

INTERNATIONAL FLAVORS & FRAGRANCES INC
Form DEF 14A
March 17, 2016
Table of Contents

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)

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

Payment of Filing Fee (Check the appropriate box):

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(1) Amount Previously Paid:

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(4) Date Filed

Table of Contents

International Flavors & Fragrances Inc.
521 West 57th Street
New York, NY 10019

NOTICE OF 2016 ANNUAL MEETING OF SHAREHOLDERS

March 17, 2016

Dear Shareholder:

It is my pleasure to invite you to attend International Flavors & Fragrances Inc.'s 2016 Annual Meeting of Shareholders (the "2016 Annual Meeting"). The meeting will be held on Monday, May 2, 2016, at 3 p.m. local time / 9:00 a.m. Eastern Daylight Time, at our offices at 61 rue de Villiers, Neuilly-sur-Seine, France. At the meeting, you will be asked to:

1. Elect eleven members of the Board of Directors for a one-year term expiring at the 2017 Annual Meeting of Shareholders.
2. Ratify the selection of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the 2016 fiscal year.
3. Approve, on an advisory basis, the compensation of our named executive officers in 2015.
4. Transact such other business as may properly come before the 2016 Annual Meeting and any adjournment or postponement of the 2016 Annual Meeting.

Only shareholders of record as of the close of business on March 8, 2016 may vote at the 2016 Annual Meeting. A live audio webcast of our 2016 Annual Meeting will be available on our website, www.iff.com, starting at 9:00 a.m. Eastern Daylight Time and a replay will also be available on our website.

It is important that your shares be represented at the 2016 Annual Meeting, regardless of the number of shares 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 May 2, 2016.

Sincerely,

Andreas Fibig
Chairman and Chief Executive Officer

We mailed a Notice of Internet Availability of Proxy Materials containing instructions on how to access our proxy statement and our 2015 Annual Report on or about March 17, 2016.

Our proxy statement and our 2015 Annual Report are available online at www.proxyvote.com. Except as stated otherwise, information on our website is not part of this proxy statement.

Table of Contents

PROXY SUMMARY

This proxy summary highlights information contained elsewhere in this proxy statement and does not contain all information that you should review and consider. Please read the entire proxy statement with care before voting.
ANNUAL MEETING

Date and Time: Monday, May 2, 2016 at 3:00 p.m. local time / 9:00 a.m. Eastern Daylight Time
Place: 61 rue de Villiers, Neuilly-sur-Seine, France
Record Date: March 8, 2016
Voting: Each share of our common stock outstanding at the close of business on March 8, 2016 has one vote on each matter that is properly submitted for a vote at the 2016 Annual Meeting.

VOTING MATTERS AND BOARD RECOMMENDATION

Matter	Board Recommendation	Page Reference (for more details)
Election of Directors	FOR each Director Nominee	5
Ratification of Independent Registered Public Accounting Firm	FOR	25
Advisory Vote on Executive Compensation	FOR	50

2015 FINANCIAL HIGHLIGHTS

In 2015, we announced our Vision 2020 strategy, which focuses on building differentiation and accelerating profitable growth. During 2015, we began to execute on the four pillars of this strategy with the following achievements: “Innovating Firsts” — strengthening our position and driving differentiation in priority R&D platforms: Our Fragrance encapsulation portfolio improved double-digits on a currency neutral basis, led primarily by Fabric Care, as well as Toiletries and Home Care, which also grew double-digits. We launched four new captive and proprietary Fragrance Ingredient molecules. Sales of our Flavors sweetness and savory modulation portfolio improved strong double-digits as we added two new natural taste modulators. Proprietary Flavors delivery systems grew strong double-digits globally given the expansion into additional categories.

Table of Contents

• “Win Where We Compete” — achieving a #1 or #2 market leadership position in key markets and categories, and with specific customers:

We fortified our market share position in North American Flavors, one of our key markets, with our acquisition of Ottens Flavors.

North American Flavors grew 11%.

We continued to leverage our long-standing presence in emerging markets, which grew 5% on a currency neutral basis, led by double digit growth in the Middle East and Africa.

From a category perspective, Home Care improved high single digits globally on a currency neutral basis.

• “Become Our Customers’ Partner of Choice” — attaining commercial excellence by providing our customers with in-depth local consumer understanding, industry-leading innovation, outstanding service and the highest quality products:

We continued our commitment to sustainability and innovation, winning multiple global sustainability certifications.

