

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

Annual Report Pursuant to Section 13 of
The Securities Exchange Act of 1934

For the fiscal year ended December 31, 2000 Commission File Number 1-4858

International Flavors & Fragrances Inc.
(Exact name of Registrant as specified in its charter)

New York
(State or other jurisdiction of
incorporation or organization)
521 West 57th Street, New York, N.Y.
(Address of principal executive offices)

13-1432060
(IRS Employer
Identification No.)
10019
(Zip Code)

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

Securities registered pursuant to Section 12(b) of the Act:

Title of each class -----	Name of each exchange on which registered -----
Common Stock, par value 12 1/2c per share	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:

None
(Title of Class)

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

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendments to this Form 10-K.

The Registrant denies that any of its common stock is held by an "affiliate" of the Registrant within the meaning of Rule 405 of the Securities and Exchange Commission. See "Stock Ownership" in proxy statement incorporated by reference herein. The aggregate market value of all of the outstanding voting stock of Registrant as of March 23, 2001 was \$2,040,778,660.

Indicate the number of shares outstanding of each of the Registrant's classes of common stock, as of March 23, 2001.

95,766,244 shares of Common Stock, par value 12 1/2c per share

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Registrant's Annual Report to Shareholders for the fiscal year ended December 31, 2000 (the "IFF 2000 Annual Report") are incorporated by reference in Parts I, II and IV of this Form 10-K.

Portions of the Registrant's Proxy Statement dated March 30, 2001 (the "IFF 2001 Proxy Statement") are incorporated by reference in Part III of this Form 10-K.

PART I

Item 1. Business.

International Flavors & Fragrances Inc., incorporated in New York in 1909 (the "Company"), is a leading creator and manufacturer of flavor and fragrance products used by other manufacturers to impart or improve flavor or fragrance in a wide variety of consumer products. Fragrance products are sold principally to manufacturers of perfumes, cosmetics, toiletries, hair care products, deodorants, soaps, detergents and air care products; flavor products are sold principally to manufacturers of prepared foods, beverages, dairy foods, pharmaceuticals and confectionery products.

The present world-wide scope of the Company's business is in part the result of the combination in December 1958 of (i) the business conducted prior to the combination primarily in the United States by the Company under the name van Ameringen-Haebler, Inc. ("VAH") with (ii) the business conducted prior to the combination primarily in Europe by N. V. Polak & Schwarz's Essencefabrieken, a Dutch corporation ("P & S"). The P & S enterprise, founded in Holland in 1889, was also engaged in the manufacture and sale of flavor and fragrance products, with operations in a number of countries where VAH was not an important factor.

In April 2000, the Company acquired Laboratoire Monique Remy ("LMR"), a leader in the creation and commercialization of natural raw materials for fragrances and flavors. LMR operates state-of-the-art laboratory and manufacturing facilities in Grasse, France and an extraction plant in Lozere, France.

On November 3, 2000, pursuant to a cash tender offer by a wholly-owned subsidiary of the Company for all of the outstanding shares of common stock of Bush Boake Allen Inc. ("BBA"), the subsidiary acquired approximately 97% of the outstanding shares of common stock of BBA at \$48.50 per share. BBA was a competitor of IFF in the flavor and fragrance business with 1999 worldwide sales of \$499 million. On November 9, 2000, the subsidiary merged with and into BBA, and BBA became a wholly-owned subsidiary of the Company, with each remaining outstanding share of BBA common stock converted into the right to receive \$48.50 per share. The Company acquired all of the outstanding shares of BBA for approximately \$970 million in cash, including transaction costs. The acquisition was financed initially through a combination of short-term debt and bank borrowings.

The Company's objectives in acquiring BBA were to establish global leadership in the flavors market, where BBA was an important factor, to strengthen the Company's already leading global fragrance market position, to enhance the Company's product line and customer base, particularly in certain emerging markets where BBA previously had a significant presence, and to broaden and enhance the Company's management pool. In addition, the Company concluded that the integration of the Company and BBA would achieve cost savings and would allow the Company to operate more efficiently and profitably.

In October 2000, the Company announced a major reorganization as a result of which the Company is now organized globally under the broad umbrellas of Business Development and Operations, rather than into separate divisions for flavors and fragrances. The purpose of the reorganization is to better support and service the Company's customers, many of whom require consistent global support to match their global businesses. The responsibilities of Business Development, whose purpose is to drive the top line growth of the Company, include category strategy, consumer research, product development, global sales and marketing, research and development coordination and technical application. The responsibilities of Operations, whose focus is on product delivery, product planning and increasing productivity, include global supply chain, manufacturing, customer service, quality control, logistics and distribution. In addition, effective January 1, 2001, the Company has a single Regional Manager covering each of its major geographic clusters--North America; Europe; Latin America; Asia-Pacific and the newly constituted Central Asia and Middle East region, which includes the Indian subcontinent. The Regional Managers work with and are supported by both Business Development and Operations.

The Company currently has 45 manufacturing facilities with the major manufacturing facilities being located in the United States, The Netherlands, France, Great Britain, Ireland, Spain, Switzerland, Germany, Argentina, Brazil, Mexico, China, Singapore, Philippines, Indonesia, Japan, India and Australia. The remaining manufacturing facilities are located in 8 other countries. The Company maintains its own sales and distribution facilities in 42 countries and is represented by sales agents in a few additional countries. The Company's principal executive offices are located at 521 West 57th Street, New York, New York 10019 (Tel. No. 212-765-5500). Except as the context otherwise indicates, the term "the Company" as used herein refers to the Registrant and its subsidiaries.

Markets

Fragrance products are used by customers in the manufacture of consumer products such as soaps, detergents, cosmetic creams, lotions and powders, lipsticks, after-shave lotions, deodorants, hair preparations, candles, air fresheners and all-purpose cleaners, as well as in other consumer products designed solely to appeal to the sense of smell, such as perfumes and colognes. The cosmetics industry, including perfume and toiletries manufacturers, is one of the Company's two largest fragrance customer groups. Most of the major United States companies in this industry are customers of the Company, and five of the largest United States cosmetics companies are among its principal customers. The household products industry, including soaps and detergents, is the other important fragrance customer group. Four of the largest United States household product manufacturers are major customers of the Company. In the five years ended December 31, 2000, sales of fragrance products accounted for approximately 57%, 58%, 58%, 59% and 59%, respectively, of the Company's total sales on a reported basis.

Flavor products are sold principally to the food and beverage industries for use in consumer products such as soft drinks, candies, baked goods, desserts, prepared foods, dietary foods, dairy products, drink powders, pharmaceuticals, snack foods and alcoholic beverages. Two of the Company's largest customers for flavor products are major producers of prepared foods and beverages in the United States. In the five years ended December 31, 2000, sales of flavor products accounted for approximately 43%, 42%, 42%, 41% and 41%, respectively, of the Company's total sales on a reported basis.

Products

The Company's principal fragrance and flavor products consist of compounds of large numbers of ingredients blended by it under formulas created by its perfumers and flavorists. Most of these compounds contribute the total fragrance or flavor to the consumer products in which they are used. This fragrance or flavor characteristic is often a major factor in the public selection and acceptance of the consumer end product. A smaller amount of compounds is sold to manufacturers who further blend them to achieve the finished fragrance or flavor in their consumer products. Thousands of compounds are produced by the Company, and new compounds are constantly being created in order to meet the many and changing characteristics of its customers' end products. Most of the fragrance and flavor compounds are created and produced for the exclusive use of particular customers. The Company's flavor products also include extracts, concentrated juices, seasonings and concentrates derived from various fruits, vegetables, nuts, herbs and spices as well as microbiologically-derived ingredients. The Company's products are sold in solid and liquid forms and in amounts ranging from a few pounds to many tons, depending upon the nature of the product.

The ingredients used by the Company in its compounds are both synthetic and natural. Most of the synthetic ingredients and key strategic natural ingredients are manufactured by the Company. While the major part of the Company's production of synthetic ingredients is used by it in its compounds, a substantial portion is sold to others. The natural ingredients are derived from flowers, fruits and other botanical products as well as from animal products. They contain varying numbers of organic chemicals, which are responsible for the fragrance or flavor of the natural product. The natural products are purchased for the larger part in processed or semi-processed form. Some are used in compounds in the state in which they are purchased and others after further processing. Natural products, together with various chemicals, are also used as raw materials for the manufacture of synthetic ingredients by chemical processes.

Market Developments

The demand for consumer products utilizing flavors and fragrances has been stimulated and broadened by changing social habits resulting from various factors such as increases in personal income, employment of women, teen-age population, leisure time, health concerns and urbanization and by the continued growth in world population. In the fragrance field, these developments have expanded the market for hair care, candles and air care products and deodorant and personal wash products with finer fragrance quality, as well as the market for colognes, toilet waters, men's toiletries and other products beyond traditional luxury items such as perfumes. In the flavor field, similar market characteristics have stimulated the demand for products such as convenience foods, soft drinks and low-cholesterol and low-fat food products that must conform to expected tastes. New and improved methods of packaging, application and dispensing have been developed for many consumer products which utilize some of the Company's flavor or fragrance products. These developments have called for the creation by the Company of many new compounds and ingredients compatible with the newly introduced materials and methods of application used in consumer end products.

Product Development and Research

The development of new fragrance and flavor compounds is a complex artistic and technical process calling upon the combined knowledge and talents of the Company's creative perfumers and flavorists and its application chemists and research chemists. Through long experience, the perfumers and flavorists develop and refine their skill for creating fragrances or flavors best suited to the market requirements of the customers' products.

An important contribution to the creation of new fragrance and flavor products is the development in the Company's research laboratories of new ingredients having fragrance or flavor value. The principal functions of the fragrance research program are to isolate and synthesize fragrance components found in natural substances and through chemical synthesis in order to develop new materials and better techniques for utilization of such materials. The principal functions of the flavor research program are to isolate and produce natural flavor ingredients utilizing improved processes.

The work of the perfumers and flavorists is conducted in 40 fragrance and flavor laboratories in 27 countries. The Company maintains a research center at Union Beach, New Jersey. On a reported basis, the Company spent \$112,671,000 in 2000, \$103,794,000 in 1999 and \$98,438,000 in 1998 on its research and development activities. These expenditures are expected to increase in 2001 to approximately \$150,000,000. Of the amount expended in 2000 on such activities, 63% was for fragrances and the balance was for flavors. The Company employed 1,186 persons in 2000 and 884 persons in 1999 in such activities.

The business of the Company is not materially dependent upon any patents, trademarks or licenses.

Distribution

Most of the Company's sales are made through its own sales force, operating from 8 sales offices in the United States and 64 sales offices in 41 foreign countries. Sales in other countries are made through sales agents. On a reported basis, for the year ended December 31, 2000, 31% of the Company's sales were to customers in North America, 38% in Europe, Africa and the Middle East, 16% in Latin America and 15% in Asia-Pacific. For other information with respect to the management of the Company's operations by major geographical area, see Note 12 of the Notes to the Company's Consolidated Financial Statements on pages 39-41 of the IFF 2000 Annual Report. Such Consolidated Financial Statements are incorporated by reference herein.

The Company estimates that during 2000 its 30 largest customers accounted for about 53% of its sales, its four largest customers and their affiliates accounted for about 10%, 8%, 6% and 4%, respectively, of its sales, and no other single customer accounted for more than 3% of sales.

Governmental Regulation

Manufacture and sale of the Company's products are subject to regulation in the United States by the Food and Drug Administration, the Agriculture Department, the Bureau of Alcohol, Tobacco and Firearms of the Treasury Department, the Environmental Protection Agency, the Occupational Safety and Health Administration and state authorities. Foreign subsidiaries are subject to similar regulation in a number of countries. Compliance

with existing governmental requirements regulating the discharge of materials into the environment has not materially affected the Company's operations, earnings or competitive position. The Company expects to spend in 2001 approximately \$4,400,000 in capital projects and \$12,600,000 in operating expenses and governmental charges for the purpose of complying with such requirements. The Company expects that in 2002 capital expenditures, operating expenses and governmental charges for such purpose will not be materially different.

Raw Material Purchases

More than 5,000 different raw materials are purchased from many sources all over the world. The principal natural raw material purchases consist of essential oils, extracts and concentrates derived from fruits, vegetables, flowers, woods and other botanicals, animal products and raw fruits. The principal synthetic raw material purchases consist of organic chemicals. The Company believes that alternate sources of materials are available to enable it to maintain its competitive position in the event of any interruption in the supply of raw materials from present sources.

Competition

The Company has more than 50 competitors in the United States and world markets. While no single factor is responsible, the Company's competitive position is based principally on the creative skills of its perfumers and flavorists, the technological advances resulting from its research and development, the quality of its customer service and the support provided by its marketing and application groups, and its understanding of consumers. Although statistics are not available, the Company believes that it is the largest company producing and marketing on an international basis a wide range of fragrance and flavor products of the types manufactured by it for sale to manufacturers of consumer products. In particular countries and localities, the Company faces the competition of numerous companies specializing in certain product lines, among which are some companies larger than the Company and some more important in a particular product line or lines. Most of the Company's customers do not buy all their fragrance or flavor products from the same supplier, and some customers make their own fragrance or flavor compounds with ingredients supplied by the Company or others.

Employee Relations

The Company at December 31, 2000 employed approximately 6,610 persons, of whom about 1,861 were employed in the United States. The Company has never experienced a work stoppage or strike and it considers that its employee relations are satisfactory.

Cautionary Statement

Statements in this Annual Report on Form 10-K (including information incorporated herein by reference from the IFF 2000 Annual Report) that are not historical facts or information are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, and are subject to risks and uncertainties that could cause the Company's actual results to differ materially from those expressed or implied by such forward-looking statements. Risks and uncertainties with respect to the Company's business include general economic and business conditions, interest rates, the price and availability of raw materials, and political and economic uncertainties, including the fluctuation or devaluation of currencies in countries in which the Company does business. The Company intends its forward-looking statements to speak only as of the time of such statements, and does not undertake to update or revise them as more information becomes available.

Item 2. Properties.

The principal manufacturing and research properties of the Company are as follows:

Location -----	Operation -----
United States	
New York, NY.....	Fragrance laboratories.
Augusta, GA.....	Production of fragrance chemical ingredients.
	Production of fragrance compounds; fragrance laboratories.
Hazlet, NJ.....	laboratories.
South Brunswick, NJ..	Production of flavor ingredients and compounds and fruit preparations; flavor laboratories.
Union Beach, NJ.....	Research and development center.
Menomonee Falls, WI..	Production of flavor compounds, flavor ingredients, bacterial cultures and fruit preparations
Carrollton, TX(1)....	Production of seasonings.
Chicago, IL.....	Production of flavor ingredients and compounds.
Jacksonville, FL.....	Production of fragrance chemical ingredients.
Netherlands	
Hilversum.....	Flavor and fragrance laboratories.
	Production of flavor and fragrance compounds and flavor ingredients.
Tilburg.....	flavor ingredients.
France	
Bois-Colombes.....	Fragrance laboratories.
Dijon.....	Production of fragrance ingredients and compounds, flavor ingredients and compounds and fruit preparations; flavor laboratories.
	Production of fragrance and flavor ingredients; fragrance laboratories.
Grasse.....	fragrance laboratories.
Great Britain	
Haverhill.....	Production of flavor compounds and ingredients, fruit preparations and fragrance chemical ingredients; flavor laboratories.
London.....	Production of flavor and fragrance compounds and flavor ingredients; flavor and fragrance laboratories.
Long Melford.....	Production of seasonings.
Widnes.....	Production of fragrance chemical ingredients.
Witham.....	Production of flavor ingredients and compounds.
Ireland	
Drogheda.....	Production of fragrance compounds.
Spain	
Benicarlo.....	Production of fragrance chemical ingredients.
Switzerland	
Reinach-Aargau.....	Production of fruit preparations and flavor ingredients and compounds; flavor laboratories.
Germany	
Emmerich/Rhein.....	Production of fruit preparations and flavor ingredients and compounds; flavor laboratories.
Argentina	
Garin.....	Production of fruit preparations and flavor ingredients and compounds; production of fragrance compounds; flavor laboratories.
Brazil	
Rio de Janeiro.....	Production of fragrance compounds.
Taubate.....	Production of fruit preparations and flavor ingredients and compounds; flavor laboratories.

Location	Operation
Mexico	
Tlalnepantla..	Production of flavor compounds, fruit preparations and fragrance compounds; flavor and fragrance laboratories.
Atlacomulco...	Production of flavor ingredients and compounds.
China	
Guangzhou(1)..	Production of flavor and fragrance compounds; flavor laboratories.
India	
Chennai(2)....	Production of flavor and fragrance compounds and flavor ingredients.
Singapore	
Jurong(3).....	Production of flavor and fragrance compounds and flavor ingredients.
Science Park..	Flavor and fragrance laboratories.
Philippines	
Manila(1).....	Production of flavor and fragrance compounds and flavor ingredients.
Indonesia	
Jakarta(3)....	Production of flavor and fragrance compounds and ingredients; flavor and fragrance laboratories.
Japan	
Tokyo.....	Flavor and fragrance laboratories.
Gotemba.....	Production of flavor compounds.
Australia	
Melbourne.....	Production of flavor and fragrance compounds and flavor ingredients.

- - - - -
- (1) Leased.
 - (2) The Company has approximately a 75% interest in the subsidiary company which owns this facility.
 - (3) Land is leased and building is owned.

The principal executive offices of the Company and its New York laboratory facilities are located at 521 West 57th Street, New York City. As a result of the acquisition of BBA, the Company is currently in the process of consolidating or eliminating duplicate facilities. The Company believes that the facilities that will remain following this consolidation process will meet its present needs and anticipated needs for the foreseeable future.

Item 3. Legal Proceedings.

Over the past twenty years, various Federal and State authorities and private parties have claimed that the Company is a potentially responsible party as a generator of waste materials for alleged pollution at a number of waste sites operated by third parties located principally in New Jersey. The governmental authorities seek to recover costs incurred and to be incurred to clean up the sites. In one current private suit, a waste site's former owner/operator seeks contribution and indemnification from generators and others for remedial action costs incurred and to be incurred at the site.

The waste site claims and suits usually involve million dollar amounts, and most of them are asserted against many potentially responsible parties. Remedial activities typically consist of several phases carried out over a period of years. Most site remedies begin with investigation and feasibility studies, followed by physical removal, destruction, treatment or containment of contaminated soil and debris, and sometimes by groundwater monitoring and treatment. To date, the Company's financial responsibility for some sites has been settled through agreements granting the Company, in exchange for one or more cash payments made or to be made, either complete release of liability or, for certain sites, release from further liability for early and/or later remediation phases, subject to certain "re-opener" clauses for later-discovered conditions. Settlements in respect of some

sites involve, in part, payment by the Company, and other parties, of a percentage of the site's future remediation costs over a period of years. At present, only four sites remain the subject of significant unsettled claims.

The Company believes that the amounts it has paid and probably will have to pay for clean-up costs and damages at all sites are and will not be material to the Company's financial condition, results of operations or liquidity, because of the involvement of other large potentially responsible parties at most sites, because payment will be made over an extended time period and because, pursuant to an agreement reached in July 1994 with three of the Company's liability insurers, defense costs and indemnity amounts payable by the Company in respect of the sites will be shared by the insurers up to an agreed amount.

Item 4. Submission of Matters to a Vote of Security Holders.

Not applicable.

Executive Officers of Registrant:

Name	Office and Other Business Experience(2)	Age	Year First Became Officer
Richard A. Goldstein(1)	Chairman and Chief Executive Officer since June 2000; President and Chief Executive Officer of Unilever United States, Inc. and Business Group President of Unilever North American Foods, home, personal care and food products companies, prior thereto; Director, Legacy Hotels; Director, Fiduciary Trust Company International	59	2000
D. Wayne Howard	Executive Vice President, Global Operations since September 2000; Vice President, Supply Chain Strategy of Nordstrom, Inc., a retailer, from January 2000 to August 2000; Vice President, Strategic Sourcing, North America of Unilever North American Foods, a home, personal care and food products company, from 1998 to 1999; Vice-President, Sourcing of Lipton, division of Unilever, from 1997 to 1998; Vice President, Supply Chain of Thomas J. Lipton Company, a food products company, from 1995 to 1996	45	2000
Carlos A. Lobbosco	Executive Vice President, Global Business Development since September 2000; Vice President prior thereto; Director	61	1993
Julian W. Boyden	Executive Vice President since November 2000; Chairman of the Board, President and Chief Executive Officer of Bush Boake Allen Inc., a flavor and fragrance company, prior thereto	56	2000
Stephen A. Block	Senior Vice President, General Counsel and Secretary since February 2000; Senior Vice President, Law & Regulatory Affairs, and Secretary from May 1999 to February 2000; Vice President, Law & Regulatory Affairs, and Secretary prior thereto	56	1993
Douglas J. Wetmore	Senior Vice President and Chief Financial Officer since September 2000; Vice President and Chief Financial Officer from April 1998 to September 2000; Controller prior thereto; Director	43	1992

Name	Office and Other Business Experience(2)	Age	Year First Became Officer
Clint D. Brooks..	Vice President, Research and Development since October 2000; Director of Chemical Sciences, Abbott Laboratories, a pharmaceutical company, prior thereto	49	2000
William S. Kane..	Vice President, Human Resources, since September 1999; Senior Vice President Human Resources, Channel One Network, television content provider, from 1997 to 1999; Director of Human Resources, Frigidaire Division of Electrolux, household products manufacturers, prior thereto	41	1999

(1) Member of Executive Committee of the Board of Directors.

(2) Employed by the Company or an affiliated company for the last five years, except as otherwise indicated.

PART II

Item 5. Market for the Registrant's Common Stock and Related Security Holder Matters.

(a) Market Information.

The Company's common stock is traded principally on the New York Stock Exchange. The high and low stock prices for each quarter during the last two years were:

Quarter	2000		1999	
	High	Low	High	Low
First.....	\$37.94	\$28.75	\$45.50	\$34.25
Second.....	37.81	28.81	45.00	34.50
Third.....	30.94	17.38	48.50	33.63
Fourth.....	20.81	14.69	39.25	33.81

(b) Approximate Number of Equity Security Holders.

(A) Title of Class	(B) Number of record holders as of December 31, 2000
Common stock, par value 12 1/2c per share....	3,741

(c) Dividends.

Cash dividends declared per share for each quarter since January 1999 were as follows:

	2001	2000	1999
First.....	\$.15	\$.38	\$.38
Second.....		.38	.38
Third.....		.38	.38
Fourth.....		.15	.38

Item 6. Selected Financial Data.

