

INTERNATIONAL FLAVORS & FRAGRANCES INC
Form DEF 14A
March 12, 2013
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549
SCHEDULE 14A
(Rule 14a-101)
INFORMATION REQUIRED IN PROXY STATEMENT
SCHEDULE 14A INFORMATION
Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934 (Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only** (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material under § 240.14a-12

International Flavors & Fragrances Inc.
(Name of Registrant as Specified In Its Charter)

Payment of Filing Fee (Check the appropriate box):

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

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- (1) Amount Previously Paid:

 - (2) Form, Schedule or Registration Statement No.:

 - (3) Filing Party:

 - (4) Date Filed:

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International Flavors & Fragrances Inc.

521 West 57th Street

New York, NY 10019

NOTICE OF 2013 ANNUAL MEETING OF SHAREHOLDERS

March 8, 2013

Dear Shareholder:

It is my pleasure to invite you to attend International Flavors & Fragrances Inc.'s 2013 Annual Meeting of Shareholders (the "2013 Annual Meeting"). The meeting will be held on Tuesday, April 30, 2013, at 10:00 a.m. Eastern Time at our corporate office, located at 521 West 57th Street, New York, NY 10019. At the meeting, you will be asked to:

1. Elect twelve members of the Board of Directors for a one-year term expiring at the 2014 Annual Meeting of Shareholders.
2. Ratify the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the 2013 fiscal year.
3. Approve, on an advisory basis, the compensation of our named executive officers in 2012.
4. Transact such other business as may properly come before the 2013 Annual Meeting and any adjournment or postponement of the 2013 Annual Meeting.

Only shareholders of record as of the close of business on March 4, 2013 may vote at the Annual Meeting.

It is important that your shares be represented at the 2013 Annual Meeting, regardless of the number you may hold. *Whether or not you plan to attend, please vote using the Internet, by telephone or by mail, in each case by following the instructions in our proxy statement.* Doing so will not prevent you from voting your shares in person if you are present.

I look forward to seeing you on April 30, 2013.

Sincerely,

Douglas D. Tough
Chairman and Chief Executive Officer

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We mailed a Notice of Internet Availability of Proxy Materials containing instructions on how to access our proxy statement and annual report on or about March 14, 2013.

Our proxy statement and annual report are available online at www.proxyvote.com.

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PROXY STATEMENT

Proxy Statement for 2013 Annual Meeting of Shareholders to be held on April 30, 2013

I. INFORMATION ABOUT VOTING

You are receiving this proxy statement because you own shares of our common stock that entitle you to vote at the 2013 Annual Meeting of Shareholders. Our Board of Directors is soliciting proxies from shareholders who wish to vote at the meeting. By use of a proxy, you can vote even if you do not attend the meeting. This proxy statement describes the matters on which you are being asked to vote and provides information on those matters so that you can make an informed decision.

Date, Time and Place of the 2013 Annual Meeting

We will hold the 2013 Annual Meeting on Tuesday, April 30, 2013, at 10:00 a.m. Eastern Time at our corporate offices located at 521 West 57th Street, New York, NY 10019.

Questions and Answers about Voting at the 2013 Annual Meeting and Related Matters

Q: What am I voting on?

A: At the 2013 Annual Meeting you will be asked to vote on the following three proposals. Our Board recommendation for each of these proposals is set forth below.

Proposal	Board Recommendation
1. To elect twelve members of the Board of Directors, each to hold office for a one-year term expiring at the 2014 Annual Meeting of Shareholders.	FOR
2. To ratify the appointment of PricewaterhouseCoopers LLP (PwC) as our independent registered public accounting firm for the 2013 fiscal year.	FOR
3. To approve, on an advisory basis, the compensation of our named executive officers in 2012, which we refer to as Say on Pay.	FOR

We also will consider other business that properly comes before the meeting in accordance with New York law and our By-laws.

Q: Who can vote?

A: Holders of our common stock at the close of business on March 4, 2013, the record date, are entitled to vote their shares at the 2013 Annual Meeting. As of March 4, 2013, there were 81,501,476 shares of common stock issued, outstanding and entitled to vote. Each share of common stock issued and outstanding is entitled to one vote.