Our largest Flavors customer awarded us an innovation award for North America.

We continued to expand our relationships with regional customers and achieved additional core list status with several key customers across both flavors and fragrances.

• “Strengthen and Expand the Portfolio” — pursuing value-creation through partnerships, collaborations, and acquisitions within flavors, fragrances and adjacencies:

During 2015, we negotiated and closed two acquisitions that fit into our Vision 2020 strategy.

Through our acquisition of Ottens Flavors in May 2015, we expanded our flavors position in North America and increased our penetration of small and mid-size customers.

Our acquisition of Lucas Meyer Cosmetics expanded our ingredients offerings into the cosmetic industry thereby allowing us to build greater customer intimacy and entry into the skin care and hair care businesses.

2015 was a solid year for the Company in financial and operating performance.

(dollars in millions except earnings per share amounts)	2013	2014	2015		
Net Sales	\$2,953	\$3,089	\$3,023		
Currency Neutral Sales Growth*	5	% 5	% 5		%
Diluted Net Earnings Per Share - as Reported	\$4.29	\$5.06	\$5.16		
Diluted Net Earnings Per Share - as Adjusted*	\$4.46	\$5.08	\$5.25		
Operating Profit - as Reported	\$516	\$592	\$588		
Operating Profit - as Adjusted*	\$540	\$601	\$612		
Net Cash Provided by Operations	\$408	\$518	\$434		

* See reconciliation of GAAP to Non-GAAP financial measures in Exhibit A to this proxy statement.

For more information relating to the Company’s financial performance, please review our 2015 Annual Report on Form 10-K filed with the Securities and Exchange Commission (“SEC”) on March 1, 2016.

Table of Contents

EXECUTIVE COMPENSATION HIGHLIGHTS

ALIGNING PAY WITH PERFORMANCE

Our compensation program for executive officers is designed to align the interests of our executives with those of our shareholders by linking their compensation to the achievement of financial and operational performance metrics that build shareholder value.

Our annual incentive plan (“AIP”) provides awards based on (i) local currency sales growth, operating profit, gross margin and working capital, and (ii) individual objectives relating to leadership, succession planning and people development.

Our long-term incentive plan (“LTIP”) aligns our executives’ interests with those of our shareholders by paying 50% of the earned award in shares of our common stock, with awards based on the achievement of financial and total shareholder return targets by our executives.

In 2015, our financial performance exceeded all but one of the target levels for our performance metrics under our 2015 LTIP. For our 2015 AIP, at the corporate level, we achieved between threshold and target for three of the four financial performance metrics and did not meet the threshold for one of the financial performance metrics. Our Fragrance business unit achieved between threshold and target for three of the four financial performance metrics and did not meet the threshold for one of the financial performance metrics. Our Flavors business unit performance exceeded target for one of the four financial performance metrics, was between threshold and target for two of the financial performance metrics and did not meet the threshold for one of the financial performance metrics. We encourage you to read our Compensation Discussion & Analysis (“CD&A”), beginning on page 29 of this proxy statement, which describes our pay for performance philosophy.

CORPORATE GOVERNANCE HIGHLIGHTS

The following facts outline certain of our corporate governance policies. For a comprehensive discussion of our corporate governance policies, see “Corporate Governance,” beginning on page 11 of this proxy statement.

• Our Board has adopted a new “proxy access” by-law that permits eligible shareholders to nominate candidates for election to our Board.

• Our Board consists entirely of independent directors, other than our Chairman and CEO.

• We have an independent Lead Director to facilitate and strengthen the Board’s independent oversight.

• Our Board is elected annually. Our Board is elected via a majority voting standard in uncontested elections.

• Our Directors are subject to term limits.

• Our Board is diverse, bringing an appropriate balance of skills, professional experience and perspectives.

• Our executive clawback policies allow us to recoup certain amounts in cases of accounting misstatements, financial restatements and misstatements (without regard to fault), willful misconduct or violations of Company policy that are material and detrimental to the Company, and violations of non-competition, non-solicitation, confidentiality and similar covenants.

• We require our executives and directors to meet stock retention guidelines.

• We do not permit short sales or hedging of our stock by our employees, officers or directors.