Information setting forth selected financial data in response to the disclosure requirements specified by this Item 6 appears on page 44 of the IFF 2000 Annual Report. Such information is incorporated by reference in this Item 6. The BBA operating results are included in the Company's consolidated results from November 3, 2000, the date of the acquisition of BBA.

Item 7. Management's Discussion and Analysis of Results of Operations and Financial Condition.

The Company's Management's Discussion and Analysis of Results of Operations and Financial Condition in response to the disclosure requirements specified by this Item 7 appears in the text under the caption "Management's Discussion and Analysis of Results of Operations and Financial Condition" on pages 24 to 28 of the IFF 2000 Annual Report. Such information is incorporated by reference in this Item 7.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

Information on quantitative and qualitative disclosures about market risk in response to the disclosure requirements specified by this Item 7A appears in Note 14 on page 43 of the IFF 2000 Annual Report. Such information is incorporated by reference in this Item 7A.

Item 8. Financial Statements and Supplementary Data.

The consolidated financial statements of the Company and its subsidiaries and the notes thereto, listed in Item 14(a)(1) and included in the IFF 2000 Annual Report on pages 30 through 43, together with the report

thereon of PricewaterhouseCoopers LLP dated January 29, 2001 on page 29 of the IFF 2000 Annual Report, and quarterly financial information on page 29 of the IFF 2000 Annual Report, are incorporated herein by reference.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

None.

PART III

Item 10. Directors and Executive Officers of the Registrant.

The information relating to directors and nominees of the Company is set forth under the caption "Election of Directors" in the IFF 2001 Proxy Statement and is incorporated by reference herein. The information under the heading "Section 16(a) Beneficial Ownership Reporting Compliance" that appears in the IFF 2001 Proxy Statement is also incorporated by reference herein. See above under Item 4 for the Company's Executive Officers.

Item 11. Executive Compensation.

The information relating to executive compensation is set forth under the captions "Summary Compensation," "Option Grants in 2000," "Aggregated Option Exercises in 2000 and Option Values at December 31, 2000," "Directors' Compensation," "Employment Contracts and Termination of Employment and Change-in-Control Arrangements," "Executive Separation Policy" and "Pension Plans" in the IFF 2001 Proxy Statement and such information is incorporated by reference herein.

Item 12. Security Ownership of Certain Beneficial Owners and Management.

The information relating to security ownership of management and certain beneficial owners is set forth under the captions "Election of Directors" and "Stock Ownership" in the IFF 2001 Proxy Statement and such information is incorporated by reference herein.

Item 13. Certain Relationships and Related Transactions.

The information regarding certain relationships and related transactions is set forth under the captions "Compensation Committee Interlocks and Insider Participation" and "Additional Information" in the IFF 2001 Proxy Statement and such information is incorporated by reference herein.

PART IV

Item 14. Exhibits, Financial Statement Schedules and Reports on Form 8-K.

(a)(1) FINANCIAL STATEMENTS. The following consolidated financial statements, related notes and independent accountants' report from the IFF 2000 Annual Report are incorporated by reference into Item 8 of Part II of this Annual Report on Form 10-K:

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Consolidated Statements of Income and Retained Earnings for the three years ended December 31, 2000.....	30
Consolidated Balance Sheet--December 31, 2000 and 1999.....	31
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(a)(2) FINANCIAL STATEMENT SCHEDULES. The following schedule is included in Part IV of this Annual Report on Form 10-K:

Schedule II-- Valuation and Qualifying Accounts and Reserves for the three years ended December 31, 2000.....	S-1
Report of Independent Accountants on Financial Statement Schedule....	14

All other schedules are omitted because they are not applicable or the required information is shown in the financial statements or notes thereto.

(a)(3) EXHIBITS.

Number

- 2 Agreement and Plan of Merger dated as of September 25, 2000 among Registrant, Bush Boake Allen Inc. and B Acquisition Corp. incorporated by reference to Exhibit 2.1 to Registrant's Report on Form 8-K dated September 25, 2000 (File No. 1-4858).
- 3 Restated Certificate of Incorporation of Registrant, incorporated by reference to Exhibit 3 to Registrant's Report on Form 10-K for fiscal year ended December 31, 1993 (File No. 1-4858).
- 3(b) By-laws of Registrant, incorporated by reference to Exhibit 3 to Registrant's Report on Form 10-Q dated November 14, 2000 (File No. 1-4858).
- 3(c) Amendment to By-laws adopted December 12, 2000.
- 4(a) Shareholders Protection Rights Agreement dated as of March 21, 2000 between Registrant and The Bank of New York, as Rights Agent, incorporated by reference to Exhibit 4 to Registrant's Report on Form 8-K dated March 22, 2000 (File No. 1-4858).
- 4(b) First Amendment dated as of September 26, 2000, to Shareholder Protection Rights Agreement, incorporated by reference to Exhibit 4 to Registrant's Report on Form 8-K dated September 26, 2000 (File No. 1-4858).
- 4(c) Specimen Certificates of Registrant's Common Stock bearing legend notifying of Shareholder Protection Rights Agreement, incorporated by reference to Exhibit 4(b) to Registrant's Registration Statement on Form S-3 filed on September 29, 2000 (Reg. No. 333-46932).
- 9 Not applicable.
- 10(a) Memorandum of Understanding between Registrant and Richard A. Goldstein, Chairman and Chief Executive Officer of Registrant, approved by Registrant's Board of Directors on April 13, 2000, incorporated by reference to Exhibit 10(a) to Registrant's Report on Form 10-Q dated August 14, 2000 (File No. 1-4858).

- 10(b) Separation Agreement dated as of March 1, 2000 between Registrant and Eugene P. Grisanti, former Chairman and President of Registrant, incorporated by reference to Exhibit 10 to Registrant's Report on Form 10-Q dated May 15, 2000 (File No. 1-4858).
- 10(c) Separation Agreement dated as of June 15, 2000 between Registrant and Stuart R. Maconochie, former Vice-President and Director of Registrant, incorporated by reference to Exhibit 10(a) to Registrant's Report on Form 10-Q dated November 14, 2000 (File No. 1-4858).
- 10(d) Separation Agreement dated as of November 1, 2000 between Registrant and Robert G. Corbett, former Vice President and Director of Registrant.
- 10(e) Supplemental Retirement Plan adopted by Board of Directors on October 29, 1986, incorporated by reference to Exhibit 10(e) to Registrant's Report on Form 10-Q dated May 14, 1997 (File No. 1-4858).
- 10(f) Registrant's Supplemental Retirement Investment Plan adopted by Registrant's Board of Directors on November 14, 1989, as amended through June 30, 2000.
- 10(g) Registrant's 2000 Stock Award and Incentive Plan adopted by Registrant's Board of Directors on March 9, 2000, as amended by the Board on November 14, 2000.
- 10(h) 2000 Supplemental Stock Award Plan adopted by Registrant's Board of Directors on November 14, 2000, incorporated by reference to Exhibit 99.1 to Registrant's Registration Statement on Form S-8 filed on December 7, 2000 (Reg No. 333-51436).
- 10(i) Restated Management Incentive Compensation Plan of Registrant, incorporated by reference to Exhibit A to the Registrant's Proxy Statement dated March 28, 1995 (File No. 1-4858).
- 10(j) Registrant's Executive Death Benefit Plan effective July 1, 1990, incorporated by reference to Exhibit 10(c) to Registrant's Report on Form 10-Q dated May 14, 1997 (File No. 1-4858).
- 10(k) Registrant's "Vision 2001 Compensation Program" adopted by Registrant's Board of Directors on December 12, 2000.
- 10(l) Registrant's Executive Separation Policy, approved by Registrant's Board of Directors on October 10, 2000.
- 10(m) Trust Agreement dated October 4, 2000 among Registrant, First Union National Bank and Buck Consultants Inc. approved by Registrant's Board of Directors on September 12, 2000, incorporated by reference to Exhibit 10(b) to Registrant's Report on Form 10-Q dated November 14, 2000 (File No. 1-4858).
- 10(n) Stock Option Plan for Non-Employee Directors, incorporated by reference to Exhibit 10(h) to Registrant's Report on Form 10-Q dated May 14, 1997 (File No. 1-4858).
- 10(nn) 2000 Stock Option Plan for Non-Employee Directors adopted by Registrant's Board of Directors on February 8, 2000, incorporated by reference to the Registrant's Proxy Statement dated March 29, 2000 (File No. 1-4858).
- 10(o) Director Charitable Contribution Program adopted by the Board of Directors on February 14, 1995, incorporated by reference to Exhibit 10(j) to Registrant's Report on Form 10-K for the fiscal year ended December 31, 1994 (File No. 1-4858).
- 10(p) Resolutions approving Non-Employee Directors' Annual Stock Grant Program adopted by Registrant's Board of Directors on September 12, 2000, incorporated by reference to Exhibit 99(c) to Registrant's Registration Statement on Form S-3 filed on September 29, 2000 (Reg. No. 333-46932).
- 10(q) Registrant's Directors' Deferred Compensation Plan adopted by Registrant's Board of Directors on September 15, 1981 as amended through September 1, 2000, incorporated by reference to Exhibit 99(d) to Registrant's Registration Statement on Form S-3 filed on September 29, 2000 (Reg. No. 333-46932).
- 10(r) Registrant's 1997 Employee Stock Option Plan, incorporated by reference to Exhibit A to the Registrant's Proxy Statement dated March 27, 1997 (File No. 1-4858).
- 10(rr) Amendments to 1997 Employee Stock Option Plan adopted by Registrant's Board of Directors on February 8, 2000, incorporated by reference to Exhibit 10(ll) to Registrant's Report on Form 10-K for the fiscal year ended December 31, 1999 (File No. 1-4858).

- 10(s) Registrant's Global Employee Stock Purchase Plan adopted by Registrant's Board of Directors on November 14, 2000, incorporated by reference to Exhibit B to Registrant's Proxy Statement dated March 30, 2001 (File No. 1-4858).
- 10(t) Agreement dated June 23, 1998 between Registrant and Carlos A. Lobbosco, Executive Vice President of Registrant, incorporated by reference to Exhibit 10(a) to Registrant's Report on Form 10-Q dated November 13, 1998 (File No. 1-4858).
- 10(tt) Agreement dated as of October 1, 1999 between Registrant and Carlos A. Lobbosco, Executive Vice President of Registrant, incorporated by reference to Exhibit 10(o) to Registrant's Report on Form 10-K for fiscal year ended December 31, 1999 (File No. 1-4858).
- 10(u) 364-day Credit Agreement dated as of June 1, 1999 among Registrant, as Borrower, certain Initial Lenders, Citibank, N.A., as Agent, and Salomon Smith Barney Inc. as Arranger, incorporated by reference to Exhibit 10(a) to Registrant's Report on Form 10-Q dated August 13, 1999 (File No. 1-4858).
- 10(uu) Amended and Restated 364-day Credit Agreement dated as of May 30, 2000 among Registrant, as Borrower, certain Initial Lenders, Citibank, N.A., as Agent, and Salomon Smith Barney Inc., as Arranger, incorporated by reference to Exhibit 10(c) to Registrant's Report on Form 10-Q dated August 14, 2000 (File No. 1-4858).
- 10(v) 180-day Credit Agreement dated as of November 2, 2000 among Registrant, as Borrower, certain Initial Lenders, Citibank, N.A. as Agent and Salomon Smith Barney Inc. as Arranger.
- 10(w) 364-day Credit Agreement dated as of November 28, 2000 among Registrant as Borrower, certain Initial Lenders, Citibank, N.A. as Agent, First Union National Bank and Bank of Tokyo-Mitsubishi Trust Company, as Syndication Agents, Fortis (USA) Finance LLC., as Co-Agent, and Salomon Smith Barney Inc. as Arranger.
- 11 Not applicable.
- 12 Not applicable.
- 13 Registrant's 2000 Annual Report; except for those portions thereof that are expressly incorporated by reference in this Form 10-K, this exhibit is furnished only for the information of the Commission and is not deemed to be filed as part of this Form 10-K.
- 16 Not applicable.
- 18 Not applicable.
- 21 List of Principal Subsidiaries.
- 22 Not applicable.
- 23 Consent of PricewaterhouseCoopers LLP.
- 24 Powers of Attorney authorizing Douglas J. Wetmore and Stephen A. Block to sign this report and amendments thereto on behalf of certain directors and officers of the Registrant.
- 27 Financial Data Schedule (EDGAR version only).
- 28 Not applicable.
- 99 None.

(b) REPORTS ON FORM 8-K

The Company filed the following reports on Form 8-K during the last quarter of the fiscal year ended December 31, 2000. Neither of such reports contained financial statements.

- . Report on Form 8-K dated September 26, 2000 and filed October 2, 2000, describing in Item 5 the Company's entering into a First Amendment to its Shareholder Protection Rights Agreement dated as of March 21, 2000.
- . Report on Form 8-K dated November 3, 2000 and filed November 13, 2000, describing in Item 2 the completion of the Company's acquisition of Bush Boake Allen Inc., a Virginia corporation.

REPORT OF INDEPENDENT ACCOUNTANTS ON FINANCIAL STATEMENT SCHEDULE

To the Board of Directors and Shareholders of
International Flavors & Fragrances Inc.

Our audits of the consolidated financial statements referred to in our report dated January 29, 2001 appearing in the 2000 Annual Report to Shareholders of International Flavors & Fragrances Inc. (which report and consolidated financial statements are incorporated by reference in this Annual Report on Form 10-K) also included an audit of the financial statement schedule listed in Item 14(a)(2) of this Form 10-K. In our opinion, this financial statement schedule presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements.

PricewaterhouseCoopers LLP

New York, New York
January 29, 2001

Pursuant to the requirements of Section 13 of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

International Flavors & Fragrances
Inc.

(Registrant)

/s/ Douglas J. Wetmore

By _____
Douglas J. Wetmore
Senior Vice President and Chief
Financial Officer

Dated: March 30, 2001

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the date indicated:

Principal Executive Officer:

Richard A. Goldstein

Chairman of the Board and
Chief Executive Officer

Principal Financial and Accounting Officer:

Douglas J. Wetmore

Senior Vice President and
Chief Financial Officer

By /s/ Stephen A. Block

Stephen A. Block
Attorney in fact

Directors:

Margaret Hayes Adame
Gunter Blobel
J. Michael Cook
Richard M. Furlaud

March 30, 2001

Peter A. Georgescu
Richard A. Goldstein
Carlos A. Lobbosco
Arthur C. Martinez
George Rowe, Jr.
Henry P. van Ameringen
William D. Van Dyke, III
Douglas J. Wetmore

Original powers of attorney authorizing Douglas J. Wetmore and Stephen A. Block, and each of them, to sign this report on behalf of certain directors and officers of the Registrant have been filed with the Securities and Exchange Commission.

SCHEDULE II

INTERNATIONAL FLAVORS & FRAGRANCES INC. AND SUBSIDIARIES

SCHEDULE II--VALUATION AND QUALIFYING ACCOUNTS AND RESERVES
(In thousands of dollars)

For the Year Ended December 31, 2000

	Balance at beginning of period	Additions charged to costs and expenses	Accounts written off	Trans-lation adjust-ments	Balance at end of period
Allowance for doubtful accounts.....	\$10,013	\$2,359	\$ 963	\$(335)	\$11,074
	=====	=====	=====	=====	=====

For the Year Ended December 31, 1999

	Balance at beginning of period	Additions charged to costs and expenses	Accounts written off	Trans-lation adjust-ments	Balance at end of period
Allowance for doubtful accounts.....	\$ 9,517	\$1,845	\$ 668	\$(481)	\$10,013
	=====	=====	=====	=====	=====

For the Year Ended December 31, 1998

	Balance at beginning of period	Additions charged to costs and expenses	Accounts written off	Trans-lation adjust-ments	Balance at end of period
Allowance for doubtful accounts.....	\$ 8,101	\$2,228	\$1,053	\$ 241	\$ 9,517
	=====	=====	=====	=====	=====

EXHIBIT INDEX

EXHIBIT

- 2 Agreement and Plan of Merger dated as of September 25, 2000 among Registrant, Bush Boake Allen Inc. and B Acquisition Corp. incorporated by reference to Exhibit 2.1 to Registrant's Report on Form 8-K dated September 25, 2000 (File No. 1-4858).
- 3 Restated Certificate of Incorporation of Registrant, incorporated by reference to Exhibit 3 to Registrant's Report on Form 10-K for fiscal year ended December 31, 1993 (File No. 1-4858).
- 3(b) By-laws of Registrant, incorporated by reference to Exhibit 3 to Registrant's Report on Form 10-Q dated November 14, 2000 (File No. 1-4858).
- 3(c) Amendment to By-laws adopted December 12, 2000.
- 4(a) Shareholders Protection Rights Agreement dated as of March 21, 2000 between Registrant and The Bank of New York, as Rights Agent, incorporated by reference to Exhibit 4 to Registrant's Report on Form 8-K dated March 22, 2000 (File No. 1-4858).
- 4(b) First Amendment dated as of September 26, 2000, to Shareholder Protection Rights Agreement, incorporated by reference to Exhibit 4 to Registrant's Report on Form 8-K dated September 26, 2000 (File No. 1-4858).
- 4(c) Specimen Certificates of Registrant's Common Stock bearing legend notifying of Shareholder Protection Rights Agreement, incorporated by reference to Exhibit 4(b) to Registrant's Registration Statement on Form S-3 filed on September 29, 2000 (Reg. No. 333-46932).
- 9 Not applicable.
- 10(a) Memorandum of Understanding between Registrant and Richard A. Goldstein, Chairman and Chief Executive Officer of Registrant, approved by Registrant's Board of Directors on April 13, 2000, incorporated by reference to Exhibit 10(a) to Registrant's Report on Form 10-Q dated August 14, 2000 (File No. 1-4858).
- 10(b) Separation Agreement dated as of March 1, 2000 between Registrant and Eugene P. Grisanti, former Chairman and President of Registrant, incorporated by reference to Exhibit 10 to Registrant's Report on Form 10-Q dated May 15, 2000 (File No. 1-4858).
- 10(c) Separation Agreement dated as of June 15, 2000 between Registrant and Stuart R. Maconochie, former Vice-President and Director of Registrant, incorporated by reference to Exhibit 10(a) to Registrant's Report on Form 10-Q dated November 14, 2000 (File No. 1-4858).
- 10(d) Separation Agreement dated as of November 1, 2000 between Registrant and Robert G. Corbett, former Vice President and Director of Registrant.
- 10(e) Supplemental Retirement Plan adopted by Board of Directors on October 29, 1986, incorporated by reference to Exhibit 10(e) to Registrant's Report on Form 10-Q dated May 14, 1997 (File No. 1-4858).
- 10(f) Registrant's Supplemental Retirement Investment Plan adopted by Registrant's Board of Directors on November 14, 1989, as amended through June 30, 2000.
- 10(g) Registrant's 2000 Stock Award and Incentive Plan adopted by Registrant's Board of Directors on March 9, 2000, as amended by the Board on November 14, 2000.
- 10(h) 2000 Supplemental Stock Award Plan adopted by Registrant's Board of Directors on November 14, 2000, incorporated by reference to Exhibit 99.1 to Registrant's Registration Statement on Form S-8 filed on December 7, 2000 (Reg No. 333-51436).
- 10(i) Restated Management Incentive Compensation Plan of Registrant, incorporated by reference to Exhibit A to the Registrant's Proxy Statement dated March 28, 1995 (File No. 1-4858).
- 10(j) Registrant's Executive Death Benefit Plan effective July 1, 1990, incorporated by reference to Exhibit 10(c) to Registrant's Report on Form 10-Q dated May 14, 1997 (File No. 1-4858).
- 10(k) Registrant's "Vision 2001 Compensation Program" adopted by Registrant's Board of Directors on December 12, 2000.
- 10(l) Registrant's Executive Separation Policy, approved by Registrant's Board of Directors on October 10, 2000.
- 10(m) Trust Agreement dated October 4, 2000 among Registrant, First Union National Bank and Buck Consultants Inc. approved by Registrant's Board of Directors on September 12, 2000, incorporated by reference to Exhibit 10(b) to Registrant's Report on Form 10-Q dated November 14, 2000 (File No. 1-4858).
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- 10(nn) 2000 Stock Option Plan for Non-Employee Directors adopted by Registrant's Board of Directors on February 8, 2000, incorporated by reference to the Registrant's Proxy Statement dated March 29, 2000 (File No. 1-4858).
- 10(o) Director Charitable Contribution Program adopted by the Board of Directors on February 14, 1995, incorporated by reference to Exhibit 10(j) to Registrant's Report on Form 10-K for the fiscal year ended December 31, 1994 (File No. 1-4858).
- 10(p) Resolutions approving Non-Employee Directors' Annual Stock Grant Program adopted by Registrant's Board of Directors on September 12, 2000, incorporated by reference to Exhibit 99(c) to Registrant's Registration Statement on Form S-3 filed on September 29, 2000 (Reg. No. 333-46932).
- 10(q) Registrant's Directors' Deferred Compensation Plan adopted by Registrant's Board of Directors on September 15, 1981 as amended through September 1, 2000, incorporated by reference to Exhibit 99(d) to Registrant's Registration Statement on Form S-3 filed on September 29, 2000 (Reg. No. 333-46932).
- 10(r) Registrant's 1997 Employee Stock Option Plan, incorporated by reference to Exhibit A to the Registrant's Proxy Statement dated March 27, 1997 (File No. 1-4858).
- 10(rr) Amendments to 1997 Employee Stock Option Plan adopted by Registrant's Board of Directors on February 8, 2000, incorporated by reference to Exhibit 10(ll) to Registrant's Report on Form 10-K for the fiscal year ended December 31, 1999 (File No. 1-4858).
- 10(s) Registrant's Global Employee Stock Purchase Plan adopted by Registrant's Board of Directors on November 14, 2000, incorporated by reference to Exhibit B to Registrant's Proxy Statement dated March 30, 2001 (File No. 1-4858).
- 10(t) Agreement dated June 23, 1998 between Registrant and Carlos A. Lobbosco, Executive Vice President of Registrant, incorporated by reference to Exhibit 10(a) to Registrant's Report on Form 10-Q dated November 13, 1998 (File No. 1-4858).
- 10(tt) Agreement dated as of October 1, 1999 between Registrant and Carlos A. Lobbosco, Executive Vice President of Registrant, incorporated by reference to Exhibit 10(o) to Registrant's Report on Form 10-K for fiscal year ended December 31, 1999 (File No. 1-4858).
- 10(u) 364-day Credit Agreement dated as of June 1, 1999 among Registrant, as Borrower, certain Initial Lenders, Citibank, N.A., as Agent, and Salomon Smith Barney Inc. as Arranger, incorporated by reference to Exhibit 10(a) to Registrant's Report on Form 10-Q dated August 13, 1999 (File No. 1-4858).
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- 10(w) 364-day Credit Agreement dated as of November 28, 2000 among Registrant as Borrower, certain Initial Lenders, Citibank, N.A. as Agent, First Union National Bank and Bank of Tokyo-Mitsubishi Trust Company, as Syndication Agents, Fortis (USA) Finance LLC., as Co-Agent, and Salomon Smith Barney Inc. as Arranger.
- 11 Not applicable.
- 12 Not applicable.
- 13 Registrant's 2000 Annual Report; except for those portions thereof that are expressly incorporated by reference in this Form 10-K, this exhibit is furnished only for the information of the Commission and is not deemed to be filed as part of this Form 10-K.
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- 18 Not applicable.
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- 22 Not applicable.
- 23 Consent of PricewaterhouseCoopers LLP.
- 24 Powers of Attorney authorizing Douglas J. Wetmore and Stephen A. Block to sign this report and amendments thereto on behalf of certain directors and officers of the Registrant.
- 27 Financial Data Schedule (EDGAR version only).
- 28 Not applicable.
- 99 None.

