail in Note 9 of our 2014 Form 10-K. Also included in the above aggregate amount is a total of \$16.4 million in bank guarantees which the Company has posted for certain assessments in Brazil for other diverse income tax and indirect tax disputes related to fiscal years 1998-2011. There were no material amounts utilized under the standby letters of credit as of March 31, 2015.

In order to challenge the assessments in these cases in Brazil, the Company has been required to, and has separately pledged assets, principally property, plant and equipment, to cover assessments in the amount of approximately \$15.5 million as of March 31, 2015.

Lines of Credit

The Company has various lines of credit which are available to support its ongoing business operations. At March 31, 2015, we had available lines of credit (in addition to the Credit Facility discussed in Note 8 of our 2014 Form 10-K) of approximately \$74.5 million with various financial institutions. There were no significant amounts drawn down pursuant to these lines of credit as of March 31, 2015.

Litigation

The Company assesses contingencies related to litigation and/or other matters to determine the degree of probability and range of possible loss. A loss contingency is accrued in the Company's consolidated financial statements if it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated. Because litigation is inherently unpredictable and unfavorable resolutions could occur, assessing contingencies is highly sensitive and requires judgments about future events. On at least a quarterly basis, the Company reviews contingencies related to litigation to determine the adequacy of accruals. The amount of ultimate loss may differ from these estimates and further events may require the Company to increase or decrease the amounts it has accrued on any matter.

Periodically, we assess our insurance coverage for all known claims, where applicable, taking into account aggregate coverage by occurrence, limits of coverage, self-insured retentions and deductibles, historical claims experience and claims experience with our insurance carriers. The liabilities are recorded at management's best estimate of the probable outcome of the lawsuits and claims, taking into consideration the facts and circumstances of the individual matters as well as past experience on similar matters. At each balance sheet date, the key issues that management assesses are whether it is probable that a loss as to asserted or unasserted claims has been incurred and if so, whether the amount of loss can be reasonably estimated. We record the expected liability with respect to claims in Other liabilities and expected recoveries from our insurance carriers in Other assets. We recognize a receivable when we believe that realization of the insurance receivable is probable under the terms of the insurance policies and our payment experience to date.

Environmental

Over the past 20 years, various federal and state authorities and private parties have claimed that we are a Potentially Responsible Party ("PRP") as a generator of waste materials for alleged pollution at a number of waste sites operated by third parties located principally in New Jersey and have sought to recover costs incurred and to be incurred to clean up the sites.

We have been identified as a PRP at eight facilities operated by third parties at which investigation and/or remediation activities may be ongoing. We analyze our potential liability on at least a quarterly basis. We accrue for environmental liabilities when they are probable and estimable. We estimate our share of the total future cost for these sites to be less than \$5 million.

While joint and several liability is authorized under federal and state environmental laws, we believe the amounts we have paid and anticipate paying in the future for clean-up costs and damages at all sites are not material and will not have a material adverse effect on our financial condition, results of operations or liquidity. This assessment is based upon, among other things, the involvement of other PRPs at most of the sites, the status of the proceedings, including various settlement agreements and consent decrees, and the extended time period over which payments will likely be made. There can be no assurance, however, that future events will not require us to materially increase the amounts we anticipate paying for clean-up costs and damages at these sites, and that such increased amounts will not have a material adverse effect on our financial condition, results of operations or cash flows.

Other Contingencies

The Company has contingencies involving third parties (such as labor, contract, technology or product-related claims or litigation) as well as government-related items in various jurisdictions in which we operate pertaining to such items as value-added taxes, other indirect taxes, customs and duties and sales and use taxes. It is possible that cash flows or results of operations, in any period, could be materially affected by the unfavorable resolution of one or more of these contingencies.

The most significant government-related contingencies exist in Brazil. With regard to the Brazilian matters, we believe we have valid defenses for the underlying positions under dispute; however, in order to pursue these defenses, we are required to, and have provided, bank guarantees and pledged assets in the aggregate amount of \$31.9 million. The Brazilian matters take an extended period of time to proceed through the judicial process and there are a limited number of rulings to date.

In March 2012, ZoomEssence, Inc. filed a complaint against the Company in the U.S. District Court of New Jersey alleging trade secret misappropriation, breach of contract and unjust enrichment in connection with certain spray dry technology disclosed to the Company. In connection with the claims, ZoomEssence is seeking an injunction and monetary damages. ZoomEssence initially sought a temporary restraining order and preliminary injunction, but the Court denied these applications in an order entered on September 27, 2013, finding that ZoomEssence had not demonstrated a likelihood of success on the merits of its claims. The Court subsequently referred the matter to mediation, however the private mediation session did not result in a resolution of the dispute. On November 3, 2014, ZoomEssence amended its complaint against the Company to include allegations of breach of the duty of good faith and fair dealing, fraud in the inducement, and misappropriation of confidential and proprietary information. On November 13, 2014, the Company filed a counterclaim against ZoomEssence alleging trade secret misappropriation, breach of contract, breach of the implied covenant of good faith and fair dealing, unjust enrichment, misappropriation of confidential and proprietary information, common law unfair competition, tortious interference with contractual relations, and conversion. The case is currently proceeding through discovery with a trial on the merits anticipated in mid-2016. The Company denies the allegations and will vigorously defend and pursue its position in Court. At this stage of the litigation, based on the information currently available to the Company, management does not believe that this matter represents a material loss contingency.

Based on the information available as of March 31, 2015, we estimate a range of reasonably possible loss related to the matters above, collectively, is \$0-\$31 million.

Separately, the Spanish tax authorities are alleging claims for a capital tax in a case arising from similar allegations as the income tax cases (discussed in further detail in Note 9 of our 2014 Form 10-K). In connection with the 2002 income tax assessment ruling the Appellate Court rejected one of the two bases upon which we based our capital tax position. However, we believe that we still have a strong basis for our capital tax position and intend to continue to defend these claims. On January 22, 2014, we filed an appeal and in order to avoid future interest costs in the event our appeal is unsuccessful, we paid \$11.2 million (representing the principal amount) during the first quarter of 2014. If there is an unfavorable ruling in this case, we estimate a reasonably possible loss of approximately \$13 million, which was fully reserved as of March 31, 2015.

Note 13. Subsequent Events:

On May 1, 2015, the Company acquired 100% of the outstanding shares of Henry H. Ottens Manufacturing Co., Inc. Ottens Flavors ("Ottens") for approximately \$190 million from existing cash resources. Ottens was acquired in order to strengthen the Flavors business in North America. This acquisition will be accounted for as a business combination and is not expected to have a material impact on the consolidated financial statements.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Overview

We create, manufacture and supply flavors and fragrances for the food, beverage, personal care and household-products industries either in the form of compounds or individual ingredients. Our flavors and fragrance compounds combine a large number of ingredients that are blended, mixed or reacted together to produce proprietary formulas created by our perfumers and flavorists.

Flavors are the key building blocks that impart taste in processed food and beverage products and, as such, play a significant role in determining consumer preference of the end products in which they are used. While we are a global leader, our flavors business is more regional in nature, with different formulas that reflect local tastes and ingredients. As a leading creator of flavors, we help our customers deliver on the promise of delicious and healthy foods and drinks that appeal to consumers. Our flavors compounds are ultimately used by our customers in four end-use categories: (1) Savory, (2) Beverages, (3) Sweet, pharmaceutical and oral care ("Sweet"), and (4) Dairy.

Our fragrances are a key component in the world's finest perfumes and best-known consumer brands, including beauty care, fabric care, personal wash and home care products. Our Fragrance Compounds are defined into broad market categories, (1) Fine Fragrances and (2) Consumer Fragrances. Consumer Fragrances consists of five end-use categories: (1) Fabric Care, (2) Home Care, (3) Personal Wash, (4) Hair Care and (5) Toiletries. In addition, Fragrance Ingredients, which are used internally and sold to third parties, including customers and competitors, for use in preparation of compounds, are included in the Fragrances business unit.

The flavors and fragrances market is part of a larger market which supplies a variety of ingredients and components that consumer products companies utilize in their products. The broader market includes large multinational companies or smaller regional and local participants which supply products such as seasonings, texturizers, spices, enzymes, certain food-related commodities, fortified products and cosmetic ingredients. The flavors and fragrances market is estimated to be at least \$18 billion; however the exact size of the global market is not available due to fragmentation of data. We, together with the other top three companies, are estimated to comprise approximately two-thirds of the total estimated sales in the global flavors and fragrances sub-segment of the broader market.

Net sales growth during the first quarter of 2015 was 1% on a reported basis and 6% on a currency neutral basis (which excludes the effects of changes in currency). The currency neutral growth reflects new win performance (net of losses) in both Flavors and Fragrance Compounds partially offset by volume erosion on existing business, as well as additional full shipping days in the first week of the 2015 quarter as compared to the 2014 quarter. For 2015, we continue to expect that currency neutral sales growth will be in line with our long-term targets.

Exchange rate fluctuations had a 500 basis point (bps) unfavorable impact on net sales for the first quarter, driven mainly by the weakening of the Euro against the U.S. dollar. The effect of exchange rates can vary by business and region, depending upon the mix of sales by destination country as well as the relative percentage of local sales priced in U.S. dollars versus local currencies.

Gross margins increased slightly year-over-year. Included in the first quarter of 2015 was \$0.3 million of costs associated with operational improvement initiatives, compared to \$2.6 million of costs related to restructuring and operational improvement initiatives included in the 2014 period. Excluding these items, gross margin remained consistent with the prior year period. The overall raw material cost base remains elevated, including certain categories where prices remain well above average levels. We believe input costs will increase approximately 1-2% in 2015 as higher prices on certain categories, such as naturals, will more than offset potential benefits associated with oil-based derivatives that are expected to occur later in 2015. We continue to seek improvements in our margins through operational performance and mix enhancement.

On May 1, 2015, the Company acquired Henry H. Ottens Manufacturing Co., Inc. Ottens Flavors for approximately \$190 million. This acquisition is not expected to have a material impact on the consolidated financial statements.

FINANCIAL PERFORMANCE OVERVIEW

Reported sales in the first quarter of 2015 increased approximately 1%. In currency neutral terms, sales increased 6% as a result of new win performance in both Flavors and Fragrance Compounds and lower volume erosion on existing business. We continue to benefit from our diverse portfolio of end-use product categories and geographies and had growth in three of four regions and Consumer Fragrances and Flavor Compounds both had positive currency neutral growth. Flavors realized currency neutral growth of 9% for the first quarter of 2015. Our Fragrance business achieved currency neutral growth of 5%. Fragrances performance reflects new win performance in our Consumer Fragrances end-use categories, led by sales in Fabric Care. Overall, our first quarter 2015 results continued to be driven by our strong emerging market presence that represented 51% of

currency neutral sales and experienced 9% currency neutral growth. From a geographic perspective, for the first quarter, all regions delivered currency neutral growth in 2015, led by Latin America (LA), with 14%.

Operating profit increased \$5.7 million to \$161.8 million (20.9% of sales) in the 2015 first quarter compared to \$156.1 million (20.3% of sales) in the comparable 2014 period. The three months ended March 31, 2015 included restructuring charges of \$0.2 million, operational improvement initiative costs of \$0.3 million and \$0.5 million of acquisition and related costs compared to \$2.7 million of restructuring and operational improvement initiative costs in the prior year period. Excluding these charges, adjusted operating profit was \$162.8 million (21.0% of sales) for the first quarter of 2015 compared to \$158.8 million (20.6% of sales) for the first quarter of 2014. Foreign currency changes had an unfavorable impact on operating profit of approximately 7% in the first quarter of 2015.

Other (income) expense, net increased \$7.1 million to \$5.7 million of income in the first quarter of 2015 compared to \$1.4 million of expense in the first quarter of 2014. The year-over-year increase is primarily driven by higher levels of foreign exchange gains during 2015 compared to the 2014 period.

Net income increased by \$21.6 million quarter-over-quarter to \$128.3 million for the first quarter of 2015.

Although we are in the process of refreshing the key elements of our strategic priorities, we continued to execute against our strategic priorities of leveraging our geographic reach, strengthening our innovation platform and maximizing our portfolio during the first quarter of 2015. By maintaining cost discipline and realizing productivity gains across many parts of the business, we believe that we can continue to fund investments in resources and capabilities in emerging markets, R&D and key technologies. In 2015, we believe that capital spending will approach 4-5% of sales as we continue to prioritize investments in emerging markets and Flavors.

Cash flows from operations for the three months ended March 31, 2015 were \$31.5 million or 4.1% of sales, compared to cash inflow from operations of \$35.0 million or 4.5% of sales for the three months ended March 31, 2014. The decrease in cash flow from operations in 2015 reflects higher net income and lower payments for incentive compensation, which were offset principally by higher pension contributions in the 2015 period.

Results of Operations

(DOLLARS IN THOUSANDS EXCEPT PER SHARE AMOUNTS)	Three Months Ended March 31,		
	2015	2014	Change
Net sales	\$ 774,907	\$ 770,224	1 %
Cost of goods sold	428,630	428,812	— %
Gross profit	346,277	341,412	
Research and development (R&D) expenses	63,462	61,504	3 %
Selling and administrative (S&A) expenses	120,835	123,733	(2)%
Restructuring and other charges, net	187	122	53 %
Operating profit	161,793	156,053	
Interest expense	11,095	11,677	(5)%
Other expense (income), net	(5,710)	1,443	(496)%
Income before taxes	156,408	142,933	
Taxes on income	28,150	36,226	(22)%
Net income	\$ 128,258	\$ 106,707	20 %
Diluted EPS	\$ 1.57	\$ 1.30	21 %
Gross margin	44.7%	44.3%	40
R&D as a percentage of sales	8.2%	8.0%	20
S&A as a percentage of sales	15.6%	16.1%	(50)
Operating margin	20.9%	20.3%	60
<i>Adjusted operating margin ⁽¹⁾</i>	<i>21.0%</i>	<i>20.6%</i>	<i>40</i>
Effective tax rate	18.0%	25.3%	(730)
<u>Segment net sales</u>			
Flavors	\$ 377,108	\$ 366,505	3 %
Fragrances	397,799	403,719	(1)%
Consolidated	\$ 774,907	\$ 770,224	

(1) Adjusted operating margin excludes the Restructuring and other charges, net of \$0.2 million, operational improvement initiative costs of \$0.3 million and acquisition and related costs of \$0.5 million for the three months ended March 31, 2015 and excludes \$2.7 million of restructuring and operational improvement initiative costs for the three months ended March 31, 2014.

Cost of goods sold includes the cost of materials and manufacturing expenses. R&D expenses relate to the development of new and improved products, technical product support and compliance with governmental regulations. S&A expenses include expenses necessary to support our commercial activities and administrative expenses supporting our overall operating activities.

FIRST QUARTER 2015 IN COMPARISON TO FIRST QUARTER 2014

Sales

Sales for the first quarter of 2015 totaled \$774.9 million, an increase of 1% from the prior year quarter. Excluding the impact of foreign currency, currency neutral sales increased 6%, as a result of new win performance (net of losses) in both Flavors and Fragrance Compounds and lower volume erosion on existing business. Overall currency neutral growth was driven by 9% growth in emerging markets.

Flavors Business Unit

Flavors reported sales growth was 3%, and currency neutral sales growth was 9% during the first quarter of 2015 compared to the 2014 period. The overall performance primarily reflects new wins and low volume growth. The overall increase was due to double-digit growth in Beverage and mid to high single-digit growth in Savory, Sweet and Dairy. The Flavors business delivered currency neutral growth in all regions, led by LA. Sales in LA were driven by high double-digit gains in Beverage. Sales in Europe, Africa, and the Middle East (EAME) and Greater Asia (GA) were driven by double-digit gains in Beverage and mid to high single-digit growth in Savory, and sales in North America (NOAM) were led by double-digit gains in Beverage, Sweet and Dairy.

Fragrances Business Unit

The Fragrances business experienced a decline of 1% in reported sales but a 5% increase in currency neutral sales for the first quarter of 2015 compared to the first quarter of 2014. The overall increase was primarily driven by double-digit gains in our Fabric Care and Home Care categories, offset by low single-digit declines in Fine Fragrance and Fragrance Ingredients. Our Fragrance Compounds saw currency neutral sales growth of 6%, while Fragrance Ingredients declined 2% over the prior year period.

Sales Performance by Region and Category

% Change in Sales-First Quarter 2015 vs. First Quarter 2014

	Fine Fragrances	Consumer Fragrances	Ingredients	Total Frag.	Flavors	Total
NOAM Reported	-14 %	5 %	-20 %	-6 %	10 %	2 %
EAME Reported	-13 %	-1 %	-8 %	-7 %	-4 %	-6 %
<i>Currency Neutral ⁽¹⁾</i>	-1 %	13 %	0 %	6 %	9 %	7 %
LA Reported	-1 %	13 %	1 %	9 %	15 %	11 %
<i>Currency Neutral ⁽¹⁾</i>	2 %	16 %	-4 %	11 %	21 %	14 %
GA Reported	36 %	2 %	8 %	3 %	0 %	2 %
<i>Currency Neutral ⁽¹⁾</i>	38 %	3 %	17 %	6 %	4 %	5 %
Total Reported	-10 %	4 %	-8 %	-1 %	3 %	1 %
<i>Currency Neutral ⁽¹⁾</i>	-2 %	9 %	-2 %	5 %	9 %	6 %

(1) Currency neutral sales growth is calculated by translating prior year sales at the exchange rates for the corresponding 2015 period.

- NOAM Flavors sales increased 10% as a result of double-digit gains in Beverage, Sweet and Dairy. NOAM Fragrance sales decreased 6% in the first quarter of 2015, principally due to double-digit declines in Fine Fragrance and Ingredients, that were only partially offset by double-digit growth in Home Care and high single-digit growth in Fabric Care categories.
- EAME Flavors currency neutral sales growth of 9% was led by double-digit growth in Beverage, high single-digit growth in Sweet and mid single-digit growth in Savory. EAME Fragrance currency neutral sales increased 6% overall, driven mainly by double-digit growth in Fabric Care and Home Care categories, which were only partially offset by low single-digit declines in Fine Fragrance.
- LA Flavors currency neutral sales were up 21% driven by double-digit gains in the Beverage, Sweet, Dairy and Savory categories. LA Fragrances currency neutral sales increased 11% overall, principally led by double-digit gains in Fabric Care and Home Care, which more than offset double-digit declines in Personal Wash and single-digit declines in Fragrance Ingredients.
- GA Flavors had currency neutral sales growth of 4% principally from double-digit gains in Beverage and high single-digit gains in Savory. GA Fragrances currency neutral sales growth of 6% was principally driven by double-digit growth in Fragrance Ingredients as well as the Personal Wash, Toiletries and Fine Fragrance categories. In addition, the Hair Care and Home Care categories experienced mid to high single-digit growth.

Cost of Goods Sold

Cost of goods sold, as a percentage of sales, decreased 40 bps to 55.3% in the first quarter of 2015 compared to 55.7% in the first quarter of 2014. Included in cost of goods sold was \$0.3 million and \$0.4 million of charges related to operational improvement initiative costs in 2015 and 2014, respectively.

Research and Development (R&D) Expenses

Overall R&D expenses, as a percentage of sales, remained consistent with the prior year period at 8.2% in the first quarter of 2015 versus 8.0% in the first quarter of 2014.

Selling and Administrative (S&A) Expenses

S&A expenses decreased \$2.9 million to \$120.8 million or 15.6%, as a percentage of sales, in the first quarter of 2015 compared to 16.1% in the first quarter of 2014. The \$2.9 million decrease is principally due to the impact of currency, which was partially offset by higher amortization and incentive compensation expenses.

Operating Results by Business Unit

We evaluate the performance of business units based on segment profit which is defined as operating profit before Restructuring and other charges, net, Global expenses (as discussed in Note 8 to our Consolidated Financial Statements) and certain non-recurring items, net, Interest expense, Other income (expense), net and Taxes on income. See Note 8 to our Consolidated Financial Statements for the reconciliation to Income before taxes.

(DOLLARS IN THOUSANDS)	Three Months Ended March 31,	
	2015	2014
Segment profit:		
Flavors	\$ 92,727	\$ 88,063
Fragrances	81,598	87,166
Global	(11,564)	(16,435)
Restructuring and other charges, net	(187)	(122)
Acquisition and related costs	(500)	—
Operational improvement initiative costs	(281)	(2,619)
Operating profit	\$ 161,793	\$ 156,053
Profit margin		
Flavors	24.6%	24.0%
Fragrances	20.5%	21.6%
Consolidated	20.9%	20.3%

Flavors Segment Profit

Flavors segment profit increased approximately 5% to \$92.7 million in the first quarter of 2015, or 24.6% as a percentage of sales, compared to \$88.1 million, or 24.0% as a percentage of sales, in the comparable 2014 period. The improvement in segment profit and profit margin was driven primarily by strong new win performance and volume growth, which were partially offset by higher incentive compensation as well as unfavorable foreign currency impacts.

Fragrances Segment Profit

Fragrances segment profit declined approximately 6% to \$81.6 million in the first quarter of 2015, or 20.5% as a percentage of sales, compared to \$87.2 million, or 21.6% as a percentage of sales, in the comparable 2014 period. The decline in segment profit and profit margin was primarily due to unfavorable foreign currency impacts, competitive pressure on Ingredient prices, and rising input costs, which were partially offset by favorable volume growth, productivity initiatives and sales mix.

Global Expenses

Global expenses represent corporate and headquarters-related expenses which include legal, finance, human resources and R&D and other administrative expenses that are not allocated to an individual business unit. In the first quarter of 2015,

Global expenses were \$11.6 million compared to \$16.4 million during the first quarter of 2014. The decrease was principally driven by the favorable impact of our cash flow hedging program.

Restructuring and Other Charges, Net

In 2014, the Company closed its fragrance ingredients manufacturing facility in Augusta, Georgia and consolidated production into other Company facilities. During the first quarter of 2015, the Company recorded \$0.2 million of plant shutdown and other related costs included in Restructuring and other charges, net related to this closure. As a result of this closure, 43 positions have been eliminated.

Interest Expense

Interest expense decreased \$0.6 million to \$11.1 million in the first quarter of 2015 compared to the first quarter of 2014. Average cost of debt was 4.7% for the 2015 three month period compared to 5.0% for the 2014 three month period.

Other (Income) Expense, Net

Other (income) expense, net increased by approximately \$7.1 million to \$5.7 million of income in the first quarter of 2015 versus \$1.4 million of expense in the comparable 2014 period. The year-over-year increase is primarily driven by higher levels of foreign exchange gains on working capital during 2015 compared to the 2014 period.

Income Taxes

The effective tax rate for the three months ended March 31, 2015 was 18.0% compared with 25.3% for the three months ended March 31, 2014. The quarter-over-quarter decrease is largely due to a benefit of \$10.5 million recorded in the first quarter of 2015, as a result of favorable tax rulings in Spain and another jurisdiction for which reserves were previously recorded. Excluding the benefit related to the favorable tax rulings, the first quarter 2015 adjusted effective tax rate was 24.7%, or 80 basis points lower than the first quarter 2014 adjusted effective tax rate of 25.5%, due to lower repatriation costs and lower loss provisions in the current quarter.

Liquidity and Capital Resources

CASH AND CASH EQUIVALENTS

We had cash and cash equivalents of \$443.7 million at March 31, 2015 compared to \$478.6 million at December 31, 2014, of which \$344.0 million of the balance at March 31, 2015 was held outside the United States. Cash balances held in foreign jurisdictions are, in most circumstances, available to be repatriated to the United States; however, they would be subject to United States federal income taxes, less applicable foreign tax credits. We have not provided U.S. income tax expense on accumulated earnings of our foreign subsidiaries because we have the ability and plan to reinvest the undistributed earnings indefinitely.

Effective utilization of the cash generated by our international operations is a critical component of our tax strategy. Strategic dividend repatriation from foreign subsidiaries creates U.S. taxable income, which enables us to realize deferred tax assets. The Company regularly repatriates, in the form of dividends from its non-U.S. subsidiaries, a portion of its current year earnings to fund financial obligations in the U.S.

CASH FLOWS FROM OPERATING ACTIVITIES

Operating cash flows in the first three months of 2015 were \$31.5 million compared to \$35.0 million in the first three months of 2014. The decrease in operating cash flows for the first three months of 2015 compared to 2014 is principally driven by higher net income and lower payments for incentive compensation, which were offset principally by higher pension contributions in the 2015 period.

Working capital (current assets less current liabilities) totaled \$1,267.8 million at March 31, 2015, compared to \$1,191.2 million at December 31, 2014. The Company sold certain accounts receivable on a non-recourse basis to unrelated financial institutions under "factoring" agreements that are sponsored, solely and individually, by certain customers. We believe that participating in the factoring programs strengthens our relationships with these customers and provides operational efficiencies. The beneficial impact on cash from operations from participating in these programs decreased approximately \$6.5 million for the three months ended March 31, 2015 compared to a decrease of approximately \$14.3 million for the three months ended March 31, 2014. The cost of participating in these programs was immaterial to our results in all periods.

CASH FLOWS USED IN INVESTING ACTIVITIES

Net investing activities during the first three months of 2015 utilized \$17.9 million compared to \$122.4 million in the prior year period. The decrease in cash paid for investing activities is primarily driven by the acquisition of Aromor during the first quarter of 2014 for approximately \$102 million.

Additions to property, plant and equipment were \$19.4 million during the first three months of 2015 compared to \$33.8 million in the first three months of 2014. We expect additions to property, plant and equipment to approach 4-5% of our sales in 2015.

CASH FLOWS USED IN FINANCING ACTIVITIES

Net financing activities in the first three months of 2015 used \$39.5 million compared to \$49.3 million in the first three months of 2014. The decrease in cash used for financing activities principally reflects lower treasury stock purchases in the first quarter of 2015 as compared to the 2014 period.

At March 31, 2015, we had \$943.5 million of debt outstanding compared to \$942.3 million outstanding at December 31, 2014.

We paid dividends totaling \$38.0 million in the 2015 period. We declared a cash dividend per share of \$0.47 in the first quarter of 2015 that was paid on April 7, 2015 to all shareholders of record as of March 27, 2015.

In December 2012, the Board of Directors authorized a \$250 million share repurchase program, which commenced in the first quarter of 2013. Based on the total remaining amount of \$98.3 million available under the repurchase program, approximately 0.8 million shares, or 1.0% of shares outstanding (based on the market price and shares outstanding as of March 31, 2015) could be repurchased under the program as of March 31, 2015. The purchases will be made from time to time on the open market or through private transactions as market and business conditions warrant. Repurchased shares will be placed into treasury stock. During the three months ended March 31, 2015, we repurchased 98,113 shares on the open market at an aggregate cost of \$10.7 million or an average of \$108.65 per share. We expect total purchases during 2015 to be less than total purchases made during 2014. The ultimate level of purchases will be a function of the daily purchase limits established in the pre-approved program according to the share price at that time.

CAPITAL RESOURCES

Operating cash flow provides the primary source of funds for capital investment needs, dividends paid to shareholders and debt repayments. We anticipate that cash flows from operations and availability under our existing credit facilities are sufficient to meet our investing and financing needs for at least the next eighteen months. We regularly assess our capital structure, including both current and long-term debt instruments, as compared to our cash generation and investment needs in order to provide ample flexibility and to optimize our leverage ratios. We believe our existing cash balances are sufficient to meet our debt service requirements.

We supplement short-term liquidity with access to capital markets, mainly through bank credit facilities and issuance of commercial paper. We did not issue commercial paper during the first three months of 2015 or 2014.

We expect to contribute a total of approximately \$30 million to our non-U.S. pension plans during 2015. During the three months ended March 31, 2015, \$35.0 million of contributions were made to the qualified U.S. pension plans. For the three months ended March 31, 2015, we have contributed \$19.1 million related to our non-U.S. pension plans and \$1.1 million related to our non-qualified U.S. pension plans.

On May 1, 2015, the Company acquired Henry H. Ottens Manufacturing Co., Inc. Ottens Flavors for approximately \$190 million, which was funded from existing cash resources.

Under our revolving credit facility, we are required to maintain, at the end of each fiscal quarter, a ratio of net debt for borrowed money to adjusted EBITDA in respect of the previous 12-month period of not more than 3.25 to 1. Based on this ratio, at March 31, 2015 our covenant compliance provided overall borrowing capacity of \$1,833 million.

As of March 31, 2015 we had no borrowings under our revolving credit facility. The amount which we are able to draw down on under the facility is limited by financial covenants as described in more detail below. Our drawdown capacity on the facility was \$940.4 million at March 31, 2015.

At March 31, 2015, we were in compliance with all financial and other covenants, including the net debt to adjusted EBITDA ratio. At March 31, 2015 our Net Debt/adjusted EBITDA ⁽¹⁾ ratio was 0.69 to 1 as defined by the debt agreements, well below the financial covenants of existing outstanding debt. Failure to comply with the financial and other covenants under

our debt agreements would constitute default and would allow the lenders to accelerate the maturity of all indebtedness under the related agreement. If such acceleration were to occur, we would not have sufficient liquidity available to repay the indebtedness. We would likely have to seek amendments under the agreements for relief from the financial covenants or repay the debt with proceeds from the issuance of new debt or equity, and/or asset sales, if necessary. We may be unable to amend the agreements or raise sufficient capital to repay such obligations in the event the maturities are accelerated.

(1) *Adjusted EBITDA and Net Debt, which are non-GAAP measures used for these covenants, are calculated in accordance with the definition in the debt agreements. In this context, these measures are used solely to provide information on the extent to which we are in compliance with debt covenants and may not be comparable to adjusted EBITDA and Net Debt used by other companies. Reconciliations of adjusted EBITDA to net income and net debt to total debt are as follows:*

(DOLLARS IN MILLIONS)	Twelve Months Ended March 31,	
	2015	2014
Net income	\$ 436.1	\$ 369.5
Interest expense	45.5	47.3
Income taxes	126.4	131.1
Depreciation and amortization	86.6	86.6
Specified items ⁽¹⁾	1.4	2.3
Non-cash items ⁽²⁾	20.4	6.6
Adjusted EBITDA	<u>\$ 716.4</u>	<u>\$ 643.4</u>

(1) *Specified items for the 12 months ended March 31, 2015 of \$1.4 million consist of restructuring charges.*

(2) *Non-cash items, defined as part of Adjusted EBITDA in the terms of the Company's credit facility agreement dated November 9, 2011 and amended and restated on April 4, 2014, represent all other adjustments to reconcile net income to net cash provided by operations as presented on the Statement of Cash Flows, including gain on disposal of assets, stock-based compensation and pension settlement/curtailment.*

(DOLLARS IN MILLIONS)	March 31,	
	2015	2014
Total debt	\$ 943.5	\$ 933.9
Adjustments:		
Deferred gain on interest rate swaps	(4.7)	(6.6)
Cash and cash equivalents	(443.7)	(268.6)
Net debt	<u>\$ 495.1</u>	<u>\$ 658.7</u>

As discussed in Note 12 to the Consolidated Financial Statements, at March 31, 2015, we had entered into various guarantees and had undrawn outstanding letters of credit from financial institutions. These arrangements reflect ongoing business operations, including commercial commitments, and governmental requirements associated with audits or litigation that are in process with various jurisdictions. Based on the current facts and circumstances they are not reasonably likely to have a material impact on our consolidated financial condition, results of operations, or cash flows.

As discussed in Notes 6 and 12 to the Consolidated Financial Statements, we had Euro 4.7 million (\$5.1 million) in bank guarantees outstanding as of March 31, 2015 related to the tax disputes in Spain. These amounts will be reduced once we make the remaining payments pursuant to the dividend withholding tax cases during the second quarter of 2015.

Cautionary Statement Under the Private Securities Litigation Reform Act of 1995

This Quarterly Report includes "forward-looking statements" under the Federal Private Securities Litigation Reform Act of 1995, including statements regarding the Company's expectations concerning (i) our ability to meet long-term growth targets in 2015, (ii) our competitive position in the market and financial performance in 2015, (iii) expected cost pressures in 2015, (iv) capital spending in 2015, (v) cash flows to fund future operations and to meet debt service requirements, (vi) expected share repurchases in 2015, and (vii) the ultimate resolution of pending tax matters with the Spanish and Brazilian tax authorities. These forward-looking statements should be evaluated with consideration given to the many risks and uncertainties inherent in the Company's business that could cause actual results and events to differ materially from those in the forward-looking statements. Certain of such forward-looking information may be identified by such terms as "will," "expect," "anticipate," "believe," "outlook," "may," "estimate," "should" and "predict" similar terms or variations thereof. Such forward-looking statements are based on a series of expectations, assumptions, estimates and projections about the Company, are not

guarantees of future results or performance, and involve significant risks, uncertainties and other factors, including assumptions and projections, for all forward periods. Actual results of the Company may differ materially from any future results expressed or implied by such forward-looking statements. Such factors include, among others, the following:

- volatility and increases in the price of raw materials, energy and transportation;
- the economic and political risks associated with the Company's international operations;
- the Company's ability to benefit from its investments and expansion in emerging markets;
- fluctuations in the quality and availability of raw materials;
- our ability to successfully execute acquisitions, collaborations and joint ventures;
- changes in consumer preferences and demand for the Company's products or decline in consumer confidence and spending;
- the Company's ability to implement its business strategy, including the achievement of anticipated cost savings, profitability, realization of price increases and growth targets;
- the Company's ability to successfully develop new and competitive products that appeal to its customers and consumers;
- the impact of a disruption in the Company's supply chain or its relationship with its suppliers;
- the Company's ability to successfully manage inventory and working capital;
- the effects of any unanticipated costs and construction or start-up delays in the expansion of any of the Company's facilities;
- the impact of currency fluctuations or devaluations in the Company's principal foreign markets;
- any adverse impact on the availability, effectiveness and cost of the Company's hedging and risk management strategies;
- uncertainties regarding the outcome of, or funding requirements, related to litigation or settlement of pending litigation, uncertain tax positions or other contingencies;
- the impact of possible pension funding obligations and increased pension expense, particularly as a result of changes in asset returns or discount rates, on the Company's cash flow and results of operations;
- the Company's ability to optimize its manufacturing facilities, including the achievement of expected cost savings and increased efficiencies;
- the effect of legal and regulatory proceedings, as well as restrictions imposed on the Company, its operations or its representatives by U.S. and foreign governments;
- adverse changes in federal, state, local and foreign tax legislation or adverse results of tax audits, assessments, or disputes;
- the Company's ability to attract and retain talented employees;
- the direct and indirect costs and other financial impact that may result from any business disruptions due to political instability, armed hostilities, incidents of terrorism, natural disasters, or the responses to or repercussions from any of these or similar events or conditions;
- the Company's ability to quickly and effectively implement its disaster recovery and crisis management plans; and
- adverse changes due to accounting rules or regulations.

New risks emerge from time to time and it is not possible for management to predict all such risk factors or to assess the impact of such risks on the Company's business. Accordingly, the Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

Any public statements or disclosures by the Company following this report that modify or impact any of the forward-looking statements contained in or accompanying this report will be deemed to modify or supersede such outlook or other forward-looking statements in or accompanying this report.

The foregoing list of important factors does not include all such factors, nor necessarily present them in order of importance. In addition, you should consult other disclosures made by the Company (such as in our other filings with the SEC or in company press releases) for other factors that may cause actual results to differ materially from those projected by the Company. Please refer to Part I, Item 1A., Risk Factors, of the 2014 Form 10-K for additional information regarding factors that could affect the Company's results of operations, financial condition and cash flow.

Non-GAAP Financial Measures

The Company uses non-GAAP financial operating measures in this Quarterly Report, including: (i) currency neutral sales (which eliminates the effects that result from translating its international sales in U.S. dollars), (ii) adjusted operating profit and adjusted operating margin (which excludes the acquisition costs, operational improvement initiative costs and restructuring charges), and (iii) adjusted effective tax rate (which excludes restructuring charges and operational improvement initiative

costs). The Company also provides the non-GAAP measures adjusted EBITDA (which excludes certain specified items and non-cash items as set forth in the Company's debt agreements) and net debt (which is adjusted for deferred gain on interest rate swaps and cash and cash equivalents) solely for the purpose of providing information on the extent to which the Company is in compliance with debt covenants contained in its debt agreements.

We have included each of these non-GAAP measures in order to provide additional information regarding our underlying operating results and comparable year-over-year performance. Such information is supplemental to information presented in accordance with GAAP and is not intended to represent a presentation in accordance with GAAP. In discussing our historical and expected future results and financial condition, we believe it is meaningful for investors to be made aware of and to be assisted in a better understanding of, on a period-to-period comparable basis, financial amounts both including and excluding these identified items, as well as the impact of exchange rate fluctuations. We believe such additional non-GAAP information provides investors with an overall perspective of the period-to-period performance of our business. In addition, management internally reviews each of these non-GAAP measures to evaluate performance on a comparative period-to-period basis in terms of absolute performance, trends and expected future performance with respect to our business. A material limitation of these non-GAAP measures is that such measures do not reflect actual GAAP amounts; for example, costs associated with operational improvements and restructuring activities involve actual cash outlays. We compensate for such limitations by using these measures as one of several metrics, including GAAP measures. These non-GAAP measures may not be comparable to similarly titled measures used by other companies.

International Flavors & Fragrances Inc.
Foreign Currency Reconciliation

Three Months Ended March 31, 2015

	Operating Profit
% Change - Reported (GAAP)	4%
Items impacting comparability ⁽¹⁾	-2%
% Change - Adjusted (Non-GAAP)	2%
Currency Impact	7%
% Change - Currency Neutral Adjusted (Non-GAAP)**	10%*

(1) Includes Restructuring and other charges, net of \$0.2 million, operational improvement initiative costs of \$0.3 million and acquisition and related costs of \$0.5 million for the three months ended March 31, 2015 and includes \$2.7 million of restructuring and operational improvement initiative costs for the three months ended March 31, 2014.

* The sum of these items do not foot due to rounding.

** Currency neutral amount is calculated by translating prior year sales at the exchange rates used for the corresponding 2015 period.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

There are no material changes in market risk from the information provided in the Company's 2014 Annual Report on Form 10-K.

Item 4. Controls and Procedures

The Chief Executive Officer and Chief Financial Officer with the assistance of other members of our management, have evaluated the effectiveness of our disclosure controls and procedures as of the end of the period covered by this Quarterly Report on Form 10-Q. Based on such evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures are effective as of the end of the period covered by this Quarterly Report on Form 10-Q.

We have established controls and procedures designed to ensure that information required to be disclosed in the reports that we file or submit under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms and is accumulated and communicated to management, including the principal executive officer and the principal financial officer, to allow timely decisions regarding required disclosure.

The Chief Executive Officer and Chief Financial Officer have also concluded that there have not been any changes in our internal control over financial reporting during the quarter ended March 31, 2015 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

We are subject to various claims and legal actions in the ordinary course of our business.

Tax Claims

We are currently involved in a legal proceeding with the Spanish tax authorities that challenges tax deductions taken in our Spanish subsidiaries' tax returns and alleges claims of tax avoidance.

The Spanish tax authorities have also alleged claims related to capital tax positions arising from the business structure adopted by our Spanish subsidiaries. During the fourth quarter of 2013, the Company was notified that the Spanish High Court of Justice ruled against us in regards to the 2002 capital tax case. As a result, the Company recorded a charge of Euro 9.6 million (\$13.0 million, or \$9.1 million, after tax) for the year ended December 31, 2013. On January 22, 2014, we filed an appeal. In order to avoid future interest costs in the event our appeal is unsuccessful, we paid \$11.2 million (representing the principal amount) during the first quarter of 2014. Such amount will be refundable if we prevail in our appeal.

As of March 31, 2015, the Company had an aggregate value of Euro 4.7 million (\$5.1 million), which was fully reserved for and reflected in income taxes payable, related to three dividend withholding tax controversies in Spain, all of which have now been resolved. The Company made payments of Euro 3.5 (\$3.8 million) in April 2015 related to two of the controversies and expects to make the remaining payment during the second quarter of 2015. As of March 31, 2015, the Company had posted bank guarantees of Euro 4.7 million (\$5.1 million) associated with the appeals of these matters.

We do not currently believe that any of our pending tax assessments, even if ultimately resolved against us, would have a material impact on our financial condition.

Environmental

Over the past 20 years, various federal and state authorities and private parties have claimed that we are a Potentially Responsible Party ("PRP") as a generator of waste materials for alleged pollution at a number of waste sites operated by third parties located principally in New Jersey and have sought to recover costs incurred and to be incurred to clean up the sites.

We have been identified as a PRP at eight facilities operated by third parties at which investigation and/or remediation activities may be ongoing. We analyze our potential liability on at least a quarterly basis. We accrue for environmental liabilities when they are probable and estimable. We estimate our share of the total future cost for these sites to be less than \$5 million.

While joint and several liability is authorized under federal and state environmental laws, we believe the amounts we have paid and anticipate paying in the future for clean-up costs and damages at all sites are not material and will not have a material adverse effect on our financial condition, results of operations or liquidity. This assessment is based upon, among other things, the involvement of other PRPs at most of the sites, the status of the proceedings, including various settlement agreements and consent decrees, and the extended time period over which payments will likely be made. There can be no assurance, however, that future events will not require us to materially increase the amounts we anticipate paying for clean-up costs and damages at these sites, and that such increased amounts will not have a material adverse effect on our financial condition, results of operations or cash flows.

Other

In March 2012, ZoomEssence, Inc. filed a complaint against the Company in the U.S. District Court of New Jersey alleging trade secret misappropriation, breach of contract and unjust enrichment in connection with certain spray dry technology disclosed to the Company. In connection with the claims, ZoomEssence is seeking an injunction and monetary damages. ZoomEssence initially sought a temporary restraining order and preliminary injunction, but the Court denied these applications in an order entered on September 27, 2013, finding that ZoomEssence had not demonstrated a likelihood of success on the merits of its claims. The Court subsequently referred the matter to mediation, however the private mediation session did not result in a resolution of the dispute. On November 3, 2014, ZoomEssence amended its complaint against the Company to include allegations of breach of the duty of good faith and fair dealing, fraud in the inducement, and

misappropriation of confidential and proprietary information. On November 13, 2014, the Company filed a counterclaim against ZoomEssence alleging trade secret misappropriation, breach of contract, breach of the implied covenant of good faith and fair dealing, unjust enrichment, misappropriation of confidential and proprietary information, common law unfair competition, tortious interference with contractual relations, and conversion. The case is currently proceeding through discovery with a trial on the merits anticipated in mid 2016. The Company denies the allegations and will vigorously defend and pursue its position in Court. At this stage of the litigation, based on the information currently available to the Company, management does not believe that this matter represents a material loss contingency.

We are also a party to other litigations arising in the ordinary course of our business. We do not expect the outcome of these cases, singly or in the aggregate, to have a material effect on our consolidated financial condition.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds**(c) Issuer Purchases of Equity Securities**

The table below reflects shares of common stock we repurchased during the first quarter of 2015.