Table of Contents

PROXY STATEMENT
TABLE OF CONTENTS

	Page
<u>I. ANNUAL MEETING INFORMATION</u>	<u>1</u>
<u>II. PROPOSAL I — ELECTION OF DIRECTORS</u>	<u>5</u>
<u>III. CORPORATE GOVERNANCE</u>	<u>11</u>
<u>Corporate Governance Guidelines</u>	<u>11</u>
<u>Independence of Directors</u>	<u>11</u>
<u>Other Information</u>	<u>11</u>
<u>Board Leadership Structure</u>	<u>12</u>
<u>Board Committees</u>	<u>12</u>
<u>Board and Committee Meetings</u>	<u>13</u>
<u>Audit Committee</u>	<u>13</u>
<u>Compensation Committee</u>	<u>14</u>
<u>Nominating and Governance Committee</u>	<u>16</u>
<u>Director Candidates</u>	<u>16</u>
<u>Risk Management Oversight</u>	<u>18</u>
<u>Related Person Transactions</u>	<u>19</u>
<u>Code of Business Conduct and Ethics</u>	<u>19</u>
<u>Share Retention Policy</u>	<u>20</u>
<u>Equity Grant Policy</u>	<u>20</u>
<u>Policy Regarding Derivatives, Short Sales, Hedging and Pledges</u>	<u>20</u>
<u>IV. DIRECTORS' COMPENSATION</u>	<u>20</u>
<u>Annual Director Cash and Equity Compensation</u>	<u>21</u>
<u>Annual Committee Chair and Lead Director Compensation</u>	<u>21</u>
<u>Participation in our Deferred Compensation Plan</u>	<u>21</u>
<u>Other</u>	<u>21</u>
<u>V. SECURITIES OWNERSHIP OF MANAGEMENT, DIRECTORS AND CERTAIN OTHER PERSONS</u>	<u>23</u>
<u>VI. PROPOSAL II — RATIFICATION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM</u>	<u>25</u>
<u>Principal Accountant Fees and Services</u>	<u>26</u>
<u>Pre-Approval Policies and Procedures for Audit and Permitted Non-Audit Services</u>	<u>27</u>
<u>Audit Committee Report</u>	<u>27</u>
<u>VII. COMPENSATION DISCUSSION AND ANALYSIS</u>	<u>29</u>
<u>Compensation Committee Report</u>	<u>49</u>
<u>VIII. PROPOSAL III — ADVISORY VOTE ON EXECUTIVE COMPENSATION</u>	<u>50</u>
<u>IX. EXECUTIVE COMPENSATION</u>	<u>51</u>
<u>Summary Compensation Table</u>	<u>51</u>
<u>All Other Compensation</u>	<u>53</u>
<u>Employment Agreements or Arrangements</u>	<u>54</u>
<u>Grants of Plan-Based Awards</u>	<u>54</u>
<u>Long-Term Incentive Plan</u>	<u>56</u>
<u>Equity Compensation Plan Information</u>	<u>58</u>
<u>Outstanding Equity Awards at Fiscal Year-End</u>	<u>59</u>
<u>Option Exercises and Stock Vested</u>	<u>61</u>
<u>Pension Benefits</u>	<u>61</u>
<u>Non-Qualified Deferred Compensation</u>	<u>63</u>
<u>Potential Payments upon Termination and Change in Control</u>	<u>64</u>

Table of Contents

	Page
<u>X. OTHER MATTERS</u>	<u>72</u>
<u>Section 16(a) Beneficial Ownership Reporting Compliance</u>	<u>72</u>
<u>Proxy Solicitation Costs</u>	<u>72</u>
<u>Shareholder Proposals</u>	<u>72</u>
<u>Shareholder Communications</u>	<u>73</u>
<u>Electronic Delivery</u>	<u>73</u>
<u>Householding</u>	<u>73</u>
<u>Available Information</u>	<u>73</u>
<u>EXHIBIT A: GAAP to Non-GAAP Reconciliations</u>	

PROXY STATEMENT

You are receiving this proxy statement because you own shares of IFF common stock that entitle you to vote at the 2016 Annual Meeting. Our Board of Directors is soliciting proxies from shareholders who wish to vote at the meeting. By using 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 you can make an informed decision.

I. ANNUAL MEETING INFORMATION

Q: What am I voting on?

A: At the 2016 Annual Meeting you will be asked to vote on the following proposals. Our Board recommendation for each of these proposals is set forth below.

Proposal	Board Recommendation
1. To elect eleven members of the Board of Directors, each to hold office for a one-year term expiring at the 2017 Annual Meeting of Shareholders.	FOR each Director Nominee
2. To ratify the selection of PricewaterhouseCoopers LLP (“PwC”) as our independent registered public accounting firm for the 2016 fiscal year.	FOR
3. To approve, on an advisory basis, the compensation of our named executive officers in 2015, which we refer to as “Say on Pay.”	FOR

We will also 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 8, 2016, are entitled to vote their shares at the 2016 Annual Meeting. As of March 8, 2016, there were 79,685,747 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 (39,842,875 shares) 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.