AMENDMENT TO REGISTRANT'S BY-LAWS
ADOPTED DECEMBER 12, 2000

=====

RESOLVED that Article II, Section 2 of the By-laws of the Corporation, as amended, is hereby further amended, effective immediately by changing the word "eleven" therein to "twelve."

SEPARATION AGREEMENT

This SEPARATION AGREEMENT (this "Agreement") is entered into as of the 1st day of November, 2000 between Robert G. Corbett (the "Employee"), and International Flavors & Fragrances Inc., a New York corporation (the "Company").

W I T N E S S E T H

WHEREAS, the Employee is employed by the Company as a Vice President and President of its Flavor Division, and serves on its the Board of Directors (the "Board"); and

WHEREAS, the Company and the Employee have agreed that the Employee's employment with the Company shall terminate on January 1, 2001 (the "Separation Date"); and

WHEREAS, the Employee and the Company now desire to enter into an agreement concerning the duties and responsibilities of the Employee from the date hereof until the Separation Date and in respect of the Employee's separation from the Company as hereinafter set forth,

NOW, THEREFORE, in consideration of the mutual promises contained in this Agreement, the Employee and the Company agree as follows:

1. Continuation of Employment; Duties. Until the Separation Date, the

Employee shall remain a full-time employee of the Company and shall continue as a Vice President of the Company. The Employee shall perform such duties commensurate with his executive status as Richard A. Goldstein, the Company's Chairman and Chief Executive Officer, may reasonably assign to him. The parties currently contemplate that these duties will consist primarily of participating in the continued design and implementation of the Company's Commercial Product Development program; however, the Employee acknowledges that he may be requested to perform, and he agrees to perform, other duties as well. The Employee may use the administrative/secretarial services of Jean Horvath to assist him in the performance of his duties.

2. Termination of Employment Relationship; Resignation from

Officerships and Directorships. The Employee has executed and delivered to the

Company his resignation, effective as of the date of this Agreement, from the Company's

Board of Directors. On the Separation Date the Employee's employment with the Company, and with all entities controlled directly or indirectly by the Company (together with the Company, the "Company Group"), shall terminate. Effective as of the Separation Date, the Employee shall voluntarily resign as a director and/or officer of each Company Group entity in which he has served as a director and/or officer prior to the date of this Agreement; from the Company's Pension Committee and as a Trustee of the Company's Pension Plan; and from the Administrative Committee of the Company's Retirement Investment Fund Plan.

3. Consideration to the Employee. The Company shall make the

following payments and provide the following additional benefits and consideration to the Employee, subject to Section 6 hereof:

(a) Salary and Benefits through the Separation Date Payments.

Through and including the Separation Date, the Employee shall continue to be paid his current base salary of \$32,083.33 per month (\$385,000 per year), and shall continue to be entitled to all of the benefits that the Company is currently making available to employees who are officers of the Company. The Employee shall be entitled to the same percentage contribution by the Company in respect of the year 2000 under the Company's Retirement Investment Fund Plan, including the Supplemental Retirement Investment Plan, as the Company makes to United States employees of the Company generally.

(b) 2000 Incentive Compensation. The Employee shall receive \$192,500

(representing 50% of the Employee's 2000 base salary) as incentive compensation under the Company's Management Incentive Compensation Plan (the "MICP") with respect to the year 2000, which shall be paid in one lump sum as previously directed by the Employee under the terms of the MICP (the "2000 Incentive Compensation Award"). No bonus or other incentive compensation (whether under the MICP, the Company's 2000 Stock Award and Incentive Plan or otherwise) is or shall be awarded to the Employee with respect to 2000 or any period after 2000. The 2000 Incentive Compensation Award shall be paid to the Employee in early 2001 at the same time as incentive compensation is paid to executive employees of the Company generally.

(c) Severance Payments. Commencing January 2, 2001 and continuing

through and including December 31, 2002 (the "Severance Period"), the Employee shall receive monthly severance payments of \$48,125, which is equal to the sum of his current monthly base salary (\$32,083.33) and one-twelfth of the 2000 Incentive Compensation Award (\$16,041.67) ("Severance Payments"). Severance Payments shall be made semi-monthly at the same times as compensation is paid to exempt United States employees of the Company.

(d) Stock Options. The Employee may exercise through and including

March 31, 2001 any IFF stock options that are exercisable on the Separation Date, in accordance with the provisions of various Stock Option Agreements between the Employee and the Company. If the Employee should die prior to the expiration of that period, his legal representative's right to exercise stock options shall be governed by the provisions of such Stock Option Agreements. Options that under the terms of such Stock Option Agreements are not exercisable as of the Separation Date shall lapse on such date. All exercisable but then unexercised options shall expire at the close of business on March 31, 2001.

(e) Pension and Other Benefits. The Employee shall be vested in the

benefits that he accrues through January 1, 2001 pursuant to the Company's Pension Plan (including the supplemental plan), the Company's Retirement Income Fund Plan (including the supplemental plan and the MICP and the Company's Special Executive Bonus Plan (as to amounts earned with respect to 1999 and prior years and deferred). The Employee's entitlement to payments from any such plan shall be governed by the terms of such plan. For the shorter of the Severance Period or until the Employee becomes eligible to participate in medical, dental and/or life insurance plans upon his commencement of new "Employment," as hereinafter defined (the "Supplemental Benefits Period"), the Employee and his eligible dependents shall either (a) continue to participate in the Company's medical and dental plans and to be covered under the Company's group life insurance plan (including the Executive Death Benefit Plan), under the same terms and conditions, and at the same contribution levels, as are applicable to active employees of the Company, or (b) if such continued participation is not possible under the terms and conditions of one or more of such plans, the Company shall arrange to have issued for the benefit of the Employee and his dependents individual policies of insurance providing benefits substantially similar (on an after-tax basis) to the plan(s) as to which the Employee's continued participation is not possible. In such event the Employee shall make contributions to the cost of such policy or policies of insurance as if he were continuing to participate in the applicable Company plans. For the purpose of this Agreement, "Employment" shall mean the Employee's substantially full-time participation for monetary compensation as an officer, employee, partner, principal or individual proprietor in any entity or business. At the expiration of the Supplemental Benefits Period the Employee shall be able to continue coverage under the Company's medical plan in accordance with the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA") for up to eighteen (18) months after the expiration of the Supplemental Benefits Period by paying the applicable monthly premiums.

(f) Company Car; Cellular Phone. On the Separation Date, the Company

shall transfer to the Employee ownership of the 1998 Infiniti Q45t automobile currently provided to him by the Company (the "Company Car"). For the Supplemental Benefits Period, the Employee may continue to use, and the Company shall continue to pay in the same manner as it currently does, his Company-provided cellular telephone.

(g) Outplacement. The Company shall arrange for the Employee to have

the outplacement services with Manchester Partners, and shall pay all fees associated therewith. The Company agrees to cause such outplacement services to be continued until the earlier of the expiration of the Severance Period or the date on which the Employee accepts new Employment.

(h) Attorney's Fees. Within ten (10) days after the Employee's

execution and delivery to the Company of this Agreement and the Release, the Company shall place in the mail to the Employee's attorney, Howard S. Denburg, Esq., Grotta, Glassman & Hoffman, 125 West 55th Street, New York, New York 10019, a check for \$2,500 in respect of the Employee's attorneys' fees in connection with the negotiation of this Agreement. The Company shall have no other obligation to the Employee or to any attorney or other advisor acting on the Employee's behalf.

4. Noncompetition; Nonsolicitation. During the Severance Period, the

Employee agrees that he shall not act as a director, officer, employee, partner or individual proprietor of, perform consulting services for, or otherwise give material assistance to, any of the following entities or any of their parent or subsidiary companies anywhere in the world: Dragoco, Firmenich, Givaudan, Haarmann & Reimer, Quest International, Robertet, Takasago or Universal Foods (the "Competing Entities"). Notwithstanding the foregoing, the Employee shall not be prevented from owning a beneficial interest of less than five percent (5%) of the outstanding capital stock of any publicly owned Competing Entity. Additionally, during the Severance Period, the Employee agrees that he shall not solicit, induce, or attempt to influence any individual who is an employee of the Company Group to terminate his or her employment relationship with the Company Group, or to become employed by him or his affiliates or any person by which he is employed, or interfere in any other way with the employment, or other relationship, of the Company Group and any employee thereof. The Employee also agrees that, during the Severance Period he shall not, in any way that interferes with the business of the Company or with the relationship between the Company and any such entity, solicit or canvass the trade, business or patronage of, or sell to or buy from, any persons or entities that are either (i) customers of or suppliers to the Company Group, or (ii) actual or prospective

customers of or suppliers to the Company Group with respect to which a sales effort, presentation or proposal was made.

5. Entire Consideration. The Employee understands and agrees that

the payments and benefits provided for in this Agreement (a) are the only ones to which he is entitled relating to his employment and/or in connection with the termination of his employment with the Company, and (b) are in excess of those to which he otherwise would be entitled, and that they are being provided to him in consideration for his signing of this Agreement and the "Release," as defined in Section 6, which consideration he agrees is adequate and satisfactory to him.

6. Releases. As a condition to the Employee's entitlement to the

compensation, payments and benefits provided for in Sections 1 and 3 hereof, the Employee shall have executed and delivered to the Company a release in the form attached hereto as Schedule I (the "Release"), and such Release shall have become irrevocable. If the Employee exercises his right to revoke the Release in accordance with the terms thereof, then this Agreement shall become null and void ab initio. As a further condition to the Employee's entitlement to the compensation, payment and benefits provided in Section 3, the Company shall have the right to require the Employee to execute and deliver an additional release substantially identical to the Release, but dated as of the Separation Date.

7. Non-Disparagement. Each of the Employee and the Company agrees

that at no time will either the Employee or any officer, director, employee or other representative of the Company in any way denigrate, demean or otherwise say or do anything, whether in oral discussions or in writing, that would cause any third party, including but not limited to suppliers, customers and competitors of the Company, to lower its perception about the integrity, public or private image, professional competence, or quality of products or service, of the other or, in the case of the Company, of any officer, director, employee or other representative of the Company. The Company and the Employee have agreed on the written form of reference attached to this Agreement as Schedule II. The Employee may use this reference with any prospective employer. Other than this reference, if the Company is asked by a prospective employer for a reference with respect to a new position for which the Employee is being considered, without the Employee's prior written consent the Company will do no more than confirm the Employee's dates of employment and salary history.

8. Cooperation and Assistance. The Employee acknowledges that he may

have historical information or knowledge that may be useful to the Company in connection with current or future legal, regulatory or administrative proceedings. The

Employee will cooperate with the Company, both during the Severance Period and thereafter, in the defense or prosecution of any such claims that relate to events or occurrences that transpired during the Employee's employment with the Company. The Employee's cooperation in connection with such claims or actions shall include being reasonably available, subject to his other business and personal commitments, to meet with counsel to prepare for discovery or trial and to testify truthfully as a witness when reasonably requested by the Company at reasonable times and with reasonable advance notice to the Employee. The Company shall reimburse the Employee for any out-of-pocket expenses, including the reasonable fees of the Employee's personal attorney, which he incurs in connection with such cooperation.

9. Return of Property. Except as otherwise provided in this Section

9, the Employee expressly agrees that, on the Separation Date, he will return to the Company all property of the Company Group including, but not limited to, any and all files, computers, computer equipment and software and diskettes, documents, papers, records, accords, notes, agenda, memoranda, plans, calendars and other books and records of any kind and nature whatsoever containing information concerning the Company Group or their customers or operations. The Employee affirms that he will not retain copies of any such property or other materials. Notwithstanding the foregoing, the Employee shall not be required to return the laptop computer, docking station, monitor, keyboard and accessories therefor that are in his Company office on the date of this Agreement, or his rolodexes, personal diaries and correspondence.

10. Non-Disclosure. Under the Employee's Security Agreement with

the Company, a copy of which is attached to this Agreement as Schedule III, and under applicable trade secret law, the Employee is obliged to keep in confidence all trade secrets and proprietary and confidential information of the Company Group, whether patentable or not which he learned or of which he became aware or informed during his employment by the Company (except to the extent disclosure is or may be required by a statute, by a court of law, by any governmental agency having supervisory authority over the business of the Company or by any administrative or legislative body (including a committee thereof) with apparent jurisdiction to order him to divulge, disclose or make accessible such information, and not to directly or indirectly publish, disclose, market or use, or authorize, advise, hire, counsel or otherwise procure any other person or entity, directly or indirectly, to publish, disclose, market or use, any such information. Both under such Security Agreement and under applicable law, such obligations continue not only while the Employee is employed by the Company, but after cessation of that employment. In amplification and not in

limitation of the foregoing, the Employee acknowledges that during his employment with the Company, he has or may have acquired proprietary and confidential knowledge and information of the Company Group, including, but not limited to, fragrance and flavor formulae, secret processes and products, qualities and grades of flavor and fragrance ingredients and raw materials, including but not limited to aroma chemicals, perfumery and flavor and fragrance compounding "know-how" and other technical data belonging to or relating to the Company Group, and the identity of customers and suppliers of the Company Group and the quantities of products ordered by or from and the prices paid by or to those customers and suppliers. In addition, the Employee has also acquired similar confidential knowledge and information belonging to customers of the Company Group and provided to the Company Group in confidence under written and oral secrecy agreements. The Employee agrees to abide by the terms and conditions of the Security Agreement and of this Section 10 both during the Severance Period and thereafter.

11. Tax and Withholding. Any Federal, State and/or local income,

personal property, franchise, excise or other taxes owed by the Employee as a result of the payments or benefits provided under the terms of this Agreement shall be the sole responsibility and obligation of the Employee. The parties hereto agree and acknowledge that Company shall have the right to withhold from any payments made or benefits provided to the Employee any and all amounts that are necessary to enable the Company to satisfy any withholding or other tax obligation that arises in connection with such payments or benefits, and the Company shall report any such amounts that it determines are compensation income on a Form W-2, including but not limited to the value of the Company Car.

12. No Oral Modification. This Agreement may not be changed orally

and no modification, amendment or waiver of any provision contained in this Agreement, or any future representation, promise or condition in connection with the subject matter of this Agreement shall be binding upon any party hereto unless made in writing and signed by such party.

13. Resolution of Disputes. Any disputes under or in connection with

this Agreement shall, at the election of either party, be resolved by arbitration, to be held in New York, New York in accordance with the rules and procedures of the American Arbitration Association then in effect. Judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction. Each party shall bear its own costs, including but not limited to attorneys' fees, of the arbitration or of any litigation arising out of this Agreement. Pending the resolution

of any arbitration or litigation, the Company shall continue payment of all amounts due the Employee under this Agreement and all benefits to which the Employee is entitled at the time the dispute arises.

14. Severability. In the event that any provision of this Agreement

or the application thereof should be held to be void, voidable, unlawful or, for any reason, unenforceable, the remaining portion and application shall remain in full force and effect, and to that end the provisions of this Agreement are declared to be severable.

15. Governing Law. This Agreement is made and entered into, and

shall be subject to, governed by, and interpreted in accordance with the laws of the State of New York and shall be fully enforceable in the courts of that state, without regard to principles of conflict of laws.

16. Successors and Assigns. This Agreement shall inure to the

benefit of and shall be binding upon the parties hereto and their respective heirs, administrators, representatives, executors, successors and assigns, including but not limited to (i) with respect to the Company, any entity with which the Company may merge or consolidate or to which the Company may sell all or substantially all of its assets, and (ii) with respect to the Employee, his executors, administrators, heirs and legal representatives.

17. Notices. All notices required pursuant to this Agreement shall

be in writing and shall be deemed given if mailed, postage prepaid, or if delivered by fax or by hand, to a party at the address set forth below:

If to the Employee:

Mr. Robert G. Corbett
779 Hyslip Avenue
Westfield, New Jersey 07090

If to the Company:

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

Attention: Corporate Secretary

Any change in address by either party shall be effective when notified to the other party as aforesaid.

18. Counterparts. This Agreement may be executed in

counterparts, and each counterpart, when executed, shall have the effect of a signed original.

19. Acknowledgment of Knowing and Voluntary Release; Revocation

Right. The Employee certifies that he has read the terms of this Agreement.

The execution hereof by the Employee shall indicate that this Agreement conforms to the Employee's understandings and is acceptable to him as a final agreement. It is further understood and agreed that the Employee has had the opportunity to consult with counsel of his choice, that he has in fact consulted with his own counsel with respect to this Agreement, and that he has been given a reasonable and sufficient period of time of no less than 21 days in which to consider and return this Agreement.

WHEREFORE, intending to be legally bound, the parties have agreed to the aforesaid terms and indicate their agreement by signing below.

ROBERT G. CORBETT

/s/ Robert G. Corbett

11/26/00

Robert G. Corbett

Date

INTERNATIONAL FLAVORS & FRAGRANCES INC.

By: /s/ Stephen A. Block

11/15/00

Stephen A. Block
Senior Vice-President
General Counsel
and Secretary

Date

RELEASE

KNOW ALL PERSONS BY THESE PRESENTS that the undersigned, Robert G. Corbett, of 770 Hyslip Avenue, Westfield, New Jersey 07090 (hereinafter referred to as "Employee"), for and in consideration of certain benefits heretofore paid or to be paid or provided to him by International Flavors & Fragrances Inc., a New York corporation with a place of business at 521 West 57th Street, New York, New York 10019 (hereinafter referred to as "IFF Inc."), as such benefits are set forth in a Separation Agreement dated as of November 1, 2000 (the "Separation Agreement"), DOES HEREBY IRREVOCABLY AND UNCONDITIONALLY AGREE TO RELEASE, WAIVE and FOREVER DISCHARGE, except as otherwise provided in this Release, IFF Inc. and all of its subsidiaries, affiliates, successors and assigns and their respective directors, officers, employees and agents (hereinafter referred to as "Releasees") from all "Claims", as hereinafter defined, and Employee waives, releases and covenants not to sue Releasees or to file any lawsuit or any claim with any Federal, state or local administrative agency asserting or in respect of any of such Claims.

As used in this Release, the term "Claims" means and includes all charges, complaints, claims, liabilities, obligations,

promises, agreements, damages, actions, causes of action, rights, costs, losses and expenses (including attorneys' fees and costs actually incurred) of any nature whatsoever, known or unknown, suspected or unsuspected, which Employee now has, or claims to have, or which Employee at any earlier time had, or claimed to have had, or which Employee at any future time may have, or claim to have, against each or any of the Releasees as to any matters relating to or arising out of his employment and/or service on the Board of Directors of IFF Inc. or any subsidiary or affiliate thereof or the termination of such employment or Board of Director service, and occurring or arising on or before the date this Release is executed by Employee. The Claims Employee is releasing under this Release include, but are not limited to, rights arising out of alleged violations of any contracts, express or implied, written or oral, and any Claims for wrongful discharge, fraud, misrepresentation, infliction of emotional distress, or any other tort, and any other Claims relating to or arising out of Employee's employment, compensation and benefits with IFF Inc. or the termination thereof, and any Claim for violation of any the laws of any country of the world or subdivision thereof, including but not limited to any United States Federal, state or other governmental statute, regulation or ordinance including, but not limited to, the following, each as amended to date:

- (1) Title VII of the Civil Rights Act of 1964, 42 U.S.C. (S)(S) 2000e et seq.;
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- (2) Section 1981 of the Civil Rights Act of 1866, 42 U.S.C. (S) 1981; (3) the Americans with Disabilities Act, 42 U.S.C. (S) 12101 et seq. (4) the Age
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Discrimination in Employment Act, 29 U.S.C. (S)(S) 621-634; (5) the Equal Pay Act of 1963, 29 U.S.C. (S) 206; (6) Executive Order 11246; (7) Executive Order 11141; (8) Section 503 of the Rehabilitation Act of 1973, 29 U.S.C. (S)(S) 701 et seq.; (9) the Employee Retirement Income Security Act of 1974, 29 U.S.C.

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(S)(S) 1001 et seq.; and (10) any applicable New York or New Jersey law,
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statute, regulation, ordinance, or constitutional or public policy provisions. Anything in this Release to the contrary notwithstanding, it is agreed that the Employee does not waive his rights to coverage under any directors and officers insurance policy, for indemnification pursuant to IFF Inc.'s By-laws as in effect on the date of this Release for acts or omissions occurring or alleged to have occurred during Employee's employment or other service to IFF Inc., or to enforce the Separation Agreement or any rights under any employee or retirement benefit plan, program or policy of IFF Inc. or any of its subsidiaries or affiliates.

Employee hereby represents that neither he nor anyone acting at his discretion or on his behalf has filed any complaints, charges, claims, demands or lawsuits with respect to any Claim (an "Action") against any Releasee with any governmental agency or any court; that he will not file or pursue any Action at any time hereafter; and that if any such agency or court assumes jurisdiction of any Action, against any Releasee on behalf of Employee, he will request such agency or court to withdraw the matter. If any such Action is filed by the Employee, he further agrees that he will not seek any relief from the Releasees, however

that relief might be called, whether reinstatement, back pay, compensatory, punitive or exemplary damages, claims for emotional distress or pain and suffering, or claims for attorneys' fees, reimbursement of expenses or otherwise, on the basis of any such claim. Neither this Release nor the undertaking in this paragraph shall limit Employee from pursuing Claims for the sole purpose of enforcing his rights under the Separation Agreement or under any employment or retiree benefit plan or program of IFF Inc. or any of its subsidiaries or affiliates.