Period	Total Number of Shares Repurchased (1)	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Program	Approximate Dollar Value of Shares That May Yet be Purchased Under the Program
January 1 - 31, 2015	51,435	\$ 102.07	51,435	\$ 103,683,793
February 1 - 28, 2015	21,235	111.80	21,235	101,309,657
March 1 - 31, 2015	25,443	119.34	25,443	98,273,281
Total	98,113	\$ 108.65	98,113	\$ 98,273,281

- (1) Shares were repurchased pursuant to the repurchase program announced in December 2012, with repurchases beginning in the first quarter of 2013. Repurchases under the program are limited to \$250 million in total repurchase price, and the expiration date is December 31, 2016. Authorization of the repurchase program may be modified, suspended, or discontinued at any time.

Item 6. Exhibits

- 3.2 Amended and Restated Bylaws of the Company, effective as of May 6, 2015, incorporated by reference to Exhibit 3.2 to the Company's Report on Form 8-K filed on May 6, 2015
- 10.1 2015 Stock Award and Incentive Plan, incorporated by reference to Annex 1 of the Company's definitive proxy statement on Schedule 14A filed with the SEC on March 18, 2015
- 10.2 Amended and Restated Executive Severance Policy, as amended through and including March 11, 2015
- 10.3 Form of Annual Incentive Plan Award Agreement under the International Flavors & Fragrances 2015 Stock Award and Incentive Plan
- 10.4 Form of Long-Term Incentive Plan Award Agreement under the International Flavors & Fragrances 2015 Stock Award and Incentive Plan
- 10.5 Form of Equity Choice Program Award Agreement under the International Flavors & Fragrances 2015 Stock Award and Incentive Plan
- 10.6 Form of Restricted Stock Units Award Agreement under the International Flavors & Fragrances 2015 Stock Award and Incentive Plan
- 10.7 Form of Non-Employee Director Restricted Stock Units Award Agreement under the International Flavors & Fragrances 2015 Stock Award and Incentive Plan
- 10.8 2010 Stock Award and Incentive Plan, as Amended and Restated as of May 6, 2015
- 31.1 Certification of Andreas Fibig pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
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- 32 Certification of Andreas Fibig and Richard A. O'Leary pursuant to 18 U.S.C. Section 1350 as adopted pursuant to the Sarbanes-Oxley Act of 2002.
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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

INTERNATIONAL FLAVORS & FRAGRANCES INC.

Dated: May 12, 2015

By: /s/ Andreas Fibig

Andreas Fibig

Chairman of the Board and Chief Executive Officer

Dated: May 12, 2015

By: /s/ Richard A. O'Leary

Richard A. O'Leary

Interim Chief Financial Officer, Vice President and Controller

EXHIBIT INDEX

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BY-LAWS
of
INTERNATIONAL FLAVORS & FRAGRANCES INC.
(a New York corporation)

(as adopted March 10, 1964, including all amendments
adopted as of May 6, 2015)

ARTICLE I
Meetings of Shareholders

SECTION 1. **Annual Meeting.** The annual meeting of the shareholders of the Corporation for the election of directors and for the transaction of such other business as may properly come before the meeting shall be held at such place, on such date and at such time as shall be designated from time to time by the Board of Directors.

SECTION 2. **Special Meetings.** Special meetings of the shareholders, unless otherwise prescribed by the New York Business Corporation Law (the “Business Corporation Law”), may be called at any time by the Chairman of the Board, the Chief Executive Officer or by a majority of the Board of Directors.

SECTION 3. **Notice of Meetings; Business to be Presented at Meeting.**

(a) **Notice of Meeting.** Written notice of each meeting of shareholders stating the place, date and hour of the meeting shall be sent to each shareholder entitled to vote at the meeting not less than ten (10) nor more than sixty (60) days before the date of the meeting. To the extent that the meeting is a special meeting, such notice shall also indicate the person or persons calling the meeting, or the person(s) directing that the meeting be so called, and shall state the purpose or purposes for which the meeting has been called. Notice of any meeting of shareholders may be sent either in written or electronic form and shall comply with Section 505 of the Business Corporation Law. No business shall be conducted at a meeting of the shareholders except in accordance with the procedures set forth in this Section 3.

(b) **Nature of Business at Annual Meetings of Shareholders.** No business may be transacted at an annual meeting of shareholders, other than business that is either (i) specified in the notice of meeting (or any supplement thereto) given by or at the direction of the Board of Directors (or any duly authorized committee thereof), (ii) otherwise properly brought before an annual meeting, by or at the direction of the Board of Directors (or any duly authorized committee thereof) or (iii) otherwise properly brought before an annual meeting by any shareholder of the Corporation (A) who is a shareholder of record (x) on the date the shareholder provides the shareholder notice required by Section 3(d)(1), (y) on the record date for the determination of shareholders entitled to vote at such meeting and (z) on the date of such meeting and (B) who complies with the advance notice procedures set forth in Section 3(d).

Notwithstanding anything in these By-Laws to the contrary, no business shall be conducted at an annual meeting of shareholders except business brought before such meeting in accordance with the procedures set forth in this Section 3; provided, however, that, once business has been properly brought before the meeting in accordance with such procedures, nothing in this Section 3 shall be deemed to preclude discussion by any shareholder of any such business. If the chair of an annual meeting determines that business was not properly brought before such meeting in accordance with the

foregoing procedures, the chair shall declare to the meeting that the business was not properly brought before the meeting and such business shall not be transacted.

(c) Director Nominations. Only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Corporation. Nominations of persons for election to the Board of Directors may be made at any annual meeting of shareholders, or at any special meeting of shareholders called for the purpose of electing directors, (i) by or at the direction of the Board of Directors (or any duly authorized committee thereof) or (ii) by any shareholder of the Corporation (A) who is a shareholder of record (x) on the date the shareholder provides the shareholder notice required by Section 3(d)(1), (y) on the record date for the determination of shareholders entitled to vote at such meeting and (z) on the date of such meeting and (B) who complies with the advance notice procedures set forth in Section 3(d).

Notwithstanding anything in these By-Laws to the contrary, except as set forth in Article II, Section 6, no person shall be eligible for election as a director of the Corporation unless nominated in accordance with the procedures set forth in this Section 3. If the chair of the meeting determines that a nomination was not made in accordance with the procedures set forth in this Section 3, the chair shall declare to the meeting that the nomination was defective and such defective nomination shall be disregarded.

(d) Director Nomination or Other Proposal.

(1) Timely Notice. In addition to any other applicable requirements, in order for a shareholder to present any business to be transacted at an annual meeting of shareholders, including any nomination for director to be made by a shareholder, such shareholder must have given timely notice thereof in proper written form to the Secretary of the Corporation and the provisions of this Section 3 shall be the exclusive means for a shareholder to make nominations or submit other business (other than matters properly brought under Rule 14a-8 of the Securities Exchange Act of 1934, as amended (the "Exchange Act")). To be timely, a shareholder's notice to the Secretary must be delivered to or mailed and received at the principal executive offices of the Corporation (i) in the case of an annual meeting, not less than ninety (90) days nor more than one-hundred and twenty (120) days prior to the anniversary date of the immediately preceding annual meeting of shareholders; provided, however, that in the event that the annual meeting is called for on a date that is not within thirty (30) days before or after such anniversary date, notice by the shareholder in order to be timely must be so received not later than the close of business on the tenth (10th) day following the day on which such notice of the date of the annual meeting was mailed or such public disclosure of the date of the annual meeting was made, whichever first occurs; and (ii) in the case of a special meeting of shareholders called for the purpose of electing directors, not later than the close of business on the tenth (10th) day following the day on which notice of the date of the special meeting was mailed or public disclosure of the date of the special meeting was made, whichever first occurs.

(2) Notice Requirements for Nomination of a Director. If the notice relates to the nomination of a director, to be in proper written form the shareholder's notice to the Secretary must set forth the following:

(i) as to each person whom the shareholder proposes to nominate for election as a director the following information:

(A) the name, age, business address and residence address of the person;

(B) a complete biography or statement of the person's qualifications, including principal occupation or employment of such person (present and for the past five (5) years), education, work experience, knowledge of the Corporation's industry, membership on the board of directors of any other corporation currently held or held within the past five (5) years and civic activity;

(C) the class or series and number of shares of capital stock of the Corporation which are "beneficially owned" (as such term is defined by Section 13(d) of the Exchange Act) or of record by the person and any other ownership interest in shares of the Corporation, whether economic or otherwise, including any option, warrant, convertible security, stock appreciation right, or similar right with an exercise or conversion privilege or a settlement payment or mechanism at a price related to any class or series of shares of the Corporation or with a value derived in whole or in part from the value of any class or series of shares of the Corporation, whether or not such instrument or right shall be subject to settlement in the underlying class or series of shares of the Corporation or otherwise directly or indirectly beneficially owned by such person and any other direct or indirect opportunity to profit or share in any profit derived from any increase or decrease in the value of the shares of the Corporation ("Derivative Interests") (which information shall be supplemented not later than ten (10) days after the record date for the meeting to disclose such ownership as of the record date);

(D) the date any shares or Derivative Interests were acquired and the investment intent of such acquisition;

(E) a description of all arrangements or understandings between the shareholder and the proposed nominee and/or any other person or persons pursuant to which the nomination is to be made by the shareholder;

(F) any other information relating to the person that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors pursuant to Section 14 of the Exchange Act, and the rules and regulations promulgated thereunder; including information with respect to a proposed nominee's independence as defined under the rules and regulations promulgated by the Securities and Exchange Commission (the "SEC") and New York Stock Exchange and information regarding the proposed nominee's attributes that the Nominating and Governance Committee of the Board of Directors would need to consider in order to assess whether such proposed nominee would qualify as an "audit committee financial expert" as defined by the rules and regulations promulgated by the SEC;

(G) a written consent of each proposed nominee to being named as a nominee and to serve as a director if elected;

(H) a statement from the proposed nominee that he or she will, if elected, promptly following any subsequent re-election in which such proposed nominee does not receive the required vote, tender an irrevocable resignation in accordance with Article II, Section 5 of these By-Laws; and

(I) a copy of the completed and signed questionnaire, representation and agreement described in Section 3(e) below.

The Corporation may require any proposed nominee to furnish such other information as may reasonably be required by the Corporation to determine the eligibility of such proposed nominee to serve as director of the Corporation.

(ii) as to the shareholder giving the notice the following information:

(A) the name and address of such record shareholder and the beneficial owner, if any, on whose behalf the nomination is made;

(B) the class or series and number of shares of capital stock of the Corporation which are owned beneficially or of record by such shareholder and the beneficial owner, if any;

(C) the class or series and number of shares of capital stock of the Corporation which are owned beneficially or of record and any other Derivative Interests owned by the shareholder (which information shall be supplemented not later than ten (10) days after the record date for the meeting to disclose such ownership as of the record date);

(D) the date any shares or Derivative Interests were acquired and the investment intent of such acquisition;

(E) a description of all arrangements or understandings between such shareholder and each proposed nominee and any other person or persons (including their names) pursuant to which the nomination(s) are to be made by such shareholder;

(F) a representation that such shareholder intends to appear in person or by proxy at the meeting to nominate the persons named in such shareholder's notice;

(G) a representation as to whether the shareholder or the beneficial owner, if any, intends, or is part of a group which intends, to (a) deliver a proxy statement and/or form of proxy to holders of at least the percentage of the Corporation's outstanding stock required to approve or adopt the proposal or elect the nominee and/or (b) otherwise solicit proxies from shareholders in support of such proposal or nomination; and

(H) any other information relating to such shareholder or the beneficial owner, if any, that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder.

(3) Notice Requirements for Other Shareholder Proposals. To the extent that the shareholder's notice relates to a matter other than the nomination of a director, to be in proper written form, a shareholder's notice to the Secretary must set forth as to each matter such shareholder proposes to bring before an annual meeting, the following:

(i) a brief description of the business desired to be brought before such meeting and the reasons for conducting such business at such meeting;

(ii) the name and address of such record shareholder and the beneficial owner, if any, on whose behalf the proposal is made;

(iii) the class or series and number of shares of capital stock of the Corporation which are owned beneficially or of record and any other Derivative Interests owned by the shareholder and the beneficial owner, if any (which information shall be supplemented not later than ten (10) days after the record date for the meeting to disclose such ownership as of the record date);

(iv) the date such shares or Derivative Interests were acquired and the investment intent of such acquisition;

(v) a description of all arrangements or understandings between such shareholder and any other person or persons (including their names) in connection with the proposal of such business by such shareholder and any material interest of such shareholder in such business;

(vi) a representation that such shareholder intends to appear in person or by proxy at the meeting to bring such business before such meeting; and

(vii) a representation as to whether the shareholder or the beneficial owner, if any, intends, or is part of a group which intends, to (a) deliver a proxy statement and/or form of proxy to holders of at least the percentage of the Corporation's outstanding stock required to approve or adopt the proposal or elect the nominee and/or (b) otherwise solicit proxies from shareholders in support of such proposal or nomination.

Notwithstanding the foregoing provisions of this Section 3, a shareholder seeking to have a proposal included in the Corporation's proxy statement shall comply with the requirements of Section 14 of the Exchange Act, including, but not limited to, Rule 14a-8 promulgated thereunder or its successor provision. The Corporation may require any shareholder to furnish such other information as may reasonably be required by the Corporation to determine if the business shall be properly brought before an annual meeting of the shareholders.

(e) Director Nominee Questionnaire; Representation and Agreement Requirement. To be eligible to be a nominee for election or reelection as a director of the Corporation, a proposed nominee must deliver (in accordance with the time periods prescribed in Section 3(d), to the extent applicable) to the Secretary at the principal executive offices of the Corporation a written questionnaire, representation and agreement with respect to the background and qualification of such person (which shall be provided by the Secretary upon written request) that such proposed nominee:

(i) is not and will not become a party to any agreement, arrangement or understanding with any person or entity that has not been disclosed to the Corporation (1) relating to how such proposed nominee will act or vote on any issue in his or her role as a director of the Corporation, (2) that could limit or interfere with such proposed nominee's ability to comply with his or her fiduciary duties as a director of the Corporation or (3) with respect to any direct or indirect compensation, reimbursement or indemnification in connection with service as a director; and

(ii) will be in compliance, and intends to comply in the future, with all applicable policies and guidelines of the Corporation, including, but not limited to, those relating to corporate governance, conflict of interest, confidentiality, stock ownership and trading policies.

SECTION 4. Quorum. At all meetings of the shareholders of the Corporation, the holders of a majority of the shares of capital stock of the Corporation entitled to vote at such meeting, present in person or by proxy, shall constitute a quorum for the transaction of any business except as otherwise provided by law.

SECTION 5. Organization; Adjournment. The Board of Directors may prescribe an order of business for meetings of shareholders. The Chairman of the Board, or in his absence, the Chief Executive Officer, if then a separate officer, shall preside at meetings of the shareholders; provided, however, that the Board of Directors may for any meeting of shareholders designate another officer or officers to preside. If a quorum, determined in accordance with Article I, Section 4 of these By-Laws, shall not be present or represented at any meeting of the shareholders, the chair of the meeting, or if so requested by the chair, the shareholders present in person or represented by proxy, shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be

present or represented. In addition, the chair of any meeting of shareholders shall have the power to adjourn the meeting at the request of the Board of Directors if the Board of Directors determines that adjournment is necessary or appropriate to enable shareholders to consider fully the information which the Board of Directors determines has not been made sufficiently or timely available to shareholders.

SECTION 6. **Voting.** At each meeting of the shareholders every shareholder of record of the Corporation entitled to vote at such meeting shall be entitled to one vote for each share of Common Stock standing in his or her name on the books of the Corporation; provided, however, that the Board of Directors may fix, in advance, a date not more than sixty (60) nor less than ten (10) days prior to the date of such meeting as the date as of which shareholders entitled to notice of, and to vote at, such meeting shall be determined, and in case the Board of Directors shall fix a date, only shareholders of record on such date shall be entitled to notice of, and to vote at, such meeting. At any meeting of shareholders each shareholder having the right to vote shall be entitled to vote in person or by proxy.

Except with respect to the election of directors, which shall be governed by Article II, Section 3 of these By-Laws, and except as otherwise provided by law, in the Certificate of Incorporation or these By-Laws, all matters will be determined by the vote of the holders of a majority of the votes cast in favor or against the matter. Abstentions and broker non-votes will not count as a vote cast.

SECTION 7. **Inspectors of Election.** At any meeting of the shareholders, an inspector or inspectors of election may be appointed as provided in the Business Corporation Law and shall have duties as provided in the Business Corporation Law. An inspector of election need not be a shareholder of the Corporation, and any officer of the Corporation may be an inspector of election on any question other than a vote for or against his or her election to any position with the Corporation or any other question in which he or she may be directly interested.

ARTICLE II Board of Directors

SECTION 1. **General Powers.** Except as otherwise provided in these By-Laws or in the Certificate of Incorporation, the property, business and affairs of the Corporation shall be managed by the Board of Directors.

SECTION 2. **Number and Term.** The number of directors shall be ten (10) but the number thereof may, from time to time, be diminished to not less than six (6) by amendment of these By-Laws. As used in these By-Laws, the term “whole Board of Directors” shall mean the total number of directors which the Corporation would have at the time if there were no vacancies. Directors shall be elected to serve until the next annual meeting or until his or her successor shall be duly elected and qualified.

SECTION 3. **Election of Directors.**

At each meeting of the shareholders for the election of directors at which a quorum is present, the vote required for election of a director by the shareholders shall, except in a Contested Election, be the affirmative vote of a majority of the votes cast “for” the election of a nominee. For purposes of this Section 3, the affirmative vote of a majority of the votes cast shall mean that the number of votes cast “for” a nominee’s election exceeds the number of votes cast “against” that nominee’s election.

In a Contested Election, the persons receiving a plurality of the votes cast by the holders of shares of capital stock entitled to vote at such meeting shall be the directors. A "Contested Election" means an election where, as of the record date for such meeting in which the election will be held, there are more nominees for election than positions on the Board of Directors to be filled by election at the meeting; provided that with respect to any nominee proposed or nominated by a shareholder, the Secretary of the Corporation shall have received proper notice under Article I, Section 3 of these By-Laws. For purposes of this Section 3, if plurality voting is applicable to the election of directors at any meeting, the nominees who receive the highest number of votes cast "for," without regard to votes cast "against" or "withhold," shall be elected as directors up to the total number of directors to be elected at that meeting. Abstentions and broker non-votes will not count as a vote cast with respect to any election of directors.

SECTION 4. **Organization.** The Board of Directors may choose one of their number as Chairman of the Board. At each meeting of the Board of Directors, the Chairman of the Board, or, if there shall be no Chairman of the Board or if he or she shall be absent, the Chief Executive Officer of the Corporation, or in case of his or her absence, the Lead Director, or in case of his or her absence, a chair who shall be any director chosen by a majority of the directors present thereat, shall act as chair of such meeting and preside thereat. The Secretary of the Corporation, or in the case of his or her absence, any person whom the chair shall appoint secretary of such meeting, shall act as secretary of such meeting and keep the minutes thereof.

SECTION 5. **Resignations.**

(a) Any director of the Corporation may resign at any time by giving written notice of his or her resignation to the Board of Directors, the Chief Executive Officer or the Secretary of the Corporation. Subject to Section 5(b), any such resignation shall take effect at the time specified therein or, if the time when the resignation shall become effective is not specified therein, then it shall take effect immediately upon its receipt by such Board of Directors, Chief Executive Officer or Secretary; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

(b) In an election of directors that is not contested, any incumbent director nominee who is not re-elected by the shareholders shall immediately tender his or her resignation to the Board of Directors, subject to acceptance or rejection by the Board of Directors as provided in this Section 5(b). The independent members of the Board of Directors, in accordance with the procedures established by the Board of Directors, shall decide whether to accept such resignation within ninety (90) days after the date the results of the election are certified and the Corporation shall promptly disclose and explain such decision in a document furnished or filed with the SEC. An incumbent director who tenders his or her resignation in accordance with this Section 5(b) will not participate in the deliberations by the Board of Directors with respect to such resignation. If the Board of Directors does not accept the incumbent director's resignation, he or she shall continue to serve until the next annual meeting of shareholders and until his or her successor is elected and qualified. If the Board of Directors accepts the resignation, or if the nominee who failed to receive the required vote is not an incumbent director, the Board of Directors may fill the resulting vacancy or decrease the size of the Board of Directors in accordance with these By-Laws.

SECTION 6. **Vacancies.** Vacancies occurring in the Board of Directors for any reason, except the removal of directors without cause by the shareholders, may be filled by the affirmative vote of at least two-thirds (2/3) of the whole Board of Directors. A director elected to fill a vacancy shall be elected to hold office for the unexpired term of his or her

predecessor. Newly-created directorships resulting from an increase in the number of directors may be filled by the vote of a majority of the directors then in office, although less than a quorum exists.

SECTION 7. **Annual Organization Meeting.** After each annual election of directors, the Board of Directors may hold a regular meeting for the purpose of organization and the transaction of other business as soon as practicable on the same day, at the place where other regular meetings of the Board of Directors are held. Notice of such meeting need not be given. Such meeting may be held at any other time or place which shall be specified in a notice given as hereinafter provided for special meetings of the Board of Directors or in a consent and waiver of notice thereof signed by all the directors.

SECTION 8. **Regular Meetings.** Regular meetings of the Board of Directors shall be held at such times and at such places within or without the State of New York or the United States as the Board of Directors shall from time to time determine.

SECTION 9. **Special Meetings; Notice.** Special meetings of the Board of Directors shall be held whenever called by the Chairman of the Board, the Lead Director, the Chief Executive Officer of the Corporation, or by any two (2) of the directors at the time in office. A notice of each such special meeting stating the time and place thereof shall be given as provided in this Section 9. Except as otherwise provided by law, notice of each meeting shall be given by first class mail, telephone, overnight delivery, electronic mail, facsimile or hand delivery to each director, at his or her residence or usual place of business at least forty-eight (48) hours before the meeting is to be held. Notice of any meeting of the Board of Directors need not, however, be given to any director, if waived by him or her in writing before or after the meeting or if he or she shall attend the meeting without protesting, prior thereto or at its commencement, the lack of notice to him or her. Neither notices of a meeting nor a waiver of notice need specify the purpose of any regular or special meeting of the Board of Directors.

SECTION 10. **Quorum and Manner of Acting.**

(a) **Quorum.** A majority of the whole Board of Directors shall be present in person at any meeting of the Board of Directors in order to constitute a quorum for the transaction of business at such meeting and, except as otherwise specifically provided by the Certificate of Incorporation, these By-Laws or by law, the act of a majority of the directors present at any such meeting, at which a quorum is present, shall be the act of the Board of Directors. In the absence of a quorum for any meeting, a majority of the directors present thereat may adjourn such meeting from time to time until a quorum shall be present thereat. Notice of any adjourned meeting need not be given.

(b) **Telephone Meetings.** Unless otherwise restricted by the Certificate of Incorporation or these By-Laws, any one or more members of the Board of Directors or any committee thereof may participate in a meeting of the Board of Directors or committee by means of a conference telephone or similar communications equipment allowing all persons participating in the meeting to hear each other at the same time. Participation by such means shall constitute presence in person at a meeting.

(c) **Action By Written Consent.** Any action required or permitted to be taken by the Board of Directors may be taken without a meeting, provided that all Board members individually provide written consent to that action (which may include consent by electronic means); and provided further that if such consent is effected by electronic means, such consent shall include a description of the action being taken and the typed name of the director, which shall constitute the legally binding electronic signature of the director. Such action by written consent will have the same force and effect as a

unanimous vote of the Board of Directors. Such written consent and any counterparts thereof will be filed with the minutes of the proceedings of the Board of Directors.

SECTION 11. **Committees.** By the affirmative vote of a majority of the entire Board of Directors, the Board of Directors may designate from among its members an Executive Committee, an Audit Committee, a Compensation Committee, a Nominating and Governance Committee and other committees, each consisting of one or more members. If an Executive Committee is created, the Chairman of the Board and the Lead Director, if any, shall be members. The Executive Committee will have all the authority of the Board of Directors except as otherwise provided by Section 712 of the Business Corporation Law or other applicable statutes. Any other committees will have such authority as the Board of Directors may provide. The Board of Directors may designate one or more directors as alternate members of any committee to replace absent members. The members of all committees shall be selected by and removed by the Board of Directors. Such committees may meet at stated times or, in accordance with their charters, upon notice to all the members of the committee by the Secretary. Each committee shall keep regular minutes of its proceedings and report the same to the Board of Directors when required.

SECTION 12. **Removal.** Any director may be removed with cause by the affirmative vote of at least two-thirds of the whole Board of Directors or with or without cause by vote of the shareholders at a regular or special meeting, subject to the provisions of the Business Corporation Law.

SECTION 13. **Compensation.** The directors and the members of any committee of the Board of Directors of the Corporation shall be entitled to be reimbursed for any expenses, including all travel expenses, incurred by them on account of their attendance at any regular or special meeting of the Board of Directors or of such committee, and the Board of Directors may at any time or from time to time by resolution provide that the Corporation shall pay each such director or member of such committee such compensation for his or her services as may be specified in such resolution. Nothing in this Section 13 shall be construed to preclude any director from serving the Corporation in any other capacity and receiving compensation therefore.

ARTICLE III

Officers

SECTION 1. **Officers; Term of Office .** The officers of the Corporation shall be a Chief Executive Officer, one or more Presidents, one or more Vice Presidents (which may include one or more executive vice presidents, senior vice presidents or vice presidents), a Secretary, a Treasurer and such other officers as the Board of Directors may deem necessary or desirable (including one or more assistant secretaries or assistant treasurers). The officers referred to in this paragraph (x) shall be elected annually by the Board of Directors at the regular meeting of the Board of Directors held immediately after the annual meeting of shareholders. Any two or more offices may be held by the same person. Each officer shall hold office until his or her successor shall have been duly chosen and shall qualify, or until his or her death or until he or she shall resign, or shall have been removed in the manner hereinafter provided.

SECTION 2. **Removal.** Any officer of the Corporation may be removed by the Board of Directors with or without cause at any time.

SECTION 3. **Resignations.** Any officer of the Corporation may resign at any time by giving written notice of his or her resignation to the Board of Directors or to the Chief Executive Officer or Secretary of the Corporation. Any such

resignation shall take effect at the time specified therein, or, if the time when it shall become effective shall not be specified therein, then it shall take effect immediately upon its receipt by such Board of Directors, Chief Executive Officer or Secretary; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

SECTION 4. **Vacancies.** A vacancy in any office due to death, resignation, removal, disqualification or any other cause shall be filled for the unexpired portion of the term in the manner prescribed in these By-Laws for regular appointments or elections to such office.

SECTION 5. **The Chief Executive Officer.** The Chief Executive Officer, who may also be the Chairman of the Board, shall be the chief executive officer of the Corporation and shall have general supervision of the business of the Corporation and over its several officers, subject, however, to the control of the Board of Directors. He or she shall, in the absence of the Chairman of the Board, preside at all meetings of the shareholders and at all meetings of the Board of Directors. He or she shall see that all orders and resolutions of the Board of Directors are carried into effect. He or she may sign, execute and deliver in the name and on behalf of the Corporation all deeds, mortgages, bonds, contracts or other instruments authorized by the Board of Directors except where the signing, execution or delivery thereof shall be expressly delegated to some other officer or agent of the Corporation or where any of them shall be required by law to be otherwise signed, executed or delivered, and he or she may affix the seal of the Corporation to any instrument which shall require it. He or she shall perform all duties incident to the office of Chief Executive Officer and such other duties as from time to time may be assigned to him or her by the Board of Directors.

SECTION 6. **The Presidents and any Vice Presidents.** The Presidents and any Vice Presidents shall assist the Chief Executive Officer and shall perform such duties as may be assigned to him or her by the Chief Executive Officer, the Board of Directors or as may be prescribed by these By-Laws.

SECTION 7. **The Treasurer.** The Treasurer shall have the care and custody of all funds, securities, evidences of indebtedness and other personal property of the Corporation and shall deposit the same in accordance with the instructions of the Board of Directors. If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of his or her duties in such sum and with such surety or sureties as the Board of Directors shall determine. He or she shall perform all the duties incidental to the office of Treasurer and such other duties as may be assigned, from time to time, to him or her by the Chief Executive Officer or the Board of Directors. Upon request of the Board of Directors, he or she shall make such reports to it as may be required at any time.

SECTION 8. **The Secretary.** The Secretary shall (i) attend all meetings of the Board of Directors and of the shareholders and record all votes, (ii) keep the minutes of all proceedings of the Board of Directors and of the shareholders in a book to be kept for that purpose and for the standing committees when required and (iii) have charge of the stock certificate book and stock ledger and such other books and papers as the Board of Directors may direct. He or she shall give, or cause to be given, notice of all meetings of the shareholders and any meetings the Board of Directors for which notice is required, and shall perform all other duties incident to the office of Secretary and such other duties as may be assigned, from time to time, to him or her by the Chief Executive Officer or the Board of Directors. He or she shall keep in safe custody the seal of the Corporation and, when properly authorized, affix the same to any instrument requiring it and, when so affixed, it shall be attested by his or her signature or by the signature of the Treasurer or an Assistant Secretary.

ARTICLE IV

Contracts, Checks, Drafts, Bank Accounts, Etc.

SECTION 1. **Execution of Contracts, etc.** Except as otherwise required by law or by these By-Laws, any officer or officers, agent or agents, may be authorized by the Board of Directors, or in the case of an officer appointed by the Chief Executive Officer, by either the Board of Directors or the Chief Executive Officer to execute and deliver any contract or other instrument in the name of the Corporation and on its behalf.

SECTION 2. **Checks, Drafts, etc.** All checks, drafts and other orders for the payment of money, bills of lading, warehouse receipts, obligations, bills of exchange and insurance certificates shall be signed in the name and on behalf of the Corporation by such officer or officers, agent or agents of the Corporation and in such manner as shall from time to time be authorized by the Board of Directors or authorized by the Treasurer acting together with any Elected Officer of the Corporation, which authorization may be general or confined to specific instances.

SECTION 3. **Deposits.** All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation or otherwise as the Board of Directors, or any officer of the Corporation to whom power in that respect shall have been delegated, shall direct in such banks, trust companies or other depositories as said Board of Directors may select or as may be selected by any officer or officers or agent or agents of the Corporation to whom power in that respect shall have been delegated. For the purpose of deposit and for the purpose of collection for the account of the Corporation, checks, drafts and other orders for the payment of money which are payable to the order of the Corporation may be endorsed, assigned and delivered by any officer or agent of the Corporation.

SECTION 4. **General and Special Bank Accounts.** The Board of Directors may from time to time authorize the opening and keeping of general and special bank accounts with such banks, trust companies or other depositories as the Board of Directors may select, or as may be selected by any officer or officers, agent or agents of the Corporation to whom power in that respect shall have been delegated. The Board of Directors may make such special rules and regulations with respect to such bank accounts, not inconsistent with the provisions of these By-Laws, as it may deem expedient.

ARTICLE V

Shares and Their Transfer

SECTION 1. **Certificates for Stock.** The shares of stock of the Corporation will be represented by certificates, in such form as the Board of Directors may from time to time prescribe, except that the Board of Directors may provide that some or all of any class or series of shares will be uncertificated shares. No decision to have uncertificated shares will apply to shares represented by a certificate until that certificate has been surrendered to the Corporation.

The certificates representing such shares shall be numbered in the order in which they shall be issued and shall be signed in the name of the Corporation by the Chairman of the Board, a President or a Vice-President, and by the Treasurer or the Secretary or an Assistant Treasurer or Assistant Secretary of the Corporation and its seal shall be affixed thereto; provided, however, that where such certificate is signed by a transfer agent or registered by a registrar other than the Corporation itself or its employee, if the Board of Directors shall by resolution so authorize, the signatures of such Chairman of the Board, President, or Vice-President, Treasurer, Secretary, Assistant Treasurer or Assistant Secretary and the seal of the Corporation may be by facsimile. In case any officer or officers of the Corporation who shall have signed,

or whose facsimile signature or signatures has been placed upon a certificate or certificates shall cease to be such officer or officers, whether by reason of death, resignation or otherwise, before such certificate or certificates shall have been delivered by the Corporation, such certificate or certificates may nevertheless be adopted by the Corporation and be issued and delivered as if the person or persons who signed such certificate or certificates had not ceased to be such officer or officers. A record shall be kept of the respective names of the persons, firms or corporations owning the shares represented by certificates for stock of the Corporation, the number of shares represented by such certificates, respectively, and the respective dates thereof, and in case of cancellation, the respective dates of cancellation. Every certificate surrendered to the Corporation for exchange or transfer shall be canceled and a new certificate or certificates shall not be issued in exchange for any existing certificate, until such existing certificate shall have been so canceled except in cases provided for in Article V, Section 4 of these By-Laws.

SECTION 2. **Stock Ledger; Transfers of Stock.** The Secretary shall keep or cause to be kept a stock-book, which may be in electronic form, containing the names, alphabetically arranged, of all persons who are shareholders of the Corporation, showing each shareholder's place of residence, the number of shares of capital stock owned by each shareholder, and the date when each shareholder became the owner of such shares. Transfers of shares of the capital stock of the Corporation shall be made on the books of the Corporation only by the registered holder thereof, or by his or her attorney thereunto authorized by power of attorney duly executed and filed with the Secretary of the Corporation or with a transfer clerk or transfer agent appointed as in Article V, Section 3 of these By-Laws, upon (1) surrender of the certificate or certificates for such shares properly endorsed, to the extent that the shares were issued in certificated form or a properly endorsed stock power authorizing the transfer of such shares, and (2) the payment of all taxes thereon. The person in whose name shares of capital stock stand on the books of the Corporation shall be deemed the owner thereof for all purposes with regard to the Corporation.

SECTION 3. **Regulations.** The Board of Directors may make such rules and regulations, as it may be deem expedient, not inconsistent with these By-Laws, concerning the issue, transfer and registration of shares of the capital stock of the Corporation. It may appoint, or authorize any elected officer or officers to appoint, one or more Transfer Clerks or one or more Transfer Agents or one or more Registrars, and may require all certificates of stock to bear the signature or signatures of any of them.

SECTION 4. **Lost, Destroyed and Mutilated Certificates.** The holder of any share of stock of the Corporation shall immediately notify the Corporation of any loss, destruction or mutilation of the certificate therefor, and the Corporation may issue a new certificate of stock in the place of any certificate theretofore issued by it, alleged to have been lost or destroyed, and the Board of Directors may, in its discretion, require the owner of the lost or destroyed certificate or his or her legal representatives to give the Corporation a bond in such sum, limited or unlimited, and in such form and with such surety or sureties, as the Board of Directors shall in its uncontrolled discretion determine, to indemnify the Corporation against any claim that may be made against it on account of the alleged loss or destruction of any such certificate, or the issuance of such new certificate. The Board of Directors, however, may in its discretion refuse to issue any such new certificate, except pursuant to legal proceedings under the laws of the State of New York in such case made and provided.

ARTICLE VI

Indemnification

SECTION 1. **Right To Indemnification.** The Corporation shall indemnify any person made, or threatened to be made, a party to an action or proceeding, whether civil or criminal, by reason of the fact that he or she, or a person of whom he or she is the legal representative, is or was a director or officer of the Corporation, or was serving, at the request of the Corporation, as a director, officer, employee, fiduciary or agent of any other affiliated corporation, partnership, joint venture, trust, employee benefit plan or other enterprise, against judgments, fines, amounts paid in settlement and reasonable expenses, including attorney's fees, incurred by such person as a result of such action or proceeding, or any appeal therein, unless a judgment or other final adjudication adverse to such person establishes that his or her acts, or the acts of the person of whom he or she is the legal representative, were committed in bad faith or were the result of active and deliberate dishonesty and were material to the cause of action so adjudicated, or that he or she, or the person of whom he or she is the legal representative, personally gained in fact a financial profit or other advantage to which he or she, or the other person of whom he or she is the legal representative, was not legally entitled. The Corporation shall advance to such person funds to pay for such expenses, including attorney's fees, incurred by such person in defending against any such action or proceeding, or any appeal therein, upon receipt of an undertaking by or on behalf of such person to repay such funds to the Corporation if a judgment or other final adjudication adverse to such person establishes that his or her acts, or the acts of the person of whom he or she is the legal representative, were committed in bad faith or were the result of active and deliberate dishonesty and were material to the cause of action so adjudicated, or that he or she, or the person of whom he or she is the legal representative, personally gained in fact a financial profit or other advantage to which he or she, or such person, was not legally entitled.

SECTION 2. **Right Of Claimant To Sue.** If a claim under Section 1 of this Article VI is not paid in full by the Corporation within thirty (30) days after a written claim has been received by the Corporation, the claimant may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim and, if successful in whole or in part, the claimant shall be entitled to be paid also the expenses of prosecuting such claim. It shall be a defense to any such action (other than an action brought to enforce a claim for expenses incurred in defending any proceeding in advance of its final disposition where the required undertaking, if any is required, has been tendered to the Corporation) that the claimant, or the person of whom he or she is the legal representative, has not met the standard of conduct established in Article VI, Section 1 of these By-Laws, but the burden of proving such defense shall be on the Corporation. Neither the failure of the Corporation (including its Board of Directors, independent legal counsel, or its shareholders) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper because the claimant or such person has met the said standard of conduct, nor an actual determination by the Corporation (including its Board of Directors, independent legal counsel, or its shareholders) that the claimant or such person has not met such applicable standard of conduct, shall be a defense to action or create a presumption that the claimant or such person has not met such standard of conduct.

SECTION 3. **Non-Exclusivity Of Rights.** Subject to the limitations contained in Section 1 of this Article VI, the right to indemnification and the payment of expenses conferred in this Article VI shall not be deemed exclusive of any other right to which any person seeking indemnification or advancement or payment of expenses may be entitled, whether under any statute, provision of the Certification of Incorporation, these By-Laws, agreement, vote of shareholders or disinterested directors or otherwise, and the Corporation is hereby authorized to provide further indemnification or advancement rights to any such person whether by separate agreement or by resolution of its directors or shareholders or otherwise.

SECTION 4. **Contract Rights; Savings Clause.**

(a) Contract Rights. The rights conferred by this Article VI shall be contract rights and shall vest at the time a person agrees to become a director or officer of the Corporation. Such rights shall continue as to a person who has ceased to be a director or officer of the Corporation and shall extend to the heirs and legal representatives of such person. Any repeal or modification of the Business Corporation Law or the provisions of this Article VI shall not affect any right or obligation then existing with respect to any state of facts then or previously existing or any action or proceeding previously or thereafter brought or threatened based in whole or in part upon any such state of facts. Such a contract right may not be modified retroactively without the consent of such person, except as provided by law.

(b) Savings Clause. Any repeal or modification of the provisions of this Article VI shall not adversely affect any right or protection hereunder of any director or officer in respect of any act or omission occurring prior to the time of such repeal or modification. If any provision of this Article VI is held to be invalid, illegal or unenforceable for any reason whatsoever (i) the validity, legality and enforceability of the remaining provisions of this Article VI (including without limitation, all portions of any paragraphs of this Article VI containing any such provision held to be invalid, illegal or unenforceable, that are not by themselves invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby and (ii) to the fullest extent possible, the provisions of this Article VI (including, without limitation, all portions of any paragraph of this Article VI containing any such provision held to be invalid, illegal or unenforceable, that are not themselves invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested by the provision held invalid, illegal or unenforceable.

SECTION 5. **Business Corporation Law**. All references to the Business Corporation Law in this Article VI shall mean such Law as it may from time to time be amended.

SECTION 6. **Insurance**. The Corporation may purchase and maintain insurance to indemnify officers, directors and others against costs or liabilities incurred by them in connection with the performance of their duties and any activities undertaken by them for, or at the request of, the Corporation, to the fullest extent permitted by the Business Corporation Law.

ARTICLE VII

Seal

The seal of the Corporation shall be in the form of a circle, and shall bear the full name of the Corporation and the year of its incorporation.

ARTICLE VIII

Fiscal Year

The fiscal year of the Corporation shall end with the thirty-first day of December in each year or such other date as the Board shall determine.

ARTICLE IX

Amendments

The Board of Directors shall have the power to amend, repeal or adopt the By-Laws of the Corporation, and the By-Laws may be amended, repealed or adopted by the shareholders entitled at the time to vote in the election of directors.

International Flavors & Fragrances Inc.

2015 Stock Award and Incentive Plan

1. Purpose of the Plan

The purpose of the 2015 Stock Award and Incentive Plan is to aid the Company (as defined below) in attracting, retaining, motivating and rewarding employees, consultants, non-employee directors and other selected service-providers who contribute to the success of the Company, by authorizing Incentive Awards (as defined below) to incentivize such individuals to perform at the highest level, to strengthen the mutuality of interests between such individuals and the Company's shareholders and, in general, to further the best interests of the Company and its shareholders.

2. Definitions

As used in the Plan (as defined below) or in any instrument governing the terms of any Incentive Award granted under the Plan, the following definitions apply to the terms indicated below:

- (a) "Accounting Forfeiture Event" has the meaning set forth in Section 32.
 - (b) "Affiliate" means, with respect to a specified person, a person that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, the specified person.
 - (c) "Annual Limit" has the meaning set forth in Section 3.
 - (d) "Award Agreement" means an agreement, in a form approved by the Committee from time to time, including, without limitation, written or electronic, entered into by a Participant (as defined below) and the Company, evidencing the grant of an Incentive Award under the Plan.
 - (e) "Board" or "Board of Directors" means the Board of Directors of IFF (as defined below).
 - (f) "Cash Incentive Award" means an award granted to a Participant pursuant to Section 8.
 - (g) "Cause" has the meaning defined in the Award Agreement, the ESP if the Participant is a participant in the ESP, in any employment or severance agreement between the Company and the Participant then in effect or, if none, as defined under the severance policy applicable to the Participant at the time of the Participant's termination of Employment, if any, or if no such definition exists, the meaning as determined by the Committee in its sole discretion.
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(h) A “Change in Control” shall be deemed to have occurred if, after the Effective Date, there shall have occurred any of the following:

(i) any Person (as defined below) becomes the “beneficial owner,” as such term is defined in Rule 13d-3 under the Exchange Act (as defined below), directly or indirectly, of securities of the Company representing 40% or more of the combined Voting Power (as defined below) of the Company’s then outstanding Voting Securities (as defined below), other than beneficial ownership by the Company, any employee benefit plan of the Company or any Person organized, appointed or established pursuant to the terms of any such benefit plan; or

(ii) individuals who at the Effective Date (as defined below) constitute a majority of the Board (the “Incumbent Directors”) cease to constitute a majority of the Board for any reason; provided, however, that any individual becoming a director subsequent to the Effective Date whose election or nomination for election to the Board was approved by a vote of at least two-thirds of the Incumbent Directors then on the Board (either by a specific vote or by approval of the proxy statement of the Company in which such person is named as a nominee for director without objection to such nomination) shall be an Incumbent Director; provided, however, that no individual shall be an Incumbent Director if such individual is initially elected or nominated as a director of the Company as a result of an actual or threatened election contest with respect to directors or as a result of any other actual or threatened solicitation of proxies by or on behalf of any person other than the Board; or

(iii) the consummation of:

(A) A merger, consolidation, reorganization or similar transaction with or into the Company or in which securities of the Company are issued, as a result of which the holders of the outstanding Voting Securities of the Company immediately before such event own, directly or indirectly, immediately after such event less than 60% of the combined Voting Power of the outstanding Voting Securities of the parent entity resulting from, or issuing its Voting Securities as part of, such event;

(B) A complete liquidation or dissolution of the Company; or

(C) The sale or other disposition of all or substantially all of the assets of the Company (on a consolidated basis) to any Person other than (x) the Company, (y) an employee benefit plan (or a trust forming a part thereof) maintained by the Company or (z) a Person whose Voting Securities immediately following such sale or disposition will be owned by the holders of the outstanding Voting Securities of the Company immediately prior thereto, in substantially the same proportions.