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.

Table of Contents

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 the instructions for voting set forth in the Notice.

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 in the Notice, which contains instructions on how to access our proxy statement, annual report and shareholder notice 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 Daylight Time on April 29, 2016. 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 owner, you must follow the voting procedures of your Broker.

Q: What are the requirements to elect the director nominees and to approve each of the proposals in this proxy statement?

Proposal	Vote Required
1. Election of Directors	Majority of Votes Cast
2. Ratification of Independent Registered Public Accounting Firm	Majority of Votes Cast
3. Say on Pay	Majority of Votes Cast

Under our By-Laws, in an uncontested election of directors, as we have this year, a majority of votes cast is required in order for a director to be elected, 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. Abstentions are not counted as votes “FOR” or “AGAINST” a director nominee.

Under our By-Laws, the votes cast “FOR” must exceed the votes cast “AGAINST” the ratification of PwC as our independent registered public accounting firm for the 2016 fiscal year. Abstentions are not counted as votes “FOR” or “AGAINST” this proposal.

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. Abstentions are not counted as votes “FOR” or “AGAINST” this proposal.

Table of Contents

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

A: If you are a beneficial owner 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
1. Election of Directors	No	None
2. Ratification of Independent Registered Public Accounting Firm	Yes	Not Applicable
3. 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 2016 Annual Meeting.

If your shares are held in “street name,” you may change your vote by following your Broker’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 8, 2016. 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 of your shares are voted, you should sign and return each proxy card. Alternatively, if you vote by telephone or via the Internet, you will need to vote once for each proxy card and voting instruction card you receive.

Table of Contents

Q: Who can attend the 2016 Annual Meeting?

A: Only shareholders and our invited guests are permitted to attend the 2016 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 Broker 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 Broker confirming such ownership, and a form of personal identification. If you wish to vote your shares that are held by a Broker at the meeting, you must obtain a proxy from your Broker and bring such proxy to the meeting.

Q: If I plan to attend the 2016 Annual Meeting, should I still vote by proxy?

A: Yes. Casting your vote in advance does not affect your right to attend the 2016 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 2016 Annual Meeting for shareholders of record.

Q: How can I listen to the live audio webcast of the 2016 Annual Meeting?

A: You may listen to a live audio webcast of the 2016 Annual Meeting at www.iff.com. The webcast will allow you to listen to the Annual Meeting, but shareholders accessing the 2016 Annual Meeting through the webcast will not be considered present at the 2016 Annual Meeting and will not be able to vote their shares through the webcast or ask questions. If you plan to listen to the live audio webcast, then please submit your vote prior to the 2016 Annual Meeting using one of the methods described under "How do I vote?" above. An archived copy of the webcast will be available at www.iff.com following the 2016 Annual Meeting. Registration to listen to the webcast will be required. We have included our website address for reference only. The information contained on our website is not incorporated by reference into this Proxy Statement.

Table of Contents

II. PROPOSAL I — ELECTION OF DIRECTORS

Our Board of Directors (“Board”) currently has eleven members. Upon the recommendation of the Nominating and Governance Committee of our Board, our Board has nominated the following current directors for election at the 2016 Annual Meeting, each for a one-year term that expires at the 2017 Annual Meeting: (i) Marcello V. Bottoli, (ii) Dr. Linda Buck, (iii) Michael L. Ducker, (iv) David R. Epstein, (v) Roger W. Ferguson, Jr., (vi) John F. Ferraro; (vii) Andreas Fibig, (viii) Christina Gold, (ix) Henry W. Howell, Jr., (x) Katherine M. Hudson, and (xi) Dale F. Morrison. Each nominee has consented to serve if elected. Proxies cannot be voted for a greater number of persons than the number of nominees named.

We believe that each of our nominees has 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 adheres to the highest standards of personal integrity and possesses excellent 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.

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.