For the purpose of implementing a full and complete release and discharge of claims, the Employee expressly acknowledges that this Release is intended to include in its effect, without limitation, all the claims described in the preceding paragraphs, whether known or unknown, apparent or concealed, and that this Release contemplates the extinction of all such claims, including claims for attorneys' fees. Employee expressly waives any right to assert after the execution of this Release that any such claim, demand, obligation, or cause of action has, through ignorance or oversight, been omitted from the scope of the Release.

This Release is made and entered into, and shall be subject to, governed by and interpreted in accordance with the laws of the State of New York and shall be fully enforceable in the courts of that state, without regard to principles of conflict of laws.

Employee hereby represents that he has been given a period of

twenty-one (21) days to review and consider this Release before signing it. Employee further understands that he may use none or as much of this 21-day period as he wishes prior to signing.

Employee is advised that he has the right to and acknowledges that he has consulted with an attorney before signing this Release.

Employee may revoke this Release within seven (7) days after he signs it. Revocation can be made by delivering a written notice of revocation to Stephen A. Block, Senior Vice President, General Counsel and Secretary, IFF Inc., 521 West 57th Street, New York, New York 10019. For such revocation to be effective, written notice must be received by Mr. Block not later than the close of business on the seventh day after the day on which Employee executes this Release. If Employee revokes this Release, it shall not be effective and the Separation Agreement shall be null and void ab initio.

EMPLOYEE ACKNOWLEDGES THAT HE HAS READ THIS RELEASE, UNDERSTANDS IT AND IS VOLUNTARILY EXECUTING IT AND THAT NO REPRESENTATIONS, PROMISES OR INDUCEMENTS HAVE BEEN MADE TO EMPLOYEE EXCEPT AS SET FORTH IN THIS RELEASE VOLUNTARILY, AND THAT HE INTENDS TO BE LEGALLY BOUND BY ITS TERMS, WITH FULL UNDERSTANDING OF ITS CONSEQUENCES.

PLEASE READ THIS RELEASE CAREFULLY. IT COVERS ALL KNOWN AND UNKNOWN CLAIMS INCLUDING CLAIMS UNDER THE FEDERAL AGE DISCRIMINATION IN EMPLOYMENT ACT.

Executed at New York, New York on November 26, 2000.

/s/ Robert G. Corbett

Robert G. Corbett

INTERNATIONAL FLAVORS & FRAGRANCES INC.

FORM OF REFERENCE PURSUANT TO
SECTION 7 OF SEPARATION AGREEMENT
DATED AS OF NOVEMBER 1, 2000

Over the past several months as part of its strategic planning process, IFF has been assessing the organization and evaluating what the most effective structure should be going forward from a strategic and tactical perspective. Most recently, decisions were made to streamline the organization by combining the flavor and fragrance divisions in response to the competitive marketplace and the consolidating industry situation. Specifically, Bob's position was eliminated and during our discussions Bob indicated that his career options and continued growth at IFF would be limited. As a result, we agreed that Bob would begin looking at outside opportunities.

SECURITY AGREEMENT

International Flavors & Fragrances Inc.

521 West 57th St. New York, N.Y. 10019

(IFF)

In consideration of my employment by IFF or any its subsidiaries therein together call IFF. I hereby agree as follows:

1. I acknowledge that in the course of my employment by IFF, I may have access to, acquire or gain confidential knowledge or information (i) with respect to formulae, secret processes, plans, devices, products, know-how and other data belonging or relating to IFF, or (ii) with respect to the identity of customers of IFF, and the identity of products and the quantity and prices of the same ordered by such customers. I acknowledge that all such information is the sole property of IFF and I shall treat it as set forth below.

2. I shall keep confidential all such knowledge or information described above and shall not divulge it to others nor use it for my own private purposes or personal gain without the express written consent of IFF. This obligation on my part shall continue during and after the period of my employment by IFF.

3. Upon termination of my employment or at any time IFF may request. I shall deliver to IFF all notes, memoranda, formulae, records, files or other papers, and copies thereof, in my custody relating to any such knowledge or information described above to which I have had access or which I may have developed during the term of my employment.

4. I shall not, without the prior written permission of IFF, after leaving the employ of IFF for any reason, work for others, or for my own account on any of the secret processes or formulae on which I have worked or to which I have had access which in the employ of IFF.

5. Any invention, formulae, process, product, idea, discovery and improvement conceived or developed by me within the period of my employment, relating to any activity engaged in by IFF, shall be the sole and exclusive property of IFF and I shall promptly communicate to IFF full information with respect to any of the foregoing conceived or developed by me. I shall execute and deliver all documents and do all other things as shall be deemed by IFF to be necessary and proper to effect the assignment to IFF of the sole and exclusive right, title and interest in and to all such inventions, formulae, processes products, ideas, discoveries and improvements, and patent applications and patents thereon.

6. I understand and agree that IFF has no interest and will not accept divulgence to it or any confidential knowledge or information which is the property of any previous employee or other third party. Notwithstanding any other paragraph of this agreement. I shall not communicate any such confidential knowledge or information to IFF nor use the same during the course of my employment.

April 18, 1983

/s/ Robert G. Corbett

date

(signature)

INTERNATIONAL FLAVORS & FRAGRANCES INC.

SUPPLEMENTAL RETIREMENT INVESTMENT PLAN ("SRIP")
(adopted 11/14/89; as amended through 6/30/00)

The accrual and payment of benefits under the Company's Retirement Investment Fund Plan ("RIFP") may be limited by present and future government rules covering qualified plans. A non-qualified Supplemental Retirement Investment Plan ("SRIP") is hereby established to accrue each year and pay upon retirement or other termination of employment that part of the RIFP benefits that, because of governmentally imposed limitations, cannot be accrued or paid by the qualified plan.

This Plan shall be unfunded and shall be administered by a SRIP Committee (the "Committee"), the members of which shall be the same individuals as those comprising the RIFP Administrative Committee, using on and after October 1, 1994 the record-keeping and accounting services of the Vanguard Group, Inc. ("Vanguard").

The SRIP Plan Year shall be the same as that of the RIFP.

Any employee who is a Participant in the Company's RIFP and for whom benefits calculated under this Plan would exceed benefits calculated under the RIFP is also a Participant in this Plan.

For purposes of this Plan, "Compensation" is defined as follows:

"`Compensation' of any Participant shall mean the basic rate of monthly compensation from the Company in effect for him or her on the Compensation Date (as defined in the RIFP), including one-twelfth of any earnings deferred by him or her in respect of the Plan Year pursuant to a then effective cash or deferred wage and salary conversion agreement ("CODA") under Section 401(k) of the Internal Revenue Code, but excluding compensation for overtime service, shift differential, bonuses, commissions and all other forms of fringe compensation or benefits and any amount contributed for him or her by the Company to any public or private employee benefit plan, including this Plan, other than contributions corresponding to CODA reductions referred to above."

Amounts of benefits and rate of compensation calculated for this Plan shall not be subject to limitations imposed by governmental enactments, rules or

regulations concerning qualified benefit plans, including those limitation embodied in the RIFP under the "Compensation" and "Nondiscrimination Requirements" sections.

The calculation of benefits under this Plan for any Plan Year for any Participant shall be performed as follows: First, the percentage of total "Compensation" (calculated under the provisions of the RIFP then in effect) of all RIFP Participants for such year represented by the Company's total contribution to the RIFP for such year shall be determined to the third decimal place. Such percentage shall then be applied to the "Compensation" (calculated under the provisions of this Plan) for such Plan year of such Participant in this Plan to determine his or her total allocation. Benefits accrued each Plan Year under this Plan for such Participant and allocated to his or her account shall be the excess, if any, of the allocation calculated as described above for this Plan over the contribution allocable to the Participant for the same Plan Year under the Company's RIFP and shall be payable in an all-cash, lump sum payment at the same time as the Participant's benefits under the RIFP.

The annual benefit allocated to each Participant's account under this Plan shall be credited to each

Participant's SRIP account with Vanguard at the end of or as soon as practicable following the applicable Plan Year and thereafter shall be increased or decreased in accordance with the investment performance of that one or more of the following Vanguard mutual funds selected by the Participant as a measurement vehicle for his(her) SRIP account, until actually paid out to the Participant from the general assets of IFF:

- Vanguard Money Market Reserves Prime Portfolio
- Vanguard Bond Index Fund-Total Bond Market Portfolio
- Vanguard Long-Term Corporate Bond Portfolio
- Vanguard Index Trust 500 Portfolio
- Vanguard U.S. Growth Portfolio
- Vanguard International Growth Portfolio

The Participant may change from time to time his(her) selection of the measurement vehicle(s) for his(her) SRIP account by notice to, and in accordance with the procedures established by, Vanguard.

Amounts payable under this Plan shall not be assignable or subject to attachment or levy of any kind and may not be borrowed against or withdrawn prior to retirement or other termination of employment.

The Company may terminate this Plan at any time, whereupon the rights of Participants to their benefits accrued and adjusted as aforesaid to the date of such termination shall be nonforfeitable. The Company may amend

this Plan at any time by action of the Board of Directors but no amendment shall cause a reduction in the amounts theretofore credited to any Participant, adjusted as aforesaid.

The effective date of this Plan shall be November 14, 1989, and benefits shall be calculated and accrued hereunder for the 1989 Plan Year and subsequent Plan Years.

2000 Stock Award and Incentive Plan
As Amended and Restated November 14, 2000

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2000 Stock Award and Incentive Plan
As Amended and Restated November 14, 2000

1. Purpose. The purpose of this 2000 Stock Award and Incentive Plan (the "Plan") is to aid International Flavors & Fragrances Inc., a New York corporation (the "Company"), in attracting, retaining, motivating and rewarding employees, non-employee directors, and other persons who provide substantial services to the Company or its subsidiaries or affiliates, to provide for equitable and competitive compensation opportunities, to recognize individual contributions and reward achievement of Company goals, and promote the creation of long-term value for shareholders by closely aligning the interests of Participants with those of shareholders. The Plan authorizes stock-based and cash-based incentives for Participants.

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

(a) "Annual Incentive Award" means a type of Performance Award granted to a Participant under Section 7(c) representing a conditional right to receive cash, Stock or other Awards or payments, as determined by the Committee, based on performance in a performance period of one fiscal year or a portion thereof.

(b) "Award" means any cash award, Option, SAR, Restricted Stock, Deferred Stock, Stock granted as a bonus or in lieu of another award, Dividend Equivalent, Other Stock-Based Award, Performance Award or Annual Incentive Award, together with any related right or interest, granted to a Participant under the Plan.

(c) "Beneficiary" means any family member or members, including by marriage or adoption, any trust in which the Participant or any family member or members have more than 50% of the beneficial interest, and any other entity in which the Participant or any family member or members own more than 50% of the voting interests, in each case designated by the Participant in his most recent written Beneficiary designation filed with the Committee as entitled to exercise rights or receive benefits in connection with the Award (or any portion thereof), or if there is no surviving designated Beneficiary, then the person, persons, trust or trusts entitled by will or the laws of descent and distribution to exercise rights or receive benefits in connection with the Award on behalf or in lieu of such non-surviving designated Beneficiary.

(d) "Board" means the Company's Board of Directors.

(e) "Change in Control" and related terms have the meanings specified in Section 9.

(f) "Code" means the Internal Revenue Code of 1986, as amended. References to any provision of the Code or regulation (including a proposed regulation) thereunder shall include any successor provisions and regulations.

(g) "Committee" means a committee of two or more directors designated by the Board to administer the Plan; provided, however, that, directors appointed or serving as members of a Board committee designated as the Committee shall not be employees of the Company or any subsidiary or affiliate. In appointing members of the Committee, the Board will consider whether a member is or will be a Qualified Member, but such members are not required to be Qualified Members at the time of appointment or during their term of service on the Committee. The full Board may perform any function of the Committee hereunder, in which case the term "Committee" shall refer to the Board.

(h) "Covered Employee" means an Eligible Person who is a Covered Employee as specified in Section 11(j).

(i) "Deferred Stock" means a right, granted to a Participant under Section 6(e), to receive Stock or other Awards or a combination thereof at the end of a specified deferral period.

(j) "Dividend Equivalent" means a right, granted to a Participant under Section 6(g), to receive cash, Stock, other Awards or other property equal in value to all or a specified portion of the dividends paid with respect to a specified number of shares of Stock.

(k) "Effective Date" means the effective date specified in Section 11(p).

(l) "Eligible Person" has the meaning specified in Section 5.

(m) "Exchange Act" means the Securities Exchange Act of 1934, as amended. References to any provision of the Exchange Act or rule (including a proposed rule) thereunder shall include any successor provisions and rules.

(n) "Fair Market Value" means the fair market value of Stock, Awards or other property as determined by the Committee or under procedures established by the Committee. Unless otherwise determined by the Committee, the Fair Market Value of Stock shall be the closing sale price reported on the composite tape of the New York Stock Exchange on the day as of which such value is being determined or, if there is no sale on that day, then on the last previous day on which a sale was reported.

(o) "Incentive Stock Option" or "ISO" means any Option designated as an incentive stock option within the meaning of Code Section 422 or any successor provision thereto and qualifying thereunder.

(p) "Option" means a right, granted to a Participant under Section 6(b), to purchase Stock or other Awards at a specified price during specified time periods.

(q) "Other Stock-Based Awards" means Awards granted to a Participant under Section 6(h).

(r) "Participant" means a person who has been granted an Award under the Plan which remains outstanding, including a person who is no longer an Eligible Person.

(s) "Performance Award" means a conditional right, granted to a Participant under Sections 6(i) and 7, to receive cash, Stock or other Awards or payments, as determined by the Committee, based upon performance criteria specified by the Committee.

(t) "Qualified Member" means a member of the Committee who is a "Non-Employee Director" within the meaning of Rule 16b-3(b)(3) and an "outside director" within the meaning of Regulation 1.162-27 under Code Section 162(m).

(u) "Restricted Stock" means Stock granted to a Participant under Section 6(d) which is subject to certain restrictions and to a risk of forfeiture.

(v) "Rule 16b-3" means Rule 16b-3, as from time to time in effect and applicable to Participants, promulgated by the Securities and Exchange Commission under Section 16 of the Exchange Act.

(w) "Stock" means the Company's Common Stock, and any other equity securities of the Company that may be substituted or resubstituted for Stock pursuant to Section 11(c).

(x) "Stock Appreciation Rights" or "SAR" means a right granted to a Participant under Section 6(c).

3. Administration.

(a) Authority of the Committee. The Plan shall be administered by the Committee, which shall have full and final authority, in each case subject to and consistent with the provisions of the Plan, to select Eligible Persons to become Participants; to grant Awards; to determine the type and number of Awards, the dates on which Awards may be exercised and on which the risk of forfeiture or deferral period relating to Awards shall lapse or terminate, the acceleration of any such dates, the expiration date of any Award, whether, to what extent, and under what circumstances an Award may be settled, or the exercise price of an Award may be paid, in cash, Stock, other Awards, or other property, and other terms and conditions of, and all other matters relating to, Awards; to prescribe documents evidencing or setting terms of Awards (such Award documents need not be identical for each Participant), amendments thereto, and rules and regulations for the administration of the Plan and amendments thereto; to construe and interpret the Plan and Award documents and correct defects, supply omissions or reconcile inconsistencies therein; and to make all other decisions and determinations as the Committee may deem necessary or advisable for the administration of the Plan. Decisions of the Committee with respect to the administration and interpretation of the Plan shall be final, conclusive, and binding upon all persons interested in the Plan, including Participants, Beneficiaries, transferees under Section 11(b) and other persons claiming rights from or through a Participant, and shareholders. The foregoing notwithstanding, the Board shall perform the

functions of the Committee for purposes of granting Awards under the Plan to non-employee directors (authority with respect to other aspects of non-employee director awards is not exclusive to the Board, however).

(b) Manner of Exercise of Committee Authority. At any time that a member of the Committee is not a Qualified Member, (i) any action of the Committee relating to an Award intended by the Committee to qualify as "performance-based compensation" within the meaning of Code Section 162(m) and regulations thereunder may be taken by a subcommittee, designated by the Committee or the Board, composed solely of two or more Qualified Members, and (ii) any action relating to an Award granted or to be granted to a Participant who is then subject to Section 16 of the Exchange Act in respect of the Company may be taken either by such a subcommittee or by the Committee but with each such member who is not a Qualified Member abstaining or recusing himself or herself from such action, provided that, upon such abstention or recusal, the Committee remains composed of two or more Qualified Members. Such action, authorized by such a subcommittee or by the Committee upon the abstention or recusal of such non-Qualified Member(s), shall be the action of the Committee for purposes of the Plan. The express grant of any specific power to the Committee, and the taking of any action by the Committee, shall not be construed as limiting any power or authority of the Committee. The Committee may delegate to officers or managers of the Company or any subsidiary or affiliate, or committees thereof, the authority, subject to such terms as the Committee shall determine, to perform such functions, including administrative functions, as the Committee may determine, to the extent that such delegation will not result in the loss of an exemption under Rule 16b-3(d) for Awards granted to Participants subject to Section 16 of the Exchange Act in respect of the Company and will not cause Awards intended to qualify as "performance-based compensation" under Code Section 162(m) to fail to so qualify.

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

4. Stock Subject to Plan.

(a) Overall Number of Shares Available for Delivery. Subject to adjustment as provided in Section 11(c), the total number of shares of Stock reserved and available for delivery in connection with Awards under the Plan shall be 4.5 million shares, and the total number of shares with respect to which ISOs may be granted shall not exceed such number; provided, that the total number of shares which may be issued and delivered in connection with Awards other than Options and SARs shall not exceed 30% of the total number of shares reserved under the Plan. Any shares of Stock delivered under the Plan shall consist of authorized and unissued shares or treasury shares.

(b) Share Counting Rules. The Committee may adopt reasonable counting procedures to ensure appropriate counting, avoid double counting (as, for example, in the case of tandem or substitute awards) and make adjustments if the number of shares of Stock actually delivered differs from the number of shares previously counted in connection with an Award. Shares subject to an Award that is canceled, expired, forfeited, settled in cash or otherwise terminated without a delivery of shares to the Participant will again be available for Awards, and shares withheld in payment of the exercise price or taxes relating to an Award and shares equal to the number surrendered in payment of any exercise price or taxes relating to an Award shall be deemed to constitute shares not delivered to the Participant and shall be deemed to again be available for Awards under the Plan. In addition, in the case of any Award granted in substitution for an award of a company or business acquired by the Company or a subsidiary or affiliate, shares issued or issuable in connection with such substitute Award shall not be counted against the number of shares reserved under the Plan, but shall be available under the Plan by virtue of the Company's assumption of the plan or arrangement of the acquired company or business. This Section 4(b) shall apply to the number of shares reserved and available for ISOs only to the extent consistent with applicable regulations relating to ISOs under the Code.

5. Eligibility; Per-Person Award Limitations. Awards may be granted under the Plan only to Eligible Persons. For purposes of the Plan, an "Eligible Person" means an employee of the Company or any subsidiary or affiliate, including any executive officer, a non-employee director of the Company, a consultant or other person who provides substantial services to the Company or a subsidiary or affiliate, and any person who has been offered employment by the Company or a subsidiary or affiliate, provided that such prospective employee, non-employee director, consultant or other person may not receive any payment or exercise any right relating to an Award until such person has commenced employment with or providing of services to the Company or a subsidiary or affiliate. An employee on leave of absence may be considered as still in the employ of the Company or a subsidiary or affiliate for purposes of eligibility for participation in the Plan. For purposes of the Plan, a joint venture in which the Company or a subsidiary has a substantial direct or indirect equity investment shall be deemed an affiliate, if so determined by the Committee. In each calendar year during any part of which the Plan is in effect, an Eligible Person may be granted Awards intended to qualify as "performance-based compensation" under Code Section 162(m) under each of Section 6(b), 6(c), 6(d), 6(e), 6(f), 6(g) or 6(h) relating to up to his or her Annual Limit (such Annual Limit to apply separately to the type of Award authorized under each specified subsection, except that the limitation applies to Dividend Equivalents under Section 6(g) only if such Dividend Equivalents are granted separately from and not as a feature of another Award). A Participant's Annual Limit, in any year during any part of which the Participant is then eligible under the Plan, shall equal two million shares plus the amount of the Participant's unused Annual Limit relating to the same type of Award as of the close of the previous year, subject to adjustment as provided in Section 11(c). In the case of an Award which is not valued in a way in which the limitation set forth in the preceding sentence would operate as an effective limitation satisfying Treasury Regulation 1.162-27(e)(4) (including Performance Awards under Section 7 not related to an Award specified in Section 6), the maximum amount of an Annual Incentive Award under Section 7(c) that may be earned by an Eligible Person in any year shall be 50% of the amount of the Annual Incentive Pool specified in Section 7(c)(ii), and the maximum amount of such an Award other than an Annual Incentive Award under Section 7(c) that may be earned by an Eligible Person during any

calendar year shall be equal to the Participant's Annual Limit, which for this purpose shall equal \$6 million plus the amount of the Participant's unused cash Annual Limit for such Awards other than Annual Incentive Awards as of the close of the previous year. For purposes of this Section 5, (i) the limitation on share-based awards, the limitation on the earning of Annual Incentive Awards, and the limitation on the earning of non-share-based Awards other than Annual Incentive Awards each is a separate limitation, which is not decreased by the authorization or payout of Awards that are subject to the other limitations; (ii) "earning" means satisfying performance conditions so that an amount becomes payable, without regard to whether it is to be paid currently or on a deferred basis or continues to be subject to any service requirement or other non-performance condition; and (iii) a Participant's Annual Limit is used to the extent an amount or number of shares may be potentially earned or paid under an Award, regardless of whether such amount or shares are in fact earned or paid.

6. Specific Terms of Awards.

(a) General. Awards may be granted on the terms and conditions set forth in this Section 6. In addition, the Committee may impose on any Award or the exercise thereof, at the date of grant or thereafter (subject to Section 11(e)), such additional terms and conditions, not inconsistent with the provisions of the Plan, as the Committee shall determine, including terms requiring forfeiture of Awards in the event of termination of employment or service by the Participant and terms permitting a Participant to make elections relating to his or her Award. The Committee shall retain full power and discretion with respect to any term or condition of an Award that is not mandatory under the Plan. The Committee shall require the payment of lawful consideration for an Award to the extent necessary to satisfy the requirements of the New York Business Corporation Law, and may otherwise require payment of consideration for an Award except as limited by the Plan.

(b) Options. The Committee is authorized to grant Options to Participants on the following terms and conditions:

(i) Exercise Price. The exercise price per share of Stock purchasable under an Option (including both ISOs and non-qualified Options) shall be determined by the Committee, provided that such exercise price shall be not less than the Fair Market Value of a share of Stock on the date of grant of such Option, subject to Sections 6(f) and 8(a).