Notwithstanding the foregoing, no payment or settlement of any Incentive Award that constitutes “non-qualified deferred compensation” within the meaning of section 409A of the Code (as defined below) shall be made solely upon the occurrence of a Change in Control to the extent such Change in Control does not also qualify as a “change in control event”

within the meaning of Treasury Regulation §1.409A-3(i)(5)(i) and such payment or settlement shall occur on its otherwise scheduled payment and/or settlement date(s).

(i) “Code” means the Internal Revenue Code of 1986, as amended from time to time, and all regulations, interpretations, and administrative guidance issued thereunder.

(j) “Committee” means the Compensation Committee of the Board of Directors or such other committee as the Board of Directors shall appoint from time to time to administer the Plan or to otherwise exercise and perform the authority and functions assigned to the Committee under the terms of the Plan.

(k) “Common Stock” means International Flavors & Fragrances Inc.’s common stock, par value 12.5 cents per share, or any other security into which the common stock shall be changed pursuant to the adjustment provisions of Section 10.

(l) “Company” means IFF and all of its Affiliates, collectively (and any successors or assigns thereto).

(m) “Confidential Information” has the meaning set forth in Section 32.

(n) “Covenant Forfeiture Event” has the meaning set forth in Section 32.

(o) “Covered Employee” means each Participant who is an executive officer (within the meaning of Rule 3b-7 under the Exchange Act) of IFF.

(p) “Deferred Compensation Plan” means any plan, agreement, or arrangement maintained by the Company from time to time that provides opportunities for deferral of compensation, including, without limitation, the International Flavors and Fragrances Inc. Deferred Compensation Plan.

(q) “Disability” means, unless otherwise set forth in the Participant’s Award Agreement or any employment agreement between the Company and the Participant then in effect, a condition that entitles the Participant to long term disability benefits under any applicable Company disability plan, any successor plan, or as defined under any applicable local laws, rules, or regulations.

(r) “Early Retirement” means, unless otherwise set forth in the Participant’s Award Agreement, the termination of the Participant’s Employment at the election of the Participant after attaining age 55 plus ten years of service to the Company.

(s) “Effective Date” has the meaning set forth in Section 30.

(t) “Employment” means the period during which an individual is providing services to the Company as an employee, non-employee director, consultant, or other service provider, as applicable. “Employed” shall have a correlative meaning.

- (u) “ESP” means the International Flavors and Fragrances Inc. Executive Severance Policy, as amended and restated from time to time.
- (v) “Excess Compensation” has the meaning set forth in Section 32.
- (w) “Exchange Act” means the Securities Exchange Act of 1934, as amended.
- (x) “Fair Market Value” means, with respect to a share of Common Stock, unless otherwise set forth in the Award Agreement, as of the applicable date of determination, the closing price as reported on the date of determination on the principal national securities exchange in the United States on which shares of Common Stock are then traded. In the event that the price of a share of Common Stock shall not be so reported, the Fair Market Value of a share of Common Stock shall be determined by the Committee in its sole discretion. With respect to the grant of an Incentive Award, the date of determination shall be the trading day on the date on which the Incentive Award is granted, or if such date is not a trading day, the immediately subsequent day on which the market is open for trading. With respect to the exercise of an Incentive Award, the date of determination shall be the date a notice of exercise is received by the Company or its designee, as applicable, or if such date is not a trading day, the immediately subsequent day on which the market is open for trading. With respect to Section 32, Fair Market Value shall be determined by the Committee in its sole discretion.
- (y) “Forfeiture Event” has the meaning set forth in Section 32.
- (z) “Good Reason” has the meaning defined in the Award Agreement, the ESP if the Participant is a participant in the ESP, or in any employment or severance agreement between the Company and the Participant then in effect.
- (aa) “IFF” means International Flavors and Fragrances Inc., a New York corporation.
- (ab) “Incentive Award” means one or more Stock Incentive Awards and/or Cash Incentive Awards, collectively.
- (ac) “Normal Retirement” means, unless otherwise set forth in the Participant’s Award Agreement, the termination of the Participant’s Employment at the election of the Participant after attaining age 62 or such earlier “Normal Retirement” date under the terms of the applicable Company pension or retirement plan.
- (ad) “Option” means a stock option to purchase shares of Common Stock granted to a Participant pursuant to Section 6.
- (ae) “Other Stock-Based Award” means an award granted to a Participant pursuant to Section 7.
- (af) “Participant” means an employee, consultant, non-employee director or other selected service provider of the Company who is eligible to participate in the Plan and to whom one or more Incentive Awards have been granted pursuant to the Plan and have not

been fully settled or cancelled and, following the death of any such Person, his or her successors, heirs, executors and administrators, as the case may be.

- (ag) “Performance-Based Award” means any Incentive Award pursuant to which any compensation paid is intended to be Performance-Based Compensation.
- (ah) “Performance-Based Compensation” means compensation that satisfies the requirements of section 162(m) of the Code for “qualified performance-based compensation.”
- (ai) “Performance Measures” has the meaning set forth in Section 9.
- (aj) “Performance Percentage” means, with respect to a Performance-Based Award, the factor determined pursuant to a Performance Schedule (as defined below) that is to be applied to the Target Award (as defined below) and that reflects actual performance in respect of the applicable Performance Measure(s) compared to the Performance Target (as defined below).
- (ak) “Performance Period” means, with respect to a Performance-Based Award, the period of time during which the applicable Performance Target(s) must be met in order to determine the degree of payout and/or vesting with respect to such Performance-Based Award. Different Performance-Based Awards may have overlapping Performance Periods.
- (al) “Performance Schedule” means, with respect to a Performance-Based Award, a schedule or other objective method for determining the applicable Performance Percentage to be applied to the Target Award.
- (am) “Performance Target” means, with respect to a Performance-Based Award, the performance goals and objectives relating to the applicable Performance Measures for such Performance-Based Award, as established by the Committee in accordance with Section 9.
- (an) “Person” means a “person” as such term is used in sections 13(d) and 14(d) of the Exchange Act, including any “group” within the meaning of section 13(d)(3) under the Exchange Act.
- (ao) “Plan” means the International Flavors and Fragrances Inc. 2015 Stock Award and Incentive Plan, as it may be amended from time to time.
- (ap) “Plan Period” has the meaning set forth in Section 3.
- (aq) “Prior Plans” means the Company’s (i) 2010 Stock Award and Incentive Plan, (ii) 2000 Stock Award and Incentive Plan, and (iii) 2000 Supplemental Stock Award Plan.
- (ar) “Securities Act” means the Securities Act of 1933, as amended.
- (as) “Stock Incentive Award” means an Option or Other Stock-Based Award granted pursuant to the terms of the Plan.

(at) “Target Award” means, with respect to a Performance-Based Award, the target payout amount for such a Performance-Based Award.

(au) “Voting Power” means the number of votes available to be cast (determined by reference to the maximum number of votes entitled to be cast by the holders of Voting Securities, or by the holders of any Voting Securities for which other Voting Securities may be convertible, exercisable, or exchangeable, upon any matter submitted to shareholders where the holders of all Voting Securities vote together as a single class) by the holders of Voting Securities.

(av) “Voting Securities” means any securities or other ownership interests of an entity, which entitle, or which may entitle, Persons holding such securities or other ownership interests to vote on matters submitted to such holders generally (whether or not entitled to vote in the general election of directors), or securities or other ownership interests which are convertible into, or exercisable in exchange for, such Voting Securities, whether or not subject to the passage of time or any contingency.

3. Stock Subject to the Plan and Limitations on Cash Incentive Awards

(a) Stock Subject to the Plan

The maximum number of shares of Common Stock that may be covered by Incentive Awards granted under the Plan shall not exceed the sum of (i) 1,500,000 shares of Common Stock and (ii) any shares of Common Stock that become available in connection with the cancellation, forfeiture, or expiration of awards issued and outstanding as of the Effective Date under the Prior Plans and (iii) any shares of Common Stock that remain available for issuance, as of the Effective Date, under the Prior Plans. Out of such aggregate, the maximum number of shares of Common Stock that may be covered by Options that are designated as “incentive stock options” within the meaning of section 422 of the Code shall not exceed 1,500,000 shares of Common Stock. The maximum number of shares referred to in the preceding sentences of this Section 3(a) shall in each case be subject to adjustment as provided in Section 10 and the following provisions of this Section 3. Shares of Common Stock issued under the Plan may be authorized and unissued shares, treasury shares, shares purchased by the Company in the open market, or any combination of the preceding categories as the Committee determines in its sole discretion. The Committee may determine that Incentive Awards may be granted that relate to more shares of Common Stock than the aggregate remaining available under the Plan so long as the number of shares of Common Stock in respect of Incentive Awards that vest or are settled does not exceed the number of shares of Common Stock then available under the Plan.

For purposes of the preceding paragraph, shares of Common Stock covered by Incentive Awards shall only be counted as used to the extent they are actually issued and delivered to a Participant (or such Participant’s permitted transferees as described in the Plan) pursuant to the Plan. If shares of Common Stock are issued subject to conditions which may result in the forfeiture, cancellation, return to the Company or expiration of such shares, any portion of the shares forfeited, cancelled, returned or which expire shall be treated as not issued pursuant to the Plan and shall again be available for issuance hereunder.

In addition, if (x) an Incentive Award is settled for cash or if shares of Common Stock are withheld to pay the exercise price of an Option, settle a stock-settled stock appreciation right or to satisfy any tax withholding requirement in connection with an Incentive Award, the shares issued (if any) in connection with such settlement, the shares in respect of which the Incentive Award was cash-settled, and the shares withheld, will be deemed issued for purposes of determining the number of shares of Common Stock that are available for issuance under the Plan and (y) shares of Common Stock owned by a Participant (or such Participant's permitted transferees as described in the Plan) are tendered (either actually or through attestation) to the Company in payment of any obligation in connection with an Incentive Award, the number of shares tendered shall not be added to the number of shares of Common Stock that are available for issuance under the Plan.

Shares of Common Stock covered by Incentive Awards granted pursuant to the Plan in connection with the assumption, replacement, conversion, or adjustment of outstanding equity-based awards in the context of a corporate acquisition or merger (within the meaning of section 303A.08 of the NYSE Listed Company Manual), shall not count as issued under the Plan for purposes of this Section 3. In addition, shares of Common Stock available for issuance under certain plans acquired in corporate acquisitions and mergers that may be issued in connection with certain post-transaction grants of Incentive Awards under the Plan (subject to the requirements of section 303A.08 of the NYSE Listed Company Manual) shall not be counted as issued under the Plan for purposes of this Section 3.

(b) Individual Award Limits

Subject to adjustment as provided in Section 10, the maximum number of shares of Common Stock that may be covered by Performance-Based Awards granted under the Plan to any Covered Employee in any calendar year shall not exceed 1,000,000 shares (the "Annual Limit") plus the amount of such Covered Employee's unused Annual Limit as of the last day of the prior calendar year.

The amount of each Cash Incentive Award payable to any Covered Employee for any Plan Period shall not exceed (i) \$5,000,000 for any Cash Incentive Award where the Plan Period is a calendar year and (ii) \$5,000,000 per calendar year where the Plan Period is greater than a calendar year. For purposes of the preceding sentence "Plan Period" shall mean one or more calendar years as the Committee may determine, with respect to which any Cash Incentive Award may be payable under the Plan. The Committee may not grant to any Covered Employee more than three Cash Incentive Awards with Plan Periods that are scheduled to either start or end in the same calendar year.

Subject to adjustment as provided in Section 10, the maximum number of shares of Common Stock that may be covered by Incentive Awards granted under the Plan to any non-employee director in any calendar year shall not exceed 20,000 shares.

4. Administration of the Plan

The Plan shall be administered by a Committee of the Board of Directors consisting of two or more persons, each of whom qualifies as a “non-employee director” (within the meaning of Rule 16b-3 promulgated under section 16 of the Exchange Act), an “outside director” (within the meaning of Treasury Regulation section 1.162-27(e)(3)) and as “independent” as required by the NYSE or any security exchange on which the Common Stock is listed, in each case if and to the extent required by applicable law or necessary to meet the requirements of such rule, section, or listing requirement at the time of determination. The Committee shall, consistent with the terms of the Plan, from time to time designate those individuals who shall be granted Incentive Awards under the Plan and the amount, type, and other terms and conditions of such Incentive Awards. All of the powers and responsibilities of the Committee under the Plan may be delegated by the Committee, in writing, to any subcommittee thereof, in which case the acts of such subcommittee shall be deemed to be acts of the Committee hereunder. The Committee may also from time to time authorize a subcommittee consisting of one or more members of the Board of Directors (including members who are employees of the Company) or employees of the Company to grant Incentive Awards to persons who are not “executive officers” of the Company (within the meaning of Rule 16a-1 under the Exchange Act), subject to such restrictions and limitations as the Committee may specify and to the requirements of New York Business Corporation Law section 505.

The Committee shall have full discretionary authority to administer the Plan, including discretionary authority to interpret and construe any and all provisions of the Plan and any Award Agreement thereunder, and to adopt, amend, and rescind from time to time such rules and regulations for the administration of the Plan, including rules and regulations established to satisfy applicable foreign laws and/or qualify for preferred tax treatment under applicable foreign tax laws, as the Committee may deem necessary or appropriate. Decisions of the Committee shall be final, binding, and conclusive on all parties. For the avoidance of doubt, the Committee may exercise all discretion granted to it under the Plan in a non-uniform manner among Participants.

The Committee may delegate the administration of the Plan to one or more officers or employees of the Company, and such administrator(s) may have the authority to execute and distribute Award Agreements, to maintain records relating to Incentive Awards, to process or oversee the issuance of Common Stock under Incentive Awards, to interpret and administer the terms of Incentive Awards, and to take such other actions as may be necessary or appropriate for the administration of the Plan and of Incentive Awards under the Plan, provided that in no case shall any such administrator be authorized (i) to grant Incentive Awards under the Plan (except in connection with any delegation made by the Committee pursuant to the first paragraph of this Section 4), (ii) to take any action inconsistent with section 409A of the Code, or (iii) to take any action inconsistent with applicable provisions of the New York Business Corporation Law. Any action by any such administrator within the scope of its delegation shall be deemed for all purposes to have been taken by the Committee and, except as otherwise specifically provided, references in this Plan to the Committee shall include any such administrator. The Committee and, to the extent it so provides, any subcommittee, shall have sole authority to determine whether to review any actions and/or interpretations of any such administrator, and if the Committee shall decide to conduct

such a review, any such actions and/or interpretations of any such administrator shall be subject to approval, disapproval, or modification by the Committee.

On or after the date of grant of an Incentive Award under the Plan, the Committee may (i) accelerate the date on which any such Incentive Award becomes vested, exercisable, or transferable, as the case may be, (ii) extend the term of any such Incentive Award, including, without limitation, extending the period following a termination of a Participant's Employment during which any such Incentive Award may remain outstanding, (iii) waive any conditions to the vesting, exercisability, or transferability, as the case may be, of any such Incentive Award or (iv) provide for the payment of dividends or dividend equivalents with respect to any such Incentive Award; provided, that the Committee shall not have any such authority to the extent that the grant of such authority would cause any tax to become due under section 409A of the Code. The Company shall pay any amount payable with respect to an Incentive Award in accordance with the terms of such Incentive Award, provided that the Committee may, in its discretion, defer the payment of amounts payable with respect to an Incentive Award subject to and in accordance with the terms of a Deferred Compensation Plan.

Notwithstanding anything herein to the contrary, without approval of the Company's shareholders, the Company shall not amend or replace previously granted Options or stock appreciation rights in a transaction that constitutes a "repricing," (within the meaning of section 303A.08 of the NYSE Listed Company Manual and any other formal or informal guidance issued by the NYSE) which for this purpose also means any of the following or any other action that has the same effect: (i) lowering the exercise price of an Option or stock appreciation right after it is granted, (ii) any other action that is treated as a repricing under United States generally accepted accounting principles, or (iii) canceling an Option or stock appreciation right at a time when its exercise price exceeds the Fair Market Value of the underlying shares of Common Stock, in exchange for another Option or stock appreciation right, shares of restricted Common Stock, other Incentive Awards, cash or other property; provided, however, that the foregoing transactions shall not be deemed a repricing if pursuant to an adjustment or other action authorized under Section 10.

No member of the Committee shall be liable for any action, omission, or determination relating to the Plan, and IFF shall indemnify and hold harmless each member of the Committee and each other director or employee of the Company to whom any duty or power relating to the administration or interpretation of the Plan has been delegated, against any cost or expense (including counsel fees) or liability (including any sum paid in settlement of a claim with the approval of the Committee) arising out of any action, omission, or determination relating to the Plan, unless, in either case, such action, omission, or determination was taken or made by such member, director, or employee in bad faith and without reasonable belief that it was in the best interests of the Company.

5. Eligibility

The Persons who shall be eligible to receive Incentive Awards pursuant to the Plan shall be those employees, non-employee directors, consultants, and other selected service providers of the Company whom the Committee shall select from time to time, including officers of the Company, whether or not they are directors. Furthermore, any individual who has agreed to accept Employment

by, or provide services to, the Company shall be deemed to be eligible to receive Incentive Awards hereunder as of the date of such acceptance of Employment or provision of services; provided that the grant of any Incentive Awards under the Plan shall be determined by the Committee in its sole discretion and further provided that vesting, exercise or settlement of Incentive Awards granted to such individuals are conditioned upon such individual actually becoming an employee of or service provider to, the Company.

6. Options

The Committee may from time to time grant Options on such terms as it shall determine, subject to the terms and conditions set forth in this Plan. The Award Agreement shall clearly identify such Option as either an “incentive stock option” within the meaning of section 422 of the Code or as a non-qualified stock option.

(a) Exercise Price

The exercise price per share of Common Stock covered by any Option shall be not less than one hundred percent of the Fair Market Value of a share of Common Stock on the date on which such Option is granted, other than assumptions in accordance with a corporate acquisition or merger as described in Section 3.

(b) Term and Exercise of Options

(1) The Committee shall determine the term of each Option, provided that in no event shall the term of any Option exceed a period of ten years from the date of grant. Each Option shall become vested and exercisable on such date or dates, during such period and for such number of shares of Common Stock as shall be determined by the Committee on or after the date such Option is granted; provided, however, that each Option shall be subject to earlier termination, expiration, or cancellation as provided in the Plan or the Award Agreement.

(2) Each Option shall be exercisable in whole or in part; provided, however that no partial exercise of an Option shall be for an aggregate exercise price of less than \$1,000. The partial exercise of an Option shall not cause the expiration, termination, or cancellation of the remaining portion thereof.

(3) An Option shall be exercised by such methods and procedures as the Committee determines from time to time, including without limitation through net physical settlement or other method of cashless exercise.

(c) Incentive Stock Options

The terms of any incentive stock option granted under the Plan shall comply in all respects with the provisions of section 422 of the Code.

7. Other Stock-Based Awards

The Committee may from time to time grant equity-based or equity-related Incentive Awards not otherwise described herein in such amounts and on such terms and conditions as it shall determine, subject to the terms and conditions set forth in the Plan. Without limiting the generality of the preceding sentence, each such Other Stock-Based Award may (i) involve the transfer of actual shares of Common Stock to Participants, either at the time of grant or thereafter, or payment in cash or otherwise of amounts based on the value of shares of Common Stock, (ii) be subject to performance-based and/or service-based conditions, (iii) be in the form of stock appreciation rights, phantom stock, restricted stock, restricted stock units, performance shares, deferred share units, or share-denominated performance units, (iv) be designed to comply with applicable laws of jurisdictions other than the United States and (v) be designed to qualify as Performance-Based Compensation; provided, that each Other Stock-Based Award shall be denominated in, or shall have a value determined by reference to, a number of shares of Common Stock that is specified at the time of the grant of such Incentive Awards. Nothing in this Plan is intended to limit the Committee's discretion to adopt performance conditions with respect to any Stock Incentive Award that is not intended to qualify as Performance-Based Compensation.

8. Cash Incentive Awards

The Committee may from time to time grant Cash Incentive Awards on such terms and conditions as it shall determine, subject to the terms and conditions set forth in the Plan. Cash Incentive Awards may be settled in cash or in other property, including shares of Common Stock, provided that the term "Cash Incentive Award" shall exclude any Option or Other Stock-Based Award. Nothing in this Plan is intended to limit the Committee's discretion to adopt performance conditions with respect to any Cash Incentive Award that is not intended to qualify as Performance-Based Compensation.

9. Performance-Based Compensation

The Committee may grant Incentive Awards that are intended to qualify as Performance-Based Compensation. Nothing in this Plan is intended to limit the Committee's discretion to adopt performance measures, goals, targets and other terms and conditions with respect to any Incentive Award that is not a Performance-Based Award. Furthermore, nothing in this Plan shall be construed to require the Committee to grant any Incentive Award intended to qualify as Performance-Based Compensation. The Committee may, subject to the terms of the Plan, amend any previously granted Performance-Based Award in a way that disqualifies it as Performance-Based Compensation. This Section 9 describes the terms of Performance-Based Awards.

(a) Calculation

The amount payable with respect to a Performance-Based Award shall be determined in any manner permitted by section 162(m) of the Code.

(b) Discretionary Reduction

Unless otherwise specified in the Award Agreement, the Committee may, in its discretion, reduce or eliminate the amount payable to any Participant with respect to a Performance-Based Award, based on such factors as the Committee may deem relevant, but the Committee may not increase any such amount above the amount established in accordance with the relevant Performance Schedule. For purposes of clarity, the Committee may exercise the discretion provided for by the foregoing sentence in a non-uniform manner among Participants.

(c) Performance Measures

The performance goals upon which the payment or vesting of any Performance-Based Award (other than Options and stock appreciation rights) depends shall (a) be objective business criteria and shall otherwise meet the requirements of section 162(m) of the Code, including the requirement that the level or levels of performance targeted by the Committee result in the achievement of performance goals being “substantially uncertain” at the time of grant and (b) relate to one or more of the following measures (collectively the “Performance Measures”): (i) earnings per share, net earnings per share or growth in such measures; (ii) net sales, sales, net revenues or revenues or growth in sales or revenues; (iii) earnings measures, (including earnings before or after any or all of interest, taxes, depreciation, and amortization or extraordinary or special items); (iv) income, net income, net income per share of Common Stock (basic or diluted) or growth in income; (v) cash flow (including net cash provided by operations, cash flow in excess of cost of capital (discounted or otherwise), free cash flow, and cash flow return on capital) or growth in such measures; (vi) return measures, including return on assets (gross or net), return on investment, return on capital, return on equity, return on revenue or return on sales; (vii) economic profit or economic value created; (viii) gross profit or operating profit; (ix) gross margin, operating margin or profit margin or growth in such measures; (x) shareholder value creation measures, including price per share of Common Stock or total shareholder return; (xi) dividend payout levels, including as a percentage of net income; (xii) asset measures, including asset growth; (xiii) asset turnover, (xiv) sales measures; (xv) book value, (xvi) brand contribution, (xvii) market share or growth in market share, (xviii) unit volume, (xix) working capital amounts, including working capital as a percentage of customer sales; (xx) operational costs or cost controls and other expense targets, or a component thereof, or planning or forecasting accuracy; (xxi) supply chain achievements; (xxii) innovation as measured by a percentage of sales of new products; (xxiii) strategic plan development and implementation; or (xxiv) strategic business criteria, consisting of one or more objectives based on meeting specified market penetration, geographic business expansion goals, cost targets, total market capitalization, agency ratings, completion of capital and borrowing transactions, business retention, new product development, customer satisfaction and retention, employee development, satisfaction and retention, market penetration, management of employment practices and employee benefits, diversity, supervision of litigation and information technology, corporate social responsibility, customer growth, customer service, improvements in capital structure, debt leverage, expense management, operating efficiency, strategic planning process reliability, product quality, regulatory compliance, risk mitigation, sustainability and environmental impact and goals relating to acquisitions, divestitures or strategic partnerships or transactions.

A Performance Measure (i) may relate to the performance of the Participant, the Company, IFF, any Affiliate, any business group, business unit, or other subdivision of the Company, or any combination of the foregoing, as the Committee deems appropriate and (ii) may be expressed as an amount, as an increase or decrease over a specified period, as a relative comparison to the performance of a group of comparator companies or a published or special index, or any other measure of the selected performance criteria, as the Committee deems appropriate.

The measurement of any Performance Measure shall exclude the negative impact and include the positive impact of certain items that may occur during the Performance Period, including, without limitation, the following:

unusual, non-recurring, or extraordinary items or expenses; charges for restructurings; discontinued operations; acquisitions or divestitures; the cumulative effect of changes in accounting treatment; changes in tax laws, accounting standards or principles or other laws or regulatory rules affecting reporting results; any impact of impairment of tangible or intangible assets; any impact of the issuance or repurchase of equity securities and/or other changes in the number of outstanding shares of any class of the Company's equity securities; any gain, loss, income, or expense attributable to acquisitions or dispositions of stock or assets; stock-based compensation expense; asset write-downs, in-process research and development expense; gain or loss from all or certain claims and/or litigation and insurance recoveries; foreign exchange gains and losses; any impact of changes in foreign exchange rates and any changes in currency; a change in the Company's fiscal year; litigation legal fees; pension expenses and any other items, each determined in accordance with United States generally accepted accounting principles and as identified in the Company's audited financial statements, including the notes thereto.

(d) Performance Schedules

With respect to each Performance-Based Award, within ninety days after the beginning of the Performance Period for such Performance-Based Award, and in any case before twenty-five percent of such Performance Period has elapsed, the Committee shall establish the (i) Performance Targets, (ii) Target Award, and (iii) Performance Schedule, in each case for such Performance-Based Award, and shall make any other determinations required to be made within such period under section 162(m) of the Code.

(e) Committee Determinations

Determinations by the Committee as to the establishment of Performance Measures, Performance Targets, Target Awards, Performance Schedules, the level of actual achievement of Performance Targets and the amount payable with respect to a Performance-Based Award shall be recorded in writing. Specifically, the Committee shall certify in writing, in a manner conforming to applicable regulations under section 162(m) of the Code, prior to settlement of each such Performance-Based Award granted to a Covered Employee, that the Performance

Targets and other material terms upon which settlement of the Incentive Award was conditioned have been satisfied.

10. Adjustment upon Certain Changes

Subject to any action by IFF's shareholders required by law, applicable tax rules or the rules of any exchange on which shares of Common Stock are then listed for trading:

(a) Shares Available for Grants

In the event of any change in the number of shares of Common Stock outstanding by reason of any extraordinary stock dividend or split, recapitalization, merger, consolidation, spin-off, combination, liquidation, dissolution, repurchase or exchange of shares or similar corporate change, the Committee shall, to the extent deemed appropriate by the Committee, adjust any or all of (i) the maximum aggregate number or type of shares of Common Stock with respect to which the Committee may grant Incentive Awards, (ii) the maximum number of shares of Common Stock that may be covered by Options that are designated as "incentive stock options" within the meaning of section 422 of the Code (iii) the maximum aggregate number of shares of Common Stock with respect to which the Committee may grant Incentive Awards to any individual Participant in any year and to any non-employee director and (iv) any other limit set forth in Section 3, to the extent applicable. In the event of any change in the type or number of shares of Common Stock outstanding by reason of any other event or transaction, the Committee shall, to the extent deemed appropriate by the Committee, make such adjustments to the type or number of shares of Common Stock with respect to which Incentive Awards may be granted.

(b) Increase or Decrease in Issued Shares Without Consideration

In the event of any increase or decrease in the number of issued shares of Common Stock resulting from a subdivision or consolidation of shares of Common Stock or the payment of an extraordinary stock dividend (but only on the shares of Common Stock), or any other increase or decrease in the number of such shares effected without receipt or payment of consideration by the Company, the Committee shall, to the extent deemed appropriate by the Committee, adjust the type or number of shares of Common Stock subject to each outstanding Incentive Award and the exercise price per share of Common Stock of each such Incentive Award.

(c) Certain Mergers and Other Transactions

In the event of (i) a dissolution or liquidation of the Company, (ii) a sale of all or substantially all of the Company's assets (on a consolidated basis), (iii) a merger, consolidation or similar transaction involving the Company in which the holders of shares of Common Stock receive securities and/or other property, including cash, the Committee shall, to the extent deemed appropriate by the Committee, have the power to:

(i) cancel, effective immediately prior to the occurrence of such event, each Incentive Award (whether or not then exercisable or vested), and, in full consideration of such cancellation, pay to the Participant to whom such Incentive Award was granted an

amount in cash, for each share of Common Stock subject to such Incentive Award, equal to the value, as determined by the Committee, of such Incentive Award, provided that with respect to any outstanding Option such value shall be equal to the excess of (A) the value, as determined by the Committee, of the property (including cash) received by the holder of a share of Common Stock as a result of such event over (B) the exercise price of such Option, provided, however that with respect to any outstanding Option with an exercise price that equals or exceeds the value, as determined by the Committee, of the consideration received by a holder of a share of Common Stock as a result of such event, the Committee may cancel the Option without the payment of consideration; or

(ii) provide for the exchange of each Incentive Award (whether or not then exercisable or vested) for an Incentive Award with respect to (A) some or all of the property which a holder of the number of shares of Common Stock subject to such Incentive Award would have received in such transaction or (B) securities of the acquiror or surviving entity and, incident thereto, make an equitable adjustment as determined by the Committee in the exercise price of the Incentive Award, or the number of shares or amount of property subject to the Incentive Award or provide for a payment (in cash or other property) to the Participant to whom such Incentive Award was granted in partial consideration for the exchange of the Incentive Award.

(d) Other Changes

In the event of any change in the capitalization of the Company, corporate change, corporate transaction, extraordinary cash dividend, or other event other than those specifically referred to in Sections 10(a), (b) or (c), the Committee shall, to the extent deemed appropriate by the Committee, make such adjustments in the number and class of shares subject to Incentive Awards outstanding on the date on which such change occurs and in such other terms of such Incentive Awards as the Committee deems appropriate.

(e) Cash Incentive Awards

In the event of any transaction or event described in this Section 10, including without limitation any corporate change referred to in paragraph (d) hereof, the Committee shall, to the extent deemed appropriate by the Committee, make such adjustments in the terms and conditions of any Cash Incentive Award as the Committee deems appropriate.

(f) No Other Rights

Except as expressly provided in the Plan or any Award Agreement, no Participant shall have any rights by reason of any subdivision or consolidation of shares of stock of any class, the payment of any dividends or dividend equivalents, any increase or decrease in the number of shares of stock of any class or any dissolution, liquidation, merger, or consolidation of the Company. Except as expressly provided in the Plan, no issuance by the Company of shares of stock of any class, or securities convertible into shares of stock of any class, shall affect, and no adjustment by reason thereof shall be made with respect to, the number of shares or amount of other property subject to, or the terms related to, any Incentive Award.

(g) Savings Clause

No provision of this Section 10 shall be given effect to the extent that such provision would cause any tax to become due under section 409A of the Code.

With respect to any Performance-Based Awards granted to Covered Employees, no provision of this Section 10 shall be given effect to the extent that such provision would cause such Performance-Based Award to fail to qualify as Performance-Based Compensation under section 162(m) of the Code unless the Committee expressly acknowledges and affirms such consequences.

11. Change in Control; Termination of Employment

(a) Change in Control

(1) Unless otherwise provided in an Award Agreement, the ESP if the Participant is a participant in the ESP, or a Participant's then-effective employment, severance, or other similar agreement with the Company, in the event of a Change in Control of the Company in which the successor company assumes or substitutes for an Incentive Award (or in which the Company is the ultimate parent corporation and continues the Incentive Award), if a Participant's employment with such successor company (or the Company) or a subsidiary thereof is terminated within twenty-four months following such Change in Control (or such other period set forth in the Award Agreement, including prior thereto if applicable) (x) by such successor company or a subsidiary thereof without Cause, or, (y) for those Participants who participate in the ESP, by the Participant for Good Reason: (i) Options and stock appreciation rights outstanding as of the date of such termination of employment will immediately vest, become fully exercisable, and may thereafter be exercised for the period of time set forth in connection with such termination under the Award Agreement, but in no event beyond the end of the regularly scheduled term of such Incentive Award), and (ii) the restrictions, limitations, and other conditions applicable to any Other Stock-Based Awards or any other Incentive Award, including those Incentive Awards (or portions thereof) deemed earned pursuant to Section 11(b) below, shall lapse, and such Other Stock-Based Awards or such other Incentive Awards shall become free of all restrictions, limitations, and conditions and become fully vested and transferable to the full extent of the original grant. For the avoidance of doubt, a termination of a Participant's Employment as a result of the Participant's death, disability, voluntary resignation, Normal Retirement or Early Retirement shall not be a termination "without Cause" for purposes of the Plan.

(2) Unless otherwise provided in an Award Agreement, in the event of a Change in Control of the Company to the extent the successor company does not assume or substitute for an Incentive Award (or in which the Company is the ultimate parent corporation and does not continue the Incentive Award), then immediately prior to the Change in Control: (i) those Options and stock appreciation rights outstanding as of the date of the Change in Control that are not assumed or substituted for (or continued) shall immediately vest and become fully exercisable for the period of time set forth in the Award Agreement, and (ii) the restrictions, other limitations and other conditions applicable to any Other Stock-Based Awards or any other

Incentive Awards that are not assumed or substituted for (or continued) shall lapse, and such Other Stock-Based Awards or such other Incentive Awards shall become free of all restrictions, limitations, and conditions and become fully vested and transferable to the full extent of the original grant or, with respect to any Incentive Award subject to performance conditions, to the extent deemed earned pursuant to Section 11(b) below. Any Cash Incentive Awards, or portions thereof, deemed earned pursuant to Section 11(b) below and that become vested pursuant to this Section 11(a)(2) shall be paid and/or settled as soon as administratively practicable, but in no event later than thirty (30) calendar days following the date of the Change in Control.

(b) Effect of Change in Control on Performance Incentive Awards

With respect to any Incentive Award subject to performance conditions, unless otherwise provided in the applicable Award Agreement, the ESP if the Participant is a participant in the ESP, or a Participant's then-effective employment, severance, or other similar agreement with the Company, in the event of a Change of Control of the Company (x) the Committee will determine as of the Change in Control, in its sole discretion, the deemed level of achievement of the applicable performance conditions underlying such Incentive Award and (y) the provisions of Section 11(a) shall apply to such Incentive Award or portion to the extent such performance conditions are deemed earned .

(c) Termination of Employment

(1) Except as to any Incentive Awards constituting stock rights subject to section 409A of the Code, termination of Employment shall mean a separation from service within the meaning of section 409A of the Code. Without limiting the generality of the foregoing, the Committee shall determine whether an authorized leave of absence, or absence in military or government service, shall constitute termination of Employment, provided that a Participant who is an employee will not be deemed to cease Employment in the case of any leave of absence approved by the Company. Furthermore, no payment shall be made with respect to any Incentive Awards under the Plan that are subject to section 409A of the Code as a result of any such authorized leave of absence or absence in military or government service unless such authorized leave or absence constitutes a separation from service for purposes of section 409A of the Code and the regulations promulgated thereunder.

(2) The Award Agreement or the ESP, if applicable, shall specify the consequences with respect to such Incentive Awards of the termination of Employment of the Participant holding the Incentive Awards.

(3) If a Participant is Employed by or provides services to a Person that is an Affiliate, a business unit, division or facility of IFF and such Person ceases to be an Affiliate, a business unit, division or facility of IFF, the Committee shall, in its sole discretion, determine whether the Employment of a Participant with the Company shall be deemed to have terminated for all purposes under the Plan. Subject to section 409A of the Code and unless otherwise determined by the Committee, a Participant who ceases to be an employee of the Company but continues, or simultaneously commences, services as a director on the Board of Directors shall

not be deemed to have had a termination of Employment for purposes of the Plan and a Participant who ceases to be an employee of the Company but continues, or simultaneously commences, services as an independent contractor or consultant to the Company shall be deemed to have had a termination of Employment for purposes of the Plan.

12. Award Agreements, Evidence of Incentive Awards and Acceptance of Incentive Award Terms

The Committee shall determine the appropriate instrument to document the issuance of an Incentive Award, including but not limited to the issuance of an Award Agreement. Except as otherwise determined by the Committee, the Award Agreement or other instrument shall describe the specific terms and conditions of the Incentive Award, and may, subject to the terms of the Plan, describe the amount and form of the Incentive Award, vesting requirements, Performance Targets and Performance Periods, payment terms, rights upon termination of Employment (including Early Retirement and Normal Retirement), or provision of services by the Participant, and other terms specific to the Incentive Award; provided that the vesting period for any Stock Incentive Award shall be for a minimum of one (1) year from the date of grant unless, (a) the Stock Incentive Award was granted through the assumption of, or in substitution for, outstanding awards previously granted to individuals who became employees of the Company as a result of a merger, consolidation, acquisition or other corporate transaction involving the Company, (b) the Stock Incentive Award was granted as an inducement to become an employee, non-employee director, consultant or other service provider to the Company, or (c) there exist other extraordinary or special circumstances, as determined in the sole discretion of the Committee or its designee. A Participant may be required to accept the terms of the Incentive Award and agree to be bound by the terms and conditions of the Plan and the applicable Award Agreement in order for an Incentive Award to become effective.

13. Rights Under the Plan

No Person shall have any rights as a shareholder with respect to any shares of Common Stock covered by or relating to any Incentive Award until the date of the issuance of such shares on the books and records of IFF. Except as otherwise expressly provided in Section 10 hereof, no adjustment of any Incentive Award shall be made for dividends or other rights for which the record date occurs prior to the date of such issuance. Nothing in this Section 13 is intended, or should be construed, to limit authority of the Committee to cause the Company to make payments based on the dividends that would be payable with respect to any share of Common Stock if it were issued or outstanding, or from granting rights related to such dividends.

14. Unfunded Status of Incentive Awards; Creation of Trusts

The Plan is intended to constitute an “unfunded” plan for incentive and deferred compensation, as applicable. With respect to any payments not yet made to a Participant or obligation to deliver shares of Common Stock pursuant to an Incentive Award, nothing contained in the Plan or any Incentive Award shall give any such Participant any rights that are greater than those of a general creditor of the Company; provided that the Committee may authorize the creation of trusts and deposit therein cash, shares of Common Stock, other Incentive Awards or other property, or make other arrangements to meet the Company’s obligations under the Plan.

Such trusts or other arrangements shall be consistent with the “unfunded” status of the Plan unless the Committee otherwise determines with the consent of each affected Participant.

15. No Special Employment Rights; No Right to Incentive Award

(a) Nothing contained in the Plan or any Award Agreement shall confer upon any Participant any right with respect to the continuation of his or her Employment by the Company or interfere in any way with the right of the Company at any time to terminate such Employment or to increase or decrease the compensation of the Participant from the rate in existence at the time of the grant of an Incentive Award.

(b) No person shall have any claim or right to receive an Incentive Award hereunder. The Committee’s granting of an Incentive Award to a Participant at any time shall neither require the Committee to grant an Incentive Award to such Participant or any other Participant or other person at any time nor preclude the Committee from making subsequent grants to such Participant or any other Participant or other person.

16. Securities Matters

(a) IFF shall be under no obligation to affect the registration pursuant to the Securities Act of any shares of Common Stock to be issued hereunder or to effect similar compliance under any state or local laws. Notwithstanding anything herein to the contrary, IFF shall not be obligated to cause to be issued shares of Common Stock pursuant to the Plan unless and until IFF is advised by its counsel that the issuance is in compliance with all applicable laws, regulations of governmental authority, and the requirements of any securities exchange on which shares of Common Stock are traded. The Committee may require, as a condition to the issuance of shares of Common Stock pursuant to the terms hereof, that the recipient of such shares make such covenants, agreements, and representations, and that any related certificates representing such shares bear such legends, as the Committee, in its sole discretion, deems necessary or desirable.

(b) The exercise or settlement of any Incentive Award (including, without limitation, any Option) granted hereunder shall only be effective at such time as counsel to IFF shall have determined that the issuance and delivery of shares of Common Stock pursuant to such exercise is in compliance with all applicable laws, regulations of governmental authority and the requirements of any securities exchange on which shares of Common Stock are traded. IFF may, in its sole discretion, defer the effectiveness of any exercise or settlement of an Incentive Award granted hereunder in order to allow the issuance of shares pursuant thereto to be made pursuant to registration or an exemption from registration or other methods for compliance available under federal or state or local securities laws. IFF shall inform the Participant in writing of its decision to defer the effectiveness of the exercise or settlement of an Incentive Award granted hereunder. During the period that the effectiveness of the exercise of an Incentive Award has been deferred, the Participant may, by written notice, withdraw such exercise and obtain the refund of any amount paid with respect thereto.

17. Certificates for Stock

Any Stock Incentive Award granted under the Plan may be evidenced in such manner as the Committee shall determine, including by issuing certificates or using book-entry. If the Committee evidences Stock Incentive Awards using Common Stock certificates, the Committee may require that such certificates bear an appropriate legend referring to the terms, conditions and restrictions, if applicable, to such Stock Incentive Award, that the Company retain physical possession of the certificates, and that the Participant deliver a stock power to the Company, endorsed in blank, relating to the Stock Incentive Award.

18. Fractional Shares

No fractional shares of Common Stock shall be issued or delivered pursuant to the Plan or any Incentive Award. The Committee shall determine whether cash, other Incentive Awards or other property shall be issued or paid in lieu of such fractional shares of Common Stock or whether such fractional shares of Common Stock or any rights thereto shall be forfeited or otherwise eliminated.

19. No Personal Loans or Reloads

No Incentive Award shall provide for a personal loan to a Participant, including for payment of the exercise price of an Option or withholding taxes relating to any Incentive Award. No term of an Incentive Award shall provide for automatic “reload” grants of additional Incentive Awards upon exercise of an Option or stock appreciation right or otherwise as a term of an Incentive Award.

20. Taxes

(a) Withholding

The Company is authorized to withhold from any Incentive Award granted, any payment relating to an Incentive Award under the Plan, including from a distribution of Common Stock, or any payroll or other payment to a Participant, amounts sufficient to satisfy the minimum federal, state, non-U.S. and local withholding tax requirements, and to take such other action (including without limitation providing for elective payment of such amounts by the Participant) as the Committee may deem advisable to enable the Company and Participants to satisfy the minimum federal, state, non-U.S. and local withholding tax requirements relating to any Incentive Award.

(b) Requirement of Notification Upon Disqualifying Disposition Under Code Section 421(b)

If any Participant shall make any disposition of shares of Common Stock delivered pursuant to the exercise of an incentive stock option under the circumstances described in section 421(b) of the Code (relating to certain disqualifying dispositions), such Participant shall notify the Company of such disposition within ten (10) days thereof.

