

INTERNATIONAL FLAVORS & FRAGRANCES INC
Form DEF 14A
March 10, 2009

**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 Rule 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):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
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 - 2) Aggregate number of securities to which transaction applies:
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1) Amount Previously Paid:

2) Form, Schedule or Registration Statement No.:

3) Filing Party:

4) Date Filed:

International Flavors & Fragrances Inc.

**521 West 57th Street
New York, NY 10019**

Dear Shareholder:

I am pleased to invite you to attend the 2009 Annual Meeting of Shareholders of International Flavors & Fragrances Inc. to be held on Tuesday, April 28, 2009 at 10:00 A.M. Eastern Time at our offices at 521 West 57th Street, New York, New York 10019. (Attendees are requested to enter at 533 West 57th Street.) Details regarding the business to be conducted are described in the accompanying Notice of Annual Meeting and Proxy Statement.

This year we have elected to take advantage of the SEC's rule that allows us to furnish our proxy materials to our shareholders over the Internet. We believe electronic delivery will expedite the receipt of materials and, by printing and mailing a smaller volume, will help lower our costs and reduce the environmental impact of our annual meeting materials. Beginning on March 10, 2009, a Notice of Internet Availability of Proxy Materials (which we refer to as the Notice of Internet Availability) will be mailed to our shareholders. This Notice contains instructions on how to access the Notice of Annual Meeting, Proxy Statement and Annual Report to Shareholders online. You will not receive a printed copy of these materials, unless you specifically request one. The Notice of Internet Availability contains instructions on how to receive a paper copy of the proxy materials.

Your vote is very important to us. Whether or not you plan to attend the meeting, I hope that you will vote as soon as possible. You may vote over the Internet, by telephone or by completing, signing and mailing a proxy card.

Sincerely,

Robert M. Amen
Chairman and Chief Executive Officer

March 10, 2009

**2009 ANNUAL MEETING OF SHAREHOLDERS
NOTICE OF ANNUAL MEETING AND PROXY STATEMENT**

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INTERNATIONAL FLAVORS & FRAGRANCES INC.
521 West 57th Street
New York, NY 10019

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

- TIME:** 10:00 A.M. Eastern Time on Tuesday, April 28, 2009
- PLACE:** International Flavors & Fragrances Inc.
521 West 57th Street
New York, NY 10019
(Attendees are requested to enter at 533 West 57th Street.)
- ITEMS OF BUSINESS:**
1. To elect twelve members of the Board of Directors, each for a one-year term.
 2. To ratify the selection of PricewaterhouseCoopers LLP as our independent registered public accounting firm for 2009.
 3. To consider such other business as may properly be brought before the 2009 Annual Meeting and any adjournment or postponement.
- RECORD DATE:** You are entitled to vote at the 2009 Annual Meeting if you were a shareholder of record at the close of business on March 2, 2009.
- ANNUAL MEETING ADMISSION:** In addition to a form of personal photo identification, you will need either an admission ticket or proof that you own IFF shares to attend the 2009 Annual Meeting. If you plan to attend the meeting and have received a proxy card, please bring the admission ticket accompanying the proxy card and check the box on that proxy card indicating that you will be attending. If you are a shareholder of record and you vote by Internet or telephone, you may also indicate if you plan to attend the meeting. If you do not have an admission ticket, you must bring evidence of your ownership of IFF stock (which, if you are a beneficial holder, can be obtained from your bank, broker or other record holder of your shares) in order to be admitted. You may also request a ticket by writing to the Office of the Secretary, International Flavors & Fragrances Inc., 521 West 57th Street, New York, New York 10019. Evidence of your ownership must accompany your letter.
- PROXY VOTING:** It is important that your shares be represented and voted at the meeting. You may vote your shares by voting in person at the meeting, by Internet or by telephone, or by completing and returning a proxy card. See details under the heading "How do I vote?" . A list of the shareholders of record as of March 2, 2009 will be available for inspection at the 2009 Annual Meeting.
- INSPECTION OF LIST OF SHAREHOLDERS OF RECORD:**

By Order of the Board of Directors,

Dennis M. Meany
Senior Vice President, General Counsel
and Secretary

**QUESTIONS AND ANSWERS
ABOUT THE PROXY MATERIALS AND THE ANNUAL MEETING**

Why am I receiving these proxy materials?