Q: What constitutes a quorum, and why is a quorum required?

A: We are required to have a quorum of shareholders present to conduct business at the meeting. The presence at the meeting, in person or by proxy, of the holders of a majority of the shares entitled to vote on the record date will constitute a quorum, permitting us to conduct the business of the meeting. Abstentions and broker non-votes are counted as present for purposes of determining a quorum. Shares of common stock for which we have received executed proxies will be counted for purposes of establishing a quorum at the meeting, regardless of how or whether such shares are voted on any specific proposal.

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Q: What is the difference between a shareholder of record and a street name holder?

A: If your shares are registered directly in your name with our transfer agent, American Stock Transfer & Trust Company, you are considered a shareholder of record or a registered shareholder of those shares. In this case, your Notice of Internet Availability of Proxy Materials (Notice) has been sent to you directly by us.

If your shares are held in a stock brokerage account or by a bank, trust or other nominee or custodian (each, a Broker), including shares you may own as a participant in one of our 401(k) plans, you are considered the beneficial owner of those shares, which are held in street name. A Notice has been forwarded to you by or on behalf of your Broker, who is considered the shareholder of record of those shares. As the beneficial owner, you have the right to direct your Broker how to vote your shares by following its instructions for voting.

Q: How do I vote?

A: If you are a shareholder of record, you may vote:

via Internet;

by telephone;

by mail, if you received a paper copy of the proxy materials; or

in person at the meeting.

Detailed instructions for Internet and telephone voting are set forth on the Notice, which contains instructions on how to access our proxy statement, annual report and shareholder letter online, and the printed proxy card.

If your shares are held in one of our 401(k) plans, your proxy will serve as a voting instruction for the trustee of the 401(k) plan, who will vote your shares as you instruct. To allow sufficient time for the trustee to vote, your voting instructions must be received by 11:59 pm Eastern Time on April 25, 2013. If the trustee does not receive your instructions by that date, the trustee will vote the shares you hold through the 401(k) plan in the same proportion as those shares in the 401(k) plan for which voting instructions were received.

If you are a beneficial shareholder, you must follow the voting procedures of your Broker.

Q: How many votes are needed to elect the director nominees (Proposal 1)?

A: Under our By-laws, in an uncontested election of directors, as we have this year, the affirmative vote of a majority of the votes cast is required for the election of directors, which means that a nominee must receive a greater number of votes FOR his or her election than votes AGAINST in order to be elected.

Q: How many votes are needed to approve the ratification of the independent registered public accounting firm (Proposal 2)?

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A: Under our By-laws, the affirmative vote of a majority of the votes cast is required to ratify the selection of PwC as our independent registered public accounting firm for the 2013 fiscal year.

Q: How many votes are needed to approve the advisory proposal regarding Say on Pay (Proposal 3)?

A: Proposal 3 is an advisory vote. This means that while we ask shareholders to approve a resolution regarding Say on Pay, it is not an action that requires shareholder approval. If a majority of votes are cast **FOR** the Say on Pay proposal, we will consider the proposal to be approved.

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Q: What if I abstain from voting on a proposal?

A: If you sign and return your proxy marked abstain, your shares will be counted for purposes of determining whether a quorum is present. For Proposals 1, 2 and 3, abstentions are not counted as votes cast, and will not affect the outcome of the vote.

Q: What if I am a beneficial shareholder and I do not give the nominee voting instructions?

A: If you are a beneficial shareholder and your shares are held in street name, the Broker is bound by the rules of the New York Stock Exchange (NYSE) regarding whether or not it can exercise discretionary voting power for any particular proposal if the Broker has not received voting instructions from you. Brokers have the authority to vote shares for which their customers do not provide voting instructions on certain routine matters. A broker non-vote occurs when a Broker returns a proxy but does not vote on a particular proposal because the Broker does not have discretionary authority to vote on the proposal and has not received specific voting instructions for the proposal from the beneficial owner of the shares. Broker non-votes are considered to be present at the meeting for purposes of determining the presence of a quorum but are not counted as votes cast.