21. Section 83(b) Election

Except as otherwise provided in an Award Agreement or approved by the Committee, no election under section 83(b) of the Code or under a similar provision of the laws of a jurisdiction outside the United States may be made with respect to any Incentive Award. In any case in which a Participant is permitted to make such an election in connection with an Incentive Award, the Participant shall notify the Company of such election within (10) ten days of filing notice of the election with the Internal Revenue Service or other governmental authority, in addition to any filing and notification required pursuant to regulations issued under section 83(b) of the Code or other applicable law.

22. No Obligation to Exercise

The grant to a Participant of an Incentive Award shall impose no obligation upon such Participant to exercise such Incentive Award.

23. Transfers

Except as otherwise provided in an Award Agreement, Incentive Awards may not be sold, pledged, assigned, hypothecated, transferred, or disposed of in any manner other than by will or by the laws of descent or distribution and may be exercised, during the lifetime of a Participant, only by the Participant or, if permissible under applicable law, by the Participant's guardian or legal representative. Upon the death of a Participant, outstanding Incentive Awards granted to such Participant may be exercised only by the executors or administrators of the Participant's estate or by any person or persons who shall have acquired such right to exercise by will or by the laws of descent and distribution. No transfer by will or the laws of descent and distribution of any Incentive Award, or the right to exercise any Incentive Award, shall be effective to bind the Company unless the Committee shall have been furnished with (a) written notice thereof and with a copy of the will and/or such evidence as the Committee may deem necessary to establish the validity of the transfer and (b) an agreement by the transferee to comply with all the terms and conditions of the Incentive Award that are or would have been applicable to the Participant and to be bound by the acknowledgements made by the Participant in connection with the grant of the Incentive Award.

24. Expenses and Receipts

The expenses of the Plan shall be paid by the Company. Any proceeds received by the Company in connection with any Incentive Award will be used for general corporate purposes.

25. Failure to Comply

In addition to the remedies of the Company elsewhere provided for herein, failure by a Participant to comply with any of the terms and conditions of the Plan or any Award Agreement

shall be grounds for the cancellation and forfeiture of such Incentive Award, in whole or in part, as the Committee, in its absolute discretion, may determine.

26. Right of Setoff

The Company may, to the extent permitted by applicable law, deduct from and set off against any amounts the Company may owe to the Participant from time to time, including amounts payable in connection with any Incentive Award, owed as wages, fringe benefits, or other compensation owed to the Participant, such amounts as may be owed by the Participant to the Company, including but not limited to amounts owed under Section 32, although the Participant shall remain liable for any part of the Participant's payment obligation not satisfied through such deduction and setoff. By accepting any Incentive Award granted under the Plan, the Participant agrees to any deduction or setoff under this Section 26.

27. Relationship to Other Benefits

No payment with respect to any Incentive Awards under the Plan shall be taken into account in determining any benefits under any pension, retirement, profit sharing, group insurance, or other benefit plan of the Company except as otherwise specifically provided in such other plan. Nothing in the Plan shall limit the right of the Company to pay compensation of any kind outside the terms of the Plan.

28. Governing Law

The Plan and the rights of all persons under the Plan shall be construed and administered in accordance with the laws of the State of New York without regard to its conflict of law principles.

29. Severability

If all or any part of this Plan is declared by any court or governmental authority to be unlawful or invalid, such unlawfulness or invalidity shall not serve to invalidate any portion of this Plan not declared to be unlawful or invalid. Any Section or part of a Section so declared to be unlawful or invalid shall, if possible, be construed in a manner that will give effect to the terms of such Section or part of a Section to the fullest extent possible while remaining lawful and valid.

30. Effective Date and Term of Plan

The "Effective Date" of the Plan is March 11, 2015, subject to the approval of the Plan by the shareholders of the Company. No grants of Incentive Awards may be made under the Plan after March 11, 2025.

31. Amendment or Termination of the Plan

The Board of Directors may at any time suspend, terminate or discontinue the Plan or revise, modify or amend the Plan or any Incentive Award in any respect whatsoever; provided,

however, that to the extent that any applicable law, tax requirement, or rule of a stock exchange requires shareholder approval in order for any such revision or amendment to be effective, such revision or amendment shall not be effective without such approval, which shall be submitted to the Company's shareholders no later than the earliest annual meeting for which the record date is after the date of such action by the Board of Directors. The preceding sentence shall not restrict the Committee's ability to exercise its discretionary authority hereunder pursuant to Section 4 hereof, which discretion may be exercised without amendment to the Plan. No provision of this Section 31 shall be given effect to the extent that such provision would cause any tax to become due under section 409A of the Code. Except as expressly provided in the Plan, no amendment hereunder may, without the consent of a Participant, materially adversely affect the Participant's rights under any outstanding Incentive Award granted prior to such amendment.

32. Forfeiture and Clawback

(a) Forfeiture and Clawback of Incentive Awards.

Unless otherwise determined by the Committee, each Incentive Award granted to (i) a Participant who is designated by the Company as job level 7 or above, or (ii) to any other Participant, as may be determined by the Committee from time to time in its sole discretion, shall, in each case, be subject to the forfeiture and clawback provisions set forth in this Section 32.

(b) Covenant and Policy Violations. A Participant's failure to comply with any of the following obligations shall be considered a "Covenant Forfeiture Event":

(1) The Participant acting directly or indirectly, shall not, during the Participant's Employment and the twelve month period following the Participant's termination of Employment, become employed by, render services for, serve as an agent or consultant to, or become a partner, member, principal, shareholder or other owner of any of the following entities: Firmenich, S.A., Givaudan, S.A., V. Mane Fils, S.A., Robertet, S.A., Symrise A.G., Takasago International Corporation, Wild Flavors GmbH, Sensient Technologies Corporation, any of their respective Affiliates, or any other entity that is competitive with the Company, as determined by the Committee in its sole discretion from time to time.

(2) The Participant, acting directly or indirectly, shall not, during the Participant's Employment and the twenty-four month period following the Participant's termination of Employment, (A) solicit, induce, divert, employ or retain, or interfere with or attempt to influence the relationship of the Company, with any Person or entity that is or was, during the last twelve months of the Participant's Employment with the Company, (i) an employee of the Company or (ii) a Person engaged to provide services to the Company; or (B) interfere with or attempt to influence the relationship of the Company with any customer, supplier or other Person with whom the Company does business.

(3) The Participant shall not, at any time, directly or indirectly (a) disclose any Confidential Information (as defined below) to any Person (other than, only with respect to the

period that the Participant is Employed, to an employee or outside advisor of the Company who requires such information to perform his or her duties for the Company) or (b) use, sell or otherwise transfer, any Confidential Information for the Participant's own benefit or the benefit of any third party. "Confidential Information," shall mean confidential, proprietary or commercially sensitive information relating to the Company, or its employees, board members, customers, vendors, or other business partners and its businesses, operations, or affairs, including, without limitation, information relating to products, formulations, protocols, processes, designs, formulae, ideas, know-how, test methods, evaluation techniques, patents, trade secrets, scientific or technical data, regardless of the form in which it is maintained or provided, orally or in writing, whether prepared by the Company, a third party or the Participant, together with all analyses, compilations, notes and other documents relating thereto.

(4) The Participant shall cooperate with the Company by making himself or herself available to testify on behalf of the Company in any action, suit, or proceeding, whether civil, criminal, administrative, or investigative, and shall not otherwise fail to assist the Company in any such action, suit, or proceeding by providing information and meeting and consulting with members of management of, other representatives of, or counsel to, the Company, as reasonably requested.

(5) The Participant shall not, during his or her Employment, engage in willful misconduct or violation of a Company policy that is materially detrimental to the Company or in any action or inaction that would constitute grounds for being terminated for Cause, as determined by the Committee in its sole discretion.

(6) The Participant shall, upon termination of Employment, execute any documentation reasonably requested by the Company and return to the Company all property of the Company, its customers and vendors in the Participant's possession or control including, without limitation, all materials, work product or documents containing or pertaining to Confidential Information, and including without limitation, any Company car, all computers (including laptops), cell phones, keys, PDAs, Blackberries, iPhones, Androids, iPads, credit cards, printers, facsimile machines, televisions, card access to any Company building, customer lists, reports, files, emails, work papers, memoranda, notes, formulae, tapes, programs, records and software, computer access codes or disks, instructional manuals, and other similar materials or documents used, received or prepared or supervised by the Participant in connection with Participant's work for the Company. The Participant shall not retain any copies, duplicates, reproductions or excerpts of any of the aforementioned materials or documents and shall not at any time use, recreate or reproduce any said materials or documents.

(c) Forfeiture and Repayment Obligations

(1) Due to Participant's Failure to Comply with Obligations. If a Participant fails to comply with any of the obligations set forth in Section 32(b), the Participant will forfeit or repay, as the case may be, all Incentive Awards, whether vested or unvested, paid or unpaid, in each case, that were settled, paid or granted by the Company during the 24 month period immediately prior to the Participant's first act or omission that violates any of Section 32(b)

through the date on which the Company discovers the Participant's last violation, and the Company shall have no further obligations to pay, grant or settle any Incentive Awards under this Plan.

(2) Due to an Accounting Restatement or Misstatement. If the Company is required to prepare an accounting restatement, or if the Company determines that it has misstated its financial results, whether or not as a result of misconduct on the part of the Participant (an "Accounting Forfeiture Event" and, together with a Covenant Forfeiture Event, a "Forfeiture Event"), then, the Participant shall forfeit or repay the Excess Compensation (as defined below) in respect of all Incentive Awards, whether vested or unvested, paid or unpaid, that were granted, settled or paid during the period commencing on the first day of the 12-month period covered by such misstated financial statement through the later of (i) the date of the filing of a restatement where an accounting restatement is required to be filed; (ii) the date of the discovery of the misstated financials where any accounting restatement is not required to be filed; or (iii) any later date as may be required by applicable law, including the Dodd-Frank Wall Street Reform and Consumer Protection Act.

(3) For purposes of this Section 32(c)(2), the term "Excess Compensation" means with respect to each Incentive Award, the difference between (A) the Fair Market Value of the cash or shares of Common Stock granted, paid or delivered to or received by the Participant with respect to an Incentive Award less (B) the Fair Market Value of the cash or shares of Common Stock that would have been granted, paid or delivered to or received by the Participant had the financial statements requiring the misstatement or restatement been properly stated, as determined by the Committee in its sole discretion.

(4) Any clawback or recoupment provisions required by law, including under the Dodd-Frank Wall Street Reform and Consumer Protection Act or any rules or regulations thereunder, shall apply to the Incentive Awards granted under the Plan and any policy of the Company providing for forfeiture or recoupment of compensation shall not be deemed limited in any way by this Section 32 or any other provision of this Plan.

(5) Any Incentive Awards, cash or shares of Common Stock (A) subject to repayment by the Participants under this Section 32 must be repaid to the Company (less any amount paid by the Participant to the Company as a condition of or in connection with settlement of a repaid Incentive Award), in the manner and on such terms and conditions as shall be required by the Company by written notice to the Participant and (B) subject to forfeiture will be forfeited immediately upon written notice to the Participant from the Company.

(d) Agreement Does Not Prohibit Competition or Other Participant Activities. A Participant is not prohibited from engaging in an activity identified in Section 32(b) solely as a result of such provision. Rather, the non-occurrence of the Forfeiture Events set forth in Section 32(b) is a condition to the Participant's right to realize and retain value from his or her Incentive Awards, and the consequence under the Plan if the Participant engages in an activity giving rise to any such Forfeiture Event are the forfeitures specified herein. The Company and the Participant shall not be precluded by this provision or otherwise from entering into other agreements concerning the subject matter of Section 32.

(e) No Limitation of Rights. Any forfeiture or repayment under this Section 32 is in addition to, and not in lieu of, any other remedies or rights that may be available to the Company under applicable law, including, without limitation, the right to (i) dismiss the Participant, (ii) adjust the future compensation of the Participant, or (iii) take such other action to enforce the Participant's obligations to Company as the Company may deem appropriate in view of the facts and circumstances surrounding the particular situation.

(f) Committee Discretion. The Committee shall have the authority, in its sole discretion, to interpret and construe the provisions of this Section 32 and to make all determinations with respect hereto, including the determination of whether a Forfeiture Event has occurred, the timing of such Forfeiture Event and the amount and form of any forfeiture or reimbursement to be made to the Company from a Participant. The Committee may consider such factors as it deems relevant in making such determinations, including the factors contributing to the Forfeiture Event, harm or potential harm to the Company, the nature and severity of a Participant's behavior or conduct, legal and tax considerations and other facts and circumstances relating to a particular situation. All interpretations, constructions and determinations made by the Committee hereunder shall be final and binding on the Company and the Participant and the determinations of the Committee need not be uniform with respect to all Participants or situations. The Committee may waive in whole or in part the Company's right of recapture or impose additional conditions on an Incentive Award granted or paid to a Participant under this Plan.

33. Incentive Awards to Participants Outside the United States

The Committee may modify the terms of any Incentive Award under the Plan made to or held by a Participant who is then resident or primarily employed outside of the United States or is subject to taxation by a non-U.S. jurisdiction in any manner deemed by the Committee to be necessary or appropriate in order that such Incentive Award shall conform to laws, regulations, sound business practices and customs of the country in which the Participant is then resident or primarily employed, or so that the value and other benefits of the Incentive Award to the Participant, as affected by foreign tax laws and other restrictions applicable as a result of the Participant's residence or Employment abroad shall be comparable to the value of such an Incentive Award to a Participant who is resident or primarily employed in the United States. An Incentive Award may be modified under this Section 33 in a manner that is inconsistent with the express terms of the Plan, so long as such modifications will not contravene any applicable law or regulation or result in actual liability under section 16(b) of the Exchange Act for the Participant whose Incentive Award is modified.

INTERNATIONAL FLAVORS & FRAGRANCES INC.

Amended and Restated
Executive Severance Policy
(As amended through and including March 9, 2015)

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INTERNATIONAL FLAVORS & FRAGRANCES INC.

Executive Severance Policy

1. **Purpose.** The purpose of this International Flavors & Fragrances Inc. Executive Severance Policy (this "Policy") is to provide certain Severance Payments and Benefits (as defined below) to designated key executives and employees of the Company in the event of a termination of their employment in certain specified circumstances. This Policy has been adopted in the form set forth herein effective as of March 9, 2015 (the "Effective Date"). This Policy is an amendment and restatement of the International Flavors & Fragrances Inc. Executive Separation Policy, which was last amended and restated effective as of October 23, 2014.

2. **Definitions.** The following definitions are applicable for purposes of this Policy (including in any Annex hereto), in addition to terms defined in Section 1 above:

(a) "2010 SAIP" means the Company's 2010 Stock Award and Incentive Plan, as it may be amended and/or restated from time to time.

(b) "2015 SAIP" means the Company's 2015 Stock Award and Incentive Plan, as it may be amended and/or restated from time to time.

(c) "Accounting Forfeiture Event" has the meaning specified in Section 9(b)(ii).

(d) "Accrued Obligations" means (i) the Employee's base salary otherwise payable through the Date of Termination, (ii) any incentive compensation and benefits which have become vested or payable prior to the Date of Termination in accordance with the terms of the applicable Company incentive compensation and benefit plans and applicable Award Agreements (as defined below) but which have not yet been paid to the Employee, and (iii) unreimbursed business expenses reimbursable under Company policies then in effect; provided, however, that in each of (i), (ii) and (iii), to the extent permissible under applicable law, the Company may offset such amounts against any obligations and liabilities of the Employee to the Company.

(e) "Affected Employee" has the meaning specified in Section 8(a).

(f) "Affiliate" means with respect to a specified Person, a Person that directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, the specified Person.

(g) "AIP" means, for each Employee, the plan or arrangement of the Company providing cash-denominated bonuses for annual Company and/or business unit performance in which such Employee participates.

(h) "Award" shall mean any stock-based award or cash award permitted to be granted to an Employee under an SAIP or an AIP.

(i) "Award Agreement" means an agreement (whether in written or electronic form) evidencing an Award granted under an SAIP or an AIP.

(j) "Beneficiary" means a person or entity that an Employee designates in writing to the Company to receive payments or benefits hereunder in the event of the

Employee's death. If no such person or entity is named or there is no surviving designated Beneficiary, such Employee's Beneficiary shall be the Employee's estate.

(k) "Benefit Continuation" shall mean, subject to the continued co-payment of premiums by the Employee, the continued participation for the Employee and his or her eligible dependents in the Company's Benefit Plans, upon the same terms and conditions in effect from time to time for active employees of the Company, as determined in good faith by the Committee.

(l) "Benefit Continuation Period" has the meaning specified in Section 6(b).

(m) "Benefit Plans" shall mean all medical and dental benefit plans of the Company and any group life insurance, group accident insurance and group disability insurance plans of the Company, in each case, as may be in effect from time to time.

(n) "Board" means the Board of Directors of the Company.

(o) "Cause" means, with respect to an Employee, the definition as such term is defined in any effective employment agreement with such Employee as of the Employee's Date of Termination, otherwise Cause means (i) the Employee's failure to perform his or her material duties in any material respect, which if such failure is reasonably susceptible to cure, has continued after the Company has provided written notice of such failure and the Employee has not cured such failure within ten (10) days of receipt by the Employee of such written notice, (ii) willful misconduct or gross negligence by the Employee that has caused or is reasonably expected to result in material injury to the Company's business, reputation or prospects, (iii) the engagement by the Employee in illegal conduct or in any act of serious dishonesty which could reasonably be expected to result in material injury to the Company's business or reputation or which adversely affects the Employee's ability to perform his or her duties, (iv) the Employee being indicted or convicted of (or having pled guilty or nolo contendere to) a felony or any crime involving moral turpitude, dishonesty, fraud, theft or financial impropriety, or (v) a material and willful violation by the Employee of the Company's rules, policies or procedures. Notwithstanding the foregoing, a Tier I Employee shall not be deemed to have been terminated for Cause unless and until there shall have been delivered to the Employee a copy of the resolution duly adopted by the affirmative vote of the majority of the membership of the Board of Directors of the Company so finding.

(p) A "Change in Control" shall be deemed to have occurred if, after the Effective Date, there shall have occurred any of the following:

(i) any Person (as defined below) becomes the "beneficial owner," as such term is defined in Rule 13d-3 under the Exchange Act (as defined below), directly or indirectly, of securities of the Company representing 40% or more of the combined Voting Power (as defined below) of the Company's then outstanding Voting Securities (as defined below), other than beneficial ownership by the Company, any employee benefit plan of the Company or any Person organized, appointed or established pursuant to the terms of any such benefit plan;

(ii) individuals who at the Effective Date constitute a majority of the Board (the “Incumbent Directors”) cease to constitute a majority of the Board for any reason; provided, however, that any individual becoming a director subsequent to the Effective Date whose election or nomination for election to the Board was approved by a vote of at least two-thirds of the Incumbent Directors then on the Board (either by a specific vote or by approval of the proxy statement of the Company in which such person is named as a nominee for director without objection to such nomination) shall be an Incumbent Director; provided, however, that no individual shall be an Incumbent Director if such individual is initially elected or nominated as a director of the Company as a result of an actual or threatened election contest with respect to directors or as a result of any other actual or threatened solicitation of proxies by or on behalf of any person other than the Board; or;

(iii) The consummation of:

A. A merger, consolidation, reorganization or similar transaction with or into the Company or in which securities of the Company are issued, as a result of which the holders of the outstanding Voting Securities of the Company immediately before such event own, directly or indirectly, immediately after such event less than 60% of the combined Voting Power of the outstanding Voting Securities of the parent entity resulting from, or issuing its Voting Securities as part of, such event;

B. A complete liquidation or dissolution of the Company; or

C. The sale or other disposition of all or substantially all of the assets of the Company (on a consolidated basis) to any Person other than (x) the Company, (y) an employee benefit plan (or a trust forming a part thereof) maintained by the Company or (z) a Person whose Voting Securities immediately following such sale or disposition will be owned by the holders of the outstanding Voting Securities of the Company immediately prior thereto, in substantially the same proportions.

Notwithstanding the foregoing, no payment of any payment or benefit under this Policy that constitutes “non-qualified deferred compensation” within the meaning of Section 409A of the Code (as defined below) shall be made solely upon the occurrence of a Change in Control to the extent such Change in Control does not also qualify as a “change in control event” within the meaning of Treasury Regulation §1.409A-3(i)(5)(i) and such payment or benefit shall be paid on its otherwise scheduled payment date(s).

(q) “CIC Benefit Continuation Period” has the meaning specified in Section 7(f).

- (r) “CIC Severance Factor” means, unless otherwise provided in the Employee’s effective employment agreement with the Company as of the Date of Termination, the multiple for each Employee as set forth in Annex I hereto.
- (s) “COBRA” means the continuation coverage requirements for “group health plans” under Title X of the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended, and as codified in Code Section 4980B and ERISA Sections 601 through 608, each as amended from time to time, including rules thereunder and successor provisions and rules thereto.
- (t) “Code” means the Internal Revenue Code of 1986, as amended from time to time, and all regulations, interpretations, and administrative guidance issued thereunder.
- (u) “Code Section 409A” means Section 409A of the United States Internal Revenue Code of 1986, as amended from time to time, and the Treasury Regulations promulgated thereunder.
- (v) “Committee” means the Compensation Committee of the Board or such other committee as the Board may designate to perform administrative functions under this Policy.
- (w) “Company” means International Flavors & Fragrances Inc., a New York corporation, and all of its Affiliates, collectively, (and any successors or assigns thereto).
- (x) “Confidential Information” has the meaning specified in Section 9(a)(iii).
- (y) “Covenant Forfeiture Event” has the meaning specified in Section 9(b)(i).
- (z) “Date of Termination” means, unless otherwise agreed by the Company, (i) if the Employee’s employment is terminated by the Company for Cause, or by the Employee for Good Reason and there is an ability to cure, the date that is one day after the last day of any applicable cure period, (ii) if the Employee’s employment is terminated by reason of death, the date of death of the Employee, or (iii) if the Employee’s employment is terminated for any other reason, the date on which a notice of termination is given or the date set forth in such notice, which, in the event of a termination by the Employee without Good Reason, shall not be less than 60 days after such notice.
- (aa) “Delay Period” has the meaning specified in Section 12(c).
- (bb) “Disability” means, unless otherwise set forth in the Employee’s employment agreement with the Company, a condition that entitles an Employee to long term disability benefits under any applicable Company disability plan, any successor plan, or as defined under any applicable local laws, rules, or regulations.
- (cc) “Effective Date” means the date set forth in the first paragraph of this Policy.
- (dd) “Employee” has the meaning specified in Section 3.
- (ee) “Entity” has the meaning specified in Section 10(a).

(ff) "Equity Choice Award" means an equity choice program award under a SAIP.

(gg) "Excess Benefit Plan" means the Company's Supplemental Retirement Plan and any other supplemental pension plans sponsored or maintained by the Company as may be in effect from time to time.

(hh) "Excess Compensation" has the meaning specified in Section 9(b)(ii)(A).

(ii) "Exchange Act" means the Securities Exchange Act of 1934, as amended.

(jj) "Excise Tax" has the meaning specified in Section 8.

(kk) "Forfeiture Event" has the meaning specified in Section 9(b)(ii).

(ll) "Good Reason" means, with respect to an Employee, the definition as such term is defined in any effective employment agreement with such Employee as of the Employee's Date of Termination, otherwise Good Reason means the occurrence of any of the following events, unless the Employee has consented in writing thereto:

(i) a material decrease in the Employee's base salary, target bonus under an AIP, LTIP or Equity Choice Award, other than as part of an across-the-board reduction applicable to all similarly situated employees of the Employee's employer;

(ii) a material diminution in the Employee's authority, duties or responsibilities;

(iii) a relocation of the Employee's primary work location more than 50 miles from the Employee's primary work location at the time of such requested relocation;

(iv) the failure of the Company to obtain the binding agreement of any successor to the Company expressly to assume and agree to fully perform the Company's obligations under this Policy, as contemplated in the last sentence of Section 13(a) hereof;

provided, that within 90 days after the initial occurrence of any of the events or the initial existence of any of the conditions set forth in (i) through (iii) above the Employee delivers written notice to the Company of his or her intention to terminate his or her employment for Good Reason which specifies in reasonable details the circumstances claimed to give rise to the Employee's right to terminate employment for Good Reason, and the Company fails to correct such conduct or condition after a period of 30 days following receipt of such notice. For purposes of this Policy, "Good Reason" is intended to constitute an "involuntary separation" within the meaning of Treasury Regulation § 1.409A-1(n)(2).

(mm) "Independent Advisors" has the meaning specified in Section 8(c)(i).

(nn) "Initial Payment Period" has the meaning specified in Section 12(c).

(oo) "Limit" has the meaning specified in Section 12(c).

(pp) “LTIP” means a long-term performance incentive plan of the Company under an SAIP.

(qq) “Person” means an individual, corporation, partnership, limited liability company, association, trust, other entity, group or organization including a governmental authority.

(rr) “PPACA” means the Patient Protection and Affordable Care Act of 2010 and the related regulations and guidance promulgated thereunder.

(ss) “Reduced Amount” has the meaning specified in Section 8(a).

(tt) “Release” has the meaning specified in Section 9(c)(i).

(uu) “Release Period” has the meaning specified in Section 9(c)(i).

(vv) “Restatement Clawback Period” has the meaning specified in Section 9(b)(ii).

(ww) “SAIP” shall mean each plan, policy, program or arrangement maintained by the Company pursuant to which equity-based awards or cash awards may be granted to Employees, as may be amended and/or restated from time to time.

(xx) “Severance Factor” means, unless otherwise provided in the Employee’s effective employment agreement with the Company as of the Date of Termination, the multiple for each Employee as set forth in Annex I hereto.

(yy) “Severance Continuation Period” means, unless otherwise provided in the Employee’s effective employment agreement with the Company as of the Date of Termination, a period of a number of months following the Date of Termination for each Employee during which certain Severance Payments and Benefits will be provided pursuant to this Policy, as set forth in Annex I hereto.

(zz) “Severance Payments and Benefits” means all benefits provided or payments made by the Company to or for the benefit of an Employee under this Policy.

(aaa) “Supplemental Retirement Plan” means the International Flavors & Fragrances Inc. Supplemental Retirement Plan.

(bbb) “Voting Power” means the number of votes available to be cast (determined by reference to the maximum number of votes entitled to be cast by the holders of Voting Securities, or by the holders of any Voting Securities for which other Voting Securities may be convertible, exercisable, or exchangeable, upon any matter submitted to shareholders where the holders of all Voting Securities vote together as a single class) by the holders of Voting Securities.

(ccc) “Voting Securities” means any securities or other ownership interests of an entity, which entitle or which may entitle, Persons holding such securities or other ownership interests to vote on matters submitted to such holders generally (whether or not entitled to vote in the general election of directors), or securities or other ownership interests which are convertible into, or exercisable in exchange for, such Voting Securities, whether or not subject to the passage of time or any contingency.

3. Eligibility. Each key executive or employee of the Company who has been designated in writing by the Committee (each an “Employee”) shall be eligible for the Severance Payments and Benefits and other provisions of this Policy if his or her termination of employment qualifies hereunder. Each Employee shall be designated in writing by the Committee as either (i) the Chief Executive Officer, (ii) a Tier I Employee or (iii) a Tier II Employee. Employees shall include persons employed outside the United States, if designated by the Committee and subject to Section 13(h) of this Policy. Unless expressly indicated in this Policy, the Chief Executive Officer shall be a Tier I Employee for all purposes under this Policy. For the avoidance of doubt, for purposes of Section 7 herein, an “Employee” shall be each key executive or employee of the Company who has been designated in writing as a Tier I Employee (including the Chief Executive Officer) or Tier II Employee by the Committee as of the date of the Change in Control.

4. Administration. Subject to Section 13(e) hereof, this Policy shall be interpreted, administered and operated by the Committee, which shall have complete authority, subject to the express provisions of this Policy, to interpret this Policy, to prescribe, amend and rescind rules and regulations relating to this Policy, and to make all other determinations necessary or advisable for the administration of this Policy. The Committee may delegate any of its duties hereunder to a subcommittee, or to such person or persons from time to time as it may designate. All decisions, interpretations and other actions of the Committee shall be final, conclusive and binding on all parties who have an interest in this Policy. No member of the Committee, nor any Person acting pursuant to authority delegated by the Committee, shall be liable for any action, omission, or determination relating to this Policy, and the Company shall, to the fullest extent permitted by law, indemnify and hold harmless each member of the Committee and each Person to whom any duty or power relating to the administration or interpretation of this Policy has been delegated, against any cost or liability arising out of any action, omission or determination relating to this Policy, unless, in either case, such action, omission, or determination was taken or made by such member or other Person acting pursuant to authority delegated by the Committee in bad faith and without reasonable belief that it was in the best interests of the Company.

5. Termination of Employment for any Reason. Subject to the terms and conditions hereof, in the event of any termination of an Employee’s employment with the Company for any reason, including but not limited to a termination of employment by the Company for Cause, a termination of employment as a result of the Employee’s death, Disability or retirement, or the voluntary resignation by Employee without Good Reason:

(a) The Company shall pay the Employee the Accrued Obligations, payable on the dates such amounts would have been payable under the Company’s policies if the Employee’s employment had not terminated, but in no event more than 60 days after Employee’s Date of Termination, or sooner if required by applicable law.

(b) Except as expressly provided in Section 6 or Section 7, any outstanding Awards (including, for the avoidance of doubt, any AIP, LTIP, restricted stock unit, stock appreciation right, restricted stock and Equity Choice Awards) held by the Employee as of the Date of Termination shall be governed by the terms and conditions of the applicable Award Agreements, SAIP and AIP.

(c) Except as expressly provided in Section 7, the Employee's benefits and rights under any of the Company's Benefit Plans, tax-qualified retirement or pension plans and any Excess Benefit Plan shall be determined in accordance with the applicable provisions of such plans, as may be in effect at the Employee's Date of Termination.

In the event of a termination of employment by the Company for Cause, a termination of employment as a result of the Employee's death, Disability or retirement, or the voluntary resignation by Employee without Good Reason, Employee shall not be entitled to receive any compensation, payments or benefits except as specified in Section 5(a)-(c).

6. Termination of Employment by the Company Not for Cause or by a Tier I Employee for Good Reason Prior to or More than Two Years After a Change in Control. In addition to the payments and benefits set forth in Section 5, in the event the Employee's employment with the Company is terminated prior to a Change in Control or more than two (2) years following a Change in Control either (i) by the Company without Cause or (ii) by a Tier I Employee for Good Reason, the Employee shall also be entitled to receive the following payments and benefits:

(a) An amount equal to the product of the Employee's Severance Factor times the sum of (i) the Employee's annual base salary as of the Date of Termination and (ii) the Employee's target annual incentive under the AIP for the year in which the Date of Termination occurs prorated based on the number of the Employee's active days of employment with the Company during the performance period in which the Employee's Date of Termination occurs, payable in equal installments in accordance with the Company's normal payroll practices starting on the first payroll period following the Employee's Date of Termination and continuing until the expiration of the Employee's Severance Continuation Period.

(b) For a period commencing on the Employee's Date of Termination until the earlier of (i) the expiration of the Employee's Severance Continuation Period, (ii) the date of the Employee's commencement of eligibility for benefits under a new employer's welfare benefit plans, and (iii) the Employee attaining age 65 (such period, the "Benefit Continuation Period"), the Employee shall be eligible for Benefit Continuation. Benefit Continuation shall be provided concurrently with any health care benefit required under COBRA. Notwithstanding the foregoing, if the Company's providing Benefit Continuation under this Section 6(b) would violate the nondiscrimination rules applicable to non-grandfathered plans, or would result in the imposition of penalties under the PPACA, the Committee shall have the right to amend this Section 6(b) in a manner it determines, in its sole discretion, to comply with the PPACA. For the avoidance of doubt, in no event shall an Employee's employment be deemed to have been terminated without Cause or for Good Reason as a result of the Employee's death, Disability or retirement.

(c) If a Tier I Employee's employment with the Company is terminated by the Tier I Employee for Good Reason, any outstanding Awards under the 2010 SAIP shall be governed by the terms and conditions of the 2010 SAIP and applicable Award Agreements as if the Tier I Employee had been terminated by the Company without Cause.

7. Termination by the Company Not for Cause or by Employee for Good Reason Within Two Years After a Change in Control. In addition to the payments and benefits set forth in Section 5, in the event the Employee's employment with the Company is terminated within two (2) years following a Change in Control either (i) by the Company without Cause or (ii) by the Employee for Good Reason, the Employee shall also be entitled to receive the following payments and benefits:

(a) An amount equal to the product of the Employee's CIC Severance Factor times the sum of (i) the Employee's annual base salary as of the Date of Termination and (ii) the greater of (x) the Employee's target annual incentive opportunity under the AIP for the year in which the Date of Termination occurs and (y) the average annual incentive award paid to Employee under the AIP for the three (3) completed fiscal years immediately preceding the year in which the Date of Termination occurs (or, if the Employee was not employed by the Company or eligible for an Award under the AIP for the last three (3) completed fiscal years, such lesser number of completed fiscal years during which the Executive was eligible for an Award under the AIP), payable in a lump sum within 15 days following the Employee's Date of Termination.

(b) A lump-sum cash payment equal to the Employee's target annual incentive Award under the AIP for the year in which the Date of Termination occurs, with such Award prorated based on the number of the Employee's active days of employment with the Company during the performance period in which the Employee's Date of Termination occurs, payable within 15 days following the Employee's Date of Termination, and such payment shall be in full settlement of the Employee's rights under the AIP Award for the year in which the Date of Termination occurs.

(c) Unless otherwise provided in the applicable Award Agreement, with respect to each LTIP Award outstanding as of the Employee's Date of Termination:

(i) For each performance segment that ended prior to the Employee's Date of Termination, the Employee shall receive an LTIP Award payment equal to the LTIP Award payment, if any, the Employee would have been entitled to receive for such performance segment had the Employee's employment with the Company not been terminated, determined in accordance with the LTIP Award and the applicable Award Agreement; and

(ii) For each performance segment in which the Employee's Date of Termination occurs, the Employee shall receive an LTIP Award payment equal to the product of (x) the Employee's target LTIP Award for the performance segment during which the Employee's Date of Termination occurred and (y) a fraction, the numerator of which is the number of days during such performance segment preceding the Employee's Date of Termination and the denominator of which is the total number of days in such performance segment;

with each of (i) and (ii) payable within 15 days following the Employee's Date of Termination.

(d) Unless otherwise provided in Sections 7(b) and 7(c) herein, any outstanding Awards (including, for the avoidance of doubt, any restricted stock unit, stock

appreciation right, restricted stock and Equity Choice Awards) held by the Employee as of the Date of Termination shall be governed by the terms and conditions of the applicable SAIP, it being understood that with respect to (i) Awards granted pursuant to the 2010 SAIP, this shall be Section 9(a)(ii) of the 2010 SAIP and (ii) with respect to Awards granted pursuant to the 2015 SAIP, this shall be Section 11(a) of the 2015 SAIP. The foregoing notwithstanding, if an Employee's employment with the Company is terminated by the Employee for Good Reason, any outstanding Awards granted under the 2010 SAIP (other than the AIP and LTIP Awards) shall be treated as set forth in Section 9(a)(ii) of the 2010 SAIP as if the Employee had been terminated by the Company without Cause.

(e) The Employee will be deemed to be fully vested in any benefits he or she has accrued, if any, under the Supplemental Retirement Plan, with the time or times at which benefits are payable under the Supplemental Retirement Plan unchanged; provided, however, that with respect to any "grandfathered" accrued obligations or to the extent permitted under Code Section 409A, the Company may elect to satisfy all obligations to the Employee and his beneficiaries under the Supplemental Retirement Plan by a lump sum payment of the present value of the accrued benefit under the Supplemental Retirement Plan.

(f) For a period commencing on the Employee's Date of Termination until the earlier of (i) the expiration of the Employee's Severance Continuation Period, (ii) the date of the Employee's commencement of eligibility for benefits under a new employer's welfare benefit plans, and (iii) the Employee attaining age 65 (such period, the "CIC Benefit Continuation Period"), the Employee shall be eligible for Benefit Continuation. Benefit Continuation shall be provided concurrently with any health care benefit required under COBRA. Notwithstanding the foregoing, if the Company's providing Benefit Continuation under this Section 7(f) would violate the nondiscrimination rules applicable to non-grandfathered plans, or would result in the imposition of penalties under the PPACA, the Committee shall have the right to amend this Section 7(f) in a manner it determines, in its sole discretion, to comply with the PPACA.

8. Effect of Federal Excise Tax. This Section 8 specifies certain adjustments to the Severance Payments and Benefits an Employee may receive under this Policy if the Company determines that any Severance Payment or Benefit would subject such Employee to an obligation to pay an excise tax imposed by Section 4999 of the Internal Revenue Code of 1986, as amended (or any similar tax that may be imposed) or any interest or penalties related to such excise tax (such excise tax, together with any such interest and penalties, are hereinafter collectively referred to as the "Excise Tax").

(a) Cut-Back to Maximize Retained After-Tax Amounts. In the event the Company determines that any Severance Payment or Benefits would, in whole or part when aggregated with any other right, payment or benefit to or for the Employee (such Employee, the "Affected Employee") under all other agreements, arrangements or plans of the Company, cause any Severance Payment and Benefit or any other payments or benefits to be subject to the Excise Tax, then the Severance Payments and Benefits and all such rights, payments and benefits shall, at the Company's discretion, either (i) be

paid in full or (ii) be reduced (or appropriately adjusted) to an amount that is one dollar less than the smallest amount that would give rise to the Excise Tax (the “Reduced Amount”), but only if such Reduced Amount would be greater than the net after-tax proceeds (taking into account the Excise Tax) of the unreduced Severance Payments and Benefits and all such other rights, payments and benefits.

(b) *Implementation Rules.* If the Severance Payments and Benefits must be reduced as provided in Section 8(a), any reduction in payments and/or benefits required by this provision will occur in the following order: (1) reduction of cash payments; (2) reduction of vesting acceleration of equity awards; and (3) reduction of other benefits paid or provided. In the event that acceleration of vesting of equity awards is to be reduced, such acceleration of vesting will be cancelled in the reverse order of the date of grant for the equity awards. If two or more equity awards are granted on the same date, each award will be reduced on a pro-rata basis. The Employee shall be advised of the determination as to which compensation will be reduced and the reasons therefor, and the Employee and his or her advisors will be entitled to present information that may be relevant to this determination. In no event shall such reduction be effected through a delay in the timing of any Severance Payment and Benefit that is subject to Code Section 409A (or that would become subject to Code Section 409A as a result of such delay).

(c) For purposes of determining whether any of the Severance Payments or Benefits will be subject to the Excise Tax and the amount of such Excise Tax:

(i) All Severance Payments and Benefits shall be treated as “parachute payments” within the meaning of Section 280G(b)(2) of the Code, and all “excess parachute payments” within the meaning of Section 280G(b)(1) of the Code shall be treated as subject to the Excise Tax, unless, and except to the extent that, in the written opinion of independent compensation consultants, counsel or auditors of nationally recognized standing (“Independent Advisors”) selected by the Company, the Severance Payments and Benefits (in whole or in part) do not constitute parachute payments, or such excess parachute payments (in whole or in part) represent reasonable compensation for services actually rendered within the meaning of Section 280G(b)(4) of the Code in excess of the base amount within the meaning of Section 280G(b)(3) of the Code or are otherwise not subject to the Excise Tax.

(ii) The value of any non-cash benefits or any deferred payment or benefit shall be determined by the Independent Advisors in accordance with the principles of Sections 280G(d)(3) and (4) of the Code.

(d) For purposes of determining the amount of the reductions in Severance Payments and Benefits pursuant to Section 8(b), the Affected Employee shall be deemed (i) to pay federal income taxes at the applicable rates of federal income taxation for the calendar year in which the compensation would be payable; and (ii) to pay any applicable state and local income taxes at the applicable rates of taxation for the calendar year in which the compensation would be payable, taking into account any effect on federal income taxes from payment of state and local income taxes.

9. Conditions to Receipt of Severance Payments and Benefits: Forfeiture and Repayment Obligations.

(a) Conditions to Receipt of Payments; Employee Obligations. The following requirements must be met by the Employee as a condition to the right to receive, continue to receive, or retain any Severance Payments or Benefits under this Policy:

(i) The Employee, acting directly or indirectly, shall not, during the period of the Employee's employment and the twelve month period following the Employee's Date of Termination, become employed by, render services for, serve as an agent or consultant to, or become a partner, member, principal, shareholder or other owner of any of the following entities: Firmenich, S.A., Givaudan, S.A., V. Mane Fils, S.A., Robertet, S.A., Symrise A.G., Takasago International Corporation, Wild Flavors GmbH, Sensient Technologies Corporation any of their respective Affiliates, or any other entity that is competitive with the Company, as determined by the Committee from time to time.

(ii) The Employee, acting directly or indirectly, shall not, during the Employee's period of employment and the twenty-four month period following the Employee's Date of Termination, (1) solicit, induce, divert, employ or retain, or interfere with or attempt to influence the relationship of the Company, with any Person or entity that is or was, during the last twelve (12) months of the Employee's employment with the Company, (i) an employee of the Company or (ii) a Person engaged to provide services to the Company; or (2) interfere with or attempt to influence the relationship of the Company with any customer, supplier or other Person with whom the Company does business.

(iii) The Employee shall not, at any time, directly or indirectly (a) disclose any Confidential Information (as defined below) to any Person (other than, only with respect to the period that the Employee is employed by the Company, to an employee or outside advisor of the Company who requires such information to perform his or her duties for the Company) or (b) use, sell or otherwise transfer, any Confidential Information for Employee's own benefit or the benefit of any third party. "Confidential Information," shall mean confidential, proprietary or commercially sensitive information relating to the Company or its employees, board members, customers, vendors, or other business partners and its businesses, operations, or affairs, including, without limitation, information relating to products, formulations, protocols, processes, designs, formulae, ideas, know-how, test methods, evaluation techniques, patents, trade secrets, scientific or technical data, regardless of the form in which it is maintained or provided, orally or in writing, whether prepared by the Company, a third party or Employee, together with all analyses, compilations, notes and other documents relating thereto.

(iv) The Employee shall cooperate with the Company by making himself or herself available to testify on behalf of the Company in any action, suit, or proceeding, whether civil, criminal, administrative, or investigative, and shall not otherwise fail to assist the Company in any such action, suit, or proceeding by

providing information and meeting and consulting with members of management of, other representatives of, or counsel to, the Company, as reasonably requested.

(v) The Employee shall not, during the period of employment, engage in willful misconduct or violation of a Company policy that is materially detrimental to the Company or in any action or inaction that would constitute grounds for being terminated for Cause, as determined by the Committee in its sole discretion.

(vi) The Employee shall, upon termination of employment with the Company, execute any documentation reasonably requested by the Company and return to the Company all property of the Company, its customers and vendors in Employee's possession or control including, without limitation, all materials, work product or documents containing or pertaining to Confidential Information, and including without limitation, any Company car, all computers (including laptops), cell phones, keys, PDAs, Blackberries, iPhones, Androids, iPads, credit cards, printers, facsimile machines, televisions, card access to any Company building, customer lists, reports, files, e-mails, work papers, memoranda, notes, formulae, tapes, programs, records and software, computer access codes or disks, instructional manuals, and other similar materials or documents used, received or prepared or supervised by Employee in connection with Employee's work for the Company. Employee shall not retain any copies, duplicates, reproductions or excerpts of any of the aforementioned materials or documents and shall not at any time use, recreate or reproduce any said materials or documents.