We are providing you with a Notice of Internet Availability of Proxy Materials (Notice of Internet Availability) and access to these proxy materials in connection with the solicitation by the Board of Directors of International Flavors & Fragrances Inc., a New York corporation (IFF, the Company, we, us or our), of proxies to be used at our 2009 Annual Meeting of Shareholders and at any adjournment or postponement. Shareholders are invited to attend the 2009 Annual Meeting, which will take place at 10:00 a.m. on Tuesday, April 28, 2009, and are requested to vote on the proposals described in this Proxy Statement.

A Notice of Internet Availability will be sent to record and beneficial shareholders starting on or around March 10, 2009, and the proxy materials, including the Notice of Annual Meeting, Proxy Statement, and 2008 Annual Report, will be made available to shareholders on the Internet on March 10, 2009.

Why did I receive a Notice of Internet Availability of Proxy Materials this year instead of a full set of proxy materials?

Pursuant to new rules adopted by the Securities and Exchange Commission, we are providing access to the Company's proxy materials over the Internet rather than printing and mailing the proxy materials to all shareholders. We believe electronic delivery will expedite the receipt of materials and will help lower our costs and reduce the environmental impact of our annual meeting materials. Therefore, a Notice of Internet Availability will be mailed to shareholders (or e-mailed, in the case of shareholders that have previously requested to receive proxy materials electronically) starting on or around March 10, 2009. The Notice of Internet Availability will provide instructions as to how shareholders may access and review the proxy materials on the website referred to in the Notice of Internet Availability or, alternatively, how to request that a copy of the proxy materials, including a proxy card, be sent to them by mail. The Notice of Internet Availability will also provide voting instructions. In addition, shareholders may request to receive the proxy materials in printed form by mail or electronically by e-mail on an ongoing basis for future shareholder meetings. Please note that, while our proxy materials are available at the IFF website referenced in the Notice of Internet Availability, no other information contained on the website is incorporated by reference in or considered to be a part of this document.

What information is contained in these materials?

The information included in this Proxy Statement relates to proposals you will vote on at the 2009 Annual Meeting, the voting process, the compensation of directors and our most highly paid executive officers in 2008 and certain other information.

How may I obtain directions to attend the 2009 Annual Meeting of Shareholders and vote in person?

You may obtain directions to attend the meeting and vote in person by contacting the IFF operator at (212) 765-5500.

Why did I receive more than one Notice of Internet Availability?

You may receive multiple Notices of Internet Availability if you hold your shares of IFF's common stock in multiple accounts (such as through a brokerage account and an employee benefit plan). If you are a participant in the

Company's Retirement Investment Fund Plan (401(k)) and have common stock in a plan account, you may receive a separate Notice of Internet Availability, and your proxy, when executed in accordance with the instructions in that Notice of Internet Availability, will serve as voting instructions for the plan trustee. **If you hold your shares of IFF's common stock in multiple accounts, you should vote your shares as described in each separate Notice of Internet Availability you receive.**

If you are a shareholder of record, you may contact the Office of the Secretary, International Flavors & Fragrances Inc., 521 West 57th Street, New York, New York 10019 (telephone: (212) 765-5500) if you are currently receiving multiple Notices of Internet Availability and want to request delivery of a single Notice of Internet Availability in the future. If your shares are held in street name and you want to increase or decrease the number of Notices of Internet Availability delivered to your household in the future, you should contact your broker, bank or other custodian who holds the shares on your behalf.

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

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

If your shares are held in a stock brokerage account or by a bank, trust or other nominee or custodian, including shares you may own as a participant in the Company's Retirement Investment Fund Plan (401(k)), you are considered the beneficial owner of those shares, which are held in street name. A Notice of Internet Availability has been forwarded to you by or on behalf of your broker, bank, trustee or other holder who is considered the shareholder of record of those shares. As the beneficial owner, you have the right to direct your broker, bank, trustee or other holder of record as to how to vote your shares by following its instructions for voting.

Who is entitled to vote at the 2009 Annual Meeting?

IFF's Board of Directors has established March 2, 2009 as the record date for the 2009 Annual Meeting of Shareholders. Only shareholders of record at the close of business on the record date are entitled to receive notice of the annual meeting and to vote at the 2009 Annual Meeting. At the close of business on March 2, 2009, there were 78,765,641 outstanding shares of IFF's common stock. Each share of common stock is entitled to one vote on each matter properly brought before the 2009 Annual Meeting.

What will I vote on?