The table below sets forth, for each proposal on the ballot, whether a Broker can exercise discretion and vote your shares absent your instructions and if not, the impact of such Broker non-vote on the approval of the proposal.

Proposal	Can Brokers Vote Absent Instructions?	Impact of Broker Non-Vote
Election of Directors	No	None
Ratification of Auditors	Yes	Not Applicable
Say on Pay	No	None

Q: What if I sign and return my proxy without making any selections?

A: If you sign and return your proxy without making any selections, your shares will be voted FOR each of the director nominees, and FOR each of the two other proposals. If other matters properly come before the meeting, the proxy holders will have the authority to vote on those matters for you at their discretion. If your shares are held in street name, see the question above on how to vote your shares.

Q: How do I change my vote?

A: A shareholder of record may revoke his or her proxy by giving written notice of revocation to our Corporate Secretary before the meeting, by delivering a later-dated proxy (either in writing, by telephone or over the Internet), or by voting in person at the 2013 Annual Meeting. If your shares are held in street name, you may change your vote by following your nominee's procedures for revoking or changing your proxy.

Q: What shares are covered by my proxy card?

A: Your proxy reflects all shares owned by you at the close of business on March 4, 2013. For participants in our 401(k) plans, shares held in your account as of that date are included in your proxy.

Q: What does it mean if I receive more than one proxy card?

A: If you receive more than one proxy card, it means that you hold shares in more than one account. To ensure that all your shares are voted, you should sign and return each proxy card. Alternatively, if you vote by telephone or on the Internet, you will need to vote once for each proxy card and voting instruction card you receive.

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Q: Who can attend the 2013 Annual Meeting?

A: Only shareholders and our invited guests are permitted to attend the 2013 Annual Meeting. To gain admittance, you must bring a form of personal identification to the meeting, where your name will be verified against our shareholder list. If a nominee holds your shares and you plan to attend the meeting, you should bring a brokerage statement showing your ownership of the shares as of the record date or a letter from the nominee confirming such ownership, and a form of personal identification. If you wish to vote your shares that are held by a nominee at the meeting, you must obtain a proxy from your nominee and bring such proxy to the meeting.

Q: If I plan to attend the 2013 Annual Meeting, should I still vote by proxy?

A: Yes. Casting your vote in advance does not affect your right to attend the 2013 Annual Meeting. If you send in your proxy card and also attend the meeting, you do not need to vote again at the meeting unless you want to change your vote. Written ballots will be available at the 2013 Annual Meeting for shareholders of record.

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II. PROPOSAL I ELECTION OF DIRECTORS

Our Board of Directors currently has eleven members. Upon the recommendation of the Nominating and Governance Committee of our Board, our Board has nominated each of our current directors and one new nominee, Christina Gold, for election at the 2013 Annual Meeting for a one-year term that expires at the 2014 Annual Meeting. Each nominee has consented to serve if elected. Proxies cannot be voted for a greater number of persons than the number of nominees named.

Pursuant to our Corporate Governance Guidelines, a person that has previously served for twelve consecutive full annual terms on the Board cannot continue to serve as a director following the subsequent annual meeting of shareholders, unless (i) such person is a Grandfathered Person or one of our officers or (ii) the Board has made a determination that the nomination of such person would be in the best interests of our Company and our shareholders. Grandfathered Persons are eligible to serve as directors until the annual meeting of shareholders which occurs after the date that the director has turned 72. As of the date of this proxy statement, Mr. Martinez, a Grandfathered Person, is 73. Pursuant to the recommendation of the Nominating and Governance Committee, the Board has determined that it is in the best interests of the Company and our shareholders to re-nominate Mr. Martinez for an additional term in light of his extensive experience and substantial contribution as Lead Director of the Board.