(b) Forfeiture and Repayment Obligations

(i) Due to Employee Failure to Comply with Obligations. If an Employee fails to comply with any of the obligations set forth in Section 9(a) (a "Covenant Forfeiture Event"), the Employee will forfeit or repay, as the case may be, all Severance Payments and Benefits, whether vested or unvested, paid or unpaid, in each case, that were settled, paid or provided to the Participant under this Policy, and the Company shall have no further obligation to pay, grant, settle, make, provide or continue to make or provide any Severance Payments and Benefits to the Employee under this Policy.

(ii) Due to an Accounting Restatement or Misstatement. If the Company is required to prepare an accounting restatement, or if the Company determines that it has misstated its financial results, whether or not as a result of misconduct on the part of the Employee (an "Accounting Forfeiture Event" and, together with a Covenant Forfeiture Event, a "Forfeiture Event"), then, the Employee shall forfeit or repay the Excess Compensation (as defined below) in respect of Severance Payments and Benefits, whether vested or unvested, paid or unpaid, that was granted, settled, provided or paid during the period commencing on the first day of the 12-month period covered by such misstated financial statement through the later of (x) the date of the filing of a restatement where an accounting restatement is required to be filed; (y) the date of the discovery of the misstated financials where any accounting restatement is not required to be filed;

or (z) any later date as may be required by applicable law, including the Dodd–Frank Wall Street Reform and Consumer Protection Act (the “Restatement Clawback Period”).

(A) For purposes of this Section 9(b)(ii), the term “Excess Compensation” means, the difference between (x) the fair market value of the cash or stock paid to or received by the Employee as part of its Severance Payments and Benefits less (y) the fair market value of the cash or stock that would have been paid to or received by the Employee had the financial statements requiring the misstatement or restatement been properly stated, in all cases as determined by the Committee in its sole discretion.

(iii) For the avoidance of doubt, Severance Payments and Benefits subject to the forfeiture and repayment obligations under this Section 9 shall include any unvested Award, and any amounts paid to Employee on settlement or vesting of an Award but shall not include (A) any earned and unpaid base salary payable through the Employee’s Date of Termination, (B) any unreimbursed business expenses reimbursable under Company policies then in effect, and (D) any amount paid by Employee to the Company as a condition of or in connection with settlement of a forfeited Award.

(iv) Any policy of the Company providing for forfeiture or recoupment of compensation, including Section 10 of the 2010 SAIP and Section 32 of the 2015 SAIP, shall apply by its terms and shall not be deemed limited in any way by this Section 9 or any other provision of this Policy.

(v) Any clawback or recoupment provisions required by law, including under the Dodd-Frank Wall Street Reform and Consumer Protection Act or any rules or regulations thereunder, shall apply to the Severance Payments and Benefits paid or payable under this Policy.

(vi) Any Severance Payments and Benefits (A) subject to repayment by the Employee under this Section 9 must be repaid to the Company, in the manner and on such terms and conditions as shall be required by the Company by written notice to the Employee and (B) subject to forfeiture will be forfeited immediately upon written notice to Employee from the Company.

(c) Employee Obligation to Execute Release and Termination Agreement.

(i) The Company’s obligations under this Policy to make and provide any Severance Payments and Benefits is also conditioned upon the Employee signing the Exiting Employee Acknowledgement/Certification, any other documentation reasonably requested by the Company, and a release and termination agreement (the “Release”), in a form acceptable to, and to be provided by the Company, and such Release becoming effective, enforceable and irrevocable within 60 days following the Employee’s Date of Termination (such period, the “Release Period”).

(ii) Any Severance Payment or Benefit that is subject to Code Section 409A that would otherwise have been made to an Employee but that is conditioned upon the execution and effectiveness of the Release shall be paid or provided on the first business day following the Release Period subject to the execution and effectiveness of the Release; provided that any in-kind benefits provided pursuant to this Policy shall continue in effect after the Date of Termination pending the execution and delivery of the Release; provided that if the Release is not executed and delivered within the Release Period, the Employee shall reimburse the Company for the full cost of providing such in-kind benefits during the Release Period.

(d) Agreement Does Not Prohibit Competition or Other Participant Activities. An Employee is not prohibited from engaging in an activity identified in Section 9(a) solely as a result of such provision. Rather, the non-occurrence of the Forfeiture Events set forth in Section 9(a) is a condition to the Employee's right to realize and retain value from his or her Severance Payments and Benefits, and the consequence under this Policy if the Employee engages in an activity giving rise to any such Forfeiture Event are the forfeitures specified herein. The Company and the Employee shall not be precluded by this provision or otherwise from entering into other agreements concerning the subject matter of Section 9.

(e) No Limitation of Rights. Any forfeiture or repayment under this Section 9 is in addition to, and not in lieu of, any other remedies or rights that may be available to the Company under applicable law, including, without limitation, the right to (i) dismiss the Employee, (ii) adjust the future compensation of the Employee, or (iii) take such other action to enforce the Employee's obligations to Company as the Company may deem appropriate in view of the facts and circumstances surrounding the particular situation.

(f) Committee Discretion. The Committee shall have the authority, in its sole discretion, to interpret and construe the provisions of this Section 9 and to make all determinations with respect hereto, including the determination of whether a Forfeiture Event has occurred, the timing of such Forfeiture Event and the amount and form of any forfeiture or reimbursement to be made to the Company from an Employee. The Committee may consider such factors as it deems relevant in making such determinations, including the factors contributing to the Forfeiture Event, harm or potential harm to the Company, the nature and severity of an Employee's behavior or conduct, legal and tax considerations and other facts and circumstances relating to a particular situation. All interpretations, constructions and determinations made by the Committee hereunder shall be final and binding on the Company and the Employee and the determinations of the Committee need not be uniform with respect to all Employees or situations. The Committee may waive in whole or in part the Company's right of recapture or impose additional conditions on any Severance Payment or Benefit granted, settled, paid or provided to an Employee under this Policy.

10. Other Provisions Applicable to Severance Payments and Benefits.

(a) *Limitation of Benefits In Case of Certain Business Dispositions.* Notwithstanding anything in this Policy to the contrary, unless the Committee in its sole discretion provides otherwise, an Employee shall not be entitled to any Severance Payments or Benefits upon a termination of employment prior to or more than two years after a Change in Control under Section 6, in the event such termination of employment results from the sale or spin-off of an Affiliate, the sale of a division, other business unit or facility (each an “Entity”) in which the Employee was employed immediately prior to such sale, and the Employee has been offered employment with the purchaser of such Entity on substantially the same terms and conditions, as determined by the Committee in its sole discretion, under which the Employee worked prior to the sale, whether or not such Employee accepts or rejects such offer of employment. Such terms and conditions shall include an agreement or plan binding on such purchaser or Entity providing that, upon any termination of the Employee’s employment with the purchaser or spun-off Entity of the kinds described in Sections 6 and 7, within two years following such sale or spin-off, the purchaser or spun-off entity shall pay and provide to such Employee payments and benefits comparable to those the Employee would have received under the applicable provisions of Sections 6 and 7 if the Employee had been terminated in like circumstances at the time of such sale and provided Severance Payments and Benefits.

(b) *Deferrals Included in Salary and Bonus.* All references in this Policy to salary and annual incentive amounts mean those amounts before reduction pursuant to any deferred compensation plan or agreement.

(c) *Payments and Benefits to Beneficiary Upon Employee’s Death.* In the event of the death of an Employee, all payments and benefits hereunder due to such Employee shall be paid or provided to his or her Beneficiary.

(d) *Transfers of Employment.* Anything in this Policy to the contrary notwithstanding, a transfer of employment from the Company to an Affiliate or vice versa shall not be considered a termination of employment for purposes of this Policy.

(e) *Right of Setoff.* The Company may, to the extent permitted by applicable law, deduct from and set off against any amounts the Company may owe to the Employee from time to time, including amounts payable in connection with any Severance Payment and Benefits, amounts payable in connection with any Award, owed as wages, fringe benefits, or other compensation owed to the Employee, such amounts as may be owed by the Employee to the Company, including but not limited to amounts owed under Section 9, although the Employee shall remain liable for any part of the Employee’s payment obligation not satisfied through such deduction and setoff. By accepting the Severance Payments and Benefits under this Policy, the Employee agrees to any deduction or setoff under this Section 10(e).

11. Other Plans and Policies; Non-Duplication of Payments or Benefits.

(a) *Superseded Agreements and Rights.* This Policy constitutes the entire understanding between the Company and the Employee relating to Severance Payments and Benefits to be paid or provided to the Employee by the Company, and supersedes and cancels all prior agreements and understandings with respect to the subject matter of this

Policy, other than (i) as expressly set forth in this Policy, (ii) as determined in writing by the Committee, or (iii) as expressly provided in a plan, program or arrangement of the Company which is established following the Effective Date and in which the Employee is a participant.

(b) Non-Duplication of Payments and Benefits. The Employee shall not be entitled to any Severance Payment or Benefit under this Policy which duplicates a payment or benefit received or receivable by the Employee under any employment or severance agreement, or any other plan, program or arrangement of the Company or any severance required by applicable law, regulation, sound business practices and customs, provided however, that with respect to a benefit or payment that is expressly required to be provided by applicable law, regulation, sound business practices and customs, to the extent permissible under applicable law, the Company may offset the amount of any such benefits or payments against the Severance Payments or Benefits due under this Policy.

12. Special Rules for Compliance with Code Section 409A. This Section 12 serves to ensure compliance with applicable requirements of Code Section 409A. If the terms of this Section 12 conflict with other terms of this Policy, the terms of this Section 12 shall control.

(a) Termination of Employment Defined. For purposes of this Policy, a “termination of employment” means a separation from service within the meaning of Treasury Regulation § 1.409A-1(h), except for a termination of employment providing for payments or benefits that are “grandfathered” or excluded from being a deferral of compensation under Code Section 409A.

(b) Separate Payments. Any payment of Severance Payments and Benefits shall be deemed a separate payment for all purposes, including for purposes of Code Section 409A.

(c) Six-Month Delay Rule. In the event that any Severance Payments or Benefits constitute “nonqualified deferred compensation” within the meaning of Code Section 409A and as of the date of the Employee’s “separation from service,” Employee is a “specified employee” (within the meaning of that term under Code Section 409A(a)(2)(B), or any successor provision thereto), then, if the amount of any Severance Payments and Benefits, or any other payments and benefits due pursuant to any other agreement with or plan, program, payroll practice of the Company to be paid within the first six months following the date of such separation from service (the “Initial Payment Period”) exceed the amount referenced in Treas. Regs. Section 1.409A-1(b)(9)(iii)(A) (the “Limit”), then: (i) any portion of the Severance Payments and Benefits that is payable or can be provided during the Initial Payment Period that does not exceed the Limit shall be paid or provided at the times set forth in this Policy; (ii) any portion of the Severance Payments and Benefits that is a “short-term deferral” within the meaning of Treas. Regs. Section 1.409A-1(b)(4)(i) shall be paid or provided at the times set forth in in this Policy; and (iii) any portion of the Severance Payments and Benefits that exceeds the Limit and is not a “short-term deferral” (and would have been payable during the Initial Payment Period but for the Limit) shall not be paid or provided, to the extent making or providing such payment or benefit during the Initial Payment Period would result in additional taxes or interest under Code Section 409A of the Code, until the date

which is the earlier of (i) the expiration of the six (6)-month period measured from the date of such “separation from service,” and (ii) the date of Employee’s death (the “Delay Period”) and this Policy shall hereby be deemed amended accordingly. Upon the expiration of the Delay Period, all payments and benefits delayed pursuant to this section (whether they would have otherwise been payable in a single sum or in installments in the absence of such delay) shall be paid or reimbursed to Employee in a lump sum, and any remaining payments and benefits due under this Policy shall be paid or provided in accordance with the normal payment dates specified for them herein.

(d) Continued Benefits. To the extent required by Code Section 409A, any reimbursement or in-kind benefit provided under this Policy shall be provided in accordance with the following: (i) the amount of expenses eligible for reimbursement, or in-kind benefits provided during each calendar year cannot affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other calendar year; (ii) any payments in lieu of the benefits shall be paid no later than the end of Employee’s taxable year next following Employee’s taxable year in which the benefit or expense was due to be paid; and (iii) any right to reimbursements or in-kind benefits under this Plan shall not be subject to liquidation or exchange for another benefit.

(e) No Acceleration. The timing of payments and benefits under this Policy may not be accelerated to occur before the time specified for payment hereunder, except to the extent permitted under Treasury Regulation § 1.409A-3(j)(4) or as otherwise permitted under Code Section 409A without the Employee incurring a tax penalty.

(f) Limitation on Offsets. If the Company has a right of offset that could apply to a payment that constitutes a deferral of compensation under Code Section 409A, such right may only be exercised at the time the payment would have been made to the Employee and may be exercised only as an offset against an obligation that arose within 30 days before and within the same year as the payment date if application of such offset right against an earlier obligation would not be permitted under Code Section 409A.

(g) General Compliance. In addition to the foregoing provisions, the terms of this Policy, including any authority of the Company and rights of the Employee which constitute a deferral of compensation subject to Code Section 409A (and which is not grandfathered or excluded from being deemed such a deferral), shall be limited to those terms permitted under Code Section 409A without resulting in a tax penalty to Employee, and any terms not so permitted under Code Section 409A shall be modified and limited to the extent necessary to conform with Code Section 409A but only to the extent that such modification or limitation is permitted under Code Section 409A and the regulations and guidance issued thereunder. The Company and its employees and agents make no representation and are providing no advice regarding the taxation of the payments and benefits under this Policy, including with respect to taxes, interest and penalties under Code Section 409A and similar liabilities under state and local tax laws. No indemnification or gross-up is payable under this Policy with respect to any such tax, interest, or penalty under Code Section 409A or similar liability under state or local tax laws applicable to any Employee.

13. Miscellaneous

(a) Assignment; Non-transferability. No right of an Employee to any payment or benefit under this Policy shall be subject to assignment, anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, attachment, or garnishment by creditors of the Employee or of any beneficiary of the Employee. The terms and conditions of this Policy shall be binding on the successors and assigns of the Company.

(b) Withholding. The Company shall have the right to deduct from all payments hereunder any taxes required by law to be withheld therefrom.

(c) No Right To Employment. Nothing in this Policy shall be construed as giving any person the right to be retained in the employment of the Company, nor shall it affect the right of the Company to dismiss an Employee without any liability except as provided in this Policy.

(d) Legal Fees. The Employee shall pay all legal fees and related expenses incurred in seeking to obtain or enforce any payment, benefit or right provided by this Policy; provided, however, that if the Employee prevails on at least one material claim that forms part of a dispute with the Company regarding the enforceability of any provision of the Policy, the Company shall promptly reimburse the Employee for all reasonable attorneys' fees and related expenses ("Legal Fees") incurred by the Employee in connection with such dispute, provided that the Participant shall have submitted an invoice for such Legal Fees at least 10 days before the end of the calendar year next following the calendar year in which such Legal Fees were incurred. In no event shall the payments by the Company of Legal Fees be made later than the end of the calendar year next following the calendar year in which such Legal Fees were incurred. The amount of such Legal Fees that the Company is obligated to pay in any given calendar year shall not affect the Legal Fees that the Company is obligated to pay in any other calendar year, and an Employee's right to have the Company pay such Legal Fees may not be liquidated or exchanged for any other benefit.

(e) Amendment and Termination. The Board may amend or terminate this Policy at any time, provided, however (i) during the two years following a Change in Control, this Policy may not be amended or terminated in any manner materially adverse to an Employee without the written consent of such Employee, and (ii), at any other time, this Policy may not be amended or terminated in any manner materially adverse to an Employee except with 60 day's advance notice to the affected Employee, and no such amendment or termination shall be effective to limit any right or benefit relating to a termination during the two years after a Change in Control under Section 7 if a Change in Control has occurred prior to the lapse of such 60-day notice period.

(f) Governing Law; Arbitration. THE VALIDITY, CONSTRUCTION, AND EFFECT OF THIS POLICY AND ANY RULES AND REGULATIONS RELATING TO THIS POLICY SHALL BE DETERMINED IN ACCORDANCE WITH THE LAWS (INCLUDING THOSE GOVERNING CONTRACTS) OF THE STATE OF NEW YORK, WITHOUT GIVING EFFECT TO PRINCIPLES OF CONFLICTS OF LAWS, AND APPLICABLE FEDERAL LAW. If any provision hereof shall be held by a court or arbitrator of competent jurisdiction to be invalid and unenforceable, the remaining provisions shall continue to be fully effective. Any dispute or controversy arising under

or in connection with this Policy shall be settled exclusively by arbitration in New York, New York by one arbitrator in accordance with the rules of the American Arbitration Association in effect at the time of submission to arbitration. Judgment may be entered on the arbitrator's award in any court having jurisdiction. For purposes of settling any dispute or controversy arising hereunder or for the purpose of entering any judgment upon an award rendered by the arbitrator, the Company and the Employee hereby consent to the jurisdiction of any or all of the following courts: (i) the United States District Court for the Southern District of New York or (ii) any of the courts of the State of New York located in New York County. The Company and the Employee hereby waive, to the fullest extent permitted by applicable law, any objection which it may now or hereafter have to such jurisdiction and any defense of inconvenient forum. The Company and the Employee hereby agree that a judgment upon an award rendered by the arbitrator may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

(g) No Duty to Mitigate. No employee shall be required to mitigate, by seeking employment or otherwise, the amount of any payment that the Company becomes obligated to make under this Policy, and, except as expressly provided in this Policy, amounts or other benefits to be paid or provided to an Employee pursuant to this Policy shall not be reduced by reason of the Employee's obtaining other employment or receiving similar payments or benefits from another employer.

(h) Awards to Employees Outside the United States. The Committee may modify the terms and conditions of participation of any Employee who is then resident or primarily employed outside the United States or is subject to taxation by a non-U.S. jurisdiction in any manner deemed by the Committee to be necessary or appropriate in order that such terms and conditions shall conform to the laws, regulations, sound business practices or customs of the country in which the Employee is then resident or primarily employed.

Annex I

Title	Severance Factor	Severance Continuation Period	CIC Severance Factor
Tier I Employees			
• Chief Executive Officer	24	24 months	3
• All Other Tier I Employees	1.5	18 months	2
Tier II Employees	1	12 months	1.5

**FORM OF
INTERNATIONAL FLAVORS & FRAGRANCES INC.
ANNUAL INCENTIVE PLAN (“AIP”) AWARD AGREEMENT (the “AIP AWARD AGREEMENT”)
PLAN YEAR [201X]**

Participant: [NAME] **Job Level:** [#]

Organization Unit/Location: [ORG. UNIT/LOCATION] **Position/Participant Group:** [POSITION/GROUP]

This AIP Award Agreement, dated as of [X, 201X] (the “**Date of Grant**”), is made by and between International Flavors & Fragrances Inc., a New York Corporation, including its affiliates (the “**Company**”) and [NAME OF PARTICIPANT] (the “**Participant**”) under the International Flavors & Fragrances Inc. 2015 Stock Award and Incentive Plan, as it may be amended from time to time (the “**Plan**”). The Participant has been granted an Annual Incentive Award, as described below (the “**AIP Award**”), subject to the Participant’s acceptance of the attached AIP Terms and Conditions and the Plan, both of which are made a part hereof and are incorporated herein by reference.

Participant Information		AIP Award Information		
Base Salary	AIP Target	Performance Metrics	Plan Year	Payment of AIP Award
[Insert Base Salary]	[Target Amount], representing [x%] of Base Salary	Actual AIP Award payouts are based on achievement of the results against the Performance Metrics and Weightings below, as well as the Participant’s individual performance.	[201X]	The Company will pay AIP Awards in the year following the Plan Year at the discretion of the Committee. Payment may range from 0% to 200% of the AIP Target as described in Section 5 of the AIP Terms and Conditions. The payment will be made in the applicable local currency.

Performance Metrics and Weightings		Performance Metric*	Weight	Threshold [%]	Target [%]	Max. [%]
	Corporate	Local Currency Sales Growth*	[X]			
		Operating Profit*	[X]			
		Gross Margin*	[X]			
		Working Capital*	[X]			
	[Business Unit]	Local Currency Sales Growth*	[X]			
		Operating Profit*	[X]			
		Gross Margin*	[X]			
		Working Capital*	[X]			
		Individual Performance*	[X]			
	Total		100.00			

*Each, as defined in, and subject to, the attached AIP Terms and Conditions and the terms of the Plan.

BY ELECTRONICALLY ACCEPTING THIS AIP AWARD, PARTICIPANT AGREES TO BE BOUND BY THE PROVISIONS OF THE PLAN, THIS AIP AWARD AGREEMENT AND THE AIP TERMS AND CONDITIONS. THE PARTICIPANT HAS REVIEWED THE PLAN, THE AIP AWARD AGREEMENT AND THE AIP TERMS AND CONDITIONS IN THEIR ENTIRETY, HAS HAD AN OPPORTUNITY TO OBTAIN THE ADVICE OF COUNSEL PRIOR TO ACCEPTING THE AIP AWARD AND FULLY UNDERSTANDS ALL OF THE PROVISIONS OF THE PLAN, THIS AIP AWARD AGREEMENT AND THE AIP TERMS AND CONDITIONS. PARTICIPANT HEREBY AGREES TO ACCEPT AS BINDING, CONCLUSIVE AND FINAL ALL DECISIONS OR INTERPRETATIONS OF THE COMMITTEE ARISING UNDER THE PLAN, THE AIP AWARD AGREEMENT OR THE AIP TERMS AND CONDITIONS.

I ACCEPT

**INTERNATIONAL FLAVORS & FRAGRANCES INC.
ANNUAL INCENTIVE PLAN AWARD AGREEMENT
TERMS AND CONDITIONS (the “AIP TERMS AND CONDITIONS”)**

These AIP Terms and Conditions are a part of each AIP Award Agreement made under the Plan, which Plan is hereby incorporated by reference.

Capitalized terms not defined herein shall have the meaning ascribed to them in the Plan. In the event of a conflict between the provisions of these AIP Terms and Conditions and the Plan, the provisions of the Plan shall govern.

1. **Amount of Award.** As of the Date of Grant, the Participant shall be eligible to receive an AIP Award in the amount of the AIP Target set forth on the first page of the AIP Award Agreement, as such amount may be adjusted as described in Section 5 below.
2. **Eligibility for Award.** A Participant's eligibility for an AIP Award in one Plan Year does not guarantee eligibility of the Participant for another AIP Award in a subsequent Plan Year.
3. **Payment of the Award.** The AIP Award provides the Participant with an opportunity to receive a single AIP Award cash payout (the “**AIP Award Payment**”) if the Company and, to the extent determined by the Committee, business units and other units or subunits of the Company designated by the Committee, achieve one or more satisfactory levels of performance (each a “**Metric Result**”) in respect of one or more metrics (each a “**Performance Metric**”) as specified by the Committee, over a single fiscal year (each a “**Plan Year**”), as specified in the AIP Award Agreement. Any AIP Award Payment will be made in accordance with the attached AIP Award Agreement. All AIP Awards shall be paid in the applicable local currency. Except as provided in Section 9 below, and, with respect to Participants grade level 7 and above, Section 10 below, a Participant must remain Employed by the Company continuously from the Date of Grant of the AIP Award through the date the AIP Award Payment is made. Accordingly, there is no partial payout for AIP Awards, except as provided in Section 9 below, and, with respect to Participants grade level 7 and above, Section 10 below.
4. **Target Award Value .** The attached AIP Award Agreement specifies the Participant's AIP Award at a target level (the “**AIP Target**”). The AIP Target provides the Participant with an opportunity to receive an AIP Award Payment in an amount equal to the AIP Target. However, the actual AIP Award Payment may be more or less than the AIP Target, depending on the Metric Results as described in Section 5 below.

A Participant's AIP Target shall be based on the Participant's annual base salary multiplied by a percentage determined by the Participant's job level and geographic location (the “**Target Award Percentage**”), subject to the provisions below:

- a. For purposes of calculating the AIP Award, a Participant's annual base salary, effective as of April 1 of a Plan Year, shall be considered as if effective on January 1 of the Plan Year. In the event the Participant has one or more salary changes after April 1, the AIP Target
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shall be adjusted pro rata based on the number of days in the Plan Year that the Participant remains at each base salary level.

- b. For purposes of calculating the AIP Award, a Participant's Target Award Percentage, effective as of April 1 of the Plan Year, shall be considered as if effective on January 1 of the Plan Year. In the event of a promotion, transfer or adjustment that results in a change to a Participant's Target Award Percentage after April 1 of a Plan Year, the AIP Target will be pro-rated based on the number of days in the Plan Year that the Participant remains at each Target Award Percentage.

5. **Weight and Achievement of Metric Results.** The Committee shall determine the Performance Metrics and weight to be applied to each Performance Metric in determining the AIP Target. Specific values for Threshold, Target and Maximum (each, as described below) levels of performance of the Metric Results shall be set at the beginning of each Plan Year by the Company when its budgets and other incentive targets are approved the Company's Board of Directors. If 100% of the Metric Results are achieved (the "**Target**"), the AIP Award shall be equal to the AIP Target; if the "**Threshold**" amount of the Metric Results are achieved, the AIP Award shall be equal to 25% of the AIP Target; and if the "**Maximum**" amount of the Metric Results are achieved, the AIP Award shall be equal to 200% of the AIP Target. If less than the Threshold is met, the AIP Award shall be \$0. If in a Plan Year the actual performance is above the Threshold, but below the Target, or above the Target but below the Maximum, the AIP Award Payment shall be adjusted on a pro rata basis by the level of actual achievement of the Metric Results. In no event shall the AIP Award Payment be more than 200% of the AIP Target.

6. **Performance Metrics.**

- a. The Committee has established the following Performance Metrics categories for AIP Awards. Notwithstanding the attached AIP Award Agreement, for each Plan Year, the Committee may change the Performance Metrics for the Plan Year on or before March 31 of such Plan Year.
 - i. The percent increase in sales, measured in U.S. dollars, from the current Plan Year against the prior Plan Year, excluding the effects of currency movements ("**Local Currency Sales Growth**"), prepared on a basis consistent with the approved operating plan but normalized, as determined by the Committee in its sole discretion;
 - ii. Operating profit ("**Operating Profit**"), prepared on a basis consistent with the approved operating plan but normalized, as determined by the Committee in its sole discretion;
 - iii. Gross profit of the unit being measured, expressed as a percent of net sales ("**Gross Margin Percentage**"), prepared on a basis consistent with the approved operating plan but normalized, as determined by the Committee in its sole discretion; and
 - iv. Average amount of inventory and accounts receivable minus trade accounts payable, expressed as a percent of net sales on a 5-quarter average basis
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(“**Working Capital Percentage**”), prepared on a basis consistent with the approved operating plan but normalized, as determined by the Committee in its sole discretion.

v. Individual Performance.

7. **Discretionary Nature of AIP Award Payments.** After the end of each Plan Year, the Committee shall approve the Metric Results as prepared and presented by management. Except with respect to an AIP Award that is a Performance-Based Award, the AIP Award Payment to a Participant may be calculated based on the Metric Results or may be adjusted to take into account any factor, including the Participant’s individual performance in that Plan Year.
 8. **Mid-Year Entrants.** New Company employees must be hired before October 1 of a Plan Year to be eligible to receive an AIP Award for that Plan Year. AIP Awards for Participants hired after January 1, but prior to October 1, of a Plan Year will be pro-rated from the date of hire based on the number of days in the Plan Year that the Participant is Employed by the Company as compared to the number of days in the Plan Year.
 9. **Termination of Employment or Leave of Absence.** The following shall apply following a Participant’s termination of Employment or leave of absence.
 - a. Involuntary and Good Reason Termination: (i) if the Participant is involuntarily terminated without Cause (as defined in the Plan) by the Company, or if applicable, the Participant resigns for Good Reason (as defined in the Plan), on or before March 31 of the Plan Year, the Participant will forfeit, and shall not be entitled to, any portion of an AIP Award for that Plan Year; (ii) if the Participant is involuntarily terminated without Cause, or if applicable, the Participant resigns for Good Reason (as defined in the Plan) after March 31 of the Plan Year, the Participant’s AIP Award, if any, shall be pro-rated based on the number of the Participant’s active days Employed by the Company in such Plan Year preceding the date of termination; and (iii) if the Participant is terminated for Cause (as defined in the Plan) at any time during the Plan Year, the Participant shall forfeit, and shall not be entitled to, any portion of an AIP Award for such Plan Year.
 - b. Voluntary Termination (if applicable, other than for Good Reason): If the Participant voluntarily terminates Employment at any time during a Plan Year, or prior to payment of an AIP Award for a Plan Year, the Participant shall forfeit, and shall not be entitled to, receive any portion of an AIP Award for such Plan Year.
 - c. Early Retirement, Normal Retirement, Death and Disability: AIP Awards, if any, are pro-rated based on the Participant’s number of active days Employed by the Company in the Plan Year preceding the date of Early Retirement, Normal Retirement, death or Disability.
 - d. Leave of Absence: If the Participant is not in active Employment for any portion of the Plan Year as a result of a paid or unpaid leave of absence, the amount of any AIP Award may be further adjusted, subject to local legal requirements and applicable Company policies that govern leaves of absence.
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10. **Change in Control.** In the event the Company undergoes a “Change in Control” (as defined in the Plan), AIP Awards shall be treated as provided for in Section 11 of the Plan or the ESP, if applicable.
 11. **Clawback and Recoupment of Awards.** Notwithstanding anything herein to the contrary, if the Participant is designated by the Company as grade level 7 or above for any portion of the Plan Year, any AIP Award paid in connection with the AIP shall be subject to the clawback, recoupment or forfeiture provisions under Section 32 of the Plan and Section 9 of the ESP, if applicable. By acknowledging the AIP Award Agreement, the Participant acknowledges that any and all AIP Awards previously granted to the Participant prior to the Grant Date, and any other cash or shares of Common Stock provided to the Participant following the Grant Date and under the AIP or otherwise under the Plan, are subject to the provisions of Section 32 of the Plan and Section 9 of the ESP, as applicable.
 12. **Limits on Transfers of Awards.** Except as provided by the Committee, no AIP Award and no right under any AIP Award, shall be assignable, alienable, saleable, or transferable by a Participant other than by will or by the laws of descent and distribution, in accordance with Section 23 of the Plan.
 13. **Administration.**
 - a. **Administration.** The Board has delegated administrative authority to the Committee and the AIP shall be administered by the Committee or a subset of the Committee that satisfies the requirements of Section 162(m) of the Code with respect to any Performance-Based Awards.
 - b. **Powers and Duties.** The Committee shall have sole discretion and authority to make any and all determinations necessary or advisable for administration of the AIP and may adopt, amend or revoke any rule or regulation established for the proper administration of the AIP. The Committee shall have the ability to modify the AIP provisions, to the extent necessary, or delegate such authority, to accommodate any changes in law or regulations in jurisdictions in which Participants will receive AIP Awards. The Committee or its designee, if applicable, will review and approve the Performance Metrics established at the beginning of each Plan Year and review and approve AIP Award Payments. All interpretations, decisions, or determinations made by the Committee or its designee pursuant to the AIP shall be final and conclusive.
 14. **Amendment; Termination of the AIP.** The Committee has the right to revise, modify, or terminate the AIP in whole or in part at any time or for any reason, and the right to modify any AIP Award in accordance with Section 31 of the Plan.
 15. **Tax Liability and Withholding.** The Participant shall be responsible for any tax liability that may arise as a result of the payments contemplated by an AIP Award or these AIP Terms and Conditions in accordance with Section 20 of the Plan. The Participant acknowledges the Company is authorized to withhold taxes due or potentially payable in connection with any AIP Award in accordance with Section 20 of the Plan. Further, the Participant agrees to any deduction or setoff by the Company as provided under Section 26 of the Plan.
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16. **Severability; Survival of Terms.** Should any provision of an AIP Award or these AIP Terms and Conditions be held by a court of competent jurisdiction to be unenforceable, such holding shall not affect the validity of the remainder of the AIP Award or these AIP Terms and Conditions. These AIP Terms and Conditions shall apply to and bind the Participant and the Company and their respective permitted assignees and transferees, heirs, legatees, executors, administrators and legal successors.
 17. **Entire Agreement.** These AIP Terms and Conditions, the AIP Award Agreement and the Plan constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and the Participant with respect to the subject matter hereof.
 18. **Non U.S. Residents.** Rights and restrictions for Participants residing in foreign countries may differ and shall be based on applicable foreign law and will be governed by Section 33 of the Plan.
 19. **Electronic Delivery.** The Company may, in its sole discretion, deliver any documents related to an AIP Award by electronic means. The Participant hereby consents to receive such documents by electronic delivery and, if requested, to agree to participate in the Plan through an on-line or electronic system established and maintained by the Company or another third party designated by the Company.
 20. **Governing Law.** These AIP Terms and Conditions and the AIP Award Agreement shall be governed by and construed according to the laws of the State of New York and of the United States without regard to principles of conflict of law.
 21. **Consent for Data Transfer.** By accepting this AIP Award Agreement, the Participant voluntarily acknowledges and consents to the collection, use, processing and transfer of personal data as described herein, including for the purpose of managing and administering the Plan, certain personal information, including name, home address and telephone number, date of birth, social security number or other employee identification number, salary, nationality, job title, or directorships held in the Company ("**Data**"). The Company and/or its affiliates will transfer Data among themselves as necessary for the purpose of implementation, administration and management of the Plan and may further transfer Data to any third parties assisting the Company in the implementation, administration and management of the Plan. These recipients may be located in the European Economic Area, or elsewhere throughout the world, such as the United States. The Participant authorizes them to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes of implementing, administering and managing Participant's participation in the Plan, including any requisite transfer of such Data as may be required for the administration of the Plan. A Participant may, at any time, review Data, require any necessary amendments to it or withdraw the consents herein in writing by contacting the Company; however, withdrawing consent may affect Participant's ability to participate in the Plan.
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22. **Notices.** Any notice required or permitted to be given under these AIP Terms and Conditions or the AIP Award Agreement shall be in writing and shall be deemed to have been given when delivered personally or by courier, or sent by certified or registered mail, postage prepaid, return receipt requested, duly addressed to the party concerned at the address indicated below or to such changed address as such party may subsequently by similar process give notice of:

If to the Company:

International Flavors & Fragrances Inc.
521 W. 57th Street
New York, New York 10019
Attn: Chief Human Resources Officer

If to the Participant:

To the last address delivered to the Company by the Participant in the manner set forth herein.

**FORM OF
INTERNATIONAL FLAVORS & FRAGRANCES INC.
LONG-TERM INCENTIVE PLAN (“LTIP”) AWARD AGREEMENT (the “LTIP AWARD AGREEMENT”)
LTIP CYCLE [201X-201X] [CYCLE XXX]**

Participant: [NAME]

Job Level: [#]

Organization Unit/Location: [ORG. UNIT/LOCATION]

Position: [POSITION]

This LTIP Award Agreement, dated as of [X, 201X] (the “**Date of Grant**”), is made by and between International Flavors & Fragrances Inc., a New York Corporation, including its affiliates (the “**Company**”) and [NAME OF PARTICIPANT] (the “**Participant**”) under the International Flavors & Fragrances Inc. 2015 Stock Award and Incentive Plan, as it may be amended from time to time (the “**Plan**”). The Participant is hereby granted a Long-Term Incentive Award, as described below (the “**LTIP Award**”), subject to the Participant’s acceptance of the attached LTIP Terms and Conditions and the Plan, both of which are made a part hereof and are incorporated herein by reference.

Participant Information			LTIP Award Information		
Base Salary	LTIP Target	Performance Metrics	Price of a share of Common Stock for Determining Number of shares of Common Stock at Target*	Performance Cycle	Payment of LTIP Award
[Insert Base Salary]	[Target Amount], representing [x%] of Base Salary	Actual LTIP Award payouts are based on achievement of the results against the Performance Metrics and Weightings below.	[INSERT SHARE PRICE] <i>*20-day trailing average price of a share of Common Stock as of the first trading day of the Performance Cycle</i>	[January 1, 201X]- [December 31, 201X]	Payments are made in the year following the last day of the Performance Cycle [XXX] at the discretion of the Committee. The cash portion will be paid in the applicable local currency.

Performance Segments; Performance Metrics; LTIP Award Amounts at Target	Performance Segment	Proration**	LTIP Award Amounts at Target		Performance Metrics	
			Cash Target	Shares of Common Stock Target	EP*** Metric	TSR*** Metric
	Year 1: 201X	100%	\$[X]	[# of shares of Common Stock]	50%	50%
	Year 2: 201X	100%	\$[X]	[# of shares of Common Stock]	50%	50%
	Year 3: 201X	100%	\$[X]	[# of shares of Common Stock]	50%	50%
	Cumulative 201X-201X	100%	\$[X]	[# of shares of Common Stock]	0%	100%
	Total Performance Cycle		\$[X]	[# of shares of Common Stock]		

** Based on Participant's Employment start date of [DATE]

*** As defined in, and subject to, the attached LTIP Terms and Conditions and the terms of the Plan

BY ELECTRONICALLY ACCEPTING THIS LTIP AWARD, PARTICIPANT AGREES TO BE BOUND BY THE PROVISIONS OF THE PLAN, THIS LTIP AWARD AGREEMENT AND THE LTIP TERMS AND CONDITIONS. THE PARTICIPANT HAS REVIEWED THE PLAN, THE LTIP AWARD AGREEMENT AND THE LTIP TERMS AND CONDITIONS IN THEIR ENTIRETY, HAS HAD AN OPPORTUNITY TO OBTAIN THE ADVICE OF COUNSEL PRIOR TO ACCEPTING THE LTIP AWARD AND FULLY UNDERSTANDS ALL OF THE PROVISIONS OF THE PLAN, THIS LTIP AWARD AGREEMENT AND THE LTIP TERMS AND CONDITIONS. THE PARTICIPANT HAS BEEN PROVIDED WITH A COPY OR ELECTRONIC ACCESS TO A COPY OF THE U.S. PROSPECTUS FOR THE PLAN AND THE TAX SUPPLEMENT TO THE U.S. PROSPECTUS FOR PARTICIPANT'S COUNTRY OF EMPLOYMENT. PARTICIPANT HEREBY AGREES TO ACCEPT AS BINDING, CONCLUSIVE AND FINAL ALL DECISIONS OR INTERPRETATIONS OF THE COMMITTEE ARISING UNDER THE PLAN, THE LTIP AWARD AGREEMENT OR THE LTIP TERMS AND CONDITIONS.

[] I ACCEPT

**INTERNATIONAL FLAVORS & FRAGRANCES INC.
LONG-TERM INCENTIVE PLAN AWARD AGREEMENT
TERMS AND CONDITIONS (the "LTIP TERMS AND CONDITIONS")**

These LTIP Terms and Conditions are a part of each LTIP Award Agreement made under the Plan, which Plan is hereby incorporated by reference.

Capitalized terms not defined herein shall have the meanings ascribed to them in the Plan. In the event of any conflict between the provisions of these LTIP Terms and Conditions and the Plan, the provisions of the Plan shall govern.

1. **Amount of LTIP Award** . As of the Date of Grant, the Participant shall be eligible to receive an LTIP Award in the amount of the LTIP Target set forth on the first page of the LTIP Award Agreement, as such amount may be adjusted as described in Section 5 below.
2. **Eligibility for LTIP Award** . A Participant's eligibility for an LTIP Award in one Performance Cycle does not guarantee eligibility of the Participant for another LTIP Award in a subsequent Performance Cycle.
3. **Payment of the LTIP Award** . The LTIP Award provides the Participant with an opportunity to receive a single LTIP Award payout, comprising two separate payments, one in cash and one in shares of Common Stock (collectively, the "**LTIP Award Payment**") if the Company achieves one or more satisfactory levels of performance (each a "**Performance Achievement Level**") in respect of one or more metrics (each a "**Performance Metric**") specified by the Committee, as provided hereunder. Performance Metrics must be met over discrete periods of time (each a "**Performance Segment**") within or over a multi-year performance period (a "**Performance Cycle**"), as specified in the LTIP Award Agreement. Any LTIP Award Payment will be made in accordance with the attached LTIP Award Agreement. All LTIP Awards payable in cash will be paid in the applicable local currency. Except as provided in Section[s] 9 [and 10] below, a Participant must remain Employed by the Company continuously from the Date of Grant of the LTIP Award through the date the LTIP Award Payment is made. Accordingly, there is no partial payout for LTIP Awards, except as provided in Section[s] 9 [and 10] below.
4. **LTIP Target** . The attached LTIP Award Agreement specifies the Participant's Long-Term Incentive Plan Target Award (the "**LTIP Target**"). The LTIP Target provides the Participant with an opportunity to receive an LTIP Award Payment in an amount equal to the LTIP Target. However, the actual LTIP Award Payment may be more or less than the LTIP Target, depending on the performance of the Company during the Performance Segments, as described further below and in Section 5:
 - a. The LTIP Target is first divided equally among the four Performance Segments: (i) Year 1, (ii) Year 2, (iii) Year 3 and (iv) Cumulative Performance Segment, each of which is weighted 25% when determining the LTIP Award Payment; and
 - b. The LTIP Target for a Performance Segment is then divided equally among the Performance Metrics for each Performance Segment, where each Performance Segment is weighted 50% between EP (as defined below) and TSR (as defined below) during Years One, Two and Three of the Performance Cycle and 100% TSR for the Cumulative Performance Segment; and
 - c. The LTIP Target for each Performance Metric in a Performance Segment is then divided equally between an opportunity to receive an LTIP Award Payment in the form of cash and an opportunity to receive an LTIP Award Payment in the form of shares of Common Stock.

Except as otherwise provided on the attached LTIP Award Agreement, the target number of shares of Common Stock available at LTIP Target for a Performance Metric in a Performance Segment shall be determined, as of the Grant Date, by taking (x) the dollar amount allocated to the Common Stock portion of the LTIP Target for the Performance Metric, and dividing it by (y) the price of a share of Common Stock specified on the attached LTIP Award Agreement.