There are two proposals scheduled to be voted on at the 2009 Annual Meeting:

the election of twelve members of the Board of Directors, each to hold office for a one-year term until the Annual Meeting in 2010; and

the ratification of PricewaterhouseCoopers LLP as our independent registered public accounting firm for 2009.

How many votes must be present to hold the 2009 Annual Meeting?

A quorum is necessary to hold the 2009 Annual Meeting. A quorum is established if the holders of a majority of the votes entitled to be cast by shareholders are present at the meeting, either in person or by proxy. Abstentions and broker non-votes are counted as present for purposes of determining a quorum, but are not counted for purposes of determining the approval of the proposals to be acted upon. Shares of common stock represented by executed proxies received by the Company 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.

What are the voting recommendations of IFF's Board of Directors?

IFF's Board of Directors recommends that you vote your shares as follows:

FOR the election of each of the twelve nominees to the Board; and

FOR the ratification of the selection of PricewaterhouseCoopers LLP as IFF's independent registered public accounting firm for 2009.

How do I vote?

You may vote in several different ways:

In person at the 2009 Annual Meeting

You may vote in person at the 2009 Annual Meeting. You may also be represented by another person at the meeting by executing a proxy properly designating that person. If you are the beneficial owner of shares held in street name, you must obtain a legal proxy from your broker, bank or other holder of record and present it to the inspectors of election with your ballot to be able to vote at the meeting.

By telephone

You may vote by calling the telephone number specified on the website provided in the Notice of Internet Availability. Please have your Notice of Internet Availability handy when you call and use any touch-tone phone to transmit your voting instructions.

By Internet

You may vote by using the Internet, www.proxyvote.com, to submit your voting instructions. Please have your Notice of Internet Availability handy when you go online. If you vote on the Internet, you may also request electronic delivery of future proxy materials.

By mail

You may vote by completing, signing, dating and returning a proxy card which will be mailed to you if you request delivery of a full set of proxy materials. A proxy card may also be mailed to you, at the Company's option, beginning on or after the tenth day following the mailing of the Notice of Internet Availability. In either case, a postage-paid envelope will be provided along with the proxy card.

Telephone and Internet voting for shareholders of record will be available until 11:59 PM Eastern Time on April 27, 2009. A mailed proxy card must be received by April 27, 2009 in order to be voted at the Annual Meeting. If you are a 401(k) plan participant, telephone and Internet voting will be available until, or your mailed proxy card must be received by, 11:59 P.M. Eastern Time on April 23, 2009. The availability of telephone and Internet voting for beneficial owners of other shares held in street name will depend on your broker, bank or other holder of record and we recommend that you follow the voting instructions on the Notice of Internet Availability that you receive from them.

If you are mailed a set of proxy materials and a proxy card or voting instruction card and you choose to vote by telephone or by Internet, you do not have to return your proxy card or voting instruction card. However, even if you plan to attend the 2009 Annual Meeting, we recommend that you vote your shares in advance so that your vote will be counted if you later decide not to attend the meeting.

How can I change my vote?

If you are a shareholder of record, you may revoke your proxy before it is exercised by:

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Sending a written notice to the Office of the Secretary, International Flavors & Fragrances Inc., 521 West 57th Street, New York, New York 10019 stating that your proxy is revoked. The notice must be received prior to the 2009 Annual Meeting;

Signing and delivering a later-dated proxy card to the Office of the Secretary after voting by telephone or using the Internet, so that it is received prior to the 2009 Annual Meeting;

Voting by telephone or using the Internet after the date of your proxy card and before the 2009 Annual Meeting; or

Attending the 2009 Annual Meeting and voting in person by ballot. Your attendance at the 2009 Annual Meeting in person will not cause your previously granted proxy to be revoked unless you specifically so request or you vote by ballot at the meeting.

If you are a beneficial owner of shares held in street name, you may submit new proxy voting instructions by contacting your bank, broker or other holder of record.

How are votes counted?

In the election of the directors, your vote may be cast FOR or AGAINST a nominee or you may ABSTAIN. Likewise for the other proposal, your vote may be cast FOR, AGAINST or you may ABSTAIN.

Under New York law, abstentions and broker non-votes, if any, will not be counted as votes cast, and therefore will have no effect on the outcome of the matters to be voted on at the 2009 Annual Meeting.

All executed proxies will be voted in accordance with the voting instructions contained in those proxies. If you are a shareholder of record and you furnish your proxy using the Internet, by phone or by returning a proxy card but do not indicate your voting preferences, the persons named in the proxy will vote your shares represented by that proxy in accordance with the recommendation of our Board of Directors as described on page 6 under the heading What are the voting recommendations of IFF's Board of Directors?.