We believe that each of our nominees possesses the experience, skills and qualities to fully perform his or her duties as a director and to contribute to our success. Each of our nominees is being nominated because he or she possesses the highest standards of personal integrity and interpersonal and communication skills, is highly accomplished in his or her field, has an understanding of the interests and issues that are important to our shareholders and is able to dedicate sufficient time to fulfilling his or her obligations as a director. Our nominees as a group complement each other and each other's respective experiences, skills and qualities. The Nominating and Governance Committee retained an independent global search firm, which identified Ms. Gold as a potential nominee for director. Thereafter, the Nominating and Governance Committee evaluated Ms. Gold's qualifications in light of the Company's guidelines and initiated a process that resulted in her nomination as a director, including interviews with the Chair of the Nominating and Governance Committee, the Lead Director and the Chairman of the Board. The Nominating and Governance Committee recommended Ms. Gold as a nominee because of a number of valuable characteristics she would bring to the Board, including her extensive international and domestic business experience, her familiarity with the Company's customer base, her financial expertise and her prior experience as a chief executive officer.

Each nominee's principal occupation and other pertinent information about the particular experience, qualifications, attributes and skills that led the Board to conclude that such person should serve as a director appears on the following pages.

The Board recommends a vote FOR the election of each of the following director nominees.

Marcello V. Bottoli, 51 An Italian national with extensive international experience, Mr. Bottoli has been an operating partner of Advent International, a global private equity firm, since 2010, and served as Interim Chief Executive Officer of Pandora A/S, a designer, manufacturer and marketer of hand-finished and modern jewelry, from August 2011 until March 2012. Mr. Bottoli served as President and Chief Executive Officer of Samsonite Inc., a luggage manufacturer and distributor, from March 2004 through January 2009, and President and Chief Executive Officer of Louis Vuitton Malletier, a manufacturer and retailer of luxury handbags and accessories, from 2001 through 2002. Previously, Mr. Bottoli played a number of roles with Benckiser N.V., and then Reckitt Benckiser plc, a home, health and personal care products company, following the merger of Benckiser with Reckitt & Colman Ltd. His experience as a chief executive and emphasis on consumer products, strategic insights and marketing has enabled Mr. Bottoli to provide many insights and contributions to our Board. Mr. Bottoli serves on the board of directors of True Religion Apparel, Inc., a California-based fashion jeans, sportswear and accessory manufacturer and retailer, is Chairman of Pharmafortune S.A., a pharmaceuticals and biotechnology manufacturer, is Deputy Chairman of Blushington LLC, a makeup and beauty services retailer, and is Deputy Chairman of Pandora A/S. He has served on our Board since 2007.

Linda B. Buck, 66 Dr. Linda Buck has been a Howard Hughes Medical Institute Investigator since 1994, a Member of the Fred Hutchinson Cancer Research Center, a biomedical research institute, since 2002, and Affiliate Professor of Physiology and Biophysics at the University of Washington since 2003. Dr. Buck's research has provided key insights into the mechanisms underlying the sense of smell. This experience is useful to our research and development efforts in both flavors and fragrances, as is Dr. Buck's technical background in evaluating a host of issues. Dr. Buck is the recipient of numerous awards, including The Nobel Prize in Physiology or Medicine in 2004. Dr. Buck served on the board of directors of DeCode Genetics Inc., a biotechnology company, from 2005 to 2009 and joined our Board in 2007.

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J. Michael Cook, 70 Mr. Cook retired as Chairman and Chief Executive Officer of Deloitte & Touche, a leading global professional services firm, in 1999, and has been a leader of his profession. His experience as a Chief Executive Officer and in accounting and corporate governance is an asset to us, and he is one of the leaders of our Board. He has served as Chairman of the American Institute of Certified Public Accountants and as a member of its Auditing Standards Board. He led the Board of the Financial Accounting Foundation, the overseer of accounting standards boards, and the World Congress of Accountants. Mr. Cook is an emeritus member of the Advisory Council of the Public Company Accounting Oversight Board (PCAOB), is a member of the PCAOB s Standing Advisory Group, and was a member of the Securities and Exchange Commission s Advisory Committee on Improvements to Financial Reporting. In 2002, Mr. Cook was named one of the Outstanding Directors in America by Director s Alert and was a member of the National Association of Corporate Directors Blue Ribbon Commission on Director Professionalism and Audit Committees. He served as a director of Eli Lilly until April 2009 and Dow Chemical Company until May 2006 and is currently a director of Comcast Corporation and Chairman of the Board of Comeback America Initiative (CAI). Mr. Cook joined our Board in 2000.