(ii) Option Term; Time and Method of Exercise. The Committee shall determine the term of each Option, provided that in no event shall the term of any ISO or SAR in tandem therewith exceed a period of ten years from the date of grant. The Committee shall determine the time or times at which or the circumstances under which an Option may be exercised in whole or in part (including based on achievement of performance goals and/or future service requirements), the methods by which such exercise price may be paid or deemed to be paid and the form of such payment (subject to Section 11(k)), including, without limitation, cash, Stock, other Awards or awards granted under other plans of the Company or any subsidiary or affiliate, or other property (including notes and other contractual obligations of Participants to make payment on a deferred basis, such as through "cashless exercise" arrangements, to the extent permitted by applicable law), and the methods by or forms in which Stock will be delivered or deemed to be delivered in satisfaction

of Options to Participants (including deferred delivery of shares representing the Option "profit," at the election of the Participant or as mandated by the Committee, with such deferred shares subject to any vesting, forfeiture or other terms as the Committee may specify).

(iii) ISOs. The terms of any ISO granted under the Plan shall comply in all respects with the provisions of Code Section 422, including but not limited to the requirement that no ISO shall be granted more than ten years after the Effective Date.

(c) Stock Appreciation Rights. The Committee is authorized to grant SAR's to Participants on the following terms and conditions:

(i) Right to Payment. An SAR shall confer on the Participant to whom it is granted a right to receive, upon exercise thereof, the excess of (A) the Fair Market Value of one share of Stock on the date of exercise (or, in the case of a "Limited SAR," the Fair Market Value determined by reference to the Change in Control Price, as defined under Section 9(d) hereof) over (B) the grant price of the SAR as determined by the Committee.

(ii) Other Terms. The Committee shall determine at the date of grant or thereafter, the time or times at which and the circumstances under which a SAR may be exercised in whole or in part (including based on achievement of performance goals and/or future service requirements), the method of exercise, method of settlement, form of consideration payable in settlement, method by or forms in which Stock will be delivered or deemed to be delivered to Participants, and whether or not a SAR shall be free-standing or in tandem or combination with any other Award. Limited SARs that may only be exercised in connection with a Change in Control or other event as specified by the Committee may be granted on such terms, not inconsistent with this Section 6(c), as the Committee may determine.

(d) Restricted Stock. The Committee is authorized to grant Restricted Stock to Participants on the following terms and conditions:

(i) Grant and Restrictions. Restricted Stock shall be subject to such restrictions on transferability, risk of forfeiture and other restrictions, if any, as the Committee may impose, which restrictions may lapse separately or in combination at such times, under such circumstances (including based on achievement of performance goals and/or future service requirements), in such installments or otherwise and under such other circumstances as the Committee may determine at the date of grant or thereafter. The foregoing notwithstanding, Restricted Stock will vest over a minimum period of one year except in the event of a Participant's death, disability, or retirement, or in the event of a Change in Control or other special circumstances. For purposes of this Section 6(d), vesting over a one-year period will include periodic vesting over such period if the rate of such vesting is proportional throughout such period. Except to the extent restricted under the terms of the Plan and any Award document relating to the Restricted Stock, a Participant granted Restricted Stock shall have all of the rights of a shareholder, including the right to vote the Restricted Stock and the right to receive dividends thereon (subject to any mandatory reinvestment or other requirement imposed by the Committee).

(ii) Forfeiture. Except as otherwise determined by the Committee, upon termination of employment or service during the applicable restriction period, Restricted Stock that is at that time subject to restrictions shall be forfeited and reacquired by the Company; provided that the Committee may provide, by rule or regulation or in any Award document, or may determine in any individual case, that restrictions or forfeiture conditions relating to Restricted Stock will lapse in whole or in part, including in the event of terminations resulting from specified causes.

(iii) Certificates for Stock. Restricted Stock granted under the Plan may be evidenced in such manner as the Committee shall determine. If certificates representing Restricted Stock are registered in the name of the Participant, the Committee may require that such certificates bear an appropriate legend referring to the terms, conditions and restrictions applicable to such Restricted Stock, that the Company retain physical possession of the certificates, and that the Participant deliver a stock power to the Company, endorsed in blank, relating to the Restricted Stock.

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

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

(i) Award and Restrictions. Issuance of Stock will occur upon expiration of the deferral period specified for an Award of Deferred Stock by the Committee (or, if permitted by the Committee, as elected by the Participant). In addition, Deferred Stock shall be subject to such restrictions on transferability, risk of forfeiture and other restrictions, if any, as the Committee may impose, which restrictions may lapse at the expiration of the deferral period or at earlier specified times (including based on achievement of performance goals and/or future service requirements), separately or in combination, in installments or otherwise, and under such other circumstances as the Committee may determine at the date of grant or thereafter. Deferred Stock may be satisfied by delivery of Stock, other Awards, or a combination thereof (subject to Section 11(k)), as determined by the Committee at the date of grant or thereafter.

(ii) Forfeiture. Except as otherwise determined by the Committee, upon termination of employment or service during the applicable deferral period or portion thereof to which forfeiture conditions apply (as provided in the Award document evidencing the Deferred Stock), all Deferred Stock that is at that time subject to such forfeiture conditions shall be forfeited; provided that the Committee may provide, by rule or regulation or in any Award document, or may determine in any individual case, that restrictions or forfeiture conditions relating to Deferred Stock will lapse in whole or in part, including in the event of terminations resulting from specified causes.

(iii) Dividend Equivalents. Unless otherwise determined by the Committee, Dividend Equivalents on the specified number of shares of Stock covered by an Award of Deferred Stock shall be either (A) paid with respect to such Deferred Stock at the dividend payment date in cash or in shares of unrestricted Stock having a Fair Market Value equal to the amount of such dividends, or (B) deferred with respect to such Deferred Stock, either as a cash deferral or with the amount or value thereof automatically deemed reinvested in additional Deferred Stock, other Awards or other investment vehicles having a Fair Market Value equal to the amount of such dividends, as the Committee shall determine or permit a Participant to elect.

(f) Bonus Stock and Awards in Lieu of Obligations. The Committee is authorized to grant Stock as a bonus, or to grant Stock or other Awards in lieu of obligations of the Company or a subsidiary or affiliate to pay cash or deliver other property under the Plan or under other plans or compensatory arrangements, subject to such terms as shall be determined by the Committee.

(g) Dividend Equivalents. The Committee is authorized to grant Dividend Equivalents to a Participant, entitling the Participant to receive cash, Stock, other Awards, or other property equivalent to all or a portion of the dividends paid with respect to a specified number of shares of Stock. Dividend Equivalents may be awarded on a free-standing basis or in connection with another Award. The Committee may provide that Dividend Equivalents shall be paid or distributed when accrued or shall be deemed to have been reinvested in additional Stock, Awards, or other investment vehicles, and subject to restrictions on transferability, risks of forfeiture and such other terms as the Committee may specify.

(h) Other Stock-Based Awards. The Committee is authorized, subject to limitations under applicable law, to grant to Participants such other Awards that may be denominated or payable in, valued in whole or in part by reference to, or otherwise based on, or related to, Stock or factors that may influence the value of Stock, including, without limitation, convertible or exchangeable debt securities, other rights convertible or exchangeable into Stock, purchase rights for Stock, Awards with value and payment contingent upon performance of the Company or business units thereof or any other factors designated by the Committee, and Awards valued by reference to the book value of Stock or the value of securities of or the performance of specified subsidiaries or affiliates or other business units. The Committee shall determine the terms and conditions of such Awards. Stock delivered pursuant to an Award in the nature of a purchase right granted under this Section 6(h) shall be purchased for such consideration, paid for at such times, by such methods, and in such forms, including, without limitation, cash, Stock, other Awards, notes, or other property, as the Committee shall determine. Cash awards, as an element of or

supplement to any other Award under the Plan, may also be granted pursuant to this Section 6(h).

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

7. Performance Awards, Including Annual Incentive Awards.

(a) Performance Awards Generally. The Committee is authorized to grant Performance Awards on the terms and conditions specified in this Section 7. Performance Awards may be denominated as a cash amount, number of shares of Stock, or specified number of other Awards (or a combination) which may be earned upon achievement or satisfaction of performance conditions specified by the Committee. In addition, the Committee may specify that any other Award shall constitute a Performance Award by conditioning the right of a Participant to exercise the Award or have it settled, and the timing thereof, upon achievement or satisfaction of such performance conditions as may be specified by the Committee. The Committee may use such business criteria and other measures of performance as it may deem appropriate in establishing any performance conditions, and may exercise its discretion to reduce or increase the amounts payable under any Award subject to performance conditions, except as limited under Sections 7(b) and 7(c) in the case of a Performance Award intended to qualify as "performance-based compensation" under Code Section 162(m).

(b) Performance Awards Granted to Covered Employees. If the Committee determines that a Performance Award to be granted to an Eligible Person who is designated by the Committee as likely to be a Covered Employee should qualify as "performance-based compensation" for purposes of Code Section 162(m), the grant, exercise and/or settlement of such Performance Award shall be contingent upon achievement of a preestablished performance goal and other terms set forth in this Section 7(b).

(i) Performance Goal Generally. The performance goal for such Performance Awards shall consist of one or more business criteria and a targeted level or levels of performance with respect to each of such criteria, as specified by the Committee consistent with this Section 7(b). The performance goal shall be objective and shall otherwise meet the requirements of Code Section 162(m) and regulations thereunder (including Regulation 1.162-27 and successor regulations thereto), including the requirement that the level or levels of performance targeted by the Committee result in the achievement of performance goals being "substantially uncertain." The Committee may determine that such Performance Awards shall be granted, exercised and/or settled upon achievement of any one performance goal or that two or more of the performance goals must be achieved as a condition to grant, exercise and/or settlement of such Performance Awards. Performance goals may differ for Performance Awards granted to any one Participant or to different Participants.

(ii) Business Criteria. One or more of the following business criteria for the Company, on a consolidated basis, and/or for specified subsidiaries or affiliates or other business units of the Company shall be used by the Committee in establishing

performance goals for such Performance Awards: (1) net sales; (2) earnings from operations, earnings before or after taxes, earnings before or after interest, depreciation, amortization, or extraordinary or special items; (3) net income or net income per common share (basic or diluted); (4) return on assets (gross or net), return on investment, return on capital, or return on equity; (5) cash flow, free cash flow, cash flow return on investment (discounted or otherwise), net cash provided by operations, or cash flow in excess of cost of capital; (6) economic value created; (7) operating margin or profit margin; (8) stock price or total shareholder return; (9) dividend payout as a percentage of net income; and (10) strategic business criteria, consisting of one or more objectives based on meeting specified market penetration, geographic business expansion goals, cost targets, customer satisfaction, employee satisfaction, management of employment practices and employee benefits, supervision of litigation and information technology, and goals relating to acquisitions or divestitures of subsidiaries, affiliates or joint ventures. The targeted level or levels of performance with respect to such business criteria may be established at such levels and in such terms as the Committee may determine, in its discretion, including in absolute terms, as a goal relative to performance in prior periods, or as a goal compared to the performance of one or more comparable companies or an index covering multiple companies.

(iii) Performance Period; Timing for Establishing Performance Goals; Per-Person Limit. Achievement of performance goals in respect of such Performance Awards shall be measured over a performance period of up to one year or more than one year, as specified by the Committee. A performance goal shall be established not later than the earlier of (A) 90 days after the beginning of any performance period applicable to such Performance Award or (B) the time 25% of such performance period has elapsed. In all cases, the maximum Performance Award of any Participant shall be subject to the limitation set forth in Section 5.

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

(v) Settlement of Performance Awards; Other Terms. Settlement of such Performance Awards shall be in cash, Stock, other Awards or other property, in the discretion of the Committee. The Committee may, in its discretion, increase or reduce the amount of a settlement otherwise to be made in connection with such Performance Awards, but may not exercise discretion to increase any such amount payable to a Covered Employee in respect of a Performance Award subject to this Section 7(b). Any settlement which changes the form of payment from that originally specified shall be implemented in a manner such that the Performance Award and other related Awards do not, solely for that reason, fail to qualify as "performance-based compensation" for purposes of Code Section 162(m). The Committee shall

specify the circumstances in which such Performance Awards shall be paid or forfeited in the event of termination of employment by the Participant or other event (including a Change in Control) prior to the end of a performance period or settlement of such Performance Awards.

(c) Annual Incentive Awards Granted to Designated Covered Employees. The Committee may grant an Annual Incentive Award to an Eligible Person who is designated by the Committee as likely to be a Covered Employee. Such Annual Incentive Award will be intended to qualify as "performance-based compensation" for purposes of Code Section 162(m), and therefore its grant, exercise and/or settlement shall be contingent upon achievement of preestablished performance goals and other terms set forth in this Section 7(c).

(i) Grant of Annual Incentive Awards. Not later than the earlier of 90 days after the beginning of any performance period applicable to such Annual Incentive Award or the time 25% of such performance period has elapsed, the Committee shall determine the Covered Employees who will potentially receive Annual Incentive Awards, and the amount(s) potentially payable thereunder, for that performance period. The amount(s) potentially payable as Annual Incentive Awards may be earned and become payable under the Plan only if and to the extent the Annual Incentive Pool, specified in Section 7(c)(ii), has become hypothetically funded. The portion of the Annual Incentive Award pool potentially payable to each Covered Employee shall be preestablished by the Committee. The foregoing notwithstanding, if any portion of the Annual Incentive Pool for a given fiscal year is not allocated and paid out for that year, the Committee, at any time after such fiscal year, may allocate and pay out from such then-unallocated amounts of hypothetical funding remaining an Award to any Eligible Person other than a Covered Employee, but such allocations may not affect the allocations or payouts to any Covered Employee. In all cases, the maximum Annual Incentive Award of any Participant shall be subject to the limitation set forth in Section 5. This Section 7(c) does not preclude the Committee from granting a Performance Award under Section 7(b) based on performance in a period of one year or less, in addition to or in lieu of an Annual Incentive Award under this Section 7(c).

(ii) Creation of Annual Incentive Pool. The Annual Incentive Pool for each fiscal year of the Company shall equal 10% of the amount by which the "pretax consolidated earnings" (as hereinafter defined) for such year shall exceed 20% of "net capital" (as hereinafter defined) for such year; provided, however, that the Annual Incentive Pool shall not exceed for any year 10% of the amount of cash dividends paid by the Company in such year. As soon as practicable after the end of each year the amount of the Annual Incentive Pool for such year shall be audited by the Company's independent public accountants and shall be reported by them to the Committee. The term "pretax consolidated earnings" for any fiscal year means the sum of (i) the consolidated net earnings of the Company and its subsidiaries for such year before (A) extraordinary items determined in accordance with generally accepted accounting principles and (B) the cumulative effect of accounting changes, as contained in the financial statements audited by the Company's independent public accountants and reported by the Company in its annual report to shareholders for such year, (ii) the provision for all taxes on income for such year, as contained in the financial statements audited by the Company's independent public accountants

and reported by the Company in its annual report to shareholders for such year, and (iii) the amount of the Annual Incentive Pool for such year, as audited by the Company's independent public accountants and reported to the Committee as contemplated above. The term "net capital" for any year shall mean the arithmetic average of the amounts of the consolidated capital and surplus of the Company as at the beginning and the end of such year before (A) and (B) above, as such consolidated capital and surplus as of each such date is audited by the Company's independent public accountants and reported by the Company in its annual report to shareholders for the prior year (with respect to the consolidated capital and surplus as at the beginning of such year) and for such year (with respect to the consolidated capital and surplus as at the end of such year). The Annual Incentive Pool shall be an unfunded pool established for the purpose of measuring performance of the Company to determine compensation in connection with Awards. Unallocated amounts of hypothetical funding of the Annual Incentive Pool for a given fiscal year will not be added to the Annual Incentive Pool for a subsequent year.

(iii) Payout of Annual Incentive Awards. After the end of each performance period, the Committee shall determine the amount, if any, of the Annual Incentive Award for that performance period payable to each Participant. The Committee may, in its discretion, determine that the amount payable to any Participant as a final Annual Incentive Award shall be reduced from the amount of his or her potential Annual Incentive Award, including a determination to make no final Award whatsoever, but may not exercise discretion to increase any such amount. The Committee shall specify the circumstances in which an Annual Incentive Award shall be paid or forfeited in the event of termination of employment by the Participant or other event (including a Change in Control) prior to the end of a performance period or settlement of such Annual Incentive Award.

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

8. Certain Provisions Applicable to Awards.

(a) Stand-Alone, Additional, Tandem, and Substitute Awards. Awards granted under the Plan may, in the discretion of the Committee, be granted either alone or in addition to, in tandem with, or in substitution or exchange for, any other Award or any award granted under another plan of the Company, any subsidiary or affiliate, or any business entity to be acquired by the Company or a subsidiary or affiliate, or any other right of a Participant to receive payment from the Company or any subsidiary or affiliate. Awards granted in addition to or in tandem with other Awards or awards may be granted either as of the same time as or a different time from the grant of such other Awards or awards. Subject to Section 11(k), the Committee may determine that, in granting a new Award, the in-the-money value of any surrendered Award or award may be applied to reduce the exercise price of any Option, grant price of any SAR, or purchase price of any other Award.

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

(c) Form and Timing of Payment under Awards; Deferrals. Subject to the terms of the Plan (including Section 11(k)) and any applicable Award document, payments to be made by the Company or a subsidiary or affiliate upon the exercise of an Option or other Award or settlement of an Award may be made in such forms as the Committee shall determine, including, without limitation, cash, Stock, other Awards or other property, and may be made in a single payment or transfer, in installments, or on a deferred basis. The settlement of any Award may be accelerated, and cash paid in lieu of Stock in connection with such settlement, in the discretion of the Committee or upon occurrence of one or more specified events (subject to Section 11(k)). Installment or deferred payments may be required by the Committee (subject to Section 11(e)) or permitted at the election of the Participant on terms and conditions established by the Committee. Payments may include, without limitation, provisions for the payment or crediting of reasonable interest on installment or deferred payments or the grant or crediting of Dividend Equivalents or other amounts in respect of installment or deferred payments denominated in Stock.

(d) Exemptions from Section 16(b) Liability. With respect to a Participant who is then subject to the reporting requirements of Section 16(a) of the Exchange Act in respect of the Company, the Committee shall implement transactions under the Plan and administer the Plan in a manner that will ensure that each transaction with respect to such a Participant is exempt from liability under Rule 16b-3 or otherwise not subject to liability under Section 16(b)), except that this provision shall not limit sales by such a Participant, and such a Participant may engage in other non-exempt transactions under the Plan. The Committee may authorize the Company to repurchase any Award or shares of Stock deliverable or delivered in connection with any Award (subject to Section 11(k)) in order to avoid a Participant who is subject to Section 16 of the Exchange Act incurring liability under Section 16(b). Unless otherwise specified by the Participant, equity securities or derivative securities acquired under the Plan which are disposed of by a Participant shall be deemed to be disposed of in the order acquired by the Participant.

(e) Loan Provisions. With the consent of the Committee, and subject at all times to, and only to the extent, if any, permitted under and in accordance with, laws and regulations and other binding obligations or provisions applicable to the Company, the

Company may make, guarantee, or arrange for a loan or loans to a Participant with respect to the exercise of any Option or other payment in connection with any Award, including the payment by a Participant of any or all federal, state, or local income or other taxes due in connection with any Award. Subject to such limitations, the Committee shall have full authority to decide whether to make a loan or loans hereunder and to determine the amount, terms, and provisions of any such loan or loans, including the interest rate, if any, to be charged in respect of any such loan or loans, whether the loan or loans are to be with or without recourse against the borrower, the terms on which the loan is to be repaid and conditions, if any, under which the loan or loans may be forgiven.

9. Change in Control.

(a) Effect of "Change in Control" on Non-Performance Based Awards. In the event of a "Change in Control," the following provisions shall apply to non-performance based Awards, including Awards as to which performance conditions previously have been satisfied or are deemed satisfied under Section 9(b), unless otherwise provided by the Committee in the Award document:

(i) All deferral of settlement, forfeiture conditions and other restrictions applicable to Awards granted under the Plan shall lapse and such Awards shall be fully payable as of the time of the Change in Control without regard to deferral and vesting conditions, except to the extent of any waiver by the Participant or other express election to defer beyond a Change in Control and subject to applicable restrictions set forth in Section 11(a);

(ii) Any Award carrying a right to exercise that was not previously exercisable and vested shall become fully exercisable and vested as of the time of the Change in Control and shall remain exercisable and vested for the balance of the stated term of such Award without regard to any termination of employment or service by the Participant other than a termination for "cause" (as defined in any employment or severance agreement between the Company or a subsidiary or affiliate and the Participant then in effect or, if none, as defined by the Committee and in effect at the time of the Change in Control), subject only to applicable restrictions set forth in Section 11(a); and

(iii) The Committee may, in its discretion, determine to extend to any Participant who holds an Option the right to elect, during the 60-day period immediately following the Change in Control, in lieu of acquiring the shares of Stock covered by such Option, to receive in cash the excess of the Change in Control Price over the exercise price of such Option, multiplied by the number of shares of Stock covered by such Option, and to extend to any Participant who holds other types of Awards denominated in shares the right to elect, during the 60-day period immediately following the Change in Control, in lieu of receiving the shares of Stock covered by such Award, to receive in cash the Change in Control Price multiplied by the number of shares of Stock covered by such Award.

(b) Effect of "Change in Control" on Performance-Based Awards. In the event of a "Change in Control," with respect to an outstanding Award subject to achievement of performance goals and conditions, such performance goals and conditions shall be

deemed to be met or exceeded if and to the extent so provided by the Committee in the Award document governing such Award or other agreement with the Participant.