Who will count the votes?

A representative from Broadridge Investor Communication Solutions, Inc. will tabulate the votes and serve as the Company's inspector of election at the 2009 Annual Meeting.

What is an abstention?

An abstention occurs when a shareholder executes a proxy using the Internet, by phone or by returning a proxy card, but he or she refrains from voting as to a particular matter by indicating that he or she abstains as to that matter.

What is a broker non-vote?

A broker non-vote occurs when a brokerage firm or other nominee holding shares for a beneficial owner does not vote on a particular proposal because the nominee does not have authority to vote on that particular proposal without receiving voting instructions from the beneficial owner. Under New York Stock Exchange (NYSE) rules, certain proposals, such as the election of directors (Item 1 in this Proxy Statement) and the ratification of the selection of an independent registered public accounting firm (Item 2 in this Proxy Statement), are considered routine matters, and brokers generally may vote on behalf of beneficial owners who have not furnished voting instructions, subject to the rules of the NYSE concerning transmission of proxy materials to beneficial owners, and subject to any proxy voting policies and procedures of those brokerage firms. For non-routine proposals, brokers may not vote on the proposals unless they have received voting instructions from the beneficial owner, and to the extent that they have not received voting instructions, brokers report such number of shares as non-votes.

How many votes are needed to approve the proposals?

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. Votes cast do not include any abstentions with respect to a nominee's election. Our Board of Directors approved amendments to our By-laws in December 2008 to adopt this majority voting standard for uncontested elections and to provide that any director nominee in an uncontested election who does not receive an affirmative majority of votes cast must promptly offer his or her resignation. A description of the process which, under our By-laws and Corporate

Governance Guidelines, will be followed if such an event occurs is located in this Proxy Statement under the heading Proposals Requiring Your Vote-Item 1-Election of Directors .

The affirmative vote of a majority of the votes cast is required to ratify the selection of PricewaterhouseCoopers LLP (PwC) as the Company's independent registered public accounting firm for 2009.

Where can I find the voting results of the 2009 Annual Meeting?

IFF will announce preliminary voting results at the 2009 Annual Meeting and publish final results in our Quarterly Report on Form 10-Q for the 2009 second quarter.

Do I need an admission ticket to attend the 2009 Annual Meeting?

You will need either an admission ticket or proof that you own IFF shares to enter the 2009 Annual Meeting. If you plan to attend the meeting and have received a proxy card, please bring the admission ticket accompanying the proxy card and check the box on that proxy card indicating that you will be attending. If you are a shareholder of record and you vote by Internet or telephone, you may also indicate if you plan to attend the meeting. If you do not have an admission ticket, you must bring evidence of your ownership of IFF stock (which, if you are a beneficial holder, can be obtained from your bank, broker or other record holder of your shares), in order to be admitted. You may also request a ticket by writing to the Office of the Secretary, International Flavors & Fragrances Inc., at the address noted above. Evidence of your ownership must accompany your letter. You must also present a form of personal photo identification in order to be admitted to the meeting.

How do I obtain a separate Notice of Internet Availability if I share an address with other shareholders?

When more than one shareholder of record of IFF's common stock shares the same address, we may deliver only one Notice of Internet Availability to that address unless we have received contrary instructions from one or more of those shareholders. Similarly, brokers and other nominees holding shares of IFF's common stock in street name for more than one beneficial owner with the same address may deliver only one Notice of Internet Availability to that address if they have received consent from those beneficial owners. We will deliver promptly upon written or oral request a separate Notice of Internet Availability to any shareholder, including a beneficial owner of shares held in street name, at a shared address to which a single Notice of Internet Availability was delivered. To receive additional Notices of Internet Availability, or if you are a shareholder of record and would like to receive separate Notices of Internet Availability for future annual meetings, you may call or write the Office of the Secretary, International Flavors & Fragrances Inc., 521 West 57th Street, New York, New York 10019 (telephone: 212-765-5500). If you are a beneficial owner of shares held in street name and would like to receive separate Notices of Internet Availability, you may contact your bank, broker or other holder of record. In addition, if you are a shareholder of record who shares the same address with another shareholder of record and you currently receive separate copies of the Notice of Internet Availability, you may write or call the Office of the Secretary as indicated above to request that a single Notice of Internet Availability be delivered to that address.