Table of Contents

NOMINEES FOR DIRECTOR
MARCELLO V. BOTTOLI, 54

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 held 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 as well as his experience with strategic transactions, has enabled Mr. Bottoli to provide many insights and contributions to our Board. Mr. Bottoli is Chairman of Pharmafortune S.A., a pharmaceuticals and biotechnology manufacturer, and is a member of the advisory board of Aldo Group, a Canadian footwear retailer, and serves on the board of directors of Desigual, an international fashion retailer based in Spain. Mr. Bottoli served on the board of True Religion Apparel, Inc., a California-based fashion jeans, sportswear and accessory manufacturer and retailer, from 2009 to 2013, on the board of Pandora A/S from 2010 to 2014, on the Board of Ratti Spa, an Italian manufacturer of high-end fabrics and textiles for the fashion industry from 2003 to 2010, and on the Board of Blushington LLC, a California-based makeup and beauty services retailer between 2011 and 2014.

Director Since: 2007

Board Committees:
Compensation (until May 2016)
Audit (beginning May 2016)

DR. LINDA BUCK, 69

Dr. Linda Buck has been a Howard Hughes Medical Institute Investigator since 1994, a Member of the Fred Hutchinson Cancer Research Center since 2002, and Affiliate Professor of Physiology and Biophysics at the University of Washington since 2003. She was previously Full Professor of Neurobiology at Harvard Medical School. Dr. Buck serves on the Scientific Advisory Boards of The Picower Institute for Learning and Memory at Massachusetts Institute of Technology and The Center for Molecular Medicine, Karolinska Institute, Sweden, and previously served on the Medical Advisory Board of The Gairdner Foundation, a Canadian non-profit organization devoted to the recognition of outstanding achievement in biomedical research worldwide. She is a member of the International Advisory Panel of the Knut and Alice Wallenberg Foundation, the largest private foundation promoting scientific research in Sweden, and the President's Council of the New York Academy of Sciences. Dr. Buck is an elected Member of the National Academy of Sciences, the National Academy of Medicine, the American Academy of Arts & Sciences, the European Academy of Sciences, and the Royal Society, the United Kingdom's national academy of science. Dr. Buck's research has provided key insights into the mechanisms that underlie the sense of smell and she has been the recipient of numerous awards, including The Nobel Prize in Physiology or Medicine in 2004. In May 2015, Dr. Buck received an honorary Doctor of Science degree from Harvard University. Her knowledge is important to our research and development efforts in both flavors and fragrances, as is Dr. Buck's technical and

Director Since: 2007

Board Committees:
Nominating and
Governance

advisory board experience in evaluating a host of issues. Dr. Buck served on the Board of Directors of DeCode Genetics Inc., a biotechnology company, from 2005 to 2009.

6

Table of Contents

MICHAEL L. DUCKER, 62

Mr. Ducker has been President and Chief Executive Officer of FedEx Freight since January 2015. In that role, he provides strategic direction for FedEx's less-than-truckload (LTL) companies throughout North America and for FedEx Custom Critical, a leading carrier of time sensitive, critical shipments. Mr. Ducker was formerly the Chief Operating Officer and President of International for FedEx Express, where he led all customer-facing aspects of the company's U.S. operations and its international business, spanning more than 220 countries and territories across the globe. Mr. Ducker also oversaw FedEx Trade Networks and FedEx Supply Chain. During his FedEx career, which began in 1975, Mr. Ducker has also served as president of FedEx Express Asia Pacific in Hong Kong and led the Southeast Asia and Middle East regions from Singapore, as well as Southern Europe from Milan, Italy. His significant experience at a global organization complements the strength of our Board. Mr. Ducker serves as an Executive Board Member and Chairman of the U.S. Chamber of Commerce, and as a board member of the Coalition of Service Industries. Mr. Ducker also serves on the board of directors of Amway Corporation, the National Advisory Board of the Salvation Army, the Executive Committee of the American Trucking Association and as a member of the American Transportation Research Institute Board of Directors.

Director Since: 2014

Board Committees:
Compensation

DAVID R. EPSTEIN, 54

Mr. Epstein is Division Head and CEO at Novartis Pharmaceuticals, a division of Novartis AG, a Swiss multinational pharmaceutical company and is a member of Novartis's Executive Committee. He has been the Head of Novartis Pharmaceuticals since 2010. From September 2000 to February 2010, Mr. Epstein served as President and Chief Executive Officer of Novartis Oncology division. He joined Sandoz, the predecessor of Novartis, in 1989 and held various leadership positions of increasing responsibility, including Chief Operating Officer of Novartis Pharmaceuticals Corporation in the United States and Global Head of Novartis Specialty Medicines until August 2000. Before joining Sandoz, Mr. Epstein was an associate in the strategy practice of Booz Allen Hamilton, a consulting firm. Mr. Epstein's extensive global business experience and understanding of research and development initiatives provides valuable insights to our Board. Mr. Epstein served on the board of Molecular Insight Pharmaceuticals from 2008 to 2010 and on the board of Novartis Oncology and Molecular Diagnostics from 1999 to 2010. He also participated in the inaugural CEO Roundtable on Cancer, a non-profit organization working to make continual progress toward the elimination of cancer, which was held May 8, 2001 and was the Novartis member representative through 2008.