5. **Achievement of Performance Achievement Levels.** The Committee shall specify the Performance Achievement Levels for each Performance Segment that will provide an LTIP Award Payment at LTIP Target. Specific values for Threshold, Target and Maximum (each, as described below) Performance Achievement Levels shall be set for each Performance Segment at the beginning of each Performance Segment by the Company when its budgets and other incentive targets are approved the Company's Board of Directors. If 100% of the Performance Achievement Levels are achieved for a Performance Segment (the "**Target**"), the LTIP Award shall be equal to the LTIP Target for such Performance Segment; if the "**Threshold**" amount of the Performance Achievement Levels are achieved for the Performance Segment, the LTIP Award for such Performance Segment shall be equal to 25% of the LTIP Target for such Performance Segment; and if the "**Maximum**" amount of the Performance Achievement Levels are achieved for a Performance Segment, the LTIP Award for such Performance Segment shall be equal to 200% of the LTIP Target for such Performance Segment. If less than the Threshold is met, the LTIP Award shall be \$0. If in a Performance Segment the actual performance is above the Threshold, but below the Target, or above the Target but below the Maximum, the LTIP Award Payment for such Performance Segment shall be adjusted on a pro rata basis by the actual Performance Achievement Levels. In no event shall the LTIP Award Payment for any Performance Segment be more than 200% of the LTIP Target for such Performance Segment.
6. **Performance Metrics.**
- a. The Committee has established Internal Economic Profit ("**EP**") and External Total Shareholder Return ("**TSR**") against the S&P 500 as the financial metrics for measuring Company performance for the Performance Segments. EP measures operating profitability after considering (i) the Company's operating profit, (ii) the Company's income taxes and (iii) a charge for the capital employed in the business. TSR is calculated by measuring the change in the market price of a share of Common Stock plus dividends paid (assuming the dividends are reinvested) for the Company and the S&P 500 companies over each Performance Segment. The market price for purposes of calculating the TSR of the Company and the S&P 500 for each Performance Segment is determined based on the average closing price per share of Common Stock over the period of 20 consecutive trading days preceding the last day of such Performance Segment.
 - b. The Performance Achievement Level for a Performance Segment that is a calendar year shall be set by the Committee on or before March 31 of each such year. The Performance Achievement Level for a Performance Segment that is greater than a calendar year shall be set by the Committee on or before March 31 of the first calendar year for the Performance Segment.
 - c. Notwithstanding the attached LTIP Award Agreement, (i) for a Performance Segment that is a calendar year, the Committee may change the Performance Metrics for the Performance Segment on or before March 31 of such year; and (ii) for a Performance Segment that is greater than a calendar year, the Committee may change the Performance Metrics for the Performance Segment on or before March 31 of the first calendar year of the Performance Segment.
7. **Notional Account Credits.** The portion of the LTIP Award attributable to the achievement of a Performance Metric at or above the Threshold during a Performance Segment prior to the LTIP Award Payment date will be credited to a notional bookkeeping account maintained by the
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Company until payout of the LTIP Award as provided herein. Shares of Common Stock do not have voting rights until payout. Shares of Common Stock do not pay dividends until vested.

8. **Mid-Year Entrants**. For Participants entering the LTIP after January 1 of a Performance Segment, LTIP Awards shall be pro-rated based on the number of days in the Performance Segment that the Participant is Employed by the Company as compared to the number of days in the Performance Segment.
 9. **Termination of Employment or Leave of Absence**. A Participant's rights under the LTIP Award following termination of Employment or leave of absence shall be determined in accordance with the following provisions.
 - a. Involuntary and Good Reason Termination: (i) if the Participant is involuntarily terminated without Cause (as defined in the Plan) by the Company, or, if applicable, the Participant terminates for Good Reason (as defined in the Plan), the Participant's LTIP Award will be calculated as provided above and pro-rated based on the number of days in the Performance Segment through the Participant's separation from service (as defined under Section 409A of the Code), as compared to the total number of days in the Performance Segment, and payment will be made on the normally scheduled payout date for the respective Performance Cycle; and (ii) if the Participant is terminated for Cause (as defined in Plan) at any time during a single fiscal year (a "**Plan Year**"), the Participant will not be entitled to any portion of an LTIP Award.
 - b. Voluntary Termination (if applicable, other than for Good Reason): If the Participant voluntarily terminates Employment at any time during a Plan Year, or prior to payment of an LTIP Award for a Plan Year, the Participant will not be entitled to receive any portion of an LTIP Award.
 - c. Early Retirement, Normal Retirement, Death and Disability: LTIP Awards, if any, are pro-rated based on the number of days in the Performance Segment through the separation from service due to Early Retirement, Normal Retirement, death or Disability as compared to the total number of days in the Performance Segment and payment is made on the normally scheduled payout date for the respective Performance Cycle.
 - d. Leave of Absence: If a Participant is not in active Employment for any portion of the Plan Year as a result of a paid or unpaid leave of absence, the amount of any LTIP Award may be further adjusted, subject to local legal requirements and applicable Company policies that govern leaves of absence.
 10. **Change in Control**. [Except as otherwise provided below], in the event the Company undergoes a "Change in Control" (as defined in the Plan), LTIP Awards shall be treated as provided for in Section 11 of the Plan or the ESP, if applicable.
 - a. [In the event the Participant's Employment with the Company or a successor company is terminated within 2 years following a Change in Control by the Company (or successor company) without Cause and the Participant is designated by the Company as grade level 7 as of the date of the Change in Control,
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- i. For each Performance Segment that ends prior to the date of the Participant's separation from service, the Participant shall receive an LTIP Award Payment equal to the LTIP Award Payment, if any, the Participant would have been entitled to receive for such Performance Segment had the Participant not separated from service, determined in accordance with Sections 5 and 6 of this LTIP Award Agreement; and
- ii. For each Performance Segment in which the Participant's separation from service occurs, the Participant shall receive an LTIP Award Payment equal to the product of (x) the Participant's LTIP Target for the Performance Segment during which the Participant's separation from service occurred and (y) a fraction, the numerator of which is the number of days during the Performance Segment preceding the date of the Participant's separation from service and the denominator of which is the total number of days in the Performance Segment, with each of (i) and (ii) payable within 15 days following the date of the Participant's separation from service, subject to the Participant's execution of a release of claims and such other documentation as reasonably requested by the Company and such release becoming effective, enforceable and irrevocable.]

11. **Clawback and Recoupment Provisions.** Notwithstanding anything herein to the contrary, both cash payments and shares of Common Stock paid or payable in connection with an LTIP Award shall be subject to the clawback, recoupment and forfeiture provisions of Section 32 of the Plan and Section 9 of the ESP, if applicable. By acknowledging the LTIP Award Agreement, the Participant acknowledges that any and all LTIP Awards previously granted to the Participant prior to the Grant Date, and any other cash or shares of Common Stock provided to the Participant following the Grant Date under the LTIP or otherwise under the Plan, are subject to the provisions of Section 32 of the Plan and Section 9 of the ESP, as applicable.

12. **Limits on Transfers of Awards.** Except as provided by the Committee, no LTIP Award and no right under any LTIP Award, shall be assignable, alienable, saleable, or transferable by a Participant other than by will or by the laws of descent and distribution in accordance with Section 23 of the Plan.

13. **Administration.**

- a. **Administration.** The Board has delegated administrative authority to the Committee and the LTIP shall be administered by the Committee or a subset of the Committee that satisfies the requirements of Section 162(m) of the Code with respect to any Performance-Based Award.
 - b. **Powers and Duties.** The Committee shall have sole discretion and authority to make any and all determinations necessary or advisable for administration of the LTIP and may adopt, amend or revoke any rule or regulation established for the proper administration of the LTIP. The Committee shall have the ability to modify the LTIP provisions, to the extent necessary, or delegate such authority, to accommodate any changes in law or regulations in jurisdictions in which Participants will receive LTIP Awards. The Committee will review and approve the Performance Metrics established at the beginning of each Plan Year and review and approve LTIP Award Payments. All interpretations, decisions, or determinations made by the Committee pursuant to the LTIP shall be final and conclusive.
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14. **Amendment; Termination of the LTIP.** The Committee has the right to revise, modify, or terminate the LTIP in whole or in part at any time or for any reason, and the right to modify any LTIP Award amount in accordance with Section 31 of the Plan.
 15. **Tax Liability and Withholding.** The Participant shall be responsible for any tax liability that may arise as a result of the payments contemplated by an LTIP Award or these LTIP Terms and Conditions in accordance with Section 20 of the Plan. The Participant acknowledges the Company is authorized to withhold taxes due, or potentially payable in connection with any LTIP Award Payment in accordance with Section 20 of the Plan. Further, the Participant agrees to any deduction or setoff by the Company as provided under Section 26 of the Plan.
 16. **Severability; Survival of Terms.** Should any provision of an LTIP Award or these LTIP Terms and Conditions be held by a court of competent jurisdiction to be unenforceable, such holding shall not affect the validity of the remainder of the LTIP Award or these LTIP Terms and Conditions. These LTIP Terms and Conditions shall apply to and bind the Participant and the Company and their respective permitted assignees and transferees, heirs, legatees, executors, administrators and legal successors.
 17. **Entire Agreement.** These LTIP Terms and Conditions, the LTIP Award Agreement and the Plan constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and the Participant with respect to the subject matter hereof.
 18. **Non U.S. Residents.** Rights and restrictions for Participants residing in foreign countries may differ and shall be based on applicable foreign law and will be governed by Section 33 of the Plan.
 19. **Electronic Delivery.** The Company may, in its sole discretion, deliver any documents related to an LTIP Award by electronic means. The Participant hereby consents to receive such documents by electronic delivery and, if requested, to agree to participate in the Plan through an on-line or electronic system established and maintained by the Company or another third party designated by the Company.
 20. **Governing Law.** These LTIP Terms and Conditions and the attached LTIP Award Agreement shall be governed by and construed according to the laws of the State of New York and of the United States without regard to principles of conflict of law.
 21. **Consent for Data Transfer.** By accepting this LTIP Award Agreement, the Participant voluntarily acknowledges and consents to the collection, use, processing and transfer of personal data as described herein, including for the purpose of managing and administering the Plan, certain personal information, including name, home address and telephone number, date of birth, social security number or other employee identification number, salary, nationality, job title, any shares of Common Stock or directorships held in the Company, and details of all options or any other entitlement to shares of Common Stock awarded, canceled, purchased, vested, unvested or outstanding in Participant's favor ("**Data**"). The Company and/or its affiliates will transfer Data among themselves as necessary for the purpose of implementation, administration and
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management of the Plan and may further transfer Data to any third parties assisting the Company in the implementation, administration and management of the Plan. These recipients may be located in the European Economic Area, or elsewhere throughout the world, such as the United States. The Participant authorizes them to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes of implementing, administering and managing Participant's participation in the Plan, including any requisite transfer of such Data as may be required for the administration of the Plan and/or the subsequent holding of shares of Common Stock on Participant's behalf to a broker or other third party with whom Participant may elect to deposit any shares of Common Stock acquired pursuant to the Plan. A Participant may, at any time, review Data, require any necessary amendments to it or withdraw the consents herein in writing by contacting the Company; however, withdrawing consent may affect Participant's ability to participate in the Plan.

22. **Notices.** Any notice required or permitted to be given under these LTIP Terms and Conditions or the LTIP Award Agreement shall be in writing and shall be deemed to have been given when delivered personally or by courier, or sent by certified or registered mail, postage prepaid, return receipt requested, duly addressed to the party concerned at the address indicated below or to such changed address as such party may subsequently by similar process give notice of:

If to the Company:

International Flavors & Fragrances Inc.
521 W. 57th Street
New York, New York 10019
Attn: Chief Human Resources Officer

If to the Participant:

To the last address delivered to the Company by the Participant in the manner set forth herein.

**FORM OF
INTERNATIONAL FLAVORS & FRAGRANCES INC.
EQUITY CHOICE PROGRAM AWARD AGREEMENT (the “ECP AWARD AGREEMENT”)
PLAN YEAR [201X]**

Participant: [NAME] **Job Level:** [#]

Organization Unit/Location: [ORG. UNIT/LOCATION] **Position:** [POSITION]

This ECP Award Agreement, dated as of [X, 201X] (the “**Grant Date**”), is made by and between International Flavors & Fragrances Inc., a New York Corporation, including its affiliates (the “**Company**”) and [NAME OF PARTICIPANT] (the “**Participant**”) under the International Flavors & Fragrances Inc. 2015 Stock Award and Incentive Plan, as it may be amended from time to time (the “**Plan**”). Pursuant to Section 7 of the Plan, Participant has been granted an Equity Choice Program Award, as described below (the “**ECP Award**”), subject to the Participant’s acceptance of the attached ECP Terms and Conditions and the Plan, both of which are made a part hereof and are incorporated herein by reference.

Total ECP Award Amount	Vesting	Fair Market Value* of a share of Common Stock (a “Share”) on Grant Date
[\$]	[DATE]	[\$]

ECP Award Information

ECP Award Value (\$US)	ECP Award Type	Percentage of ECP Award	ECP Award Amount
[\$]	PRS*	[_%]	[# of Matched PRS] PRS is assigned an adjustment factor of 120%
[\$]	SSAR*	[_%]	[_ SSARs] Number of SSARs granted is based on 4.5 times the elected SSAR award value divided by the Fair Market Value* of a Share on the Grant Date.
[\$]	RSU*	[_%]	[_ RSUs]

*Each, as defined in, and subject to, the attached ECP Terms and Conditions and the terms of the Plan. Each ECP Award type elected represents a separate grant under the Plan.

BY ELECTRONICALLY ACCEPTING THIS ECP AWARD, PARTICIPANT AGREES TO BE BOUND BY THE PROVISIONS OF THE PLAN, THIS ECP AWARD AGREEMENT AND THE ECP TERMS AND CONDITIONS. THE PARTICIPANT HAS REVIEWED THE PLAN, THE ECP AWARD AGREEMENT AND THE ECP TERMS AND CONDITIONS IN THEIR ENTIRETY, HAS HAD AN OPPORTUNITY TO OBTAIN THE ADVICE OF COUNSEL PRIOR TO ACCEPTING THE ECP AWARD AND FULLY UNDERSTANDS ALL OF THE PROVISIONS OF THE PLAN, THIS ECP AWARD AGREEMENT AND THE ECP TERMS AND CONDITIONS. THE PARTICIPANT HAS BEEN PROVIDED WITH A COPY OR ELECTRONIC ACCESS TO A COPY OF THE U.S. PROSPECTUS FOR THE PLAN AND THE TAX SUPPLEMENT TO THE U.S. PROSPECTUS FOR PARTICIPANT’S COUNTRY OF EMPLOYMENT. PARTICIPANT HEREBY AGREES TO ACCEPT AS BINDING, CONCLUSIVE AND FINAL ALL DECISIONS OR INTERPRETATIONS OF THE COMMITTEE ARISING UNDER THE PLAN, THE ECP AWARD AGREEMENT OR THE ECP TERMS AND CONDITIONS.

[] | ACCEPT

**INTERNATIONAL FLAVORS & FRAGRANCES INC.
EQUITY CHOICE PROGRAM AWARD AGREEMENT
TERMS AND CONDITIONS (the “ECP TERMS AND CONDITIONS”)**

These ECP Terms and Conditions are a part of each International Flavors & Fragrances Inc. (the “**Company**”) ECP Award Agreement made under the Plan, which is hereby incorporated by reference.

Capitalized terms not defined herein shall have the meanings ascribed to them in the Plan. In the event of any conflict between the provisions of these ECP Terms and Conditions and the Plan, the provisions of the Plan shall govern.

1. **Amount of ECP Award.** As of the Grant Date, the Participant shall be eligible to receive an ECP Award in the forms and amounts set forth on the first page of the ECP Award Agreement.
 2. **Eligibility for Award.** A Participant’s eligibility for an ECP Award shall be at the discretion of the Committee. Eligibility for an ECP Award in one period does not guarantee eligibility for an ECP Award in a later period.
 3. **Vesting of Award.** The ECP Award vests on the date set forth on the first page of the ECP Award Agreement (the “**ECP Vesting Date**”) if not previously forfeited, and is 0% vested before expiration of this period.
 4. **ECP Award Allocations.** Participants may elect to allocate their total ECP Award between three types of ECP Award grants in 5% increments: (i) Purchase Restricted Stock (“**PRS**”), (ii) Stock-Settled Appreciation Rights (“**SSARs**”), and (iii) Restricted Stock Units (“**RSUs**”). If a Participant does not elect an ECP Award type within the time period specified by the Committee, 100% of the ECP Award will be allocated to SSARs by default or such other default selection specified by the Committee.
 5. **Purchase Restricted Stock.** PRS are restricted Shares (or RSUs for non-U.S. Participants) granted under Section 7 of the Plan. As used herein, the term “**PRS**” shall mean Shares or RSUs representing PRS, as applicable. There is a 20% adjustment upward of the ECP Award value for any allocation of the ECP Award elected in PRS. For example, if a Participant elects to receive \$100 of his or her ECP in PRS, the Participant will be required to fund, and will receive matching PRS from the Company, valued at \$120. If a Participant chooses PRS, then he or she must deliver funds (or Shares with an equivalent value) equal to the dollar amount of the ECP Award that he or she is electing to receive in PRS (including the 20% adjustment described above). Upon receipt of the funds or Shares by the Company, the Participant shall receive (a) PRS in the form of Shares calculated based on the Fair Market Value of a Share on the Grant Date (“**Purchased PRS**”) and (b) a match of PRS in the form of Shares or RSUs, as determined by the Company based on the location of the Participant (the “**Matched PRS**”). Cash shall be paid to Participant in lieu of any fractional Shares.
 - (1) Evidence of PRS Awards. Purchased PRS and Matched PRS shall be issued and registered in the name of the Participant and evidence of ownership of the Purchased PRS and Matched PRS shall be retained by the Company in a restricted account maintained by the Company’s designated agent.
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- (2) Voting Rights. The Participant shall be entitled to vote PRS (including Matched PRS that are in the form of Shares, but not Matched PRS that are in the form of RSUs) on any matter submitted to a vote of holders of Shares, and shall have all other rights of a shareholder of the Company except as expressly limited by the ECP Award Agreement or the Plan.
- (3) Dividends and Distributions. Purchased PRS and Matched PRS in the form of Shares earn dividends (or dividend equivalents in the case of RSUs) and are entitled to distributions during the vesting period if and to the extent that the Participant is the record owner of such PRS on any record date for such a dividend or distribution and Participant has not forfeited the Matched PRS on or before the payment date for such dividend or distribution.
- (a) In the event of a cash dividend or cash distribution on Shares, such dividend or distribution shall be paid in cash to Participant at the time of payment to shareholders generally and shall be non-forfeitable.
- (b) In the event of any non-cash dividend or distribution in the form of property other than Shares, such property shall be distributed in respect of Purchased PRS, but the Company (or its designated agent) shall retain in its custody the property so distributed in respect of Matched PRS, which property will become vested if and to the same extent the underlying Matched PRS becomes vested and, to the greatest extent practicable, shall be subject to all other terms and conditions applied to the underlying Matched PRS, including in the event of any dividends or distributions paid in respect of such property; provided, however, that any dividend or distribution of rights that expire before the ECP Vesting Date will be unrestricted and exercisable by Participant in accordance with their terms.
- (c) In the event of a dividend or distribution in the form of Shares or a stock split of Shares, the Shares so issued or delivered will be deemed to be additional Purchased PRS or Matched PRS, as the case may be, and in the case of Matched PRS will become vested if and to the same extent as the underlying Matched PRS. If the PRS are in the form of Shares, the dividends and distributions will be made in Shares; if the PRS are in the form of RSUs the dividends and distributions will be made in the form of RSUs.
- (4) Restrictions on PRS. The PRS shall be subject to the following restrictions during the vesting period:
- (a) Purchased PRS. The Participant shall have the right to withdraw, transfer, sell, assign, pledge or encumber (subject to Section 23 of the Plan) any or all of the Purchased PRS at any time, by written notice addressed to the Company; provided that such withdrawal, transfer, sale, assignment, pledge or encumbrance of Purchased PRS will result in forfeiture of a corresponding number of Matched PRS.
- (b) Matched PRS. Matched PRS are subject to the risk of forfeiture and other restrictions specified in the ECP Award Agreement and these ECP Terms and Conditions. Participant shall have no right to withdraw or otherwise receive delivery of Matched PRS until such time as the Matched PRS have become vested. Until such time as the Matched PRS become vested, Participant may not transfer Matched PRS or
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any rights thereunder to any third party other than by will or the applicable laws of descent and distribution, except for transfers to a beneficiary upon the death of Participant or otherwise if and to the extent permitted by the Company and subject to the conditions under Section 23 of the Plan. Participant agrees to execute and deliver to the Company one or more stock powers, in such form as may be specified by the Company, authorizing the transfer of the Matched Shares to the Company, upon the request of the Company.

6. **Stock-Settled Appreciation Rights (“SSARs”).** SSARs are an award granted under Section 7 of the Plan, under which Participants receive a contractual right to receive the value in Shares of the appreciation in the Company’s price per Share from the SSAR Grant Date to the date the SSAR is exercised by the Participant.

(a) Number of SSARs Granted. The total number of SSARs granted by the Company to a Participant is set forth on the first page of the ECP Award Agreement and is based on 4.5 times the Participant’s SSARs award value divided by the Fair Market Value of a Share on the Grant Date. By way of example:

“If the Participant’s ECP Award value is \$100 and the Participant elects to allocate the total ECP Award to SSARs, then the number of SSARs granted to the Participant would be equal to \$100 multiplied by 4.5 divided by the Fair Market Value of a Share on the Grant Date. If the Fair Market Value of a Share on the Grant Date was \$10 per Share, then the Participant would receive 45 SSARs.”

(b) Evidence of SSAR Awards. Prior to vesting, the Company (or its designated agent) shall maintain a bookkeeping account reflecting the number of SSARs granted as part of an ECP Award, and credited to a Participant’s account.

(c) Exercise and Payment of Awards. A Participant may exercise vested SSARs by delivering written notice to the Company stating the number of Shares as to which SSARs are being exercised and the name in which Participant wishes the Shares to be issued. SSARs may only be exercised on a date that the Fair Market Value of a Share exceeds the Base Price (as defined below) and only if the SSARs are otherwise exercisable at such date. Upon exercise of SSARs, a Participant shall be entitled to receive payment in Shares, calculated as follows:

Shares Paid = (FMV minus Base Price) multiplied by (number of SSARs exercised) divided by FMV

“FMV” is the Fair Market Value of a Share at the exercise date

“Base Price” is the Fair Market Value of a Share on the Grant Date as set forth in the Award Agreement.

If any fractional Share would be deliverable upon exercise, after taking into account withholding for mandatory taxes, the Company will pay cash in lieu of delivery of such fractional Share or will use such cash to apply towards withholding for taxes.

(d) Exercise Period. SSARs are exercisable for a seven (7) year period, as measured from the Grant Date or such earlier date as such SSAR may terminate as described herein.

(e) Dividend and Voting Rights. SSARS do not earn dividends and are not entitled to any voting rights.

7. **Restricted Stock Units (“RSUs”)**. RSUs are an Award granted under Section 7 of the Plan, under which Participants receive a contractual right to receive unrestricted Shares upon vesting.

(a) Number of RSUs granted. The total number of RSUs granted by the Company to a Participant is set forth on the first page of the ECP Award Agreement and is based on the Fair Market Value of a Share on the Grant Date.

(b) Evidence of RSU Award. Prior to vesting, the Company or its designated agent shall maintain a bookkeeping account reflecting the number of RSUs granted as part of an ECP Award, and credited to a Participant’s account.

(c) Settlement of RSUs. Upon vesting, the RSUs will be settled by delivery of one Share for each RSU being settled. Such settlement shall occur promptly on or following the vesting of each RSU.

(d) Dividends/Dividend Equivalents and Voting Rights. RSUs do not provide voting or dividend rights until fully vested and no dividends will be paid or credited on any RSUs.

8. **Termination of Employment**. The following provisions will govern the treatment of a Participant’s ECP Award in the event of a termination of Employment.

A. Termination for Cause or Resignation. If a Participant terminates Employment for Cause (as defined in the Plan) or voluntarily terminates (other than a voluntary termination of Employment by the Participant due to (x) Normal Retirement, (y) Early Retirement [or (z) with respect to Participants who are designated as Tier I Employees by the Company for purposes of the ESP, Good Reason]), then:

(1) All outstanding unvested Matched PRS will be immediately forfeited;

(2) All outstanding unvested SSARs will be immediately forfeited and all vested SSARs (i) will cease to be exercisable and will terminate three (3) months after termination of Employment with the Company (or an affiliate of the Company) due to a voluntary termination by the Participant (but in no event after the expiration date of the award grant) and (ii) all outstanding vested SSARs will cease to be exercisable and will immediately terminate in the case of a termination for Cause by the Company; and,

(3) All outstanding unvested RSUs will be immediately forfeited.

B. Termination due to Disability or Normal Retirement. If a Participant terminates Employment due to Disability or Normal Retirement, then:

(1) All outstanding unvested Matched PRS will remain outstanding and will become vested at the ECP Vesting Date as though the Participant had not had a termination of Employment under this subsection 4.B.;

- (2) All outstanding unvested SSARs will remain outstanding and will become exercisable at the ECP Vesting Date as though the Participant had not had a termination of Employment under this subsection 4.B. SSARs that were vested at the time of the Participant's termination of Employment and those that become vested thereafter will remain outstanding and exercisable until the expiration date of the SSARs, at which date the SSARs will cease to be exercisable and will terminate; and,
- (3) All outstanding unvested RSUs will remain outstanding and will become vested at the Applicable Vesting Date as though the Participant had not had a termination of Employment under this subsection 4.B. Upon vesting, such RSUs will be settled promptly, provided that if vesting occurs at an Applicable Vesting Date earlier than the ECP Vesting Date, settlement will occur within fourteen (14) days after the Applicable Vesting Date. "Applicable Vesting Date" means March 1 of the calendar year following the calendar year in which the Participant's employment terminates or, if earlier, the ECP Vesting Date.

C. Termination Not for Cause, [for Good Reason] or Early Retirement. If a Participant involuntarily terminates Employment not for Cause, or voluntarily terminates Employment due to [(x)] Early Retirement [or (y) with respect to Participants who are designated as Tier I Employees by the Company for purposes of the ESP, Good Reason], then:

- (1) A pro rata portion of all outstanding unvested Matched PRS will remain outstanding and will become vested at the ECP Vesting Date as though the Participant had not had a termination of Employment under this Section 4.C.;
- (2) A pro rata portion of all outstanding unvested SSARs will remain outstanding and will become exercisable at the ECP Vesting Date as though the Participant had not had a termination of Employment under this subsection 4.C. SSARs that were vested at the time of the Participant's termination of Employment and those that become vested thereafter will remain outstanding and exercisable until the expiration date of the SSARs, at which date the SSARs will cease to be exercisable and will terminate; and
- (3) A pro rata portion of all outstanding unvested RSUs will remain outstanding and will become vested at the Applicable Vesting Date as though the Participant had not had such a termination of Employment under this Section 4.C. Such outstanding RSUs will be promptly settled, provided that if vesting occurs at an Applicable Vesting Date earlier than the ECP Vesting Date, settlement will occur within fourteen (14) days after the Applicable Vesting Date.
- (4) For purposes of subsections C. (1) through C. (3) above, the pro rata portion will be determined by multiplying the number of unvested Matched PRS, SSARs or RSUs, as the case may be, by a fraction with the numerator of which is (x) the number of days from the Grant Date to the date of the Participant's termination of Employment and (y) the denominator of which is 1,066. A Participant's PRS, SSARs or RSUs, as the case may be, that had not vested before such termination of Employment under this subsection 4.C. and which are not included in the pro rata portion subject to continued vesting will be immediately forfeited.

D. Termination due to Death. If a Participant terminates Employment due to death, then:

- (1) All outstanding unvested Matched PRS will become immediately vested;
- (2) All outstanding unvested SSARs will become immediately vested and exercisable, and all SSARs that were vested at the time of the Participant's termination of Employment and those that become vested thereafter will remain outstanding and exercisable until the expiration date of the grant, at which date the SSARs will cease to be exercisable and will terminate; and
- (3) All outstanding unvested RSUs will become immediately vested and settled.

9. **Change in Control.** In the event the Company undergoes a "Change in Control" as defined in Section 11 of the Plan, ECP Awards shall be treated as provided in Section 11 of the Plan.

10. **Clawback and Recoupment Provisions.** Notwithstanding anything herein to the contrary, any ECP Award paid or payable in connection with the ECP shall be subject to the clawback, recoupment and forfeiture provisions of Section 32 of the Plan and Section 9 of the ESP. By acknowledging the ECP Award Agreement, the Participant acknowledges that any and all ECP Awards previously granted to the Participant prior to the Grant Date, and any other cash or Shares provided to the Participant following the Grant Date and under the ECP Award or otherwise under the Plan, are subject to the provisions of Section 32 of the Plan and Section 9 of the ESP, as applicable.

11. **Limits on Transfers of Awards.** Except as provided by the Committee, no ECP Award and no right under any ECP Award, shall be assignable, alienable, saleable, or transferable by a Participant other than by will or by the laws of descent and distribution in accordance with Section 23 of the Plan.

12. Administration.

A. **Administration.** The Board has delegated administrative authority to the Committee and the ECP shall be administered by the Committee or a subset of the Committee that satisfies the requirements of Section 162(m) of the Code with respect to any Performance-Based Awards.

B. **Powers and Duties.** The Committee shall have sole discretion and authority to make any and all determinations necessary or advisable for administration of the ECP and may adopt, amend or revoke any rule or regulation established for the proper administration of the ECP. The Committee shall have the ability to modify the ECP provisions, to the extent necessary, or delegate such authority, to accommodate any changes in law or regulations in jurisdictions in which Participants will receive ECP Awards. The Committee or its designee will oversee ECP Award calculations. All interpretations, decisions, or determinations made by the Committee or its designee pursuant to the ECP shall be final and conclusive.

13. **Amendment; Termination of the ECP.** The Committee has the right to revise, modify, or terminate the ECP in whole or in part at any time or for any reason, and the right to modify any ECP Award amount in accordance with Section 31 of the Plan.

14. **Tax Liability and Withholding.** The Participant shall be responsible for any tax liability that may arise as a result of the payments contemplated by an ECP Award or these ECP Terms and Conditions in accordance with Section 20 of the Plan. The Participant acknowledges the Company is authorized to withhold taxes due, or potentially payable in connection with any ECP Award

Payment in accordance with Section 20 of the Plan. Further, the Participant agrees to any deduction or setoff by the Company as provided under Section 26 of the Plan.

15. **Severability; Survival of Terms.** Should any provision of an ECP Award or these ECP Terms and Conditions be held by a court of competent jurisdiction to be unenforceable, such holding shall not affect the validity of the remainder of the ECP Award or these ECP Terms and Conditions. These ECP Terms and Conditions shall apply to and bind the Participant and the Company and their respective permitted assignees and transferees, heirs, legatees, executors, administrators and legal successors.
 16. **Dispute Resolution.** These ECP Terms and Conditions, the ECP Award Agreement and the Plan constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and the Participant with respect to the subject matter hereof.
 17. **Non U.S. Residents.** Rights and restrictions for Participants residing in foreign countries may differ and shall be based on applicable foreign law and will be governed by Section 33 of the Plan.
 18. **Electronic Delivery.** The Company may, in its sole discretion, deliver any documents related to this ECP Award or ECP Award Agreement by electronic means. The Participant hereby consents to receive such documents by electronic delivery and, if requested, to agree to participate in the Plan through an on-line or electronic system established and maintained by the Company or another third party designated by the Company.
 19. **Governing Law.** This ECP Award Agreement and the ECP Terms and Conditions shall be governed by and construed according to the laws of the State of New York and of the United States without regard to principles of conflict of law.
 20. **Consent for Data Transfer.** By accepting this ECP Award Agreement, the Participant voluntarily acknowledges and consents to the collection, use, processing and transfer of personal data as described herein, including for the purpose of managing and administering the Plan, certain personal information, including name, home address and telephone number, date of birth, social security number or other employee identification number, salary, nationality, job title, any Shares or directorships held in the Company, and details of all options or any other entitlement to Shares awarded, canceled, purchased, vested, unvested or outstanding in Participant's favor ("**Data**"). The Company and/or its affiliates will transfer Data among themselves as necessary for the purpose of implementation, administration and management of the Plan and may further transfer Data to any third parties assisting the Company in the implementation, administration and management of the Plan. These recipients may be located in the European Economic Area, or elsewhere throughout the world, such as the United States. Participant authorizes them to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes of implementing, administering and managing Participant's participation in the Plan, including any requisite transfer of such Data as may be required for the administration of the Plan and/or the subsequent holding of Shares or other equity of the Company on Participant's behalf to a broker or other third party with whom Participant may elect to deposit any Shares or equity acquired pursuant to the Plan. Participant may, at any time, review Data, require any necessary amendments to it or withdraw the consents herein in writing by contacting the Company; however, withdrawing consent may affect Participant's ability to participate in the Plan.
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21. **Addendum.** Notwithstanding any provision in these ECP Terms and Conditions to the contrary, the PRSs, SSARs and RSUs shall be subject to any special terms and conditions for Participant's country of residence (and country of Employment, if different) set forth in an addendum to these ECP Terms and Conditions (an "**Addendum**"). Further, if Participant transfers Participant's residence and/or Employment to another country, at the time of transfer, the special terms and conditions for such country will apply to Participant to the extent the Company determines, in its sole discretion, that the application of such terms and conditions is necessary or advisable in order to comply with local laws, rules and regulations or to facilitate the operation and administration of the PRSs, SSARs and RSUs and the Plan (or the Company may establish alternative terms and conditions as may be necessary or advisable to accommodate Participant's transfer). Any applicable Addendum shall constitute part of these ECP Terms and Conditions.
22. **Private Placement.** The grant of PRSs, SSARs and RSUs to Participants outside of the United States is not intended to be a public offering of securities in Participant's country of residence (and country of Employment, if different). The Company has not submitted any registration statement, prospectus or other filings with the local securities authorities (unless otherwise required under local law) outside of the United States, and the grant of the PRSs, SSARs and RSUs is not subject to the supervision of the local securities authorities outside of the United States.
23. **Notices.** Any notice required or permitted to be given under these ECP Terms and Conditions or the ECP Award Agreement shall be in writing and shall be deemed to have been given when delivered personally or by courier, or sent by certified or registered mail, postage prepaid, return receipt requested, duly addressed to the party concerned at the address indicated below or to such changed address as such party may subsequently by similar process give notice of:

If to the Company:

International Flavors & Fragrances Inc.
521 W. 57th Street
New York, New York 10019
Attn:

If to the Participant:

To the last address delivered to the Company by the Participant in the manner set forth herein.

**FORM OF
INTERNATIONAL FLAVORS & FRAGRANCES INC.
RESTRICTED STOCK UNITS (“RSU”) AWARD AGREEMENT
(the “RSU AWARD AGREEMENT”)
PLAN YEAR [201X]**

Participant: [NAME] **Job Level:** [#]

Organization Unit/Location: [ORG. UNIT/LOCATION] **Position:** [POSITION]

This RSU Award Agreement, dated as of [X, 20XX] (the “**Grant Date**”), is made by and between International Flavors & Fragrances Inc., a New York Corporation, including its affiliates (the “**Company**”) and [NAME OF PARTICIPANT] (the “**Participant**”) under the International Flavors & Fragrances Inc. 2015 Stock Award and Incentive Plan, as it may be amended from time to time (the “**Plan**”). Pursuant to Section 7 of the Plan, Participant has been granted an RSU Award, as described below (the “**RSU Award**”), subject to the Participant’s acceptance of the attached RSU Terms and Conditions and the Plan, both of which are made a part hereof and are incorporated herein by reference.

RSU Award Information					
Grant Date	RSU Award Value on Grant Date (\$US)	Number of RSUs Granted	Closing Price of a Share of Common Stock on Grant Date (\$US)	Vesting Date	Settlement of RSU Award
[DATE]	[\$__]	[_____]	[\$__.]	[Date]	<p>Awards are settled by delivery of one share of Common Stock for each RSU being settled/Awards are settled by delivery of cash equal to the Fair Market Value of a share of Common Stock on the Vesting Date for each RSU being settled.</p>

BY ELECTRONICALLY ACCEPTING THIS RSU AWARD, PARTICIPANT AGREES TO BE BOUND BY THE PROVISIONS OF THE PLAN, THIS RSU AWARD AGREEMENT AND THE RSU TERMS AND CONDITIONS AND RELATED ADDENDUM. THE PARTICIPANT HAS REVIEWED THE PLAN, THE RSU AWARD AGREEMENT AND THE RSU TERMS AND CONDITIONS IN THEIR ENTIRETY, HAS HAD AN OPPORTUNITY TO OBTAIN THE ADVICE OF COUNSEL PRIOR TO ACCEPTING THE RSU AWARD AND FULLY UNDERSTANDS ALL OF THE PROVISIONS OF THE PLAN, THIS RSU AWARD AGREEMENT AND THE RSU TERMS AND CONDITIONS. THE PARTICIPANT HAS BEEN PROVIDED WITH A COPY OR ELECTRONIC ACCESS TO A COPY OF THE U.S. PROSPECTUS FOR THE PLAN AND THE TAX SUPPLEMENT TO THE U.S. PROSPECTUS FOR PARTICIPANT’S COUNTRY OF EMPLOYMENT. PARTICIPANT HEREBY AGREES TO ACCEPT AS BINDING, CONCLUSIVE AND FINAL ALL DECISIONS OR INTERPRETATIONS OF THE COMMITTEE ARISING UNDER THE PLAN, THE RSU AWARD AGREEMENT OR THE RSU TERMS AND CONDITIONS.

[] I ACCEPT

INTERNATIONAL FLAVORS & FRAGRANCES INC.
RSU AWARD AGREEMENT
TERMS AND CONDITIONS (the “RSU TERMS AND CONDITIONS”)

These RSU Terms and Conditions, including the relevant addendum, are a part of each International Flavors & Fragrances Inc. (the “**Company**”) RSU Award Agreement made under the Plan, which is hereby incorporated by reference.

Capitalized terms not defined herein shall have the meanings ascribed to them in the Plan. In the event of any conflict between the provisions of these RSU Terms and Conditions and the Plan, the provisions of the Plan shall govern.

1. **Amount of RSU Award.** As of the Grant Date, the Participant shall be eligible to receive an RSU Award in the number of RSUs specified on the first page of the RSU Award Agreement. The RSU Award provides Participant with a contractual right to receive [one share of Common Stock][cash equal to the Fair Market Value of one share of Common Stock as of the Vesting Date (as defined in Section 3 below)] for each RSU being settled upon vesting.
 2. **Eligibility for Award.** A Participant’s eligibility for an RSU Award shall be at the discretion of the Committee as authorized in Section 5 of the Plan. The grant of an RSU Award is a one-time benefit and does not create any contractual or other right to receive any future RSU Award.
 3. **Vesting and Account.** The RSU Award vests on the date set forth on the first page of the RSU Award Agreement (the “**Vesting Date**”) if not previously forfeited, and is 0% vested before expiration of this period. Prior to vesting, the Company or its designated agent shall maintain a bookkeeping account reflecting the number of RSUs credited to a Participant’s account.
 4. **Settlement of the Award.** Upon vesting, the RSU Award will be settled by delivery of [one share of Common Stock][cash equal to the Fair Market Value (as defined in the Plan) of one share of Common Stock] as of the Vesting Date, for each RSU being settled. Such settlement shall occur promptly on or following the vesting of each RSU.
 5. **Voting Rights and Dividends.** RSUs do not provide voting or dividend rights until fully vested and no dividends or dividend equivalents will be paid or credited on any unvested RSUs.
 6. **Termination of Employment or Leave of Absence.** A Participant’s rights under the RSU Award following termination of Employment or leave of absence shall be determined in accordance with the following provisions:
 - a. **Termination Not for Cause or Early Retirement.** If the Participant is involuntarily terminated not for Cause, or voluntarily terminates Employment due to Early Retirement, a pro rata portion of all outstanding unvested RSUs shall remain outstanding and will become vested at the Applicable Vesting Date as though Participant had not had a termination of Employment under this subsection 6(a). The pro rata portion shall be determined by multiplying the number of unvested RSUs by a fraction, the numerator of which is (x) the number of days from the Grant Date to the Participant’s termination of Employment and (y) the denominator of which is 1,095. A Participant’s RSUs that have not vested before
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such termination of Employment under this subsection 6(a), and which are not included in the pro rata portion subject to continued vesting will be immediately forfeited. "**Applicable Vesting Date**" means March 1 of the calendar year following the calendar year in which the Participant's Employment terminates or, if earlier, the Vesting Date. Upon vesting, such RSUs will be settled promptly, provided that if vesting occurs at an Applicable Vesting Date earlier than the Vesting Date, settlement will occur within fourteen (14) days after the Applicable Vesting Date.

- b. **Resignation or Termination With Cause.** If a Participant resigns, or is terminated by the Company for Cause, then all outstanding unvested RSUs will be immediately forfeited.
 - c. **Normal Retirement or Disability.** If a Participant terminates Employment due to Normal Retirement or Disability, then all outstanding unvested RSUs will remain outstanding and will become vested at the Applicable Vesting Date as though the Participant had not had a termination of Employment under this subsection 6(c). Upon vesting, such RSUs will be settled promptly, provided that if vesting occurs at an Applicable Vesting Date earlier than the Vesting Date, settlement will occur within fourteen (14) days after the Applicable Vesting Date.
 - d. **Death.** If a Participant terminates Employment due to death, then all outstanding unvested RSUs will become immediately vested.
 - e. **Leave of Absence.** If a Participant is not in active Employment for any portion of the vesting period as a result of a paid or unpaid leave of absence, the terms of any unvested RSU may be adjusted, subject to local legal requirements and applicable Company policies that govern leaves of absence.
7. **Change in Control.** In the event the Company undergoes a "Change in Control" as defined in Section 11 of the Plan, RSU Awards shall be treated as provided for in Section 11 of the Plan.
8. **Clawback and Recoupment Provisions.** Notwithstanding anything herein to the contrary, if a Participant is designated by the Company as grade level 7 or above for any portion of the vesting period, any RSU Award made or payable shall be subject to the clawback, recoupment and forfeiture provisions of Section 32 of the Plan and Section 9 of the ESP, if applicable. By acknowledging the RSU Award Agreement, the Participant acknowledges that any and all RSU Awards previously granted to the Participant prior to the Grant Date, and any other cash or shares of Common Stock provided to the Participant following the Grant Date and under the RSU Award or otherwise under the Plan, are subject to the provisions of Section 32 of the Plan and Section 9 of the ESP, as applicable.
9. **Limits on Transfers of Awards.** Except as provided by the Committee, no RSU Award and no right under any RSU Award, shall be assignable, alienable, saleable, or transferable by a Participant other than by will or by the laws of descent and distribution in accordance with Section 23 of the Plan.

10. Administration.

- a. **Administration.** The Board has delegated administrative authority to the Committee and the RSU Award shall be administered by the Committee or a subset of the Committee that
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satisfies the requirements of Section 162(m) of the Code with respect to any Performance-Based Awards.

- b. **Powers and Duties.** The Committee shall have sole discretion and authority to make any and all determinations necessary or advisable for administration of an RSU Award and may adopt, amend or revoke any rule or regulation established for the proper administration of an RSU Award. The Committee shall have the ability to modify the RSU Award provisions, to the extent necessary, or delegate such authority, to accommodate any changes in law or regulations in jurisdictions in which Participants will receive RSU Awards. The Committee or its designee, if applicable, will oversee RSU Award calculations. All interpretations, decisions, or determinations made by the Committee or its designee pursuant to an RSU Award shall be final and conclusive.