Who pays for the cost of this proxy solicitation?

IFF will pay the entire cost of soliciting proxies. In addition to solicitation by mail, proxies may be solicited on the Company's behalf by directors, officers or employees in person, by telephone, by facsimile or by electronic mail. The Company has retained Georgeson Inc. to assist in proxy solicitation for a fee of \$6,500 plus expenses. The Company will reimburse banks, brokers and other custodians, nominees and fiduciaries for their costs in sending proxy materials to the beneficial owners of the Company's common stock.

How can I obtain a copy of IFF's Annual Report on Form 10-K for the year ended December 31, 2008?

IFF will on a request in writing provide without charge to each person from whom proxies are being solicited for the 2009 Annual Meeting a copy of our Annual Report on Form 10-K for the year ended December 31, 2008, including the financial statements and any schedules, required to be filed with the Securities and Exchange Commission, excluding exhibits. We may impose a reasonable fee for providing the exhibits to the

Form 10-K. Requests should be made to Office of the Secretary, International Flavors & Fragrances Inc., 521 West 57th Street, New York, N.Y. 10019. IFF's Annual Report on Form 10-K is also available free of charge through the Investor Relations SEC Filings link on our website, www.iff.com.

CORPORATE GOVERNANCE

Corporate Governance Guidelines

Our Board of Directors has responsibility for overseeing the management of the Company. The Board has adopted Corporate Governance Guidelines which summarize the practices the Board will follow with respect to Board membership and selection, responsibilities of directors, Board meetings, evaluation of the Chief Executive Officer (CEO), succession planning, Board committees and director compensation. In December 2008 the Nominating and Governance Committee and the Board reviewed and revised the Corporate Governance Guidelines. A copy of the Company s Corporate Governance Guidelines is available through the Investor Relations Corporate Governance link on the Company s website, www.iff.com, and is available in print to any shareholder who requests it.

Board and Committee Memberships

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 2008, each of the Audit Committee, the Compensation Committee and the Nominating and Governance Committee reviewed and revised its charter. The revised charter of each committee was subsequently approved by the Board. Under the charter of each committee, the committee annually reviews the committee s own performance. A current copy of each of the Audit Committee, Compensation Committee and Nominating and Governance Committee charters is available through the Investor Relations Corporate Governance link on the Company s website, www.iff.com. Each of these documents is also available in print to any shareholder who requests it.

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

Name	Audit	Compensation	Nominating & Governance	Lead Director
Margaret Hayes Adame	X			
Robert M. Amen				
Günter Blobel			X	
Marcello Bottoli		X		
Linda B. Buck			X	
J. Michael Cook		X (Chairman)		
Peter A. Georgescu			X (Chairman)	
Alexandra A. Herzan		X		
Henry W. Howell, Jr.	X (Chairman)			
Katherine M. Hudson	X			
Arthur C. Martinez	X		X	X
Burton M. Tansky		X		
Douglas D. Tough			X	

X = Committee member

Audit Committee

Our Audit Committee oversees and reviews the Company's financial reporting process and the integrity of the Company's financial statements and related financial information, the Company's internal control environment, systems and performance, the audit process of the Company's independent accountant and the qualifications, independence and performance of the independent accountant, the process and performance of the Company's internal audit function and the procedures for monitoring compliance with laws and regulations and with the Company's Code of Business Conduct and Ethics.

Our Board has determined that each of Mr. Howell, Ms. Hudson and Mr. Martinez is an audit committee financial expert under applicable rules of the SEC and has accounting or related financial management expertise as required by applicable NYSE rules. The Board has also determined that all members of the Audit Committee meet the financial literacy standards of the NYSE. None of our Audit Committee members currently serves on the audit committee of more than three public companies. The Audit Committee has established, together with members of the Company's management, a hiring policy for employees or former employees of the Company's independent accountant, consistent with the requirements of the NYSE. Under procedures adopted by the Audit Committee, the Audit Committee also reviews and pre-approves all audit and non-audit services performed by the Company's independent accountant.

Compensation Committee

Our Compensation Committee is responsible for establishing executive officer compensation, for making recommendations to the full Board concerning chief executive officer and director compensation and for overseeing the compensation and benefit programs for other employees.