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

(i) Any "person," as such term is used in Section 13(d) and 14(d) of the Exchange Act (other than the Company, any trustee or other fiduciary holding securities under an employee benefit plan of the Company, or any company owned, directly or indirectly, by the shareholders of the Company in substantially the same proportions as their ownership of stock of the Company), acquires voting securities of the Company and immediately thereafter is a "40% Beneficial Owner." For purposes of this provision, a "40% Beneficial Owner" shall mean a person who is the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing 40% or more of the combined voting power of the Company's then-outstanding voting securities; provided, however, that the term "40% Beneficial Owner" shall not include any person who was a beneficial owner of outstanding voting securities of the Company at February 20, 1990, or any person or persons who was or becomes a fiduciary of any such person or persons who is, or in the aggregate, are a "40% Beneficial Owner" (an "Existing Shareholder"), including any group that may be formed which is comprised solely of Existing Shareholders, unless and until such time after February 20, 1990 as any such Existing Shareholder shall have become the beneficial owner (other than by means of a stock dividend, stock split, gift, inheritance or receipt or exercise of, or accrual of any right to exercise, a stock option granted by the Company or receipt or settlement of any other stock-related award granted by the Company) by purchase of any additional voting securities of the Company; and provided further, that the term "40% Beneficial Owner" shall not include any person who shall become the beneficial owner of 40% or more of the combined voting power of the Company's then-outstanding voting securities solely as a result of an acquisition by the Company of its voting securities, until such time thereafter as such person shall become the beneficial owner (other than by means of a stock dividend or stock split) of any additional voting securities and becomes a 40% Beneficial Owner in accordance with this Section 9(c)(i);

(ii) Individuals who on September 1, 2000 constitute the Board, and any new director (other than a director whose initial assumption of office is in connection with an actual or threatened election consent, including but not limited to a consent solicitation, relating to the election of directors of the Company) whose election by the Board or nomination for election by the Company's shareholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors on September 1, 2000 or whose election or nomination for election was previously so approved or recommended, cease for any reason to constitute at least a majority thereof;

(iii) There is consummated a merger, consolidation, recapitalization, or reorganization of the Company, or a reverse stock split of any class of voting securities of the Company, if, immediately following consummation of any of the foregoing, either (A) individuals who, immediately prior to such consummation, constitute the Board do not constitute at least a majority of the members of the board of directors of the Company or the surviving or parent entity, as the case may be, or

(B) the voting securities of the Company outstanding immediately prior to such recommendation do not represent (either by remaining outstanding or by being converted into voting securities of a surviving or parent entity) at least 60% or more of the combined voting power of the outstanding voting securities of the Company or such surviving or parent entity; or

(iv) The shareholders of the Company have approved a plan of complete liquidation of the Company or there is consummated an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets (or any transaction have a similar effect).

(d) Definition of "Change in Control Price." The "Change in Control Price" means an amount in cash equal to the higher of (i) the amount of cash and fair market value of property that is the highest price per share paid (including extraordinary dividends) in any transaction triggering the Change in Control or any liquidation of shares following a sale of substantially all assets of the Company, or (ii) the highest Fair Market Value per share at any time during the 60-day period preceding and 60-day period following the Change in Control.

10. Additional Award Forfeiture Provisions.

(a) Forfeiture of Options and Other Awards and Gains Realized Upon Prior Option Exercises or Award Settlements. Unless otherwise determined by the Committee, each Award granted hereunder shall be subject to the following additional forfeiture conditions, to which the Participant, by accepting an Award hereunder, agrees. If any of the events specified in Section 10(b)(i), (ii), or (iii) occurs (a "Forfeiture Event"), all of the following forfeitures will result:

(i) The unexercised portion of the Option, whether or not vested, and any other Award not then settled (except for an Award that has not been settled solely due to an elective deferral by the Participant and otherwise is not forfeitable in the event of any termination of service of the Participant) will be immediately forfeited and canceled upon the occurrence of the Forfeiture Event; and

(ii) The Participant will be obligated to repay to the Company, in cash, within five business days after demand is made therefor by the Company, the total amount of Award Gain (as defined herein) realized by the Participant upon each exercise of an Option or settlement of an Award (regardless of any elective deferral) that occurred on or after (A) the date that is six months prior to the occurrence of the Forfeiture Event, if the Forfeiture Event occurred while the Participant was employed by the Company or a subsidiary or affiliate, or (B) the date that is six months prior to the date the Participant's employment by the Company or a subsidiary or affiliate terminated, if the Forfeiture Event occurred after the Participant ceased to be so employed. For purposes of this Section, the term "Award Gain" shall mean (i), in respect of a given Option exercise, the product of (X) the Fair Market Value per share of Stock at the date of such exercise (without regard to any subsequent change in the market price of shares) minus the exercise price times (Y) the number of shares as to which the Option was exercised at that date, and (ii), in respect of any other settlement of an Award granted to the Participant, the Fair Market Value of the cash

or Stock paid or payable to Participant (regardless of any elective deferral) less any cash or the Fair Market Value of any Stock or property (other than an Award or award which would have itself then been forfeitable hereunder and excluding any payment of tax withholding) paid by the Participant to the Company as a condition of or in connection such settlement.

(b) Events Triggering Forfeiture. The forfeitures specified in Section 10(a) will be triggered upon the occurrence of any one of the following Forfeiture Events at any time during the Participant's employment by the Company or a subsidiary or affiliate or during the one-year period following termination of such employment:

(i) The Participant, acting alone or with others, directly or indirectly, prior to a Change in Control, (A) engages, either as employee, employer, consultant, advisor, or director, or as an owner, investor, partner, or shareholder unless the Participant's interest is insubstantial, in any business in an area or region in which the Company conducts business at the date the event occurs, which is directly in competition with a business then conducted by the Company or a subsidiary or affiliate; (B) induces any customer or supplier of the Company or a subsidiary or affiliate, or other company with which the Company or a subsidiary or affiliate has a business relationship, to curtail, cancel, not renew, or not continue his or her or its business with the Company or any subsidiary or affiliate; or (C) induces, or attempts to influence, any employee of or service provider to the Company or a subsidiary or affiliate to terminate such employment or service. The Committee shall, in its discretion, determine which lines of business the Company conducts on any particular date and which third parties may reasonably be deemed to be in competition with the Company. For purposes of this Section 10(b)(i), a Participant's interest as a shareholder is insubstantial if it represents beneficial ownership of less than five percent of the outstanding class of stock, and a Participant's interest as an owner, investor, or partner is insubstantial if it represents ownership, as determined by the Committee in its discretion, of less than five percent of the outstanding equity of the entity;

(ii) The Participant discloses, uses, sells, or otherwise transfers, except in the course of employment with or other service to the Company or any subsidiary or affiliate, any confidential or proprietary information of the Company or any subsidiary or affiliate, including but not limited to information regarding the Company's current and potential customers, organization, employees, finances, and methods of operations and investments, so long as such information has not otherwise been disclosed to the public or is not otherwise in the public domain, except as required by law or pursuant to legal process, or the Participant makes statements or representations, or otherwise communicates, directly or indirectly, in writing, orally, or otherwise, or takes any other action which may, directly or indirectly, disparage or be damaging to the Company or any of its subsidiaries or affiliates or their respective officers, directors, employees, advisors, businesses or reputations, except as required by law or pursuant to legal process; or

(iii) The Participant fails to cooperate with the Company or any subsidiary or affiliate by making himself or herself available to testify on behalf of the Company or such subsidiary or affiliate in any action, suit, or proceeding, whether civil, criminal, administrative, or investigative, or otherwise fails to assist the Company or any

subsidiary or affiliate in any such action, suit, or proceeding by providing information and meeting and consulting with members of management of, other representatives of, or counsel to, the Company or such subsidiary or affiliate, as reasonably requested.

(c) Agreement Does Not Prohibit Competition or Other Participant Activities. Although the conditions set forth in this Section 10 shall be deemed to be incorporated into an Award, a Participant is not thereby prohibited from engaging in any activity, including but not limited to competition with the Company and its subsidiaries and affiliates. Rather, the non-occurrence of the Forfeiture Events set forth in Section 10(b) is a condition to the Participant's right to realize and retain value from his or her compensatory Options and Awards, and the consequence under the Plan if the Participant engages in an activity giving rise to any such Forfeiture Event are the forfeitures specified herein. The Company and the Participant shall not be precluded by this provision or otherwise from entering into other agreements concerning the subject matter of Section 10(a) and 10(b).

(d) Committee Discretion. The Committee may, in its discretion, waive in whole or in part the Company's right to forfeiture under this Section, but no such waiver shall be effective unless evidenced by a writing signed by a duly authorized officer of the Company. In addition, the Committee may impose additional conditions on Awards, by inclusion of appropriate provisions in the document evidencing or governing any such Award.

11. General Provisions.

(a) Compliance with Legal and Other Requirements. The Company may, to the extent deemed necessary or advisable by the Committee, postpone the issuance or delivery of Stock or payment of other benefits under any Award until completion of such registration or qualification of such Stock or other required action under any federal or state law, rule or regulation, listing or other required action with respect to any stock exchange or automated quotation system upon which the Stock or other securities of the Company are listed or quoted, or compliance with any other obligation of the Company, as the Committee may consider appropriate, and may require any Participant to make such representations, furnish such information and comply with or be subject to such other conditions as it may consider appropriate in connection with the issuance or delivery of Stock or payment of other benefits in compliance with applicable laws, rules, and regulations, listing requirements, or other obligations. The foregoing notwithstanding, in connection with a Change in Control, the Company shall take or cause to be taken no action, and shall undertake or permit to arise no legal or contractual obligation, that results or would result in any postponement of the issuance or delivery of Stock or payment of benefits under any Award or the imposition of any other conditions on such issuance, delivery or payment, to the extent that such postponement or other condition would represent a greater burden on a Participant than existed on the 90th day preceding the Change in Control.

(b) Limits on Transferability; Beneficiaries. No Award or other right or interest of a Participant under the Plan shall be pledged, hypothecated or otherwise encumbered or subject to any lien, obligation or liability of such Participant to any party (other than the Company or a subsidiary or affiliate thereof), or assigned or transferred by such Participant, and such Awards or rights that may be exercisable shall be exercised during

the lifetime of the Participant only by the Participant or his or her guardian or legal representative, except that (i) Awards and related rights shall be transferred to a Participant's Beneficiary or Beneficiaries upon the death of the Participant, and (ii) Awards and other rights (other than ISOs and SARs in tandem therewith) may be transferred to one or more Beneficiaries during the lifetime of the Participant, and rights thereunder may be exercised by such transferees in accordance with the terms of such Award, but only if and to the extent such transfers are then permitted by the Committee, subject to any terms and conditions which the Committee may impose thereon (including limitations the Committee may deem appropriate in order that offers and sales under the Plan will meet applicable requirements of registration forms under the Securities Act of 1933 specified by the Securities and Exchange Commission). A Beneficiary or other person claiming any rights under the Plan from or through any Participant shall be subject to all terms and conditions of the Plan and any Award document applicable to such Participant, except as otherwise determined by the Committee, and to any additional terms and conditions deemed necessary or appropriate by the Committee.

(c) Adjustments. In the event that any large, special and non-recurring dividend or other distribution (whether in the form of cash or property other than Stock), recapitalization, forward or reverse split, Stock dividend, reorganization, merger, consolidation, spin-off, combination, repurchase, share exchange, liquidation, dissolution or other similar corporate transaction or event affects the Stock such that an adjustment is determined by the Committee to be appropriate under the Plan, then the Committee shall, in such manner as it may deem equitable, adjust any or all of (i) the number and kind of shares of Stock which may be delivered in connection with Awards granted thereafter, (ii) the number and kind of shares of Stock by which annual per-person Award limitations are measured under Section 5, (iii) the number and kind of shares of Stock subject to or deliverable in respect of outstanding Awards and (iv) the exercise price, grant price or purchase price relating to any Award or, if deemed appropriate, the Committee may make provision for a payment of cash or property to the holder of an outstanding Option (subject to Section 11(k)). In addition, the Committee is authorized to make adjustments in the terms and conditions of, and the criteria included in, Awards (including Performance Awards and performance goals and any hypothetical funding pool relating thereto) in recognition of unusual or nonrecurring events (including, without limitation, events described in the preceding sentence, as well as acquisitions and dispositions of businesses and assets) affecting the Company, any subsidiary or affiliate or other business unit, or the financial statements of the Company or any subsidiary or affiliate, or in response to changes in applicable laws, regulations, accounting principles, tax rates and regulations or business conditions or in view of the Committee's assessment of the business strategy of the Company, any subsidiary or affiliate or business unit thereof, performance of comparable organizations, economic and business conditions, personal performance of a Participant, and any other circumstances deemed relevant; provided that no such adjustment shall be authorized or made if and to the extent that the existence of such authority (i) would cause Options, SARs, or Performance Awards granted under Section 8 to Participants designated by the Committee as Covered Employees and intended to qualify as "performance-based compensation" under Code Section 162(m) and regulations thereunder to otherwise fail to qualify as "performance-based compensation" under Code Section 162(m) and regulations thereunder, or (ii) would cause the Committee to be deemed to have authority to change the targets, within the meaning of Treasury Regulation 1.162-27(e)(4)(vi), under the performance goals relating to Options or SARs

granted to Covered Employees and intended to qualify as "performance-based compensation" under Code Section 162(m) and regulations thereunder.

(d) Tax Provisions.

(i) Withholding. The Company and any subsidiary or affiliate is authorized to withhold from any Award granted, any payment relating to an Award under the Plan, including from a distribution of Stock, or any payroll or other payment to a Participant, amounts of withholding and other taxes due or potentially payable in connection with any transaction involving an Award, and to take such other action as the Committee may deem advisable to enable the Company and Participants to satisfy obligations for the payment of withholding taxes and other tax obligations relating to any Award. This authority shall include authority to withhold or receive Stock or other property and to make cash payments in respect thereof in satisfaction of a Participant's withholding obligations, either on a mandatory or elective basis in the discretion of the Committee. Other provisions of the Plan notwithstanding, only the minimum amount of Stock deliverable in connection with an Award necessary to satisfy statutory withholding requirements will be withheld.

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

(iii) Requirement of Notification Upon Disqualifying Disposition Under Code Section 421(b). If any Participant shall make any disposition of shares of Stock delivered pursuant to the exercise of an Incentive Stock Option under the circumstances described in Code Section 421(b) (relating to certain disqualifying dispositions), such Participant shall notify the Company of such disposition within ten days thereof.

(e) Changes to the Plan. The Board may amend, suspend or terminate the Plan or the Committee's authority to grant Awards under the Plan without the consent of shareholders or Participants; provided, however, that any amendment to the Plan shall be submitted to the Company's shareholders for approval not later than the earliest annual meeting for which the record date is after the date of such Board action if such shareholder approval is required by any federal or state law or regulation or the rules of any stock exchange or automated quotation system on which the Stock may then be listed or quoted and the Board may otherwise, in its discretion, determine to submit other amendments to

the Plan to shareholders for approval; and provided further, that, without the consent of an affected Participant, no such Board action may materially and adversely affect the rights of such Participant under any outstanding Award. Without the approval of shareholders, the Committee will not amend or replace previously granted Options in a transaction that constitutes a "repricing," as such term is used in Instruction 3 to Item 402(b)(2)(iv) of Regulation S-K, as promulgated by the Securities and Exchange Commission. The Committee shall have no authority to waive or modify any other Award term after the Award has been granted to the extent that the waived or modified term was mandatory under the Plan.

(f) Right of Setoff. The Company or any subsidiary or affiliate may, to the extent permitted by applicable law, deduct from and set off against any amounts the Company or a subsidiary or affiliate may owe to the Participant from time to time, including amounts payable in connection with any Award, owed as wages, fringe benefits, or other compensation owed to the Participant, such amounts as may be owed by the Participant to the Company, including but not limited to amounts owed under Section 10(a), although the Participant shall remain liable for any part of the Participant's payment obligation not satisfied through such deduction and setoff. By accepting any Award granted hereunder, the Participant agrees to any deduction or setoff under this Section 11(f).

(g) Unfunded Status of Awards; Creation of Trusts. The Plan is intended to constitute an "unfunded" plan for incentive and deferred compensation. With respect to any payments not yet made to a Participant or obligation to deliver Stock pursuant to an Award, nothing contained in the Plan or any Award shall give any such Participant any rights that are greater than those of a general creditor of the Company; provided that the Committee may authorize the creation of trusts and deposit therein cash, Stock, other Awards or other property, or make other arrangements to meet the Company's obligations under the Plan. Such trusts or other arrangements shall be consistent with the "unfunded" status of the Plan unless the Committee otherwise determines with the consent of each affected Participant.

(h) Nonexclusivity of the Plan. Neither the adoption of the Plan by the Board nor its submission to the shareholders of the Company for approval shall be construed as creating any limitations on the power of the Board or a committee thereof to adopt such other incentive arrangements, apart from the Plan, as it may deem desirable, including incentive arrangements and awards which do not qualify under Code Section 162(m), and such other arrangements may be either applicable generally or only in specific cases.

(i) Payments in the Event of Forfeitures; Fractional Shares. Unless otherwise determined by the Committee, in the event of a forfeiture of an Award with respect to which a Participant paid cash consideration, the Participant shall be repaid the amount of such cash consideration. No fractional shares of Stock shall be issued or delivered pursuant to the Plan or any Award. The Committee shall determine whether cash, other Awards or other property shall be issued or paid in lieu of such fractional shares or whether such fractional shares or any rights thereto shall be forfeited or otherwise eliminated.

(j) Compliance with Code Section 162(m). It is the intent of the Company that Options and SARs granted to Covered Employees and other Awards designated as Awards to Covered Employees subject to Section 7 shall constitute qualified

"performance-based compensation" within the meaning of Code Section 162(m) and regulations thereunder, unless otherwise determined by the Committee at the time of allocation of an Award. Accordingly, the terms of Sections 7(b), (c), and (d), including the definitions of Covered Employee and other terms used therein, shall be interpreted in a manner consistent with Code Section 162(m) and regulations thereunder. The foregoing notwithstanding, because the Committee cannot determine with certainty whether a given Participant will be a Covered Employee with respect to a fiscal year that has not yet been completed, the term Covered Employee as used herein shall mean only a person designated by the Committee as likely to be a Covered Employee with respect to a specified fiscal year. If any provision of the Plan or any Award document relating to a Performance Award that is designated as intended to comply with Code Section 162(m) does not comply or is inconsistent with the requirements of Code Section 162(m) or regulations thereunder, such provision shall be construed or deemed amended to the extent necessary to conform to such requirements, and no provision shall be deemed to confer upon the Committee or any other person discretion to increase the amount of compensation otherwise payable in connection with any such Award upon attainment of the applicable performance objectives.

(k) Certain Limitations Relating to Accounting Treatment of Awards. Other provisions of the Plan notwithstanding, the Committee's authority under the Plan (including under Sections 8(c), 8(d), 11(c) and 11(d)) is limited to the extent necessary to ensure that any Option or other Award of a type that the Committee has intended to be subject to fixed accounting with a measurement date at the date of grant or the date performance conditions are satisfied under APB 25 shall not become subject to "variable" accounting solely due to the existence of such authority, unless the Committee specifically determines that the Award shall remain outstanding despite such "variable" accounting. In addition, other provisions of the Plan notwithstanding, (i) if any right under this Plan would cause a transaction to be ineligible for pooling-of-interests accounting that would, but for the right hereunder, be eligible for such accounting treatment, such right shall be automatically adjusted so that pooling-of-interests accounting shall be available, including by substituting Stock or cash having a Fair Market Value equal to any cash or Stock otherwise payable in respect of any right to cash which would cause the transaction to be ineligible for pooling-of-interests accounting, and (ii) if any authority under Section 9(c) would cause a transaction to be ineligible for pooling-of-interests accounting that would, but for such authority, be eligible for such accounting treatment, such authority shall be limited to the extent necessary so that such transaction would be eligible for pooling-of-interests accounting.

(l) Governing Law. The validity, construction, and effect of the Plan, any rules and regulations relating to the Plan and any Award document shall be determined in accordance with the laws of the State of New York, without giving effect to principles of conflicts of laws, and applicable provisions of federal law.

(m) Awards to Participants Outside the United States. The Committee may modify the terms of any Award under the Plan made to or held by a Participant who is then resident or primarily employed outside of the United States in any manner deemed by the Committee to be necessary or appropriate in order that such Award shall conform to laws, regulations, and customs of the country in which the Participant is then resident or primarily employed, or so that the value and other benefits of the Award to the Participant, as affected by foreign tax laws and other restrictions applicable as a result of the Participant's

residence or employment abroad shall be comparable to the value of such an Award to a Participant who is resident or primarily employed in the United States. An Award may be modified under this Section 11(m) in a manner that is inconsistent with the express terms of the Plan, so long as such modifications will not contravene any applicable law or regulation or result in actual liability under Section 16(b) for the Participant whose Award is modified.

(n) Limitation on Rights Conferred under Plan. Neither the Plan nor any action taken hereunder shall be construed as (i) giving any Eligible Person or Participant the right to continue as an Eligible Person or Participant or in the employ or service of the Company or a subsidiary or affiliate, (ii) interfering in any way with the right of the Company or a subsidiary or affiliate to terminate any Eligible Person's or Participant's employment or service at any time, (iii) giving an Eligible Person or Participant any claim to be granted any Award under the Plan or to be treated uniformly with other Participants and employees, or (iv) conferring on a Participant any of the rights of a shareholder of the Company unless and until the Participant is duly issued or transferred shares of Stock in accordance with the terms of an Award or an Option is duly exercised. Except as expressly provided in the Plan and an Award document, neither the Plan nor any Award document shall confer on any person other than the Company and the Participant any rights or remedies thereunder.

(o) Severability; Entire Agreement. If any of the provisions of this Plan or any Award document is finally held to be invalid, illegal or unenforceable (whether in whole or in part), such provision shall be deemed modified to the extent, but only to the extent, of such invalidity, illegality or unenforceability, and the remaining provisions shall not be affected thereby; provided, that, if any of such provisions is finally held to be invalid, illegal, or unenforceable because it exceeds the maximum scope determined to be acceptable to permit such provision to be enforceable, such provision shall be deemed to be modified to the minimum extent necessary to modify such scope in order to make such provision enforceable hereunder. The Plan and any Award documents contain the entire agreement of the parties with respect to the subject matter thereof and supersede all prior agreements, promises, covenants, arrangements, communications, representations and warranties between them, whether written or oral with respect to the subject matter thereof.

(p) Plan Effective Date and Termination. The Plan shall become effective if, and at such time as, the shareholders of the Company have approved it by the affirmative votes of the holders of a majority of the voting securities of the Company present, or represented, and entitled to vote on the subject matter at a duly held meeting of shareholders. Unless earlier terminated by action of the Board of Directors, the Plan will remain in effect until such time as no Stock remains available for delivery under the Plan and the Company has no further rights or obligations under the Plan with respect to outstanding Awards under the Plan.

INTERNATIONAL FLAVORS & FRAGRANCES INC.

VISION2001 Compensation Program

Overview

As discussed at the October meeting, Committee and Board approval is being sought at this meeting of IFF's new compensation program, which has been updated and redesigned in support of management's strategy for the three to five-year turnaround/transformation of the Company.