11. **Amendment; Termination of the RSU Award.** The Committee has the right to revise, modify, or terminate an RSU Award in whole or in part at any time or for any reason, and the right to modify any RSU Award amount in accordance with Section 31 of the Plan.
 12. **Tax Liability and Withholding.** The Participant shall be responsible for any tax liability that may arise as a result of the payments contemplated by an RSU Award or these RSU Terms and Conditions in accordance with Section 20 of the Plan. The Participant acknowledges the Company is authorized to withhold taxes due, or potentially payable in connection with any payment of an RSU Award in accordance with Section 20 of the Plan. Further, the Participant agrees to any deduction or setoff by the Company as provided under Section 26 of the Plan.
 13. **Severability; Survival of Terms.** Should any provision of an RSU Award or these RSU Terms and Conditions be held by a court of competent jurisdiction to be unenforceable, such holding shall not affect the validity of the remainder of the RSU Award or these RSU Terms and Conditions. These RSU Terms and Conditions shall apply to and bind the Participant and the Company and their respective permitted assignees and transferees, heirs, legatees, executors, administrators and legal successors.
 14. **Entire Agreement; Dispute Resolution.** These RSU Terms and Conditions and all addendums hereto, the RSU Award Agreement and the Plan constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and the Participant with respect to the subject matter hereof.
 15. **Non U.S. Residents.** Rights and restrictions for Participants residing in foreign countries may differ and shall be based on applicable foreign law and will be governed by Section 33 of the Plan.
 16. **Electronic Delivery.** The Company may, in its sole discretion, deliver any documents related to an RSU Award by electronic means. The Participant hereby consents to receive such documents by electronic delivery and, if requested, to agree to participate in the Plan through an on-line or electronic system established and maintained by the Company or another third party designated by the Company.
 17. **Governing Law.** These RSU Terms and Conditions and the RSU Award Agreement shall be governed by and construed according to the laws of the State of New York and the United States without regard to principles of conflict of law.
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18. Consent for Data Transfer. By accepting this RSU Award Agreement, the Participant voluntarily acknowledges and consents to the collection, use, processing and transfer of personal data as described herein, including for the purpose of managing and administering the Plan, certain personal information, including name, home address and telephone number, date of birth, social security number or other employee identification number, salary, nationality, job title, any shares of Common Stock or directorships held in the Company, and details of all options or any other entitlement to shares of Common Stock or other equity of the Company awarded, canceled, purchased, vested, unvested or outstanding in Participant's favor ("**Data**"). The Company and/or its affiliates will transfer Data among themselves as necessary for the purpose of implementation, administration and management of the Plan and may further transfer Data to any third parties assisting the Company in the implementation, administration and management of the Plan. These recipients may be located in the European Economic Area, or elsewhere throughout the world, such as the United States. Participant authorizes them to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes of implementing, administering and managing Participant's participation in the Plan, including any requisite transfer of such Data as may be required for the administration of the Plan and/or the subsequent holding of shares of Common Stock or equity on Participant's behalf to a broker or other third party with whom Participant may elect to deposit any shares of Common Stock acquired pursuant to the Plan. Participant may, at any time, review Data, require any necessary amendments to it or withdraw the consents herein in writing by contacting the Company; however, withdrawing consent may affect Participant's ability to participate in the Plan.

19. Addendum. Notwithstanding any provision in these RSU Terms and Conditions to the contrary, the RSUs shall be subject to any special terms and conditions for Participant's country of residence (and country of Employment, if different) set forth in an addendum to these RSU Terms and Conditions (an "**Addendum**"). Further, if Participant transfers Participant's residence and/or Employment to another country, at the time of transfer, the special terms and conditions for such country will apply to Participant to the extent the Company determines, in its sole discretion, that the application of such terms and conditions is necessary or advisable in order to comply with local laws, rules and regulations or to facilitate the operation and administration of the RSUs and the Plan (or the Company may establish alternative terms and conditions as may be necessary or advisable to accommodate Participant's transfer). Any applicable Addendum shall constitute part of these RSU Terms and Conditions.

20. Private Placement. The grant of RSUs to Participants outside of the United States is not intended to be a public offering of securities in Participant's country of residence (and country of Employment, if different). The Company has not submitted any registration statement, prospectus or other filings with the local securities authorities (unless otherwise required under local law) outside of the United States, and the grant of the RSUs is not subject to the supervision of the local securities authorities outside of the United States.

21. Notices. Any notice required or permitted to be given under this RSU Award Agreement or the RSU Terms and Conditions shall be in writing and shall be deemed to have been given when delivered personally or by courier, or sent by certified or registered mail, postage prepaid, return receipt requested, duly addressed to the party concerned at the address indicated below or to such changed address as such party may subsequently by similar process give notice of:

If to the Company:

International Flavors & Fragrances Inc.

521 W. 57th Street
New York, New York 10019
Attn: Chief Human Resources Officer

If to the Participant:

To the last address delivered to the Company by the Participant in the manner set forth herein.

**INTERNATIONAL FLAVORS & FRAGRANCES INC.
NON-EMPLOYEE DIRECTOR
RESTRICTED STOCK UNITS (“RSU”) AWARD AGREEMENT
(the “RSU AWARD AGREEMENT”)**

Participant: [NAME]

This RSU Award Agreement, dated as of [•] (the “**Grant Date**”), is made by and between International Flavors & Fragrances Inc., a New York Corporation, including its affiliates (the “**Company**”) and [NAME OF PARTICIPANT] (the “**Participant**”) under the International Flavors & Fragrances Inc. 2015 Stock Award and Incentive Plan, as it may be amended from time to time (the “**Plan**”). Pursuant to Section 7 of the Plan, Participant has been granted an RSU Award, as described below (the “**RSU Award**”) subject to the Participant’s acceptance of the attached RSU Terms and Conditions and the Plan, both of which are made a part hereof and are incorporated herein by reference.

RSU Award Information					
Grant Date	Award Value on Grant Date (\$US)	Number of RSUs Granted	Closing Share Price on Grant Date (\$US)	Vesting Date	Settlement of Award
[•]	\$[•]	[•]	\$[•]	[•]	Awards are settled by delivery of one Share of Company Common Stock for each RSU being settled

BY ACCEPTING THIS RSU AWARD, PARTICIPANT AGREES TO BE BOUND BY THE PROVISIONS OF THE PLAN, THIS RSU AWARD AGREEMENT AND THE RSU TERMS AND CONDITIONS AND RELATED ADDENDUM. THE PARTICIPANT HAS REVIEWED THE PLAN, THE RSU AWARD AGREEMENT AND THE RSU TERMS AND CONDITIONS IN THEIR ENTIRETY, HAS HAD AN OPPORTUNITY TO OBTAIN THE ADVICE OF COUNSEL PRIOR TO ACCEPTING THE RSU AWARD AND FULLY UNDERSTANDS ALL OF THE PROVISIONS OF THE PLAN, THIS RSU AWARD AGREEMENT AND THE RSU TERMS AND CONDITIONS. THE PARTICIPANT HAS BEEN PROVIDED WITH A COPY OR ELECTRONIC ACCESS TO A COPY OF THE U.S. PROSPECTUS FOR THE PLAN AND THE TAX SUPPLEMENT TO THE U.S. PROSPECTUS FOR PARTICIPANT’S COUNTRY OF RESIDENCE. PARTICIPANT HEREBY AGREES TO ACCEPT AS BINDING, CONCLUSIVE AND FINAL ALL DECISIONS OR INTERPRETATIONS OF THE COMMITTEE ARISING UNDER THE PLAN, THE RSU AWARD AGREEMENT OR THE RSU TERMS AND CONDITIONS.

[Name of Director]

**INTERNATIONAL FLAVORS & FRAGRANCES INC.
NON-EMPLOYEE DIRECTOR
RSU AWARD AGREEMENT
TERMS AND CONDITIONS (the “RSU TERMS AND CONDITIONS”)**

These RSU Terms and Conditions, including the relevant addendum, are a part of each International Flavors & Fragrances Inc. (the “**Company**”) RSU Award Agreement made under the Plan, which is hereby incorporated by reference.

Capitalized terms not defined herein shall have the meanings ascribed to them in the Plan. In the event of any conflict between the provisions of these RSU Terms and Conditions and the Plan, the provisions of the RSU Award Agreement, including the RSU Terms and Conditions, shall govern.

1. **Amount of RSU Award.** As of the Grant Date, the Participant shall be eligible to receive an RSU Award in the number of RSUs specified on the first page of the RSU Award Agreement. The RSU Award provides Participant with a contractual right to receive one share of Common Stock for each RSU being settled upon vesting.
 2. **Eligibility for Award.** A Participant’s eligibility for an RSU Award shall be at the discretion of the Committee as authorized in Section 5 of the Plan. The grant of an RSU Award is a one-time benefit and does not create any contractual or other right to receive any future RSU Award.
 3. **Vesting and Account.** Except as provided in Section 6 herein, the RSU Award will vest on the date set forth on the first page of the RSU Award Agreement if not previously forfeited, and is 0% vested before expiration of this period (the date on which the RSU Award vests, the “**Vesting Date**”). Prior to the Vesting Date, the Company or its designated agent shall maintain a bookkeeping account reflecting the number of RSUs credited to a Participant’s account.
 4. **Settlement of the Award.** Upon vesting as provided in Section 3 or Section 6 herein, the RSU Award will be settled by delivery of one share of Common Stock for each RSU being settled. Such settlement shall occur within thirty (30) days following the Vesting Date.
 5. **Voting Rights and Dividends.** RSUs do not provide voting or dividend rights until fully vested and no dividends or dividend equivalents will be paid or credited on any unvested RSUs.
 6. **Termination.** A Participant’s rights under the RSU Award following termination as a director shall be determined in accordance with the following provisions:
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- a. **Resignation or Removal.** If a Participant resigns or is removed with cause as set forth in the Company's By-Laws then all unvested RSUs will be immediately forfeited.
 - b. **Other Termination.** If a Participant terminates service due to death, Disability or Retirement, then all outstanding unvested RSUs will become immediately vested and will be settled in accordance with Section 4. "**Retirement**" shall mean Participant not standing for re-election, Participant not being re-elected by the Company's shareholders or as determined by the Committee in its sole discretion.
7. **Change in Control.** In the event the Company undergoes a "Change in Control" as defined in Section 11 of the Plan, RSU Awards shall be treated as provided for in Section 11 of the Plan. For the avoidance of doubt, such RSU Awards shall be settled within thirty (30) days following the earlier of (i) the Vesting Date or (ii) the date they become free of all restrictions, limitations and conditions and become fully vested as provided in Section 11 of the Plan.
8. **Clawback and Recoupment Provisions.** Notwithstanding anything herein to the contrary, any RSU Award made or payable shall be subject to the clawback, recoupment and forfeiture provisions of Section 32 of the Plan. By acknowledging the RSU Award Agreement, the Participant acknowledges that any and all RSU Awards previously granted to the Participant prior to the Grant Date, and any other cash or shares of Common Stock provided to the participant following the Grant Date and under the RSU Award or otherwise under the Plan, are subject to the provisions of Section 32 of the Plan.
9. **Limits on Transfers of Awards.** Except as provided by the Committee, no RSU Award and no right under any RSU Award, shall be assignable, alienable, saleable, or transferable by a Participant other than by will or by the laws of descent and distribution in accordance with Section 23 of the Plan.
10. **Administration.**
- a. **Administration.** The Board has delegated administrative authority to the Committee and the RSU Awards shall be administered by the Committee.
 - b. **Powers and Duties.** The Committee shall have sole discretion and authority to make any and all determinations necessary or advisable for administration of an RSU Award and may adopt, amend or revoke any rule or regulation established for the proper administration of an RSU Award. The Committee shall have the ability to modify the RSU Award provisions, to the extent necessary, or delegate such authority, to accommodate any changes in law or regulations in jurisdictions in which Participants will receive RSU Awards. The Committee or its designee, if applicable, will oversee RSU Award calculations. All interpretations, decisions, or determinations made by the Committee, or its designee, if applicable, pursuant to an RSU Award shall be final and conclusive.
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11. **Amendment; Termination of the RSU Award.** The Board has the right to revise, modify, or terminate an RSU Award in whole or in part at any time or for any reason, and the right to modify any RSU Award amount in accordance with Section 31 of the Plan.
 12. **Tax Liability and Withholding.** The Participant shall be responsible for any tax liability that may arise as a result of the payments contemplated by an RSU Award or these RSU Terms and Conditions in accordance with Section 20 of the Plan. The Participant acknowledges the Company is authorized to withhold taxes due, or potentially payable in connection with any payment of an RSU Award in accordance with Section 20 of the Plan. Further, the Participant agrees to any deduction or setoff by the Company as provided under Section 20 of the Plan.
 13. **Severability; Survival of Terms.** Should any provision of an RSU Award or these RSU Terms and Conditions be held by a court of competent jurisdiction to be unenforceable, such holding shall not affect the validity of the remainder of the RSU Award or these RSU Terms and Conditions. These RSU Terms and Conditions shall apply to and bind the Participant and the Company and their respective permitted assignees and transferees, heirs, legatees, executors, administrators and legal successors.
 14. **Entire Agreement; Dispute Resolution.** These RSU Terms and Conditions and all addendums hereto, the RSU Award Agreement and the Plan constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and the Participant with respect to the subject matter hereof.
 15. **Non U.S. Residents.** Rights and restrictions for Participants residing in foreign countries may differ and shall be based on applicable foreign law and will be governed by Section 33 of the Plan.
 16. **Electronic Delivery.** The Company may, in its sole discretion, deliver any documents related to an RSU Award by electronic means. The Participant hereby consents to receive such documents by electronic delivery and, if requested, to agree to participate in the Plan through an on-line or electronic system established and maintained by the Company or another third party designated by the Company.
 17. **Governing Law.** These RSU Terms and Conditions and the RSU Award Agreement shall be governed by and construed according to the laws of the State of New York and the United States without regard to principles of conflict of law.
 18. **Consent for Data Transfer.** By accepting this RSU Award Agreement, the Participant voluntarily acknowledges and consents to the collection, use processing and transfer of personal data as described herein, including for the purpose of managing and administering the Plan, certain personal information, including name, home address and telephone number, date of birth, social security number, salary, nationality, job title, any shares of Common Stock or directorships held in the Company, and details of all options or any other entitlement to shares of Common
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Stock or other equity of the Company awarded, canceled, purchased, vested, unvested or outstanding in Participant's favor ("**Data**"). The Company and/or its affiliates will transfer Data among themselves as necessary for the purpose of implementation, administration and management of the Plan and may further transfer Data to any third parties assisting the Company in the implementation, administration and management of the Plan. These recipients may be located in the European Economic Area, or elsewhere throughout the world, such as the United States. Participant authorizes them to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes of implementing, administering and managing Participant's participation in the Plan, including any requisite transfer of such Data as may be required for the administration of the Plan and/or the subsequent holding of shares of Common Stock or equity on Participant's behalf to a broker or other third party with whom Participant may elect to deposit any shares of Common Stock acquired pursuant to the Plan. Participant may, at any time, review Data, require any necessary amendments to it or withdraw the consents herein in writing by contacting the Company; however, withdrawing consent may affect Participant's ability to participate in the Plan.

- 19. Addendum.** Notwithstanding any provision in these RSU Terms and Conditions to the contrary, the RSUs shall be subject to any special terms and conditions for Participant's country of residence set forth in an addendum to these RSU Terms and Conditions (an "**Addendum**"). Further, if Participant transfers Participant's residence to another country, at the time of transfer, the special terms and conditions for such country will apply to Participant to the extent the Company determines, in its sole discretion, that the application of such terms and conditions is necessary or advisable in order to comply with local laws, rules and regulations or to facilitate the operation and administration of the RSUs and the Plan (or the Company may establish alternative terms and conditions as may be necessary or advisable to accommodate Participant's transfer). Any applicable Addendum shall constitute part of these RSU Terms and Conditions.
- 20. Private Placement.** The grant of RSUs to Participants outside the United States is not intended to be a public offering of securities in Participant's country of residence (and country of employment, if different). The Company has not submitted any registration statement, prospectus or other filings with the local securities authorities (unless otherwise required under local law) outside of the United States and the grant of the RSUs is not subject to the supervision of the local securities authorities.
- 21. Notices.** Any notice required or permitted to be given under this RSU Award Agreement or the RSU Terms and Conditions shall be in writing and shall be deemed to have been given when delivered personally or by courier, or sent by certified or registered mail, postage prepaid, return receipt requested, duly addressed to the party concerned at the address indicated below or to such changed address as such party may subsequently by similar process give notice of:

If to the Company:

International Flavors & Fragrances Inc.

521 W. 57th Street
New York, New York 10019
Attn: Chief Human Resources Officer

If to the Participant:

To the last address delivered to the Company by the Participant in the manner set forth herein.

INTERNATIONAL FLAVORS & FRAGRANCES INC.

2010 Stock Award and Incentive Plan

As Amended and Restated May 6, 2015

1. Purpose. The purpose of the 2010 Stock Award and Incentive Plan (the "**Plan**") is to aid International Flavors & Fragrances Inc., a New York corporation (the "**Company**,") (which term shall include successors and assigns), in attracting, retaining, motivating and rewarding directors, employees, and other individuals who contribute to the success of the Company and its Affiliates, by authorizing awards to incentivize such individuals to perform at the highest level, to strengthen the mutuality of interests between such individuals and the Company's shareholders and, in general, to further the best interests of the Company and its shareholders.

2. Definitions. In addition to the terms defined in Section 1 above and elsewhere in the Plan, the following capitalized terms used in the Plan have the respective meanings set forth in this Section:

- (a) "**Affiliate**" means any corporation, partnership, limited liability company, association, trust, or other organization which, directly or indirectly, is controlled by the Company.
- (b) "**Annual Incentive Award**" means an annual Performance Award as described in Section 7, based on performance during a fiscal year or a portion thereof.
- (c) "**Annual Limit**" has the meaning defined in Section 5(b).
- (d) "**Award**" means any Option, SAR, Restricted Stock, Restricted Stock Unit, Deferred Stock, Other Stock-based or cash award, Annual or Long-Term Incentive Award or other Performance Award, or any other Award permitted to be granted to a Participant under the Plan, which may be denominated or settled in Stock, cash or in such other forms as permitted hereunder.
- (e) "**Award Agreement**" means an agreement (whether in written or electronic form) or other instrument or document evidencing an Award granted under the Plan.
- (f) "**Beneficiary**" means a person or entity that a Participant designates in writing to the Company to receive payments or benefits or exercise rights under the Plan in the event of the Participant's death. If no such person or entity is named or there is no surviving designated Beneficiary, such individual's Beneficiary shall be the individual's estate.
- (g) "**Board**" means the Company's Board of Directors.
- (h) "**Cause**" has the meaning defined in the Award Agreement, the ESP if the Participant is a participant in the ESP, in any employment or severance agreement between the Company or its Affiliate and the Participant then in effect or, if none, as defined under the severance policy applicable to the Participant at the time of separation, if any, or if no such definition exists, the meaning as determined by the Committee in its sole discretion.
- (i) "**Change in Control**" has the meaning defined in Section 9.

- (j) "**Code**" means the Internal Revenue Code of 1986, as amended from time to time. References to any provision of the Code or regulation (including a proposed regulation) thereunder shall include any successor provisions and regulations and reference to regulations includes any applicable guidance or pronouncement of the Department of the Treasury or Internal Revenue Service.
- (k) "**Committee**" means the Compensation Committee of the Board (or a successor to such committee designated by the Board).
- (l) "**Covered Employee**" means an individual who is (i) a "covered employee" within the meaning of Section 162(m)(3) of the Code, or any successor provision thereto and (ii) any individual who is designated by the Committee, in its discretion, at the time of any Award or at any subsequent time, as reasonably expected to be a "Covered Employee" with respect to the taxable year of the Company in which any applicable Award will be paid.
- (m) "**Deferred Stock**" means a right, described in Section 6(e), to receive Stock or other Awards or a combination thereof at the end of a specified deferral period.
- (n) "**Disability**" means, unless otherwise set forth in the Participant's Award Agreement or any employment agreement between the Company and the Participant then in effect, a condition that entitles the Participant to long term disability benefits under any applicable Company disability plan, any successor plan, or as defined under any applicable local laws, rules, or regulations.
- (o) "**Dividend Equivalent**" means a right to receive cash, Shares, other Awards or other property equal in value to dividends paid with respect to a specified number of shares of Stock.
- (p) "**Early Retirement**" means, unless otherwise set forth in the Participant's Award Agreement, the retirement at the election of the Participant after attaining the age 55 plus ten years of service to the Company or an Affiliate.
- (q) "**Effective Date**" means the effective date specified in Section 11(n).
- (r) "**Eligible Person**" has the meaning specified in Section 5.
- (s) "**ESP**" means the Company's Executive Severance Policy, as such policy may be amended from time to time.
- (t) "**Excess Compensation**" has the meaning specified in Section 10.
- (u) "**Exchange Act**" means the Securities Exchange Act of 1934, as amended (including any successor provisions and rules).
- (v) "**Fair Market Value**" means, unless otherwise required by any applicable provision of the Code or any regulations issued hereunder, as of any date, the last sales price reported for a share of Stock on the applicable date: (i) as reported on the principal national securities exchange in the United States on which a share of Stock is then traded or (ii) if a share of Stock is not traded, listed or otherwise reported or quoted, the Committee shall determine in good faith the fair market value in whatever manner it considers appropriate taking into account the requirements of Section 409A of the Code. For purposes of a grant of any Award, the applicable date shall be the trading day immediately prior to the date on which the

Award is granted. For purposes of the exercise of any Award, the applicable date shall be the date a notice of exercise is received by the Company or its designee, as applicable, or, if not a day on which the applicable market is open, the next day that it is open.

- (w) "**Forfeiture Event**" means the events described in Section 10(a) hereunder.
- (x) "**Good Reason**" has the meaning defined in any employment or severance agreement between the Company, or an Affiliate and the Participant then in effect or, if none, as defined under the severance policy applicable to the Participant at the time of separation.
- (y) "**Incentive Stock Option**" or "**ISO**" means any Option designated as an incentive stock option within the meaning of Code Section 422 or any successor provision thereto and qualifying thereunder.
- (z) "**Long-Term Incentive Award**" means a long-term Performance Award as described in Section 7 that is based on performance during a fiscal year or longer period as may be determined by the Committee.
- (aa) "**Normal Retirement**" means, unless otherwise set forth in the Participant's Award Agreement, retirement at the election of the Participant after attaining age 62, or such earlier "Normal Retirement" date under the terms of the applicable Company or Affiliate pension or retirement plan, and, with respect to Directors, Normal Retirement shall include and shall be effective on the date of the annual meeting at which the Participant does not stand for re-election, or at which the Participant is not re-elected by the Company's shareholders.
- (ab) "**Option**" means a right, as described in Section 6(b), to purchase Stock or other Awards, including an ISO, at a specified price during a specified time period.
- (ac) "**Other Stock-Based Awards**" means Stock-based Awards described in Section 6(f).
- (ad) "**Participant**" means a recipient of an Award granted under the Plan.
- (ae) "**Performance Award**" means a performance-based Award described in Section 7.
- (af) "**Performance Goal**" has the meaning specified in Section 7(a).
- (ag) "**Performance Period**" has the meaning specified in Section 7(a).
- (ah) "**Person**" means a "person" as such term is used in sections 13(d) and 14(d) of the Exchange Act, including any "group" within the meaning of section 13(d)(3) under the Exchange Act.
- (ai) "**Qualified Member**" means a member of the Committee who is a "Non-Employee Director" within the meaning of Rule 16b-3 and an "outside director" within the meaning of Code Section 162(m).
- (aj) "**Restricted Stock**" means restricted Stock as described in Section 6(d).
- (ak) "**Restricted Stock Unit**" or "**RSU**" means a right as described in Section 6(d) that, to the extent vested, entitles a Participant to receive a share of Stock or the Fair Market Value of a share of Stock in cash or a combination thereof.

- (al) "**Rule 16b-3**" means Rule 16b-3, as from time to time in effect and applicable to Participants, promulgated by the Securities and Exchange Commission under Section 16 of the Exchange Act.
- (am) "**Stock**" or "**Share**" means the Company's Common Stock, par value 12½ ¢ per share, and any other equity securities of the Company that may be substituted or re-substituted for Stock pursuant to Section 11(c).
- (an) "**Stock Appreciation Rights**" or "**SARs**" means rights as described in Section 6(c) which include stock-settled appreciation rights ("**SSARs**").
- (ao) "**2000 Plan**" means the 2000 Stock Award and Incentive Plan.
- (ap) "**Voting Power**" means the number of votes available to be cast (determined by reference to the maximum number of votes entitled to be cast by the holders of Voting Securities, or by the holders of any Voting Securities for which other Voting Securities may be convertible, exercisable, or exchangeable, upon any matter submitted to shareholders where the holders of all Voting Securities vote together as a single class) by the holders of Voting Securities.
- (aq) "**Voting Securities**" means any securities or other ownership interests of an entity, which entitle, or which may entitle, Persons holding such securities or other ownership interests to vote on matters submitted to such holders generally (whether or not entitled to vote in the general election of directors), or securities or other ownership interests which are convertible into, or exercisable in exchange for, such Voting Securities, whether or not subject to the passage of time or any contingency.

3. Administration.

(a) **Authority of the Committee.** The Plan shall be administered by the Committee, which shall have full and final authority, in each case subject to and consistent with the provisions of the Plan, to (i) select Eligible Persons to become Participants; (ii) grant Awards; (iii) determine the type and number of Awards, the dates on which Awards may be granted or exercised, including the dates on which the risk of forfeiture or deferral period relating to Awards shall lapse or terminate, the acceleration of any such dates, the expiration date of any Award, whether, to what extent, and under what circumstances an Award may be settled, or the exercise price of an Award may be paid, in cash, Stock (including Stock deliverable in connection with the Award), other Awards, or other property, and other terms and conditions of, and all other matters relating to, Awards; (iv) prescribe documents evidencing or setting terms of Awards (such Award Agreements need not be identical for each Participant), amendments thereto, and rules and regulations for the administration of the Plan and amendments thereto; (v) construe and interpret the Plan and Award Agreements and correct defects, supply omissions or reconcile inconsistencies therein; (vi) make determinations regarding repayment and forfeiture of Awards, and (vii) make all other decisions and determinations as the Committee may deem necessary or advisable for the administration of the Plan. No action of the Committee under the Plan shall be void or deemed to be without authority due to the failure of any member, at the time the action was taken, to meet any qualification standard set forth in the Committee Charter, this Plan, or as required by the SEC or the New York Stock Exchange. The Board may perform any function of the Committee hereunder (except to the extent limited under applicable New York Stock Exchange or other applicable rules or regulations), in which case the term "Committee" shall refer to the Board. Decisions of the Committee (or the Board, as applicable) with respect to the administration and interpretation of the Plan shall be final, conclusive, and

binding upon all persons interested in the Plan, including Participants, Beneficiaries, transferees under Section 11(b) and other persons claiming rights from or through a Participant, and shareholders. The foregoing notwithstanding, any grant of an Award to a non-employee director shall be approved, or granted by the Board; provided, however, that the Committee shall recommend (or jointly approve) such awards or policies to the Board, and the Committee retains the full independent authority conferred under the Plan with respect to other aspects of non-employee director awards.

(b) Manner of Exercise of Committee Authority. At any time that a member of the Committee is not a Qualified Member, (i) any action of the Committee relating to an Award intended by the Committee to qualify as "performance-based compensation" within the meaning of Code Section 162(m) and regulations thereunder may be taken by a subcommittee, designated by the Committee or the Board, composed solely of two or more Qualified Members, and (ii) any action relating to an Award granted or to be granted to a Participant who is then subject to Section 16 of the Exchange Act in respect of the Company may be taken either by such a subcommittee, by the Committee, or by the Board but with each such member who is not a Qualified Member abstaining or recusing himself or herself from such action, provided that, upon such abstention or recusal, the Committee or the Board remains composed of two or more Qualified Members. The Committee otherwise may act through a subcommittee or with members of the Committee abstaining or recusing themselves to ensure compliance with regulatory requirements or to promote effective governance as determined by the Committee. Such action, authorized by such a subcommittee or by the Committee upon the abstention or recusal of any member, shall be the action of the Committee for purposes of the Plan. The Committee may delegate to officers or managers of the Company or any Affiliate, or committees thereof, the authority, subject to such terms as the Committee shall determine, to perform such functions, including but not limited to administrative functions, as the Committee may determine, to the extent that such delegation (i) will not result in the loss of an exemption under Rule 16b-3(d) for Awards granted to Participants subject to Section 16 of the Exchange Act in respect of the Company, (ii) will not cause Awards intended to qualify as "performance-based compensation" under Code Section 162(m) to fail to so qualify, (iii) will not result in a related-person transaction with an executive officer required to be disclosed under Item 404(a) of Regulation S-K (in accordance with Instruction 5.a.ii thereunder) under the Exchange Act, and (iv) is permitted under applicable provisions of the New York Business Corporation Law and other applicable laws and regulations.

(c) Limitation of Liability. The Committee and each member thereof, and any person acting pursuant to authority delegated by the Committee, shall be entitled, in good faith, to rely or act upon any report or other information furnished by any executive officer, other officer or employee of the Company or its Affiliate, the Company's independent auditors, consultants or any other agents assisting in the administration of the Plan. Members of the Committee, any person acting pursuant to authority delegated by the Committee, and any officer or employee of the Company or its Affiliate acting at the direction or on behalf of the Committee or a delegee shall not be personally liable for any action, interpretation or determination taken or made in good faith with respect to the Plan, and shall, to the extent permitted by law, be fully indemnified and protected by the Company with respect to any such action, interpretation or determination.

4. Stock Subject to Plan.

(a) Overall Number of Shares Available for Delivery. Subject to adjustment as provided in Section 11(c), the total number of Shares of Stock reserved and available for delivery in connection with Awards under the Plan shall be 2,000,000 Shares plus the number of remaining shares reserved for equity awards under the Company's 2000 Plan which have not been issued and delivered under the 2000 Plan, including such 2000 Plan Shares (and 2000 Supplemental Stock Award Plan shares) as may become available in accordance with Section 4(b) hereof; provided, however, that the total number of Shares with respect to which ISOs may be granted shall

not exceed 2,000,000. Any Shares of Stock delivered under the Plan shall consist of authorized and unissued Shares or treasury Shares.

(b) Share Counting Rules. The Committee may adopt reasonable counting procedures to ensure appropriate counting, avoid double counting (as, for example, in the case of tandem or substitute awards) and make adjustments in accordance with this Section 4(b). Shares shall be counted against those reserved to the extent such shares have been delivered and are no longer subject to a risk of forfeiture. Accordingly, (i) to the extent that an Award under the Plan or an award under the 2000 Plan or 2000 Supplemental Stock Award Plan, in whole or in part, is canceled, expired, forfeited, settled in cash, settled by delivery of fewer Shares than the number underlying the Award or award, or otherwise terminated without delivery of Shares to the Participant, the Shares retained by or returned to the Company will not be deemed to have been delivered under the Plan and will be deemed to remain or to become available under this Plan; and (ii) Shares that are withheld from such an Award or an Award separately surrendered by the Participant in payment of the exercise price or taxes relating to such an Award shall be deemed to constitute Shares not delivered and will be deemed to remain or to become available under the Plan. The Committee may determine that Awards may be outstanding that relate to more Shares than the aggregate remaining available under the Plan so long as Awards will not in fact result in delivery and vesting of Shares in excess of the number then available under the Plan.

In addition, in the case of any Award granted in assumption of or substitution for an award of a company or business acquired by the Company or its Affiliate, Shares delivered or deliverable in connection with such assumed or substitute Award shall not be counted against the number of Shares reserved under the Plan (such assumed or substitute Awards may be administered under the Plan, however). This Section 4(b) shall apply to the number of Shares reserved and available for ISOs only to the extent consistent with applicable regulations relating to ISOs under the Code. To the extent that the 2000 Plan authorizes grants relating to Shares remaining available and Shares recaptured under the 1997 Employee Stock Option Plan, such Shares will be deemed to be available under the 2000 Plan and, therefore, available under this Plan to the extent provided in this Section 4.

5. Eligibility; Per-Person Award Limitations.

(a) Eligibility. Awards may be granted under the Plan only to Eligible Persons. For purposes of the Plan, an **"Eligible Person"** means any employee, director, consultant or individual who provides services to the Company or its Affiliate. Notwithstanding the foregoing, only employees of the Company or its Affiliates are eligible to be granted ISOs under the Plan. Eligibility for grant of Awards under the Plan and actual participation in the Plan shall be determined by the Committee in its sole discretion. Furthermore, any individual who has agreed to accept employment by, or provide services to, the Company or its Affiliate shall be deemed to be eligible for Awards hereunder as of the date of such acceptance of employment; provided that the grant of Awards under the Plan and actual participation in the Plan shall be determined by the Committee in its sole discretion and further provided that vesting and exercise of Awards granted to such individuals are conditioned upon such individual actually becoming an employee of, or providing services to, the Company or an Affiliate.

(b) Per-Person Award Limits. In each calendar year or part thereof during which the Plan is in effect, an Eligible Person may be granted Awards intended to qualify as "performance-based compensation" under Code Section 162(m) under the Plan up to his or her Annual Limit. A Participant's **"Annual Limit,"** in any year shall equal one million shares plus the amount of the Participant's unused Annual Limit relating to stock-denominated Awards as of the close of the previous year, subject to adjustment as provided in Section 11(c). In the case of cash-denominated Awards or other Awards which are not valued in a way in which the limitation set forth in the preceding sentence would operate as an effective limitation satisfying applicable law (including

Treasury Regulation 1.162-27(e)(4)), an Eligible Person may not be granted Awards authorizing the earning during any calendar year of an amount that exceeds the Eligible Person's Annual Limit, which for this purpose shall equal \$5 million (in U.S. dollars) plus the amount of the Eligible Person's unused cash Annual Limit as of the close of the previous year (this limitation is separate and not affected by the number of Awards granted during such calendar year subject to the limitation in the preceding sentence). For purposes of this Section 5(b), (i) "earning" means satisfying performance conditions so that an amount becomes payable, without regard to whether it is to be paid currently or on a deferred basis or continues to be subject to any service requirement or other non-performance condition, and (ii) a Participant's Annual Limit is used to the extent an amount or number of Shares may be potentially earned or paid under an Award (at the maximum designated amount for such Awards), regardless of whether such amount or Shares are in fact earned or paid.

6. *Types and Terms of Awards.*

(a) **General.** Awards may be granted on the terms and conditions set forth in this Plan. In addition, the Committee may impose on any Award or the exercise thereof, at the date of grant or thereafter (subject to Sections 11(e) and 11(i)), such additional terms and conditions, not inconsistent with the provisions of the Plan, as the Committee shall determine. The Committee shall retain full power and discretion with respect to any term or condition of an Award that is not mandatory under the Plan (subject to Section 11(i) and the terms of the applicable Award Agreement). The Committee shall require the payment of lawful consideration for an Award to the extent necessary to satisfy the requirements of the New York Business Corporation Law, and may otherwise require payment of consideration for an Award except as limited by the Plan.

(b) **Options.** The Committee is authorized to grant Options to Eligible Persons on the following terms and conditions and with such additional terms and conditions consistent with the provisions of the Plan, as the Committee shall determine:

(i) **Exercise Price.** The exercise price per share of Stock purchasable under an Option (including both ISOs and non-qualified Options) shall be determined by the Committee, provided that such exercise price shall be not less than the Fair Market Value of a share of Stock on the date of grant of such Option.

(ii) **Option Term: Time and Method of Exercise.** The Committee shall determine the term of each Option, provided that in no event shall the term of any Option exceed a period of ten years from the date of grant. The Committee shall determine the time or times at which or the circumstances under which an Option may be exercised in whole or in part (including based on achievement of Performance Goals and/or future service requirements), the methods by which such exercise price may be paid or deemed to be paid and the form of such payment (subject to Sections 11(h) and 11(i)), including, without limitation, cash, Stock, Stock deliverable to the Participant upon exercise of the Award, other Awards or awards granted under other plans of the Company or any Affiliate, or other property (including through "cashless exercise" arrangements, to the extent permitted by applicable law), and the methods by or forms in which Stock will be delivered or deemed to be delivered in satisfaction of Options to Participants (including, in the case of Awards subject to Code Section 409A, deferred delivery of Shares subject to the Option at the election of the Participant or as mandated by the Committee, with such deferred Shares subject to any vesting, forfeiture or other terms as the Committee may specify).

(iii) **ISOs.** The terms of any ISO granted under the Plan shall comply in all respects with the provisions of Code Section 422.

(c) **Stock Appreciation Rights.** The Committee is authorized to grant SARs to Eligible Persons on the following terms and conditions:

(i) **Right to Payment.** A SAR shall confer on the Participant to whom it is granted a right to receive, upon exercise thereof, the excess of (A) the Fair Market Value of one share of Stock on the date of exercise over (B) the grant price of the SAR as determined by the Committee, but which in no event will be less than 100% of the Fair Market Value of a share of Stock on the date of grant of the SAR.

(ii) **Other Terms.** The Committee shall determine the term of each SAR, provided that in no event shall the term of any SAR exceed a period of ten years from the date of grant. The Committee shall determine at the date of grant or thereafter, the time or times at which and the circumstances under which a SAR may be exercised in whole or in part (including based on achievement of Performance Goals and/or future service requirements), the method of exercise, method of settlement, form of consideration payable in settlement, and the method by or forms in which Stock will be delivered or deemed to be delivered to Participants.

(d) **Restricted Stock and Restricted Stock Units.** The Committee is authorized to grant Restricted Stock and Restricted Stock Units to Eligible Persons on the following terms and conditions:

(i) **Grant and Restrictions.** Restricted Stock and Restricted Stock Units shall be subject to such restrictions as the Committee may impose (including, without limitation, transferability and risk of forfeiture), where such restrictions may lapse separately or in combination at such times, under such circumstances as the Committee may deem appropriate. Except to the extent restricted under the terms of the Plan and any Award Agreement relating to the Restricted Stock, a Participant granted Restricted Stock shall have all of the rights of a shareholder, including the right to vote the Restricted Stock and the right to receive dividends thereon (subject to any mandatory reinvestment or other requirement imposed by the Committee). The Committee may in its discretion, when it finds that a waiver would be in the best interests of the Company, waive in whole or in part any or all restrictions with respect to Restricted Stock or Restricted Stock Units.

(ii) **Dividends and Splits.** As a condition to the grant of an Award of Restricted Stock, the Committee may require that any dividends paid on a share of Restricted Stock shall be either (A) paid with respect to such Restricted Stock at the dividend payment date in cash, in kind, or in a number of Shares of unrestricted Stock having a Fair Market Value equal to the amount of such dividends, or (B) automatically reinvested in additional Restricted Stock or held in kind, which shall be subject to the same terms as applied to the original Restricted Stock to which it relates, or (C) deferred as to payment, either as a cash deferral or with the amount or value thereof automatically deemed reinvested in shares of Deferred Stock, other Awards or other investment vehicles, subject to such terms as the Committee shall determine or permit a Participant to elect. Unless otherwise determined by the Committee, Stock distributed in connection with a Stock split or Stock dividend, and other property distributed as a dividend, shall be subject to restrictions and a risk of forfeiture to the same extent as the Restricted Stock with respect to which such Stock or other property has been distributed. The Committee in its discretion may award Dividend Equivalents with respect to Awards of Restricted Stock Units.

(e) **Deferred Stock.** The Committee is authorized to grant Deferred Stock to Eligible Persons, which are rights to receive Stock, other Awards, or a combination thereof at the end of a specified deferral period, subject to the following terms and conditions:

(i) Award and Restrictions. Issuance of Deferred Stock will occur upon expiration of the deferral period specified for an Award of Deferred Stock. In addition, Deferred Stock shall be subject to such restrictions on transferability, risk of forfeiture and other restrictions, if any, as the Committee may impose, which restrictions may lapse at the expiration of the deferral period or at earlier specified times (including based on achievement of Performance Goals and/or future service requirements), separately or in combination, in installments or otherwise, and under such other circumstances as the Committee may determine at the date of grant or thereafter. Deferred Stock may be satisfied by delivery of Stock, other Awards, or a combination thereof, as determined by the Committee at the date of grant or thereafter.

(ii) Dividend Equivalents. The Committee in its discretion may award Dividend Equivalents with respect to Awards of Deferred Stock.

(f) Other Stock-Based and Cash Awards. The Committee is authorized, subject to limitations under applicable law, to grant to Participants such other Awards that may be made in cash, or denominated or payable in, valued in whole or in part by reference to, or otherwise based on, or related to, Stock or factors that may influence the value of Stock, including, without limitation, convertible or exchangeable debt securities, other rights convertible or exchangeable into Stock, purchase rights for Stock, Awards with value and payment contingent upon performance of the Company or business units thereof, Stock or cash awarded as a bonus and not subject to restrictions or conditions, or any other factors designated by the Committee. The Committee shall determine the terms and conditions of such Awards. Stock delivered pursuant to an Award in the nature of a purchase right granted under this Section 6(f) shall be purchased for such consideration, paid for at such times, by such methods, and in such forms, including, without limitation, cash, Stock, other Awards, or other property, as the Committee shall determine. Cash awards, as an element of or supplement to any other Award under the Plan, may also be granted pursuant to this Section 6(f). Additionally, the Committee is authorized to grant Stock or cash as a bonus, or to grant Stock or other Awards in lieu of obligations of the Company or its Affiliate to pay cash or deliver other property under the Plan as determined by the Committee.

(g) Performance Awards. Performance Awards, denominated in cash or in Stock or other Awards may be granted by the Committee in accordance with Section 7.

7. Performance Awards.

(a) Performance Awards Generally. The Committee may grant a Performance Award in the form of an Annual Incentive Award, Long-Term Incentive Award, or in such other form, as determined by the Committee, in its sole and absolute discretion, and as provided hereunder to an Eligible Person payable upon the attainment of specific performance conditions as may be specified by the Committee (the "**Performance Goals**"), at the end of the specified performance period (the "**Performance Period**"). The Committee may grant Performance Awards that are intended to qualify as "performance-based compensation" under Code Section 162(m), as well as Performance Awards that are not intended to qualify as "performance-based compensation" under Code Section 162(m). With respect to Performance Awards that are intended to qualify as "performance-based compensation" under Code Section 162(m), the Committee shall condition the right to payment of any Performance Award upon the attainment of pre-established Performance Goals established pursuant to Section 7(b).

(b) Terms and Conditions. Performance Awards awarded pursuant to this Section 7 shall be subject to the following terms and conditions:

(i) Earning of Performance Award. At the expiration of the applicable Performance Period, the Committee shall determine the extent to which the Performance Goals established

pursuant to this Section 7(b) are achieved and the percentage of each Performance Award that has been earned.

(ii) Objective Performance Goals, Formulae or Standards. With respect to Performance Awards that are intended to qualify as "performance-based compensation" under Code Section 162(m), the Committee shall establish the objective Performance Goals for the earning of Performance Awards based on a Performance Period applicable to each Participant or class of Participants in writing, not later than the time period specified in Section 7(b)(iv). To the extent that any such provision would create impermissible discretion under Code Section 162(m) or otherwise violate Code Section 162(m), such provision shall be of no force or effect, with respect to Performance Awards that are intended to qualify as "performance-based compensation" under Code Section 162(m).