Processes and Procedures Regarding Compensation

Role of the Compensation Committee

Under our Compensation Committee's charter, the Compensation Committee has responsibility to assist the Board in ensuring that long term and short term compensation provide performance incentives to management, and that compensation plans are appropriate and competitive and reflect the goals and performance of management and the Company. As discussed in more detail under the heading Compensation Discussion & Analysis beginning at page 27, the Compensation Committee considers, as appropriate and as contemplated by Company policies, plans and programs, Company-wide performance against applicable annual and long-term performance goals pre-established by the Compensation Committee. If the Compensation Committee deems it appropriate, it may delegate any of its responsibilities to one or more Compensation Committee members or subcommittees.

The Compensation Committee works with the Board, the Nominating and Governance Committee and the Company's senior management and meets regularly in executive session, without Company management present. The Compensation Committee establishes an annual schedule for matters to be considered by it, including approving our senior executives' performance objectives and taking compensation actions. The Compensation Committee makes recommendations to the Board concerning the compensation and benefits of non-employee directors, after reviewing and considering recommendations from management and/or its independent compensation consultant, and makes recommendations to the Board regarding the chief executive officer's compensation. The Compensation Committee also reviews and adopts, and where necessary or appropriate, recommends for Board and/or shareholder approval, our compensation and benefits policies, plans and programs and amendments thereto, taking into account economic and business conditions, and comparative/competitive compensation and benefit performance levels. Eligible employees

and the type, amount and timing of compensation and benefits under our compensation and benefits policies, plans and programs also are determined by the Compensation Committee. In fulfilling its responsibilities, the Compensation Committee conducts or authorizes studies and surveys on compensation practices in relevant industries to maintain the Company's competitiveness and ability to recruit and to retain highly qualified personnel. At least every two years, with the assistance of an experienced independent compensation consultant, the Compensation Committee conducts a survey of comparative/competitive executive officer

compensation. The Compensation Committee is authorized to retain compensation consultants or advisors to assist it in evaluating CEO, senior executive and outside director compensation. The Compensation Committee has the sole authority to retain and to terminate any such consultants or advisors, including the sole authority to approve their fees and other retention terms. The Compensation Committee's independent compensation consultant for 2008 was W.T. Haigh & Company.

Role of Compensation Consultants

As discussed in more detail in this Proxy Statement under the heading Compensation Discussion & Analysis Role of Outside Advisors and Management at page 32, the Compensation Committee directly engaged W.T. Haigh & Company as its independent expert compensation consultant to conduct a benchmarking survey in 2008. The Compensation Committee also directly engaged W.T. Haigh & Company for recommendations on executive and non-employee director compensation in 2008. Our CEO and our Senior Vice President, Human Resources work with the Compensation Committee and the Committee's independent compensation consultant. Management also retains its own outside compensation consultants. In 2008, management retained Steven Hall & Partners for advisory services in connection with executive compensation plans, including the Company's post-employment benefits, and Buck Consultants for actuarial work, plan structure and similar services for the Company's retirement plans. With the assistance of management and W.T. Haigh & Company, our Compensation Committee recommends changes to the compensation and benefits of non-employee directors that it deems appropriate to the full Board.

Role of Management

Our Compensation Committee relies on management for legal, tax, compliance, finance, and human resource recommendations, data and analysis for the design and administration of the Company's compensation, benefits and perquisite programs for our senior executives. The Compensation Committee combines this information with the recommendations and information from its independent compensation consultant.

Our CEO and Senior Vice President, Human Resources, and Senior Vice President, General Counsel and Secretary or Vice President, Deputy General Counsel and Assistant Secretary generally attend Compensation Committee meetings. Our CEO does not participate in making decisions for his own compensation. CEO performance and compensation are discussed by the Compensation Committee in executive session, with advice and participation from the Company's independent compensation consultant where and as requested by the Committee. Our CEO and Senior Vice President, Human Resources, without the presence of any other members of senior management, actively participate in the performance and compensation discussions for our senior executives, including making recommendations to the Compensation Committee as to the amount and form of compensation. Our CEO and Senior Vice President, Human Resources discuss the appropriate form and amount of non-employee director compensation with the Compensation Committee for consideration in preparing that Committee's recommendation to the Board.

Nominating & Governance Committee

Our Nominating and Governance Committee monitors Board composition and director qualification requirements, identifies qualified individuals to serve on the Board, recommends to the Board a slate of nominees for election by the shareholders at the annual meeting of shareholders, reviews potential Board candidates, reviews management succession plans and monitors corporate governance issues. In addition, this Committee has developed a process for conducting an annual evaluation of the effectiveness of the Board as a whole, as well as for reviewing the contributions of individual directors.

Lead Director