The purposes of the VISION2001 Compensation Program are to

- . Attract, motivate and reward key executives for the achievement of stringent goals required for future growth, improved financial efficiency, higher profitability and increased cash flow,
- Align IFF pay opportunities with these annual and long term drivers of shareholder value.
- . Focus key employees to work together with common purpose as a unified IFF management group committed to accomplish Company-wide as well as team/individual goals, based on each employee's responsibility for financial, strategic and operational results,
- . Encourage retention of key employees and assist in the recruitment of needed new talent,
- . Increase stock ownership and facilitate wealth building,
- . Offer competitive compensation opportunities based on the realization of VISION2001, and
- . Provide pay plans that are simple to communicate, understand and administer.

The VISION2001 Compensation Program is comprised of six remuneration plans - Salary Plan, Annual Incentive Plan/1/, Long Term Incentive Plan/1/, Stock Option/1/, Perquisites Plan and Deferred Compensation Plan. The Program has been geared to the current competitive marketplace with salary and perquisites positioned at median and total remuneration at the 60th to 65th percentiles for on-target results and over the 75th percentile for maximum achievement.

The VISION2001 Compensation Program will provide IFF employees joining us from BBA with equivalent total remuneration opportunities through a modified mix of pay elements and other IFF participants with updated incentive and total remuneration opportunities based on real results.

/1/ Under the Company's 2000 Stock Award and Incentive Plan approved by shareholders at the 2000 annual meeting.

1. Salary Plan

A new salary matrix shown in the following Exhibit A has been developed comprised of 12 Grades. Over 500 employees have been assigned to Grades based on competitive marketplace pricing and internal value of their positions to the new IFF.

Management to make salary adjustment effective January 1/st/ for those whose positions/responsibilities have changed materially in the restructuring and whose salaries fall below desired levels.

On an ongoing basis, salaries will be reviewed periodically. Automatic annual merit increases will be discontinued. Raises will be determined by ongoing individual in-position performance. Assessments will be based on qualitative criteria such as personal and managerial effectiveness, teamwork, and people development as well as individual factors. Major distinctions between performance levels will be reflected in major distinctions in salary increase rates.

Aside from "one time" adjustments for position/responsibility changes, salary increases will generally be effective April 1/st/. An exempt annualized salary budget of approximately 4% is planned for 2001.

INTERNATIONAL FLAVORS & FRAGRANCES INC.

IFF Salary Grade Matrix

Salary Grade	Salary Grade Range		Typical Positions	Estimated No. of Participants
	Minimum	Maximum		
CEO	\$900,000			1
K	\$325,000 - \$585,000		Executive Vice President	3
J	\$275,000 - \$495,000		Corporate VP; Senior VP	5
I	\$200,000 - \$360,000		VP, Global Category (Business Head)	15
H	\$160,000 - \$300,000		Other Officer, VP (Regional Business Head - Global Functions)	25
G	\$130,000 - \$250,000		Director (Senior); VP (Regional Function)	45
F	\$100,000 - \$200,000		Research Fellow; Director (Area - Affiliate Head)	95
E	\$ 75,000 - \$150,000		Manager (Senior); Parfumer; Flavorist	125
D	\$ 60,000 - \$110,000		Manager; Project Leader; Sr. Specialist; Principal Scientist; Individual Contributor	200
C	\$ 50,000 - \$ 90,000		Supervisor; Group Leader; Assistant Manager; Sr. Specialist	--
B	\$ 40,000 - \$ 65,000		Analyst; Specialist; Scientist	--
A	\$ 30,000 - \$ 50,000		Representative; Coordinator; Administrator; Associate; Trainee	--
				514

II. Annual Incentive Plan

Over 500 employees in Salary Grades D/1/ and above will be eligible to participate in the Annual Incentive Plan. Those in Grades A to C as well as non-exempt hourly employees will participate in local incentive plans with a corporate performance element.

Annual Incentive Plan performance goals based on the approved business plan will be comprised of both Corporate and team/individual quantitative measures established and clearly communicated at the beginning of each year. The three Corporate measures which require Committee approval for 2001 are based on total IFF financial performance drivers, focused on growing the business after several years of flat revenues, maximizing profits from new and existing sources of revenue, and generating the cash required to satisfy the Company's debt obligations:

- . Revenue Growth
- . Gross Profit (Revenues less Cost of Sales)
- . Cash Flow from Operations (which embraces net profit from operations and working capital improvement)

Individualized quantitative financial and strategic measures of team and/or person performance are to be focused on each participant's specific operational responsibilities for:

- . Driving achievement of annual global Corporate revenue, profit and cash flow goals for 2001,
- . Teamwork in achieving turnaround/transformation within the newly structured organization,
- . Integrating BBA's operation's smoothly and successfully within IFF's new structure,
- . Improving customer satisfaction (i.e., on-time delivery, quality, relationships, etc.), and
- . Realizing other stated goals determined by management as areas requiring significant action/improvement (i.e., product development, technical application, forecast reliability, etc.).

The weighting of Corporate financial measures vs. team/individual measures is to be based on each participant's level/responsibilities, ranging from 100%/0% at the highest Corporate officer level to 20%/80% at the lowest participant levels. There will be less emphasis on overall Corporate results moving down the organization, with more focus on the achievement of specific individual goals which drive Company-wide results. Specific Corporate measures, performance goals and weightings for each year are to be determined by the Compensation Committee based on the recommendation of the Chief Executive Officer with target performance linked to the approved business plan.

Proposal for 2001

Performance Measures	Weighting
Revenue growth	40%
Gross Profit	30%
Cash Flow from Operations	30%

	100%

/1/ Minimum salary for Grade D is \$60,000.

Progress toward meeting annual performance goals is to be tracked and communicated by management on a regular basis to plan participants. Plan funding will equal the sum of target awards with quarterly adjustment based on actual results achieved and projected full year results. Performance will be measured in constant dollars as of January 1st.

Target incentive levels are to be determined by Grade based on position responsibilities and the new IFF compensation structure shown in Exhibit B. Annual incentive opportunities will range from 0% to 200% of target awards as shown below.

Performance	Range of Opportunity
-----	-----
Minimum	0%
Threshold	25%
Target(Business Plan)	100%
Maximum	200%

For motivational purposes, thresholds are set to be set at achievable level at "start-up" of the turnaround with relatively challenging goals at target and stretch goals required to earn maximum awards. In the event of extraordinary 2001 results, individual/team and/or Corporate awards may be adjusted by a "kicker" of up to 50% of target awards to motivate and reward realization of turnaround goals.

Team and individual goals are to flow on a direct line for bottom-up implementation of each major business plan driver. Results achieved are to be evaluated and amounts earned determined and paid in February following the end of the performance year.

Payment will generally be made in cash with elective deferral in choice of investments including IFF stock under the new IFF Deferred Compensation Plan. Deferrals in IFF stock for a minimum of two years will be credited with a 25% premium subject to two-year cliff vesting based on continued employment.

Preliminary corporate performance targets and associated costs will be presented at the Committee meeting.

INTERNATIONAL FLAVORS AND FRAGRANCES INC.

IFF Compensation Structure
Incentive Opportunity by Grade - Percent of Salary

Salary Grade	Salary Grade Range (\$000s)		Annual Incentive (a)			Annualized Long Term (b)		
	Minimum	Maximum	Threshold	Target	Maximum	Threshold	Target	Maximum
CEO	\$900		15.0%	60.0%	120.0%	20.0%	80.0%	160.0%
K	\$325	\$585	12.5%	50.0%	100.0%	12.5%	50.0%	100.0%
J	\$275	\$495	12.5%	50.0%	100.0%	12.5%	50.0%	100.0%
I	\$200	\$360	12.5%	50.0%	100.0%	12.5%	50.0%	100.0%
H	\$160	\$300	10.0%	40.0%	80.0%	10.0%	40.0%	80.0%
G	\$130	\$250	10.0%	40.0%	80.0%	--	--	--
F	\$100	\$200	7.5%	30.0%	60.0%	--	--	--
E	\$ 75	\$150	6.3%	25.0%	50.0%	--	--	--
D	\$ 60	\$110	3.8%	15.0%	30.0%	--	--	--
C	\$ 50	\$ 90	2.5%	10.0% (f)	20.0%	--	--	--
B	\$ 40	\$ 65	1.5%	6.0% (f)	12.0%	--	--	--
A	\$ 30	\$ 50	1.5%	6.0% (f)	12.0%	--	--	--
Range of Opportunity vs. Target			25%	100%	200%	25%	100%	200%

Salary Grade	Salary Grade Range (\$000s)		Stock Options (c)			Total Remuneration		
	Minimum	Maximum	Threshold	Target	Maximum	Threshold	Target	Maximum
CEO	\$900		66.0% (d)	66.0% (d)	80.0%	201.0%	306.0%	460.0%
K	\$325	\$585	42.5%	50.0%	60.0%	167.5%	250.0%	360.0%
J	\$275	\$495	34.0%	40.0%	48.0%	159.0%	240.0%	348.0%
I	\$200	\$360	34.0%	40.0%	48.0%	159.0%	240.0%	348.0%
H	\$160	\$300	19.0%	22.5%	27.0%	139.0%	202.5%	287.0%
G	\$130	\$250	15.0%	17.5%	21.0%	125.0%	157.5%	201.0%
F	\$100	\$200	8.5%	10.0%	12.0%	116.0%	140.0%	172.0%
E	\$ 75	\$150	6.5%	7.5% (e)	9.0%	112.8%	132.5%	159.0%
D	\$ 60	\$110	3.5%	4.0% (e)	5.0%	107.3%	119.0%	135.0%
C	\$ 50	\$ 90	2.6%	3.0% (e)	3.5%	105.1%	113.0%	123.5%
B	\$ 40	\$ 65		--	--	101.5%	106.0%	112.0%
A	\$ 30	\$ 50		--	--	101.5%	106.0%	112.0%
Range of Opportunity vs. Target			-15%	100%	+20%			

(a) "Kicker" of up to 50% of target for extraordinary performance.

(b) Standard annualized opportunity shown; 2001 to 2003 start-up biennial cycle to equal 3x annualized long term opportunity and subsequent biennial cycles to equal 2x annualized long term opportunity.

(c) Calculation based on IFF stock price of \$17.9375 per share and IFF Black-Scholes value of 25.0% of grant value; option ranges to be finalized in May 2001.

(d) CEO to receive annual option grants with minimum Black-Scholes value of \$590,000 (66% of current salary); initial CEO option grant on 100,000

shares.

- (e) Participation by individuals in Grades C, D and E at discretion of CEO with an estimated level of participation equal to 50, 50 and 125 employees, respectively.
- (f) Covered by local incentive plans with a corporate performance element.

III. Long Term Incentive Plan

Approximately 50 executives in Salary Grade H/1/ and above who impact the long term success of the company will be eligible to participate initially. Eligibility may be extended down in future years based on Plan effectiveness and marketplace practice.

As shown in the following Exhibit C, performance cycles of three years are to commence every two years. The initial Cycle I is to cover the three-year performance period from January 2001 to December 2003 with opportunity targeted at 3x the annualized award level to "start up" the Plan. Cycle II is to cover the three-year performance period from January 2003 to December 2005 at the standard 2x the annualized award level. Subsequent three-year performance cycles may continue on a biennial basis or shift to annual cycles as the Company's turnaround strategy is realized and goals of the business evolve.

Performance measures and goals based on global corporate quantitative financial results achieved by the executive group as a team will be established at the beginning of each cycle. Threshold goals are to be set at realistic, attainable levels to create "Early success" by the executive team with targets to be relatively challenging and maximum goals stretch. The initial Cycle I is to be based on the following measures (subject to Committee approval) which support IFF's three to five-year turnaround strategy of growing earnings and improving financial efficiency through positive programs such as inventory reduction:

- . Earnings per Share
- . Return on Net Tangible Assets

The two Cycle I measures will be weighted equally to maintain balanced focus:

Performance Measure	Weightings
-----	-----
EPS	50%
RONTA	50%

Performance measures, goals and weightings are to be reviewed and modified as appropriate for future cycles.

At the beginning of each cycle, participants will be granted LTIP Units with a par value of \$100 at target performance. The number of LTIP Units will be based on the participant's performance and Grade in the IFF compensation structure as shown in Exhibits D1 and D2. Plan funding will equal the sum of LTIP Units' value at target with quarterly adjustment based on actual results achieved and projected full year results.

/1/ Minimum salary for Grade H is \$160,000.

Incentive opportunities based on results will range from 0% to 200% of target values as shown below:

Results -----	Range of Opportunity -----
Minimum	0%
Threshold	25%
Target	100%
Maximum	200%

LTIP Units will be valued at the end of each cycle at \$0 for minimum performance and up to \$200 for maximum achievement of stretch goals. If performance is deemed by the Committee to be "superior" vs. goals at the halfway point of the performance cycle, the Committee may provide early partial payout of up to one-third of the three-year target award. Results achieved and amounts earned are to be determined and paid in February following the end of the cycle.

Payment will generally be made in cash with elective deferral in a choice of investment vehicles including IFF stock to be permitted under the new IFF Deferred Compensation Plan. Deferrals in IFF stock for a minimum of two years will be credited with a 25% premium subject to cliff vesting based on continued employment.

Preliminary corporate performance targets and associated costs will be presented at the Committee meeting.

INTERNATIONAL FLAVORS & FRAGRANCES INC.

 IFF Compensation Structure
 Incentive Opportunity by Grade - Percent of Salary.

Salary Grade	Salary Grade Range (\$000s)		Annual Incentive (a)			Annualized Long Term (b)		
	Minimum	Maximum	Threshold	Target	Maximum	Threshold	Target	Maximum
CEO	\$900		15.0%	60.0%	120.0%	20.0%	80.0%	160.0%
K	\$325	- \$585	12.5%	50.0%	100.0%	12.5%	50.0%	100.0%
J	\$275	- \$495	12.5%	50.0%	100.0%	12.5%	50.0%	100.0%
I	\$200	- \$360	12.5%	50.0%	100.0%	12.5%	50.0%	100.0%
H	\$160	- \$300	10.0%	40.0%	80.0%	10.0%	40.0%	80.0%
G	\$130	- \$250	10.0%	40.0%	80.0%	--	--	--
F	\$100	- \$200	7.5%	30.0%	60.0%	--	--	--
E	\$ 75	- \$150	6.3%	25.0%	50.0%	--	--	--
D	\$ 60	- \$110	3.8%	15.0%	30.0%	--	--	--
C	\$ 50	- \$ 90	2.5%	10.0% (f)	20.0%	--	--	--
B	\$ 40	- \$ 65	1.5%	6.0% (f)	12.0%	--	--	--
A	\$ 30	- \$ 50	1.5%	6.0% (f)	12.0%	--	--	--
Range of Opportunity vs. Target			25%	100%	200%	25%	100%	200%

Salary Grade	Salary Grade Range (\$000s)		Stock Options (c)			Total Remuneration		
	Minimum	Maximum	Threshold	Target	Maximum	Threshold	Target	Maximum
CEO	\$900		66.0% (d)	66.0% (d)	80.0%	201.0%	306.0%	460.0%
K	\$325	- \$585	42.5%	50.0%	60.0%	167.5%	250.0%	360.0%
J	\$275	- \$495	34.0%	40.0%	48.0%	159.0%	240.0%	348.0%
I	\$200	- \$360	34.0%	40.0%	48.0%	159.0%	240.0%	348.0%
H	\$160	- \$300	19.0%	22.5%	27.0%	139.0%	202.5%	287.0%
G	\$130	- \$250	15.0%	17.5%	21.0%	125.0%	157.5%	201.0%
F	\$100	- \$200	8.5%	10.0%	12.0%	116.0%	140.0%	172.0%
E	\$ 75	- \$150	6.5%	7.5% (e)	9.0%	112.8%	132.5%	159.0%
D	\$ 60	- \$110	3.5%	4.0% (e)	5.0%	107.3%	119.0%	135.0%
C	\$ 50	- \$ 90	2.6%	3.0% (e)	3.5%	105.1%	113.0%	123.5%
B	\$ 40	- \$ 65	--	--	--	101.5%	106.0%	112.0%
A	\$ 30	- \$ 50	--	--	--	101.5%	106.0%	112.0%
Range of Opportunity vs. Target			-15%	100%	+20%			

(a) "Kicker" of up to 50% of target for extraordinary performance.

(b) Standard annualized opportunity shown; 2001 to 2003 start-up biennial cycle to equal 3x annualized long term opportunity and subsequent biennial cycles to equal 2x annualized long term opportunity.

(c) Calculation based on IFF stock price of \$17.9375 per share and IFF Black-Scholes value of 25.0% of grant value; option ranges to be finalized in May 2001.

(d) CEO to receive annual option grants with minimum Black-Scholes value of

\$590,000 (66% of current salary); initial CEO option grant on 100,000 shares.

- (e) Participation by individuals in Grades C, D and E at discretion of CEO with an estimated level of participation equal to 50, 50 and 125 employees, respectively.
- (f) Covered by local incentive plans with a corporate performance element.

INTERNATIONAL FLAVORS & FRAGRANCES INC.

IFF Compensation Structure
Incentive Opportunity by Grade - Amounts by Individual (\$000s) (a)

Salary Grade	Salary Grade Range (\$000s)		Annual Incentive (c)			Annualized Long Term (d)		
	Minimum	Maximum	Threshold	Target	Maximum	Threshold	Target	Maximum
CEO	\$900		\$135.0	\$540.0	\$1,080.0	\$180.0	\$720.0	\$1,440.0
K	\$325	\$585	56.9	227.5	455.0	56.9	227.5	455.0
J	\$275	\$495	48.1	192.5	385.0	48.1	192.5	385.0
I	\$200	\$360	35.0	140.0	280.0	35.0	140.0	280.0
H	\$160	\$300	23.0	92.0	184.0	23.0	92.0	184.0
G	\$130	\$250	19.0	76.0	152.0	--	--	--
F	\$100	\$200	11.3	45.0	90.0	--	--	--
E	\$ 75	\$150	7.0	28.1	56.3	--	--	--
D	\$ 60	\$110	3.2	12.8	25.5	--	--	--
C	\$ 50	\$ 90	1.8	7.0 (g)	14.0	--	--	--
B	\$ 40	\$ 65	0.8	3.2 (g)	6.3	--	--	--
A	\$ 30	\$ 50	0.6	2.4 (g)	4.8	--	--	--
Range of Opportunity vs. Target			25%	100%	200%	25%	100%	200%

Salary Grade	Salary Grade Range (\$000s)		Stock Options (b)					
	Minimum	Maximum	Amount			No. of Shares		
	Minimum	Maximum	Minimum	Target	Maximum	Minimum	Target	Maximum
CEO	\$900		\$590.0 (e)	\$590.0 (e)	\$720.0	130,000 (e)	130,000 (e)	155,000
K	\$325	\$585	193.4	227.5	273.0	42,500	50,000	60,000
J	\$275	\$495	130.9	154.0	184.8	30,000	35,000	42,000
I	\$200	\$360	95.2	112.0	134.4	21,500	25,000	30,000
H	\$160	\$300	43.7	51.8	62.1	10,000	12,000	14,500
G	\$130	\$250	28.5	33.3	39.9	6,000	7,000	8,400
F	\$100	\$200	12.8	15.0	18.0	2,600	3,000	3,600
E	\$ 75	\$150	7.3	8.4	10.1	1,700	2,000 (f)	2,400
D	\$ 60	\$110	3.0	3.4	4.3	650	750 (f)	900
C	\$ 50	\$ 90	1.8	2.1	2.5	425	500 (f)	600
B	\$ 40	\$ 65	--	--	--	--	--	--
A	\$ 30	\$ 50	--	--	--	--	--	--
Range of Opportunity vs. Target			-15%	100%	+20%	-15%	100%	+20%

Salary Grade	Salary Grade Range (\$000s)		Total Remuneration		
	Minimum	Maximum	Threshold	Target	Maximum
CEO	\$900		\$1,805.0	\$2,750.0	\$4,140.0
K	\$325	\$585	762.1	1,137.5	1,638.0

J	\$275	-	\$495	612.2	924.0	1,339.8
I	\$200	-	\$360	445.2	672.0	974.4
H	\$160	-	\$300	319.7	465.8	660.1
G	\$130	-	\$250	237.5	299.3	381.9
F	\$100	-	\$200	174.0	210.0	258.0
E	\$ 75	-	\$150	126.8	149.1	178.9
D	\$ 60	-	\$110	91.2	101.2	114.8
C	\$ 50	-	\$ 90	73.6	79.1	86.5
B	\$ 40	-	\$ 65	53.3	55.7	58.8
A	\$ 30	-	\$ 50	40.6	42.4	44.8

Range of Opportunity
vs. Target

-
- (a) Calculated based on the midpoint of each Salary Grade.
 - (b) Calculation based on IFF stock price of \$17.9375 per share and IFF Black-Scholes value of 25.0% of grant value; option ranges to be finalized in May 2001.
 - (c) "Kicker" of up to 50% of target for extraordinary performance.
 - (d) Standard annualized opportunity shown; 2001 to 2003 start-up biennial cycle to equal 3x annualized long term opportunity and subsequent biennial cycles to equal 2x annualized long term opportunity.
 - (e) CEO to receive annual option grants with minimum Black-Scholes value of \$590,000 (66% of current salary); initial CEO option grant on 100,000 shares.
 - (f) Participation by individuals in Grades C, D and E at discretion of CEO with an estimated level of participation equal to 50, 50 and 125 employees, respectively.
 - (g) Covered by local incentive plans with a corporate performance element.

IV. Stock Options

As discussed in October, option grants to executive officers will continue to be made under the 2000 Stock Award and Incentive Plan and to other participants under the new 2000 Supplemental Stock Award Plan. Regular annual participants will include about 190 employees in Grades F/1/ and above with annual discretionary grants to about 225 selected employees in Grades C/2/, D and E.

Based on current estimates, approximately 2 million shares or 2.11% of the 97 million shares currently outstanding would be granted annually at target performance with a range of 1.76 million up to 2.45 million shares (Exhibit E), which is within current market practice.

Recommendations for Committee consideration with respect to 2001 option grant terms and timing are under development.

- /1/ Minimum salary for Grade F is \$100,000.
/2/ Minimum salary for Grade C is \$50,000.

INTERNATIONAL FLAVORS & FRAGRANCES INC.