Roger W. Ferguson, Jr., 61 Mr. Ferguson has been the President and Chief Executive Officer of TIAA-CREF, a major financial services company, since 2008. Mr. Ferguson was an associate and partner at McKinsey & Company from 1984 to 1997 and also was an associate with a major law firm. Mr. Ferguson has also served in various policy-making positions, including as Vice-Chairman of the Board of Governors of the U.S. Federal Reserve System from 1999 until 2006, and as Chairman of Swiss America Holding Corporation, a global reinsurance company, from 2006 until 2008. Mr. Ferguson currently serves on the Advisory Committee of Brevan Howard Asset Management LLP, a global alternative asset manager, and is a director of Audax Health, an end-to-end digital health company. He was also a member of the President s Council on Jobs and Competitiveness and serves on the board of a number of charitable and non-governmental organizations, including the Committee on Economic Development, Memorial Sloan-Kettering Cancer Center and the Economic Club of New York. His background provides excellent experience for dealing with the varied financial and other issues which our Board deals with on a regular basis. Mr. Ferguson has been a member of our Board since 2010.

Andreas Fibig, 51 Based in Berlin, Germany, Mr. Fibig has been President and Chairman of the Board of Management of Bayer HealthCare Pharmaceuticals, the pharmaceutical division of Bayer AG, since September 2008. Prior to this position, Mr. Fibig held a number of positions of increasing responsibility at Pfizer Inc., a research-based pharmaceutical company, including as Senior Vice President in the US Pharmaceutical Operations group from 2007 through 2008 and as President, Latin America, Africa and Middle East from 2006 through 2007. These positions, including prior work experience with pharmaceutical companies Pharmacia GmbH and Boehringer Ingelheim GmbH, have provided him with extensive experience in international business, product development and strategic planning, which are assets to our Board. Mr. Fibig is a board member of EFPIA, the European Federation of Pharmaceutical Industries and Associations, Council of the Americas and vfa, the German Association of Research-Based Pharmaceutical Companies. He chairs the Board of Trustees of the Max Planck Institute for Infection Biology. He joined our Board in 2011.

Christina Gold, 64 From September 2006 until September 2010, Ms. Gold was Chief Executive Officer, President and a director of The Western Union Company, a leading company in global money transfer. She was President of Western Union Financial Services, Inc. and Senior Executive Vice President of First Data Corporation, former parent company of The Western Union Company and provider of electronic commerce and payment solutions, from May 2002 to September 2006. Prior to that, Ms. Gold served as Vice Chairman and Chief Executive Officer of Excel Communications, Inc., a former telecommunications and e-commerce services provider, from October 1999 to May 2002. From 1998 to 1999, Ms. Gold served as President and CEO of Beaconsfield Group, Inc., a direct selling advisory firm that she founded. Prior to founding Beaconsfield Group, Ms. Gold spent 28 years (from 1970 to 1998) with Avon Products, Inc., a leading global beauty company, in a variety of positions, including as Executive Vice President, Global Direct Selling Development, Senior Vice President and President of Avon North America, and Senior Vice President & CEO of Avon Canada. Ms. Gold is currently a director of ITT Corporation, a manufacturer of highly engineered components and technology solutions for industrial markets, New York Life Insurance, a private mutual life insurance company and Exelis, Inc., a diversified, global aerospace, defense and information solutions company. She also sits on the board of Safe Water Network, a non-profit organization working to develop locally owned, sustainable solutions to provide safe drinking water. Her wide-ranging global leadership, management and marketing experience as a chief executive officer and service as a director makes Ms. Gold well-suited to address the operational and financial matters that our Board faces. Ms. Gold is a nominee for election as a new director at the 2013 Annual Meeting.