Director Since: 2016
Board Committees:
Audit

Table of Contents

ROGER W. FERGUSON, JR., 64

Mr. Ferguson has been the President and Chief Executive Officer of TIAA (formerly TIAA-CREF), a major financial services company, since April 2008. He joined TIAA after his tenure at Swiss Re, a global reinsurance company, where he served as Chairman of the firm's America Holding Corporation, Head of Financial Services, and a member of the Executive Committee from 2006 to 2008. Mr. Ferguson currently serves on the board of directors of General Mills, Inc., a manufacturer and marketer of branded consumer foods, and the Advisory Board of Brevan Howard Asset Management LLP, a global alternative asset manager. He serves on the boards of a number of charitable and non-governmental organizations, including the Institute for Advanced Study, Memorial Sloan-Kettering Cancer Center, the American Council of Life Insurers, the Partnership for New York, and Math for America. He is Chairman of The Conference Board, a member of the Executive Committee of the Business-Higher Education Forum, and a member of the Economic Club of New York, the Council on Foreign Relations and the Group of Thirty. Mr. Ferguson is also a fellow of the American Academy of Arts and Sciences and co-chair of the Academy's Commission on the Future of Undergraduate Education. Mr. Ferguson previously served on the Congressional Budget Office's Panel of Economic Advisers. Mr. Ferguson holds a B.A. and a Ph.D. in Economics and a J.D., all from Harvard University. Mr. Ferguson brings to our Board his sound business judgment and extensive knowledge of the finance industry.

Director Since: 2010
Board Committees:
Compensation (Chair)

JOHN F. FERRARO, 60

Mr. Ferraro was the global chief operating officer of Ernst & Young, a leading professional services firm, from 2007 to January 2015. In that role, he was responsible for the overall operations and services of Ernst & Young worldwide. Prior to the COO role, Mr. Ferraro served in several leadership positions, including as Global Vice Chair of Audit and as the senior advisory partner on some of the firm's largest and global accounts. Mr. Ferraro began his career with Ernst & Young Milwaukee in 1976 and has served a variety of global companies. He has worked in Europe (London and Rome), throughout the Midwest (Chicago, Cleveland and Kansas City) and New York. Mr. Ferraro has served on the board of Advance Auto Parts, an automotive aftermarket parts provider, since February 2015, and on the board of ManpowerGroup Inc., a global workforce solution and service provider, since January 2016. He founded the Audit Committee Leadership Network in 2003 and is a member of the Boston College High School board of trustees. He is a CPA and a member of the American Institute of Certified Public Accountants. Mr. Ferraro was elected to the Marquette University Board of Trustees in 2006, served as vice chair from 2011 to 2014, and was elected chair in 2014. Mr. Ferraro brings to our Board his extensive accounting, auditing and executive experience working with large and global corporations.

Director Since: 2015
Board Committees: Audit
(Chair beginning May 2016)

Table of Contents

ANDREAS FIBIG, 54

Mr. Fibig joined our Board in 2011 and has been our Chairman since December 2014 and Chief Executive Officer since September 2014. Previously, he served as President and Chairman of the Board of Management of Bayer HealthCare Pharmaceuticals, the pharmaceutical division of Bayer AG, from September 2008 to September 2014. Prior to that position, Mr. Fibig held a number of positions of increasing responsibility at Pfizer Inc., a research-based pharmaceutical company, including as Senior Vice President of the US Pharmaceutical Operations group from 2007 through 2008 and as President, Latin America, Africa and Middle East from 2006 through 2007. Mr. Fibig's prior work experience with various pharmaceutical companies has provided him with extensive experience in international business, product development and strategic planning, which are directly translatable to his work as our Chairman and CEO. Mr. Fibig chairs the Board of Trustees of the Max Planck Institute for Infection Biology.