(iii) Business Criteria. One or more of the following business criteria for the Company, on a consolidated basis, and/or for specified Affiliates or other business units of the Company shall be used by the Committee in establishing Performance Goals for such Performance Awards:

- (1) net sales or revenues;
- (2) earnings measures, including earnings from operations, earnings before or after taxes, earnings before or after interest, depreciation, amortization, or extraordinary or special items;
- (3) net income or net income per common share (basic or diluted);
- (4) return measures, including return on assets (gross or net), return on investment, return on capital, or return on equity;
- (5) cash flow, free cash flow, cash flow return on investment (discounted or otherwise), net cash provided by operations, or cash flow in excess of cost of capital;
- (6) net economic profit (operating earnings minus a charge for capital) or economic value created;
- (7) operating margin or profit margin;
- (8) shareholder value creation measures, including stock price or total shareholder return;
- (9) dividend payout levels, including as a percentage of net income; and
- (10) strategic business criteria, consisting of one or more objectives based on meeting specified market penetration, geographic business expansion goals, cost targets, total market capitalization, agency ratings of financial strength, completion of capital and borrowing transactions, business retention, new product development, customer satisfaction, employee satisfaction, management of employment practices and employee benefits, supervision of litigation and information technology, and goals relating to acquisitions or divestitures of Affiliates or joint ventures.

The targeted level or levels of performance with respect to such business criteria may be established at such levels and on such terms as the Committee may determine, in its discretion, including in absolute terms, as a goal relative to performance in prior periods, or as a goal compared to the performance of one or more comparable companies or an index covering multiple companies.

(iv) Timing for Establishing Performance Goals: Maximum Award. A Performance Goal shall be established not later than the earlier of (A) 90 days after the beginning of any Performance Period applicable to such Performance Award and (B) before more than 25% of such Performance Period has elapsed. In all cases, the maximum Performance Award of any Participant shall be subject to the limitation set forth in Section 5(b).

(v) *Performance Award Pool.* The Committee may establish a Performance Award pool, which shall be an unfunded pool, for purposes of measuring performance of the Company in connection with Performance Awards. The amount of such Performance Award pool shall be based upon the achievement of a Performance Goal or Goals based on one or more of the business criteria set forth in Section 7(b)(iii) during the given Performance Period, as specified by the Committee in accordance with Section 7(b)(iv). The Committee may specify the amount of the Performance Award pool as a percentage of any of such business criteria, a percentage thereof in excess of a threshold amount, or as another amount which need not bear a strictly mathematical relationship to such business criteria.

(vi) *Settlement of Performance Awards; Other Terms.* Settlement of Performance Awards may be in cash, Stock, other Awards or in such other form as determined by the Committee in its sole and absolute discretion. The Committee may, at its discretion, increase or reduce the amount of a settlement otherwise to be made in connection with such Performance Awards, but may not exercise discretion to increase any such amount payable to a Covered Employee in respect of a Performance Award subject to this Section 7(b). Any settlement which changes the form of payment from that originally specified shall be implemented in a manner such that the Performance Award and other related Awards do not, solely for that reason, fail to qualify as "performance-based compensation" for purposes of Code Section 162(m). The Committee shall specify the circumstances (if any) in which such Performance Awards shall be paid or forfeited in the event of termination of employment by the Participant or other event (including a Change in Control) prior to the end of a Performance Period.

(c) *Written Determinations.* Determinations by the Committee as to the establishment of Performance Goals, the amount potentially payable in respect of Performance Awards, the level of actual achievement of the specified Performance Goals relating to Performance Awards, the level of hypothetical funding of the Performance Award Pool and the amount of any final Performance Award shall be recorded in writing in the case of Performance Awards intended to qualify under Code Section 162(m). Specifically, the Committee shall certify in writing, in a manner conforming to applicable regulations under Code Section 162(m), prior to settlement of each such Award granted to a Covered Employee, that the Performance Goal relating to the Performance Award and other material terms of the Award upon which settlement of the Award was conditioned have been satisfied.

8. Certain Provisions Applicable to Awards.

(a) *Stand-Alone, Additional, Tandem, and Substitute Awards.* Awards granted under the Plan may, in the discretion of the Committee, be granted either alone or in addition to, in tandem with, or, subject to the restriction on repricing in Section 11(e), in substitution or exchange for, any other Award or any award granted under another plan of the Company, any Affiliate, or any business entity to be acquired by the Company or an Affiliate, or any other right of a Participant to receive payment from the Company or any Affiliate; provided, however, that an Award subject to Code Section 409A may not be granted in tandem with an Award not subject to Code Section 409A. Awards granted in addition to or in tandem with any other Awards may be granted either as of the same time as or a different time from the grant of such other Awards. Subject to Section 11(i) and subject to the restriction on repricing in Section 11(e), the Committee may determine that, in granting a new Award, the in-the-money value or fair value of any surrendered Award or award may be applied to reduce the exercise price of any Option, grant price of any SAR, or purchase price of any other Award.

(b) Term of Awards. The term of each Award shall be for such period as may be determined by the Committee, subject to the express limitations set forth in Sections 6(b)(ii) and 6(c)(ii) and elsewhere in the Plan.

(c) Form and Timing of Payment under Awards; Deferrals. Subject to the terms of the Plan (including Section 11(i)) and any applicable Award Agreement, payments to be made by the Company or its Affiliate upon the exercise of an Option or other Award or settlement of an Award may be made in such forms as the Committee shall determine, including, without limitation, cash, Stock, other Awards or other property, and may be made in a single payment or transfer, in installments, or on a deferred basis. The settlement of any Award may be accelerated, and cash paid in lieu of Stock in connection with such settlement, in the discretion of the Committee or upon occurrence of one or more specified events (subject to Section 11(i)). Installment or deferred payments may be required by the Committee (subject to Section 11(e)) or permitted at the election of the Participant on terms and conditions established by the Committee. In the case of any Award subject to Code Section 409A that is vested and no longer subject to a risk of forfeiture (within the meaning of Code Section 409A), such Award will be distributed to the Participant, upon application of the Participant, if the Participant has had an unforeseeable emergency within the meaning of Code Sections 409A(a)(2)(A)(vi) and 409A(a)(2)(B)(ii).

(d) Award Agreements, Evidence of Awards and Acceptance of Award Terms. The Committee shall determine the appropriate instrument to document the issuance of an Award, including but not limited to the issuance of an Award Agreement. Except as otherwise determined by the Committee, the Award Agreement or other instrument shall describe the specific terms and conditions of the Award, and may, subject to the terms of the Plan, describe the amount and form of the Award, vesting requirements, Performance Goals and Performance Periods, payment terms, rights upon termination of employment (including Early Retirement and Normal Retirement), or provision of services by the Participant, and other terms specific to the Award. The Award Agreement or the ESP, if applicable, shall specify the consequences with respect to such Awards of the termination of employment of the Participant holding the Awards. A Participant may be required to accept the terms of the Award and agree to be bound by the terms and conditions of the Plan and the applicable Award Agreement in order for an Award to become effective.

(e) Vesting and Other Conditions. Except as otherwise determined by the Committee or as set forth in an Award Agreement or other evidence of an Award, any Awards subject to a vesting or other condition, including any service-based, performance-based or other vesting condition determined by the Committee, shall be forfeited when it is determined that such condition can no longer be satisfied. Further, a Participant's rights to and interest in any forfeited Restricted Stock, Restricted Stock Units or any other Awards will terminate and expire without consideration and will be re-acquired by the Company, where applicable. Notwithstanding the above, the Committee reserves the right to waive, in whole or part, any vesting or other condition under certain circumstances.

(f) Certificates for Stock. Any Award of Stock granted under the Plan may be evidenced in such manner as the Committee shall determine, including by issuing certificates or using book-entry. If the Committee evidences Awards using Stock certificates, the Committee may require that such certificates bear an appropriate legend referring to the terms, conditions and restrictions, if applicable, to such Stock Award, that the Company retain physical possession of the certificates, and that the Participant deliver a stock power to the Company, endorsed in blank, relating to the Stock Award.

(g) Fractional Shares. No fractional shares of Stock shall be issued or delivered pursuant to the Plan or any Award. The Committee shall determine whether cash, other Awards or other property shall be issued or paid in lieu of such fractional Shares or whether such fractional Shares or any rights thereto shall be forfeited or otherwise eliminated.

(h) **Dividends and Dividend Equivalents.** The Committee may grant Dividend rights and Dividend Equivalents in connection with Awards, on terms and with restrictions as determined by the Committee. Such terms and restrictions may include payment in cash, in kind or in Shares, deferral of payment, reinvestment requirements or other provisions.

(i) **No Personal Loans or Reloads.** No Award shall provide for a personal loan to a Participant, including for payment of the exercise price of an Option or withholding taxes relating to any Award. No term of an Award shall provide for automatic "reload" grants of additional Awards upon exercise of an Option or SAR or otherwise as a term of an Award.

(j) **Exemptions from Section 16(b) Liability.** With respect to a Participant who is then subject to the reporting requirements of Section 16(a) of the Exchange Act in respect of the Company, the Committee shall implement transactions under the Plan and administer the Plan in a manner that is intended to ensure that each transaction with respect to such a Participant is exempt from liability under Rule 16b-3 or otherwise not subject to liability under Section 16(b), except that this provision shall not apply to sales by such a Participant, and such a Participant may engage in other non-exempt transactions under the Plan. Unless otherwise specified by the Participant, equity securities or derivative securities acquired under the Plan which are disposed of by a Participant shall be deemed to be disposed of in the order acquired by the Participant.

9. **Change in Control.**

(a) **Effect of "Change in Control" on Non-Performance Based Awards.**

(i) In the case of Awards granted before December 14, 2010, in the event of a "Change in Control," the following provisions shall apply to Awards that are not Performance Awards, including Awards as to which performance conditions previously have been satisfied or are deemed satisfied under Section 9(b), unless otherwise provided by the Committee in an Award Agreement or otherwise, subject to Section 11(e), the ESP, a successor policy in which a Participant participates or other agreement between the Company and the Participant governing the Award:

(A) All deferral of settlement, forfeiture conditions and other restrictions applicable to Awards shall lapse (other than as set forth in Section 10 hereof) and such Awards shall be fully payable as of the time of the Change in Control without regard to deferral and vesting conditions, except to the extent of any waiver by the Participant or other valid express election to defer beyond a Change in Control and subject to applicable restrictions set forth in Section 11(a); provided, however, that, in the case of an Award subject to Code Section 409A, the end of any deferral period and settlement of the Award shall occur only if the Change in Control is a Change in Control as defined in Section 9(c) and Code Section 409A (but forfeiture conditions relating to such Award will lapse), and any waiver or express election to defer such Award subject to Code Section 409A shall be subject to the terms of Section 11(i); and

(B) Any Award carrying a right to exercise that was not previously exercisable and vested shall become fully exercisable and vested as of the time of the Change in Control and shall remain exercisable and vested for the applicable period provided under any Award Agreement (i.e., provisions terminating the Award at specified times following termination of employment will continue to apply) and subject to applicable restrictions set forth in Section 11(a) and, in the case of an Award subject to Code Section 490A, applicable restrictions in the Award Agreement which shall meet the requirements of Section 11(i) and other requirements of Code Section 409A.

(ii) *In the case of Awards granted on or after December 14, 2010*, in the event that the Participant's employment is terminated not for Cause by the Company or an Affiliate within two years after a Change in Control, the following provisions shall apply to Awards that are not Performance Awards, including Awards as to which performance conditions previously have been satisfied or are deemed satisfied under Section 9(b), unless otherwise provided by the Committee in an Award Agreement or otherwise, subject to Section 11(e), the ESP if the Participant is a participant in the ESP or other agreement between the Company and the Participant governing the Award:

(A) All deferral of settlement, forfeiture conditions and other restrictions applicable to Awards shall lapse and such Awards shall be fully payable as of the time of such termination without regard to deferral and vesting conditions, except to the extent of any waiver by the Participant or other valid express election to defer beyond such termination and subject to applicable restrictions set forth in Section 11(a); provided, however, that, in the case of an Award subject to Code Section 409A, the end of any deferral period and settlement of the Award shall be subject to the terms of Section 11(i); and

(B) Any Award carrying a right to exercise that was not previously exercisable and vested shall become fully exercisable and vested as of the time of such termination and shall remain exercisable and vested for the applicable period provided under the Award Agreement (i.e., provisions terminating the Award at specified times following termination of employment will continue to apply) and subject to applicable restrictions set forth in Section 11(a) and, in the case of an Award subject to Code Section 409A applicable restrictions in the Award Agreement which shall meet the requirements of Section 11(i) and other requirements of Code Section 409A.

(iii) *In the case of an Option granted at any time*, the Committee may, in its discretion and the provisions of (i) and (ii) above notwithstanding, determine to extend to a Participant who holds the Option the right to elect, in lieu of acquiring the shares of Stock covered by such Option, to receive in cash the excess of the Fair Market Value per Share at the date the Company and the Participant have mutually agreed to the surrender of the Award, multiplied by the number of shares of Stock covered by such Award, such surrender to occur simultaneously with the Change in Control or at a date specified by the Committee relating to the Change in Control, subject to the provisions of Section 11(i) and Code Section 409A.

(b) Effect of "Change in Control" on Performance-Based Awards. In the event of a "Change in Control," with respect to an outstanding Performance Award, the relevant Performance Goals shall be deemed to be met or exceeded if and to the extent so provided by the Committee or as otherwise set forth in the Award Agreement, the ESP or other terms governing such Award or other agreement with the Participant. For any portion of a Performance Award deemed earned in such case, the provisions of Section 9(a) will apply unless otherwise provided in such Award Agreement or, subject to Section 11(e), the ESP or other agreement between the Company and the Participant governing the Award.

(c) **Definition of "Change in Control."** A "**Change in Control**" shall be deemed to have occurred if, after the Effective Date, there shall have occurred any of the following:

(i) any Person becomes the "beneficial owner," as such term is defined in Rule 13d-3 under the Exchange Act, directly or indirectly, of securities of the Company representing 40% or more of the combined Voting Power of the Company's then outstanding Voting Securities, other than beneficial ownership by the Company, any employee benefit plan of the Company or any Person organized, appointed or established pursuant to the terms of any such benefit plan; or

(ii) individuals who at the Effective Date constitute a majority of the Board (the "**Incumbent Directors**") cease to constitute a majority of the Board for any reason; provided, however, that any individual becoming a director subsequent to the Effective Date whose election or nomination for election to the Board was approved by a vote of at least two-thirds of the Incumbent Directors then on the Board (either by a specific vote or by approval of the proxy statement of the Company in which such person is named as a nominee for director without objection to such nomination) shall be an Incumbent Director; provided, however, that no individual shall be an Incumbent Director if such individual is initially elected or nominated as a director of the Company as a result of an actual or threatened election contest with respect to directors or as a result of any other actual or threatened solicitation of proxies by or on behalf of any person other than the Board; or

(iii) the consummation of:

(A) A merger, consolidation, reorganization or similar transaction with or into the Company or in which securities of the Company are issued, as a result of which the holders of the outstanding Voting Securities of the Company immediately before such event own, directly or indirectly, immediately after such event less than 60% of the combined Voting Power of the outstanding Voting Securities of the parent entity resulting from, or issuing its Voting Securities as part of, such event;

(B) A complete liquidation or dissolution of the Company; or

(C) The sale or other disposition of all or substantially all of the assets of the Company (on a consolidated basis) to any Person other than (x) the Company, (y) an employee benefit plan (or a trust forming a part thereof) maintained by the Company or (z) a Person whose Voting Securities immediately following such sale or disposition will be owned by the holders of the outstanding Voting Securities of the Company immediately prior thereto, in substantially the same proportions.

Notwithstanding the foregoing, no payment or settlement of any Award that constitutes "non-qualified deferred compensation" within the meaning of Code Section 409A shall be made solely upon the occurrence of a Change in Control to the extent such Change in Control does not also qualify as a 409A Change in Control (as defined below) and such payment or settlement shall occur on its otherwise scheduled payment and/or settlement date(s).

10. Forfeiture and Clawback.

(a) **Forfeiture and Clawback of Awards.** Unless otherwise determined by the Committee, each Award granted to a Participant who is designated by the Company as job level 7 or above, regardless of the time of the receipt of the Award (and whether such receipt is due to accelerated vesting or part of any Severance Payments and Benefits (as defined in the ESP)), shall be subject to the forfeiture and clawback provisions set forth in this Section 10. The events described in subsections (i), (ii), and (iii) shall each be considered a Forfeiture Event.

(i) Covenant and Policy Violations. If a Participant:

(A) acting directly or indirectly, during the period of employment or service or within 24 months after separation of employment or service to the Company or an Affiliate (1) solicits, induces, diverts, employs or retains, or interferes with or attempts to influence the relationship of the Company or any of its Affiliates, with any person or entity that is or was, during the last twelve (12) months of the Participant's employment or service with the Company, (i) an employee of the Company or any of its Affiliates or (ii) a person engaged to provide services to the Company or any of its Affiliates; or (2) interferes with or attempts to influence the relationship of the Company or any of its Affiliates with any customer, supplier or other person with whom the Company or any of its Affiliates does business; or

(B) directly or indirectly, during the period of employment or service to the Company or an Affiliate, or within 12 months after separation of employment or service, becomes employed by, renders services for, serves as an agent or consultant to, or becomes a partner, member, principal, stockholder or other owner of any of the following entities: Firmenich, S.A., Givaudan, S.A., V. Mane Fils, S.A., Robertet, S.A., Symrise A.G., Takasago International Corporation, Wild Flavors GmbH, Sensient Technologies Corporation or any of their respective Affiliates, or any other entity that is competitive with the Company, as determined by the Committee in its sole discretion from time to time; or

(C) at any time (1) discloses any Confidential Information (as defined below) to any person (other than, only with respect to the period that the Employee is employed by the Company or an Affiliate, to an employee or outside advisor of the Company or such Affiliate who requires such information to perform his or her duties for the Company or an Affiliate) or (2) uses, sells or otherwise transfers, any Confidential Information for Employee's own benefit or the benefit of any third party. "Confidential Information," shall mean confidential, proprietary or commercially sensitive information relating to the Company, its Affiliates, or their employees, board members, customers, vendors, or other business partners and their businesses, operations, or affairs, including, without limitation, information relating to products, formulations, protocols, processes, designs, formulae, ideas, know-how, test methods, evaluation techniques, patents, trade secrets, scientific or technical data, regardless of the form in which it is maintained or provided, orally or in writing, whether prepared by the Company, a third party or Employee, together with all analyses, compilations, notes and other documents; or

(D) at any time fails to cooperate with the Company or any Affiliate by making himself or herself available to testify on behalf of the Company or such Affiliate in any action, suit, or proceeding, whether civil, criminal, administrative, or investigative, or otherwise fails to assist the Company or any Affiliate in any such action, suit, or proceeding by providing information and meeting and consulting with members of management of, other representatives of, or counsel to, the Company or such Affiliate, as reasonably requested; or

(E) engages, during the period of employment or service to the Company or an Affiliate, in willful misconduct or violation of a Company policy that is materially detrimental to the Company or any Affiliate, as determined by the Committee in its sole discretion,

then, the Participant shall forfeit or repay, as the case may be, all Awards, including equity-based Awards and cash Awards, Performance Awards, Annual Incentive Awards, Long-Term Incentive Awards, equity choice Awards or any other Awards, whether such Awards are vested or unvested, paid or unpaid, that were granted or paid during the 24-month period immediately prior to the Participant's first act or omission that violates any of Section 10(a)(i)(A) through Section 10(a)(i)(E) above, through the date on which the Company discovers the Participant's last violation.

(ii) Accounting Restatements and Misstatements. If the Company is required to prepare an accounting restatement, or if the Company determines that it has misstated its financial results, whether or not as a result of misconduct on the part of the Participant, then the Participant shall forfeit or repay the Excess Compensation in respect of all Awards, including equity-based Awards and cash Awards, Performance Awards, Annual Incentive Awards, Long-Term Incentive Awards, equity choice Awards or any other Awards, whether such Awards are vested or unvested, paid or unpaid, that were granted or paid during the 12-month period covered by such misstated financial statement through the later of (A) the date of the filing of a restatement where an accounting restatement is required to be filed; (B) the date of the discovery of the misstated financials where any accounting restatement is not required to be filed; or (C) any later date as may be required by applicable law, including the Dodd-Frank Wall Street Reform and Consumer Protection Act .

For purposes of this Section 10(a) (ii), the term "Excess Compensation" means with respect to each Award, the difference between (A) the Fair Market Value of the cash or stock paid to or received by the Employee with respect to an Award less (B) the Fair Market Value of the cash or stock that would have been paid to or received by the Employee had the financial statements requiring the misstatement or restatement been properly stated, as determined by the Committee in its sole discretion.

(iii) Clawback and Recoupment Provisions Required by Law. Any clawback or recoupment provisions required by law, including under the Dodd-Frank Wall Street Reform and Consumer Protection Act, or any rules or regulations thereunder, shall apply to the Awards paid or payable under this Plan.

(b) Forfeiture and Repayment. Any Award subject to forfeiture under this Section 10 will be forfeited immediately upon written notice to the Participant from the Company. Any Award subject to repayment by the Participant must be repaid by the Participant (less any amount paid by the Participant to the Company as a condition of or in connection with settlement of the Award) to the Company, in the manner and on such terms and conditions as shall be required by the Company by written notice to Participant.

(c) Agreement Does Not Prohibit Competition or Other Participant Activities. Although the conditions set forth in Section 10(a)(i)(B) shall be deemed to be incorporated into an Award, a Participant is not thereby prohibited from engaging in an activity identified in Section 10(a)(i)(B) solely as a result of such provision. Rather, the non-occurrence of the Forfeiture Events set forth in Section 10(a)(i)(B) is a condition to the Participant's right to realize and retain value from his or her compensatory Awards, and the consequence under the Plan if the Participant engages in an activity giving rise to any such Forfeiture Event are the forfeitures specified herein. The Company

and the Participant shall not be precluded by this provision or otherwise from entering into other agreements concerning the subject matter of Section 10(a)(i)(B).

(d) No Limitation of Rights. Any forfeiture or repayment under this Section 10 is in addition to, and not in lieu of, any other remedies or rights that may be available to the Company under applicable law, including, without limitation, the right to (i) dismiss the Participant, (ii) adjust the future compensation of the Participant, or (iii) take such other action to enforce the Participant's obligations to Company as the Company may deem appropriate in view of the facts and circumstances surrounding the particular situation.

(e) Committee Discretion. The Committee shall have the authority, in its sole discretion, to interpret and construe the provisions of this Section 10 and to make all determinations with respect hereto, including the determination of whether a Forfeiture Event has occurred, the timing of such Forfeiture Event and the amount and form of any forfeiture or reimbursement to be made to the Company from an Employee. The Committee may consider such factors as it deems relevant in making such determinations, including the factors contributing to the Forfeiture Event, harm or potential harm to the Company, the nature and severity of an Employee's behavior or conduct, legal and tax considerations and other facts and circumstances relating to a particular situation. All interpretations, constructions and determinations made by the Committee hereunder shall be final and binding on the Company and the Employee and the determinations of the Committee need not be uniform with respect to all Employees or situations. The Committee may waive in whole or in part the Company's right of recapture or impose additional conditions on an Award granted to an Employee under this Policy.

11. **General Provisions.**

(a) Compliance with Legal and Other Requirements. The Company may, to the extent deemed necessary or advisable by the Committee and subject to Section 11(i), postpone the issuance or delivery of Stock or payment of other benefits under any Award until completion of such registration or qualification of such Stock or other required action under any federal or state law, rule or regulation, listing or other required action with respect to any stock exchange or automated quotation system upon which the Stock or other securities of the Company are listed or quoted, or compliance with any other obligation of the Company, as the Committee may consider appropriate, and may require any Participant to make such representations, furnish such information and comply with or be subject to such other conditions as it may consider appropriate in connection with the issuance or delivery of Stock or payment of other benefits in compliance with applicable laws, rules, and regulations, listing requirements, or other obligations.

(b) Limits on Transferability; Beneficiaries. Except as may be permitted by the Committee or as specifically provided in an Award Agreement, (i) no Award and no right under any Award shall be assignable, alienable, saleable or transferrable by a Participant otherwise than by will or to a Beneficiary and (ii) each Award, and each right under any Award, shall be exercisable during the Participant's lifetime only by the Participant or, if permissible under applicable law, by the Participant's guardian or legal representative. The provisions of this paragraph shall not apply to any Award that has been fully exercised, earned or paid, as the case may be, and shall not preclude forfeiture of an Award in accordance with the terms thereof.

(c) Adjustments. In the event of any large, special, non-recurring dividend or other distribution (whether in the form of cash or property other than Stock), recapitalization, forward or reverse split, Stock dividend, reorganization, merger, consolidation, spin-off, combination, repurchase, share exchange, liquidation, dissolution or other similar corporate transaction or event that affects the Stock such that an adjustment is determined by the Committee to be appropriate under the Plan, then the Committee shall, in such manner as it may deem equitable, adjust any or

all of (i) the number and kind of shares of Stock which may be delivered in connection with Awards granted thereafter, including all applicable limitations specified in Section 4(a), (ii) the number and kind of shares of Stock by which annual per-person Award limitations are measured under Section 5(b), (iii) the number and kind of shares of Stock subject to or deliverable in respect of outstanding Awards and (iv) the exercise price, grant price or purchase price relating to any Award or, if deemed appropriate, the Committee may make provision for a payment of cash or property to the holder of an outstanding Award. In furtherance of the foregoing, a Participant shall have a legal right to an adjustment to an outstanding Award which constitutes a "share-based payment arrangement" in the event of an "equity restructuring," as such terms are defined under ASC 718, which adjustment shall preserve without enlarging the value of the Award to the Participant. In addition, the Committee is authorized to make adjustments in the terms and conditions of, and the criteria included in, Awards (including Performance Awards and Performance Goals and any hypothetical funding pool relating thereto) in recognition of unusual or nonrecurring events; provided that no such adjustment shall be authorized or made if and to the extent that the existence of such authority (i) would cause Options, SARs, or Performance Awards granted under Section 7 to Participants designated by the Committee as Covered Employees and intended to qualify as "performance-based compensation" under Code Section 162(m) and regulations thereunder to otherwise fail to qualify as "performance-based compensation" under Code Section 162(m) and regulations thereunder, or (ii) would cause the Committee to be deemed to have authority to change the targets, within the meaning of Treasury Regulation § 1.162-27(e)(4)(vi), under the Performance Goals relating to Options or SARs granted to Covered Employees and intended to qualify as "performance-based compensation" under Code Section 162(m) and regulations thereunder.

(d) Tax Provisions.

(i) Withholding. The Company and any Affiliate is authorized to withhold from any Award granted, any payment relating to an Award under the Plan, including from a distribution of Stock, or any payroll or other payment to a Participant, amounts of withholding and other taxes due or potentially payable in connection with any transaction involving an Award, and to take such other action (including without limitation providing for elective payment of such amounts by the Participant) as the Committee may deem advisable to enable the Company and Participants to satisfy obligations for the payment of withholding taxes and other tax obligations relating to any Award.

(ii) Required Consent to and Notification of Code Section 83(b) Election. No election under Code Section 83(b) (to include in gross income in the year of transfer the amounts specified in Code Section 83(b)) or under a similar provision of the laws of a jurisdiction outside the United States may be made unless expressly permitted by the terms of the Award Agreement or by action of the Committee in writing prior to the effectiveness of such election. In any case in which a Participant is permitted to make such an election in connection with an Award, the Participant shall notify the Company of such election within (10) ten days of filing notice of the election with the Internal Revenue Service or other governmental authority, in addition to any filing and notification required pursuant to regulations issued under Code Section 83(b) or other applicable provision.

(iii) Requirement of Notification Upon Disqualifying Disposition Under Code Section 421(b). If any Participant shall make any disposition of shares of Stock delivered pursuant to the exercise of an ISO under the circumstances described in Code Section 421(b) (relating to certain disqualifying dispositions), such Participant shall notify the Company of such disposition within ten (10) days thereof.

(e) Changes to the Plan and Awards. The Board may amend, suspend or terminate the Plan or the Committee's authority to grant Awards under the Plan without the consent of

shareholders or Participants; provided, however, that any amendment to the Plan shall be submitted to the Company's shareholders for approval not later than the earliest annual meeting for which the record date is after the date of such Board action if such shareholder approval is required by any federal or state law or regulation or the rules of the New York Stock Exchange or if such amendment would materially increase the number of Shares reserved for issuance and delivery under the Plan, and the Board may otherwise, in its discretion, determine to submit other amendments to the Plan to shareholders for approval. The Committee is authorized to amend outstanding Awards, except as limited by the Plan. The Board and Committee may not amend outstanding Awards (including by means of an amendment to the Plan) without the consent of an affected Participant if such amendment would materially and adversely affect the rights of such Participant under any outstanding Award (for this purpose, actions that alter the timing of federal income taxation of a Participant will not be deemed material unless such action results in an income tax penalty materially adverse to the Participant, and any discretion reserved by the Board or Committee with respect to an Award is not limited by this provision). Without the approval of shareholders, the Committee will not amend or replace previously granted Options or SARs in a transaction that constitutes a "repricing," which for this purpose means any of the following or any other action that has the same effect:

- Lowering the exercise price of an Option or SAR after it is granted;
- Any other action that is treated as a repricing under generally accepted accounting principles;
- Canceling an Option or SAR at a time when its exercise price exceeds the fair market value of the underlying Stock, in exchange for another Option or SAR, restricted stock, other equity, cash or other property;

provided, however, that the foregoing transactions shall not be deemed a repricing if pursuant to an adjustment authorized under Section 11(c). The Committee shall have no authority to waive or modify any other Award term after the Award has been granted to the extent that the waived or modified term would be then mandatory for a new Award of the same type under the Plan.

(f) Right of Setoff. The Company or any Affiliate may, to the extent permitted by applicable law and subject to Section 11(i), deduct from and set off against any amounts the Company or its Affiliate may owe to the Participant from time to time, including amounts payable in connection with any Award, owed as wages, fringe benefits, or other compensation owed to the Participant, such amounts as may be owed by the Participant to the Company, including but not limited to amounts owed under Section 10, although the Participant shall remain liable for any part of the Participant's payment obligation not satisfied through such deduction and setoff. By accepting any Award granted hereunder, the Participant agrees to any deduction or setoff under this Section 11(f).

(g) Unfunded Status of Awards; Creation of Trusts. The Plan is intended to constitute an "unfunded" plan for incentive and deferred compensation, as applicable. With respect to any payments not yet made to a Participant or obligation to deliver Stock pursuant to an Award, nothing contained in the Plan or any Award shall give any such Participant any rights that are greater than those of a general creditor of the Company; provided that the Committee may authorize the creation of trusts and deposit therein cash, Stock, other Awards or other property, or make other arrangements to meet the Company's obligations under the Plan. Such trusts or other arrangements shall be consistent with the "unfunded" status of the Plan unless the Committee otherwise determines with the consent of each affected Participant.

(h) Compliance with Code Section 162(m). It is the intent of the Company that Options and SARs granted to Covered Employees and other Awards designated as Performance Awards to Covered Employees subject to Section 7 shall constitute qualified "performance-based compensation" within the meaning of Code Section 162(m) and regulations thereunder, unless otherwise determined by the Committee at the time of allocation of an Award. Accordingly, the

terms of Sections 7(b) and (c), including the definitions of Covered Employee and other terms used therein, shall be interpreted in a manner consistent with Code Section 162(m) and regulations thereunder. The foregoing notwithstanding, because the Committee cannot determine with certainty whether a given Participant will be a Covered Employee with respect to a fiscal year that has not yet been completed, the term Covered Employee as used herein shall mean only a person designated by the Committee as likely to be a Covered Employee with respect to a specified fiscal year. If any provision of the Plan or any Award Agreement relating to a Performance Award that is designated as intended to comply with Code Section 162(m) does not comply or is inconsistent with the requirements of Code Section 162(m) or regulations thereunder, such provision shall be construed or deemed amended to the extent necessary to conform to such requirements, and no provision shall be deemed to confer upon the Committee or any other person discretion to increase the amount of compensation otherwise payable in connection with any such Award upon attainment of the applicable performance objectives.

(i) Compliance with Code Section 409A.

(i) The Plan is intended to comply with the applicable requirements of Code Section 409A and shall be limited, construed and interpreted in accordance with such intent. To the extent that any Award is subject to Code Section 409, it shall be paid in a manner that will comply with Code Section 409A, including proposed, temporary or final regulations or any other guidance issued by the Secretary of the Treasury and the Internal Revenue Service with respect thereto. Notwithstanding anything herein to the contrary, any provision in the Plan that is inconsistent with Code Section 409A shall be deemed to be amended to comply with Code Section 409A and to the extent such provision cannot be amended to comply therewith, such provision shall be null and void. If a Participant is permitted to elect to defer compensation and in lieu thereof receive an Award, or is permitted to elect to defer any payment under an Award, such election will be permitted only in accordance with the provisions specified in Section 5(b) of the Company's Deferred Compensation Plan, as amended and restated December 12, 2011 (as from time to time may be amended), subject to any additional limitations as may be necessary for compliance with Code Section 409A.

(ii) The Company shall have no liability to a Participant, or any other party, if an Award that is intended to be exempt from, or compliant with, Code Section 409A is not so exempt or compliant or for any action taken by the Committee or the Company and, in the event that any amount or benefit under the Plan becomes subject to penalties under Code Section 409A, responsibility for payment of such penalties shall rest solely with the affected Participants and not with the Company.

(iii) Notwithstanding any contrary provision in the Plan or an Award Agreement, any payment(s) of "nonqualified deferred compensation" (within the meaning of Code Section 409A) that are otherwise required to be made under the Plan to a "specified employee" (as defined under Code Section 409A) as a result of such employee's separation from service (other than a payment that is not subject to Code Section 409A) shall be delayed for the first six (6) months following such separation from service (or, if earlier, the date of death of the specified employee) and shall instead be paid (in a manner set forth in the Award Agreement) upon expiration of such delay period.

(iv) *Exercise and Distribution.* Except as otherwise provided under Code Section 409A, no Award subject to Code Section 409A shall be exercisable (if the exercise would result in a distribution) or otherwise distributable to a Participant (or his or her beneficiary) except upon the occurrence of one of the following (or a date related to the occurrence of one of the following):

(A) a specified time or a fixed schedule; or

(B) a Separation from Service (within the meaning of Treasury Regulation § 1.409A-1(h) and other applicable rules under Code Section 409A); provided, however, that if the Participant is a "specified employee" under Treasury Regulation § 1.409A-1(i), settlement under this Section 11(j)(iv) shall instead occur at the expiration of the six-month period following separation from service under Section 409A(a)(2)(B)(i). During such six-month delay period, no acceleration of settlement may occur, except (1) acceleration shall occur in the event of death of the Participant, (2), if the distribution date was specified as the earlier of separation from service or a fixed date and the fixed date falls within the delay period, the distribution shall be triggered by the fixed date, and (3) acceleration may be permitted otherwise if and to the extent permitted under Section 409A. In the case of installments, this delay shall not affect the timing of any installment otherwise payable after the six-month delay period. With respect to any Award subject to Code Section 409A, a reference in any agreement or other governing document to a "termination of employment" which triggers a distribution shall be deemed to mean a "separation from service" within the meaning of Treasury Regulation § 1.409A-1(h). For purposes of a distribution under Section 11(j)(iv), status of a Participant as a "specified employee" shall be determined annually under the Company's administrative procedure for such determination for purposes of all plans subject to Code Section 409A; or.

(C) the death of the Participant; provided, however, that unless a specific time otherwise is stated for payment of a 409A Award upon death, such payment shall occur in the calendar year in which falls the 30th day after death; or

(D) the date the Participant has experienced a 409A Disability (as defined below); or

(E) 409A Change in Control. The occurrence of a 409A Change in Control (as defined below);

(v) *Changes in Distribution Terms.* The Committee may, in its discretion, require or permit on an elective basis a change in the distribution terms applicable to Awards subject to Code Section 409A (and Awards non subject to Code Section 409A that qualify for the short-term deferral exemption under Code Section 409A) in accordance with, and to the fullest extent permitted by, applicable Internal Revenue Service guidance under Code Section 409A.

(vi) *Separate Payments.* Unless otherwise specified in the applicable Award Agreement, each vesting tranche of an Award shall be deemed to be a separate payment for purposes of Code Section 409A, and any portion of a vesting tranche that would vest on a pro rata basis in the event of a separation from service on December 31 of a given year, and the remaining portion of such vesting tranche that would not so vest, each shall be deemed to be a separate payment for purposes of Code Section 409A.

(vii) *Time of Distribution.* In the case of any distribution of an Award subject to Code Section 409A, if the timing of such distribution is not otherwise specified in the Plan or an Award Agreement or other governing document, the distribution shall be made within 60 days after the date at which the settlement of the Award is specified to occur. In the case of any distribution of an Award subject to Code Section 409A during a specified period following a settlement date, the maximum period shall be 90 days, and the Participant shall have no influence (other than permitted deferral elections) on any determination as to the tax year in which the distribution will be made during any period in which a distribution may be made.

(viii) *No Acceleration.* The exercise or distribution of an Award subject to Code Section 409A may not be accelerated except in the case of one of the following events:

(A) *Unforeseeable Emergency.* The occurrence of an Unforeseeable Emergency, as defined in Treasury Regulation 1.409A-3(i)(3). Upon a finding that an Unforeseeable Emergency has occurred with respect to a Participant, any election of the Participant to defer compensation that will be earned in whole or part by services in the year in which the emergency occurred or is found to continue will be immediately cancelled.

(B) *Domestic Relations Order.* The 409A Award may permit the acceleration of the exercise or distribution time or schedule to an individual other than the Participant as may be necessary to comply with the terms of a domestic relations order (as defined in Code Section 414(p)(1)(B)).

(ix) *Definitions.* For purposes of this Section 11(i), the following terms shall be defined as set forth below:

(A) "409A Change in Control" shall be deemed to have occurred if, in connection with a Change in Control (as defined in Section 9(c)), there occurs a change in the ownership of the Company, a change in effective control of the Company, or a change in the ownership of a substantial portion of the assets of the Company (as defined in Treasury Regulation § 1.409A-3(i)(5)).

(B) "409A Disability" means an event which results in the Participant being (i) unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, or (ii), by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, receiving income replacement benefits for a period of not less than three months under an accident and health plan covering employees of the Company or its subsidiaries.

(C) "Unforeseeable Emergency" means a severe financial hardship to the Participant resulting from an illness or accident of the Participant, the Participant's spouse, or a dependent (as defined in Code Section 152, without regard to Code Sections 152(b)(1), (b)(2), and (d)(1)(B)) of the Participant, loss of the Participant's property due to casualty, or similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant, and otherwise meeting the definition set forth in Treasury Regulation § 1.409A-3(i)(3).

(x) *Release or Other Termination Agreement.* If the Company requires a Participant to execute a release, non-competition, or other agreement as a condition to receipt of a payment upon or following a termination of employment, the Company will supply to the Participant a form of such release or other document not later than the date of the Participant's termination of employment, which must be returned within the minimum time period required by law and must not be revoked by the Participant within the applicable time period (if any) for revocation in order for the Participant to satisfy any such condition. If any amount payable during a fixed period following termination of employment is subject to such a requirement and the fixed period would begin in one tax year and end in the next tax year, the Company will make such payment during the second taxable year of such fixed period.

(j) **Governing Law.** The validity, construction, and effect of the Plan, any rules and regulations relating to the Plan and any Award Agreement shall be determined in accordance with the laws of the State of New York, without giving effect to principles of conflicts of laws, and applicable provisions of federal law.

(k) **Awards to Participants Outside the United States.** The Committee may modify the terms of any Award under the Plan made to or held by a Participant who is then resident or primarily employed outside of the United States or is subject to taxation by a non-U.S. jurisdiction in any manner deemed by the Committee to be necessary or appropriate in order that such Award shall conform to laws, regulations, sound business practices and customs of the country in which the Participant is then resident or primarily employed, or so that the value and other benefits of the Award to the Participant, as affected by foreign tax laws and other restrictions applicable as a result of the Participant's residence or employment abroad shall be comparable to the value of such an Award to a Participant who is resident or primarily employed in the United States. An Award may be modified under this Section 11(k) in a manner that is inconsistent with the express terms of the Plan, so long as such modifications will not contravene any applicable law or regulation or result in actual liability under Section 16(b) for the Participant whose Award is modified.

(l) **Limitation on Rights Conferred under Plan.** Neither the Plan nor any action taken hereunder shall be construed as (i) giving any Eligible Person or Participant the right to continue as an Eligible Person or Participant or in the employ or service of the Company or its Affiliate or in any particular office or position, (ii) interfering in any way with the right of the Company or its Affiliate to terminate any Eligible Person's or Participant's employment or service at any time, (iii) giving an Eligible Person or Participant any claim to be granted any Award under the Plan or to be treated uniformly with other Participants and employees, or (iv) conferring on a Participant any of the rights of a shareholder of the Company unless and until the Participant is duly issued or transferred shares of Stock in accordance with the terms of an Award or an Option is duly exercised.

(m) **Severability; Entire Agreement.** If any of the provisions of this Plan or any Award Agreement is finally held to be invalid, illegal or unenforceable (whether in whole or in part), such provision shall be deemed modified to the extent, but only to the extent, of such invalidity, illegality or unenforceability, and the remaining provisions shall not be affected thereby; provided, that, if any of such provisions is finally held to be invalid, illegal, or unenforceable because it exceeds the maximum scope determined to be acceptable to permit such provision to be enforceable, such provision shall be deemed to be modified to the minimum extent necessary to modify such scope in order to make such provision enforceable hereunder. The Plan and any Award Agreements contain the entire agreement of the parties with respect to the subject matter thereof and supersede all prior agreements, promises, covenants, arrangements, communications, representations and warranties between them, whether written or oral with respect to the subject matter thereof.

(n) **Plan Effective Date and Termination; Effect on Other Plans.** This Plan was originally adopted by the Board of Directors of the Company on December 14, 2010, subject to the approval of the shareholders of the Company. Such shareholder approval was obtained on April 27, 2010 at which time the Plan was amended and restated. The Plan was subsequently amended and restated effective on February 6, 2014 and this amendment and restatement of the Plan is effective on May 6, 2015 (the "**Effective Date**"). Subject to obtaining shareholder approval of the IFF 2015 Stock Award and Incentive Plan, no new Awards will be granted under the Plan following the Effective Date.

CERTIFICATION

I, Andreas Fibig, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of International Flavors & Fragrances Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: May 12, 2015

By: /s/ Andreas Fibig

Name: Andreas Fibig

Title: Chairman of the Board and Chief Executive Officer

CERTIFICATION

I, Richard A. O'Leary, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of International Flavors & Fragrances Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: May 12, 2015

By: /s/ Richard A. O'Leary

Name: Richard A. O'Leary

Title: Interim Chief Financial Officer, Vice President and Controller

**CERTIFICATION OF CEO AND CFO PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of International Flavors & Fragrances Inc. (the "Company") for the quarterly period ended March 31, 2015 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Andreas Fibig, as Chief Executive Officer, and Richard A. O'Leary, as Interim Chief Financial Officer, each hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of his knowledge:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934;

and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By: /s/ Andreas Fibig

Name: Andreas Fibig

Title: Chairman of the Board and Chief Executive Officer

Dated: May 12, 2015

By: /s/ Richard A. O'Leary

Name: Richard A. O'Leary

Title: Interim Chief Financial Officer, Vice President and Controller

Dated: May 12, 2015