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Alexandra A. Herzan, 53 As the granddaughter of our founder, Ms. Herzan has a long-term understanding of many aspects of our operations and brings a unique perspective to Board deliberations. Ms. Herzan has been the President and Treasurer of the Lily Auchincloss Foundation, Inc., a charitable foundation, since 1997, and a director of the van Ameringen Foundation, Inc., since 1992. These positions have provided executive and leadership experience, as well as an understanding of corporate governance, strategy and financial management at the Board level. As a trustee of a number of private trusts, as well as the Museum of Modern Art in New York City, she developed financial savvy translatable to our business. She also sits on the boards of the Fountain House and the Masters School, both not-for-profit organizations. Ms. Herzan joined our Board in 2003.

Henry W. Howell, Jr., 71 Until 2000, Mr. Howell served in various positions during his 34 years with J.P. Morgan, a financial services firm, and secured extensive business development, finance and international management experience which enables Mr. Howell to provide both a public and a private sector perspective on corporate finance, corporate governance and mergers and acquisitions. This experience also serves us well in conjunction with his service on our Nominating and Governance and Audit Committees. While at J.P. Morgan, Mr. Howell had several overseas assignments including head of banking operations in Germany and Chief Executive Officer of J.P. Morgan's Australian merchant banking affiliate, which was publicly listed. Both of these positions enhanced his ability to analyze complex international business and financial matters. He is currently on the board of the Norton Museum and is a life trustee of the Chicago History Museum. Mr. Howell joined our Board in 2004.

Katherine M. Hudson, 66 As Chairperson, President and Chief Executive Officer of Brady Corporation, a global manufacturer of identification solutions and specialty industrial products, from 1994 until 2004, Ms. Hudson oversaw a doubling of annual revenues. Her prior experience over 24 years with Eastman Kodak covered various areas of responsibility, including systems analysis, supply chain, finance and information technology. This broad experience has translated to sound guidance to our Board. Ms. Hudson has served as a director on the boards of Apple Computer Corporation, a designer and manufacturer of consumer electronics and software products, CNH Global NV, a manufacturer of agricultural and construction equipment, and, between 2000 and 2012 Charming Shoppes, Inc., a woman's specialty retailer. Ms. Hudson has served on our Board since 2008.

Arthur C. Martinez, 73 Having served as Chairman and Chief Executive Officer of Sears, Roebuck and Company, a large retailer, from 1995 until 2000, Mr. Martinez obtained experience on a myriad of issues arising in a large corporation. This experience, together with the financial expertise which led him to be Chairman of the Board of the Federal Reserve Bank of Chicago from 2000 until 2002, enables him to provide expert guidance and leadership to us and our Board of Directors. He is currently a director of IAC/InterActiveCorp, a leading internet company, Fifth and Pacific, Inc., a retail-based premium brands company, American International Group, Inc., an insurance and financial services organization, and is currently Chairman of the Board of HSN, Inc., an interactive multi-channel retailer. He also served as a director of PepsiCo, Inc. from 1999 to 2012, and is currently trustee of numerous charitable organizations, including Northwestern University, the Chicago Symphony, Greenwich Hospital and Maine Coast Heritage Trust. Mr. Martinez joined our Board in 2000.

Dale F. Morrison, 64 Mr. Morrison has been a founding partner of TriPointe Capital Partners, a private equity firm, since 2011. Prior to TriPointe, he served from 2004 until 2011 as the President and Chief Executive Officer of McCain Foods Limited, an international leader in the frozen food industry. A food industry veteran, his experience includes service as Chief Executive Officer and President of Campbell Soup Company, various roles at General Foods and PepsiCo and as an operating partner of Fenway Partners, a private equity firm. Mr. Morrison is a seasoned executive with strong consumer marketing and international credentials and his knowledge of our customer base is invaluable to our Board. Mr. Morrison is currently a Director of the Center of Innovation at the University of North Dakota, the Non-Executive Chairman of Findus Group, a frozen foods company, and a Director of InterContinental Hotels Group, an international hotel company, and he previously served as a director of Trane, Inc. He joined our Board in 2011.