Director Since: 2011
Chairman of the Board

CHRISTINA GOLD, 68

From September 2006 until September 2010, Ms. Gold was Chief Executive Officer, President and a director of The Western Union Company, a leader in global money movement and payment services. 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 later President of Avon North America, and Senior Vice President & CEO of Avon Canada. Ms. Gold brings a number of valuable characteristics to our 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. Ms. Gold is currently a director of ITT Corporation, a manufacturer of highly engineered components and technology solutions for industrial markets (since 1997), New York Life Insurance, a private mutual life insurance company, and Korn/Ferry International, a leadership and talent management organization. From October 2011 to May 2013, Ms. Gold was a director of 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, and is a member of the Board of Governors of Carleton University in Ottawa, Canada.

Director Since: 2013

Board Committees:
Compensation,
Nominating and
Governance

Table of Contents

HENRY W. HOWELL, JR., 74

Until 2000, Mr. Howell served in various positions during his 34 years with J.P. Morgan, a financial services firm. At J.P. Morgan, Mr. Howell secured extensive business development, finance and international management experience which enables him 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 held several overseas positions 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 assignments enhanced his ability to analyze complex international business and financial matters. He is currently Chairman of the board of trustees of the Norton Art Museum and is a life trustee of the Chicago History Museum.

Director Since: 2004
Board Committees:
Audit, Nominating and
Governance (Chair)

KATHERINE M. HUDSON, 69

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 during 24 years with Eastman Kodak, an imaging technology products provider, covered various areas of responsibility, including systems analysis, supply chain, finance and information technology. Her general management experience spans both commercial and consumer product lines. Ms. Hudson served as a director of Apple Computer Corporation, a designer and manufacturer of consumer electronics and software products, CNH Global NV, a manufacturer of agricultural and construction equipment where she was as a member of the audit committee, and, between 2000 and 2012, Charming Shoppes, Inc., a woman's specialty retailer, where she served as chair of the audit committee. Ms. Hudson's executive experience and her governance leadership on other boards have translated to sound guidance to our Board and as Chair of our Audit Committee.

Director Since: 2008
Board Committees: Audit
(Chair)(until May 2016)
Compensation (beginning
May 2016)

DALE F. MORRISON, 67

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 very valuable to our Board. Mr. Morrison is currently Non-Executive Chairman 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 Hale and Hearty, a restaurant business, and InterContinental Hotels Group, an international hotel company, and he previously served as a director of Trane, Inc.

Director Since: 2011
Board Committees:
Audit, Nominating and
Governance,
Lead Director
(Compensation beginning
May 2016)

Table of Contents

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 Chief Executive Officer (“CEO”) evaluation process.

Pursuant to our Corporate Governance Guidelines, a person that has served for twelve consecutive, full annual terms on our Board cannot continue to serve as a director following the twelfth year of service, unless (i) such person is one of our employees or (ii) our Board has made a determination that the nomination of such person would be in the best interests of our Company and our shareholders. A director’s first full annual term begins on the date he or she is first elected at an annual meeting of shareholders and continues until the next annual meeting of shareholders. Unless a director is an employee of our Company, prior to the conclusion of the twelfth full annual term, the director shall submit his or her resignation as a director effective immediately prior to that year’s annual meeting of shareholders. The Nominating and Governance Committee reviews our Corporate Governance Guidelines annually, and recommends changes to the Board as appropriate. A copy of our Corporate Governance Guidelines is available through the Investor - Leadership & Governance - Governance link on our website, www.iff.com.

Independence of Directors

The Board has affirmatively determined that each of our current directors (other than Mr. Fibig, our CEO) meets our independence requirements and those of the NYSE’s corporate governance listing standards. Pursuant to our Corporate Governance Guidelines, the Board undertakes an annual review of director independence, which includes a review of each director’s responses to questionnaires asking about any relationships with us. This review is designed to identify and evaluate any transactions or relationships between a director or any member of his or her immediate family and the Company or members of our senior management. In the ordinary course of business, transactions may occur between the Company and entities with which some of our directors are or have been affiliated. During 2015, in connection with its evaluation of director independence, our Board reviewed transactions between the Company and any company that has any of our directors or family members of our directors serving as executive officers. Specifically, Mr. Ducker serves as President and Chief Executive Officer of FedEx Freight, a shipping company that provides services to the Company. We reviewed this commercial relationship and found that all the transactions between the Company and FedEx were made in the ordinary course of business and were negotiated at arm’s length. As a result, our Board determined that this commercial relationship did not impair Mr. Ducker’s independence.

Other Information

On August 5, 2008, the SEC approved a settlement with Ernst & Young LLP and two of its partners, including Mr. Ferraro, relating to auditor independence issues arising out of business relationships between Ernst & Young LLP and an individual who was also a member of the board of directors of three of its audit clients. The matter arose out of actions taken by Mr. Ferraro in 2002 in his role as Vice Chairman of Ernst & Young LLP. Ernst & Young LLP and Mr. Ferraro resolved that matter by way of a negotiated settlement in which the respondents neither admitted nor denied the underlying allegations and accepted an administrative cease and desist order. The negotiated resolution did not involve any suspension, fines or other sanctions against Mr. Ferraro. Mr. Ferraro thereafter remained a partner in good standing at Ernst & Young through January 2015. Our Board of Directors took into consideration all factors regarding Mr. Ferraro’s character and experience and believes that he is a significant asset to the Board.

Table of Contents

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 (“Chairman”) and CEO positions. The Board believes that it is important to 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 the Company’s chief 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 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. Morrison.

The duties of our Lead Director include:

- presiding at all meetings of the Board at which the Chairman and CEO is not present, including executive sessions of the independent directors, and providing prompt feedback regarding those meetings to the Chairman and CEO;
- approving, and 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 CEO 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 2015, each of the Audit Committee, the Compensation Committee and the Nominating and Governance Committee reviewed its charter, and amended it where appropriate. 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 Investor - Leadership & Governance - Governance link on our website, www.iff.com.

Table of Contents

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

Name	Audit	Compensation	Nominating and Governance	Lead Director
Marcello V. Bottoli	X ¹	X ¹		
Dr. Linda Buck			X	
Michael L. Ducker		X		
David R. Epstein	X			
Roger W. Ferguson, Jr.		X (Chair)		
John F. Ferraro	X (Chair elect) ¹			
Christina Gold		X	X	
Henry W. Howell, Jr.	X		X (Chair)	
Katherine M. Hudson	X (Chair) ¹	X ¹		
Dale F. Morrison	X	X ¹	X	X

X = Committee member

1 = Effective immediately following the 2016 Annual Meeting, if elected to our Board of Directors (i) Mr. Bottoli will become a member of the Audit Committee and rotate off the Compensation Committee, (ii) Mr. Ferraro will become Chair of the Audit Committee, (iii) Ms. Hudson will become a member of the Compensation Committee and rotate off the Audit Committee and (iv) Mr. Morrison will become a member of the Compensation Committee.

Board and Committee Meetings

Our Board held five meetings during 2015. The Audit Committee held seven meetings, the Compensation Committee held five meetings and the Nominating and Governance Committee held six meetings during 2015. Each of our directors attended at least 75% of the total meetings of the Board and Committees on which he or she served during 2015. All of our directors who were serving on the day of last year's annual meeting of shareholders attended that meeting. Under our Corporate Governance Guidelines, unless there are mitigating circumstances, such as medical, family or business emergencies, Board members endeavor to participate (either in person or by telephone) in all Board meetings and all Committee meetings of which the director is a member and to attend our annual meeting of shareholders. Our non-employee directors, all of whom are currently independent, meet in executive session, without the presence of any corporate officer or member of management, in conjunction with regular meetings of the Board and Committees. During 2015, our non-employee directors met in executive session as part of every regularly scheduled Board and Committee meeting.

Audit Committee

Responsibilities

The Audit Committee's responsibilities include overseeing and reviewing:

- the financial reporting process and the integrity of our financial statements, capital structure and related financial information;
- our internal control environment, systems and performance;
- the audit process followed by our independent accountant and our internal auditors;
- the appointment, compensation, retention and oversight of our independent accountant and our internal auditors;
- our independent accountant's qualifications, performance and independence, and whether it should be rotated, considering the advisability and potential impact of selecting a different independent public accountant; and

Table of Contents

the procedures for monitoring compliance with laws and regulations and with our Code of Business Conduct and Ethics.

Additional responsibilities include assisting the Board in overseeing and reviewing enterprise-wide risks and the policies and practices established to manage such risks, in particular as they relate to financial risk, cybersecurity and information security risk generally.

Under procedures adopted by the Audit Committee, the Audit Committee reviews and pre-approves all audit and non-audit services performed by our independent accountant. The Audit Committee may, when it deems appropriate, delegate certain of its responsibilities to one or more Audit Committee members or subcommittees.

Independence and Financial Expertise

The Board reviewed the background, experience and independence of the current Audit Committee members and based on this review, the