Douglas D. Tough, 63 Mr. Tough has been our Chairman and Chief Executive Officer since March 2010. Previously, he served as Chief Executive Officer and Managing Director of Ansell Limited, a global leader in healthcare barrier protection, from 2004 until March 2010. Mr. Tough joined our Board in 2008 and served as our non-Executive Chairman from October 2009 until he became our CEO. Mr. Tough's experience as a Chief Executive Officer of a major global company is directly translatable to his work as our Chairman and CEO, as is his prior 17 year service with Cadbury Schweppes Plc., a major food and beverage company, where he served in a variety of executive positions throughout North America and the rest of the world. Mr. Tough is currently a director of Molson Coors Brewing Company, a multi-national beverage company.

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III. CORPORATE GOVERNANCE

Corporate Governance Guidelines

Our Board of Directors is responsible for overseeing the management of our Company. The Board has adopted Corporate Governance Guidelines which set forth our governance principles relating to, among other things:

director independence;

director qualifications and responsibilities;

board structure and meetings;

management succession; and

the performance evaluation of our Board and Chief Executive Officer (CEO).

A copy of our Corporate Governance Guidelines is available through the Investors Corporate Governance link on our website, www.iff.com.

Independence of Directors

The Board has affirmatively determined that our new director nominee, Ms. Gold, and each of our current directors (other than Mr. Tough) meet our independence requirements and those of the NYSE s corporate governance listing standards. In making each of these independence determinations, the Board considered all of the information provided by each director in response to detailed inquiries concerning his or her independence and any direct or indirect business, family, employment, transactional or other relationship or affiliation of such director with us. Our review of the information provided in response to these inquiries indicated that none of our independent directors has any material relationship with us, or has engaged in any transaction or arrangement that might affect his or her independence.

Board Leadership Structure

As stated in our Corporate Governance Guidelines, the Board does not have a policy that requires a separation of the Chairman of the Board and CEO positions. The Board believes that it is important that it have the flexibility to make this determination from time to time based on the particular facts and circumstances then affecting our business.

Currently, we combine the positions of Chairman and CEO. We believe that the CEO, as a Company executive, is in the best position to fulfill the Chairman s responsibilities, including those related to identifying emerging issues facing our Company, and communicating essential information to the Board about our performance and strategies. We also believe that the combined role of Chairman and CEO provides us with a distinct leader and allows us to present a single, uniform voice to our customers, business partners, shareholders and employees. If at any point in time the Board feels that its current leadership structure may be better served by separating the roles of Chairman and CEO, it may then determine to separate these positions.

In order to mitigate any potential disadvantages of a combined Chairman and CEO, the Board has created the position of Lead Director to facilitate and strengthen the Board s independent oversight of our performance, strategy and succession planning and to promote effective governance standards. The independent directors of the Board elect a Lead Director from among the independent directors. Our current Lead Director is Mr. Martinez.

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The duties of our Lead Director include:

presiding at all meetings of the Board at which the Chairman is not present, including executive sessions of the independent directors, and providing prompt feedback regarding those meetings to the Chairman and CEO;

providing suggestions for Board meeting agendas, with the involvement of the Chairman and CEO and input from other directors;

serving as the liaison between the Chairman and the independent directors;

monitoring significant issues occurring between Board meetings and assuring Board involvement when appropriate; and

ensuring, in consultation with the Chairman and CEO, the adequate and timely exchange of information between our management and the Board.

Board Committees

Our Board has an Audit Committee, a Compensation Committee and a Nominating and Governance Committee, each of which operates under a written charter adopted by the Board. Each Committee reviews its charter at least annually and recommends charter changes to the Board as appropriate. In December 2012, each of the Audit Committee, the Compensation Committee and the Nominating and Governance Committee reviewed its charter, and the Audit Committee and Compensation Committee revised their charters. The revised charters of those committees were subsequently approved by the Board. Each Committee charter provides that the Committee will annually review its performance. A current copy of each of the Audit Committee, Compensation Committee and Nominating and Governance Committee charters is available through the Investors Corporate Governance link on our website, www.iff.com.

The table below provides the current membership and chairperson for each of our Committees and identifies our current Lead Director.