 IFF Compensation Structure
 Stock Option Opportunity by Grade

Salary Grade	Salary Grade Range (\$000s)		Stock Options (a)(b)					
			Black-Scholes Value					
	Minimum	Maximum	Percent of Salary			Amount (\$000s)		
			Minimum	Target	Maximum	Minimum	Target	Maximum
CEO	\$900		66.0% (c)	66.0% (c)	80.0%	\$590.0 (c)	\$590.0 (c)	\$720.0
K	\$325	\$585	42.5%	50.0%	60.0%	193.4	227.5	273.0
J	\$275	\$495	34.0%	40.0%	48.0%	130.9	154.0	184.8
I	\$200	\$360	34.0%	40.0%	48.0%	95.2	112.0	134.4
H	\$160	\$300	19.0%	22.5%	27.0%	43.7	51.8	62.1
G	\$130	\$250	15.0%	17.5%	21.0%	28.5	33.3	39.9
F	\$100	\$200	8.5%	10.0%	12.0%	12.8	15.0	18.0
E	\$ 75	\$150	6.5%	7.5% (d)	9.0%	7.3	8.4 (d)	10.1
D	\$ 60	\$110	3.5%	4.0% (d)	5.0%	3.0	3.4 (d)	4.3
C	\$ 50	\$ 90	2.6%	3.0% (d)	3.5%	1.8	2.1 (d)	2.5
B	\$ 40	\$ 65	--	--	--	--	--	--
A	\$ 30	\$ 50	--	--	--	--	--	--
Totals								
% of Outstanding (e)								
Range of Opportunity vs. Target			-15%	100%	+20%	-15%	100%	+20%

Salary Grade	Salary Grade Range (\$000s)		Stock Options (a)(b)		
			No. of Shares		
	Minimum	Maximum	Minimum	Target	Maximum
CEO	\$900		130,000 (c)	130,000 (c)	155,000
K	\$325	\$585	42,500	50,000	60,000
J	\$275	\$495	30,000	35,000	42,000
I	\$200	\$360	21,500	25,000	30,000
H	\$160	\$300	10,000	12,000	14,500
G	\$130	\$250	6,000	7,000	8,400
F	\$100	\$200	2,600	3,000	3,600
E	\$ 75	\$150	1,700	2,000 (d)	2,400
D	\$ 60	\$110	650	750 (d)	900
C	\$ 50	\$ 90	425	500 (d)	600
B	\$ 40	\$ 65	--	--	--
A	\$ 30	\$ 50	--	--	--
Totals			1,763,250	2,042,500	2,452,500
% of Outstanding (e)			1.82%	2.11%	2.53%
Range of Opportunity vs. Target			-15%	100%	+20%

(a) Calculated based on the midpoint of each Salary Grade.

- (b) Calculation based on IFF stock price of \$17.9375 per share and IFF Black-Scholes value of 25.0% of grant value; option ranges to be finalized in May 2001.
- (c) CEO to receive annual option grants with minimum Black-Scholes value of \$590,000 (66% of current salary); initial CEO option grant on 100,000 shares.
- (d) Participation by individuals in Grades C, D and E at discretion of CEO with an estimated level of participation equal to 50, 50 and 125 employees, respectively.
- (e) Based on 97 million shares outstanding.

[PEARL MEYER & PARTNERS]

The following Exhibit F1 and F2 summarize opportunities available under the four pay plans of the VISION2001 program for IFF's eight executive officers - structurally as a percent of salary and by dollar amount.

INTERNATIONAL FLAVORS & FRAGRANCES INC.

 IFF Compensation Structure
 Total Remuneration of Eight Executive Officers - Percent of Salary

Name	Salary Grade	Current Base Salary	Annual Incentive (a)			Annualized Long Term (b)		
			Threshold	Target	Maximum	Threshold	Target	Maximum
Goldstein, R. A.	CEO	100.0%	15.0%	60.0%	120.0%	20.0%	80.0%	160.0%
Lobbosco, C. A.	K	100.0%	12.5%	50.0%	100.0%	12.5%	50.0%	100.0%
Boyden, J.	K	100.0%	12.5%	50.0%	100.0%	12.5%	50.0%	100.0%
Howard, D. W.	K	100.0%	12.5%	50.0%	100.0%	12.5%	50.0%	100.0%
Block, S. A.	J	100.0%	12.5%	50.0%	100.0%	12.5%	50.0%	100.0%
Wetmore, D. J.	J	100.0%	12.5%	50.0%	100.0%	12.5%	50.0%	100.0%
Brooks, C. D.	J	100.0%	12.5%	50.0%	100.0%	12.5%	50.0%	100.0%
Kane, W. S.	J	100.0%	12.5%	50.0%	100.0%	12.5%	50.0%	100.0%
Range of Opportunity vs. Target			25%	100%	200%	25%	100%	200%

Name	Salary Grade	Current Base Salary	Stock Options (c)			Total Remuneration		
			Threshold	Target	Maximum	Threshold	Target	Maximum
Goldstein, R. A.	CEO	100.0%	66.0% (d)	66.0% (d)	80.0%	201.0%	306.0%	460.0%
Lobbosco, C. A.	K	100.0%	38.1%	44.8%	53.8%	163.1%	244.8%	353.8%
Boyden, J.	K	100.0%	40.1%	47.2%	56.6%	165.1%	247.2%	356.6%
Howard, D. W.	K	100.0%	50.8%	59.8%	71.8%	175.8%	259.8%	371.8%
Block, S. A.	J	100.0%	31.8%	37.4%	44.8%	156.8%	237.4%	344.8%
Wetmore, D. J.	J	100.0%	34.7%	40.8%	48.9%	159.7%	240.8%	348.9%
Brooks, C. D.	J	100.0%	38.1%	44.8%	53.8%	163.1%	244.8%	353.8%
Kane, W. S.	J	100.0%	52.0%	61.2%	73.4%	177.0%	261.2%	373.4%
Range of Opportunity vs. Target			-15%	100%	+20%			

(a) "Kicker" of up to 50% of target for extraordinary performance.

(b) Standard annualized opportunity shown; 2001 to 2003 start-up biennial cycle to equal 3x annualized long term opportunity and subsequent biennial cycles to equal 2x annualized long term opportunity.

(c) Calculation based on IFF stock price of \$17.9375 per share and IFF Black-Scholes value of 25.0% of grant value; option ranges to be finalized in May 2001.

(d) CEO to receive annual option grants with minimum Black-Scholes value of \$590,000 (66% of current salary); initial CEO option grant on 100,000 shares.

INTERNATIONAL FLAVORS & FRAGRANCES INC.

 IFF Compensation Structure
 Total Remuneration of Eight Executive Officers - Amounts (000s)

Name	Salary Grade	Current Base Salary	Annual Incentive (b)			Annualized Long Term (c)		
			Threshold	Target	Maximum	Threshold	Target	Maximum
Goldstein, R. A.	CEO	\$900	\$135	\$540	\$1,080	\$180	\$720	\$1,440
Lobbosco, C. A.	K	500	63	250	500	63	250	500
Boyden, J.	K							
Howard, D. W.	K							
Block, S. A.	J	360	45	180	360	45	180	360
Wetmore, D. J.	J	330	41	165	330	41	165	330
Brooks, C. D.	J							
Kane, W. S.	J							
Totals			\$455	\$1,820	\$3,640	\$500	\$2,000	\$4,000
% of Outstanding (e)								
Range of Opportunity vs. Target			25%	100%	200%	25%	100%	200%

Stock Options (a)

Name	Salary Grade	Current Base Salary	Amount			No. of Shares		
			Min.	Target	Max.	Min.	Target	Max.
Goldstein, R. A.	CEO	\$900	\$ 590 (d)	\$ 590 (d)	\$ 720	130.0 (d)	130.0 (d)	155.0
Lobbosco, C. A.	K	500	191	224	269	42.5	50.0	60.0
Boyden, J.	K							
Howard, D. W.	K							
Block, S. A.	J	360	114	135	161	25.5	30.0	36.0
Wetmore, D. J.	J	330	114	135	161	25.5	30.0	36.0
Brooks, C. D.	J							
Kane, W. S.	J							
Totals			\$1,619	\$1,801	\$2,173	359.5	400.0	479.0
% of Outstanding (e)						0.37%	0.41%	0.49%
Range of Opportunity vs. Target			-15%	100%	+20%	-15%	100%	+20%

Name	Salary Grade	Current Base Salary	Total Remuneration		
			Min.	Target	Max.
Goldstein, R. A.	CEO	\$900	\$1,805	\$2,750	\$4,140
Lobbosco, C. A.	K	500	816	1,224	1,769
Boyden, J.	K				
Howard, D. W.	K				
Block, S. A.	J	360	564	855	1,241
Wetmore, D. J.	J	330	527	795	1,151
Brooks, C. D.	J				

	Totals	-----	-----	-----
% of Outstanding (e)		\$6,034	\$9,081	\$13,273

-
- (a) Calculation based on IFF stock price of \$17.9375 per share and IFF Black-Scholes value of 25.0% of grant value; option ranges to be finalized in May 2001.
 - (b) "Kicker" of up to 50% of target for extraordinary performance.
 - (c) Standard annualized opportunity shown; 2001 to 2003 start-up biennial cycle to equal 3x annualized long term opportunity and subsequent biennial cycles to equal 2x annualized long term opportunity.
 - (d) CEO to receive annual option grants with minimum Black-Scholes value of \$590,000 (66% of current salary); initial CEO option grant on 100,000 shares.
 - (e) Based on 97 million shares outstanding.

V. Perquisite Plan

The IFF Perquisite Plan is positioned at marketplace median. Two items have been added to current practice - financial counseling & estate planning and health club membership.

As shown in Exhibit G, perquisites provided vary based on position level as reflected in assigned Salary Grade.

INTERNATIONAL FLAVORS & FRAGRANCES INC.

VISION2001 Compensation Program - Other Elements
Perquisites Plan

Salary Grade	Car (a)	Vacation	Severance	Annual Physical	Building Parking
CEO	Yes	Per Board	Per Contract (b)	Yes	Yes
K	Yes	4 Weeks	Per Executive Severance Policy	Yes	Yes
J	Yes	4 Weeks	Per Executive Severance Policy	Yes	Yes
I	Yes	4 Weeks	Per Executive Severance Policy	Yes	Yes
H	Yes	4 Weeks	18 Months	Yes	Yes
G	No	4 Weeks	12 Months	Yes	No
F	No	3 Weeks	Per Policy - 6 Months Min.	No	No
E	No	3 Weeks	Per Policy - 6 Months Min.	No	No
D	No	Per Policy	Per Policy	No	No
C	No	Per Policy	Per Policy	No	No
B	No	Per Policy	Per Policy	No	No
A	No	Per Policy	Per Policy	No	No

Salary Grade	Air Transport Accommodations	Financial Counseling & Estate Planning	Health Club
CEO	First or Business	Individual	Yes (100%)
K	First or Business	Individual	Yes (100%)
J	First or Business	Individual	Yes (100%)
I	First or Business	Individual	Yes (100%)
H	First or Business	Individual	Yes (100%)
G	Coach or Business for 5 hours or more	Small Group	Partial Subsidy
F	Coach or Business for 5 hours or more	Small Group	Partial Subsidy
E	Coach or Business for 5 hours or more	Seminar	Partial Subsidy
D	Coach or Business for 5 hours or more	Seminar	Partial Subsidy
C	--	Seminar	Partial Subsidy
B	--	Seminar	Partial Subsidy
A	--	Seminar	Partial Subsidy

(a) Nature of program is currently under review.

(b) Covered under Executive Separation Policy except as provided in CEO letter agreement.

VI. Deferred Compensation Plan

Approximately 300 U.S. based management employees in Salary Grades E and above will be eligible to participate in the Plan whose purposes are to:

- . Increase key employee stock ownership by encouraging deferral and investment of IFF earnings (including option profits) in IFF shares.
- . Facilitate wealth building by permitting key employees to invest their IFF earnings on a tax-deferred basis.
- . Encourage executive retention by automatic payout and taxation of deferred amounts upon certain terminations, and
- . Offer a flexible and competitive program.

Earnings eligible for deferral include salary in excess of the Social Security wage base plus Medicare tax^{1/}; annual and long term incentive awards; stock and stock unit awards; and profit shares resulting from stock-for-stock option exercise.

Investment alternatives to be made available include, among others to be determined, IFF shares, selected equity and fixed income funds, and interest at specified rates. Deferral investment choices may be switched, except no switching out of IFF stock will be permitted to avoid Section 16 issues for insiders and accounting charges to the Company. Deferrals in IFF stock must be paid out in stock; all other deferrals may be paid out in cash, or at the Company's election, in the participant's elected investment.

Deferral elections are to be filed on a timely basis as follows to avoid "constructive receipt" issues:

- | | |
|--|---|
| . Salary | . Prior to commencement of fiscal quarter in which earned |
| . Annual and long term incentive awards in cash or stock | . At least six months prior to end of performance period |
| . Mandatorily deferred incentive awards | . One year prior to scheduled payment date |
| . Option profit shares | . At least six months prior to exercise |
| . Stock units | . At least six months prior to scheduled payment date |
| . "Second-look" elections to extend deferral | . At least one year prior to payout or six months prior to termination triggered payments |

^{1/} For 2001 wage base is \$80,400 and Medicare withholding amounts to 1.45% of wages.

Participants will have the flexibility to elect to receive their deferred amounts during employment or after termination due to retirement or disability, upon fixed date(s) or event(s), and in lump sum or in up to 10 installments. For retention purposes, a voluntary quit will trigger automatic payment and taxation. Deferrals will also be automatically paid out within one year after death and upon termination by the Company with Company right of offset in the event of a "for cause" termination. Automatically accelerated payout will occur within five business days of a Change in Control unless it would hinder a pooling transaction, or the participant waives acceleration.

Early withdrawals will be permitted in the event of defined hardship with other withdrawals permitted subject to a 10% penalty. On the other hand, the Company may delay payment to avoid loss of tax deduction under IRC Section 162(m) or other Code provisions.

The Plan may be implemented upon approval of the Committee and Board, with administration delegated to Company officers. Plan funding is under study. Based on recently expressed views of the SEC staff, the Plan will be registered on a Form S-8.

INTERNATIONAL FLAVORS & FRAGRANCES INC.

Executive Separation Policy

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INTERNATIONAL FLAVORS & FRAGRANCES INC.

Executive Separation Policy

1. Purpose. The purpose of this International Flavors & Fragrances Inc.

Executive Separation Policy (the "Policy") is to provide certain severance payments and benefits to designated officers and other key executives and employees of the Company and its subsidiaries (each, an "Employee") in the event of termination of employment (i) prior to or more than three years after a Change in Control or (ii) within three years after a Change in Control. This Policy shall not affect the right of the Company or a subsidiary to terminate an Employee's employment with or without Cause.

2. Definitions. The following definitions are applicable for purposes of

this Policy (including in any Annex hereto), in addition to terms defined in Section 1 above:

(a) "Annual Compensation" means the sum of salary and annual incentive compensation, calculated as follows:

(i) Salary shall be calculated as the Employee's annual salary with the Company and its subsidiaries at the highest rate in effect at any time during the five years preceding termination of employment; and

(ii) Annual incentive shall be calculated as the greater of Employee's average annual incentive award paid for performance in the three years preceding the year of termination under the AIP or the Employee's target annual incentive for the year of termination.

(b) "AIP" means any plan or arrangement of the Company providing cash-denominated bonuses for annual performance.

(c) "Beneficiary" means any family member or members, including by marriage or adoption, any trust in which the Employee or any family member or members have more than 50% of the beneficial interest, and any other entity in which the Employee or any family member or members own more than 50% of the voting interests, in each case designated by the Employee in his most recent written Beneficiary designation filed with the Committee as entitled to receive payments or benefits in connection with this Policy or, if there is no surviving designated Beneficiary, then the person, persons, trust or trusts entitled by will or the laws of descent and distribution to receive payments or benefits in connection with this Policy on behalf or in lieu of such non-surviving designated Beneficiary.

(d) "Cause" means (i) the willful and continued failure by the Employee to perform substantially his duties with the Company (other than any such failure resulting from the Employee's incapacity due to physical or mental illness) after a written demand for substantial performance is delivered to the Employee by the Chairman of the Board of Directors or the President of the Company which specifically identifies the manner in which the Employee has not substantially performed his duties, (ii) the willful engagement

by the Employee in conduct which is not authorized by the Board of Directors of the Company or within the normal course of the Employee's business decisions and is known by the Employee to be materially detrimental to the best interests of the Company or any of its subsidiaries, or (iii) the willful engagement by the Employee in illegal conduct or any act of serious dishonesty which adversely affects, or, in the reasonable estimation of the Board of Directors of the Company, could in the future adversely affect, the value, reliability or performance of the Employee to the Company in a material manner. Any act, or failure to act, based upon authority given pursuant to a resolution duly adopted by the Board of Directors of the Company or based upon the advice of counsel for the Company shall be conclusively presumed to be done, or omitted to be done, by the Employee in good faith and in the best interests of the Company. Notwithstanding the foregoing, an Employee shall not be deemed to have been terminated for Cause unless and until there shall have been delivered to the Employee a copy of the resolution duly adopted by the affirmative vote of not less than three-quarters of the entire membership of the Board of Directors after reasonable notice to the Employee and an opportunity for him, together with his counsel, to be heard before the Board of Directors, finding that, in the good faith opinion of the Board of Directors, the Employee was guilty of the conduct set forth above in (i), (ii) or (iii) of this Section 2(c) and specifying the particulars thereof in detail.

(e) A "Change in Control" shall be deemed to have occurred if, after the Effective Date and while the affected Employee is employed by the Company or a subsidiary, there shall have occurred any of the following:

(i) Any "person," as such term is used in Section 13(d) and 14(d) of the Exchange Act (other than the Company, any trustee or other fiduciary holding securities under an employee benefit plan of the Company, or any company owned, directly or indirectly, by the shareholders of the Company in substantially the same proportions as their ownership of stock of the Company), acquires voting securities of the Company and immediately thereafter is a "40% Beneficial Owner." For purposes of this provision, a "40% Beneficial Owner" shall mean a person who is the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing 40% or more of the combined voting power of the Company's then-outstanding voting securities; provided, however, that the term "40% Beneficial Owner" shall not include any person who was a beneficial owner of outstanding voting securities of the Company at February 20, 1990, or any person or persons who was or becomes a fiduciary of any such person or persons who is, or in the aggregate, are a "40% Beneficial Owner" (an "Existing Shareholder"), including any group that may be formed which is comprised solely of Existing Shareholders, unless and until such time after February 20, 1990 as any such Existing Shareholder shall have become the beneficial owner (other than by means of a stock dividend, stock split, gift, inheritance or receipt or exercise of, or accrual of any right to exercise, a stock option granted by the Company or receipt or settlement of any other stock-related award granted by the Company) by purchase of any additional voting securities of the Company; and provided further, that the term "40% Beneficial Owner" shall not include any person who shall become the beneficial owner of 40% or more of the combined voting power of the Company's then-outstanding voting securities solely as a result of an acquisition by the Company of its voting securities, until such time thereafter as

such person shall become the beneficial owner (other than by means of a stock dividend or stock split) of any additional voting securities and becomes a 40% Beneficial Owner in accordance with this Section;

(ii) Individuals who on September 1, 2000 constitute the Board, and any new director (other than a director whose initial assumption of office is in connection with an actual or threatened election consent, including but not limited to a consent solicitation, relating to the election of directors of the Company) whose election by the Board or nomination for election by the Company's shareholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors on September 1, 2000 or whose election or nomination for election was previously so approved or recommended, cease for any reason to constitute at least a majority thereof;

(iii) There is consummated a merger, consolidation, recapitalization, or reorganization of the Company, or a reverse stock split of any class of voting securities of the Company, if, immediately following consummation of any of the foregoing, either (A) individuals who, immediately prior to such consummation, constitute the Board do not constitute at least a majority of the members of the board of directors of the Company or the surviving or parent entity, as the case may be, or (B) the voting securities of the Company outstanding immediately prior to such recommendation do not represent (either by remaining outstanding or by being converted into voting securities of a surviving or parent entity) at least 60% or more of the combined voting power of the outstanding voting securities of the Company or such surviving or parent entity; or

(iv) the shareholders of the Company have approved a plan of complete liquidation of the Company or there is consummated an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets (or any transaction have a similar effect).

(f) "Committee" means the Stock Option and Compensation Committee of the Company's Board of Directors, or such other committee as the Board may designate to perform administrative functions under the Policy.

(g) "Company" means International Flavors & Fragrances Inc., a New York corporation, or any successor corporation.

(h) "Designated Awards" means (i) options granted under the Company's Employee Stock Option Plan of 1988, Employee Stock Option Plan of 1992 and 1997 Employee Stock Option Plan, (ii) any other options granted under a Plan, whether currently existing or hereafter adopted by the Company, that, by its terms, does not permit such options to become vested and exercisable upon occurrence of a Change in Control and to remain outstanding for the periods provided in Section 5(a), and (iii) restricted stock and other equity-based awards granted under a Plan or arrangement that, by its terms, does not permit such awards to become vested and non-forfeitable upon occurrence of a Change in Control as provided in Section 5(a) in each case if such options or other awards remain outstanding and held by the Employee at the date of his termination of employment.

(i) "Disability" means a disability entitling the Employee to long-term disability benefits under the Company's long-term disability policy as in effect at the date of Employee's termination of employment.

(j) "Effective Date" means the date the Policy became effective, as set forth in Section 10(i) hereof.

(k) "Excess Benefit Plan" means the Company's Supplemental Retirement Plan and any supplemental pensions provided to the Employee under any resolutions adopted by the Board of Directors of the Company or any subsidiary, and as the same may be modified, replaced or added to by the Company and its subsidiaries from time to time.

(l) "Good Reason" means the occurrence of any of the following events, unless the Employee has consented in writing thereto:

(i) a reduction by the Company and its subsidiaries in the Employee's base salary as in effect immediately prior to the Change in Control;

(ii) the failure by the Company or a subsidiary to continue in effect any Plan (as hereinafter defined) in which the Employee was participating at the time of the Change in Control, unless such Plan (x) is replaced by a successor Plan providing to the Employee substantially similar compensation and benefits (which replacement Plan shall continue to be subject to this provision) or (y) terminates as a result of the normal expiration of such Plan in accordance with its terms, as in effect immediately prior to the Change in Control; or the taking of any other action, or the failure to act, by the Company or a subsidiary which would materially adversely affect the Employee's continued participation in any of such Plans as compared to the terms of such participation on the date of the Change in Control, including by materially reducing the Employee's benefits in the future under any such Plans;

(iii) effecting a change in the position of the Employee which does not represent a position commensurate in level, authority and responsibilities with or a promotion from Employee's position with the Company or any of its subsidiaries immediately prior to the date of the Change in Control, or assigning to the Employee responsibilities which are materially inconsistent with such prior position; or

(iv) the Company's or a subsidiary's requiring the Employee to be based anywhere more than 45 miles from the location of Employee's office immediately prior to the Change in Control, except for required travel on the business of the Company or subsidiaries to an extent substantially consistent with the business travel obligations which the Employee undertook on behalf of the Company or subsidiaries prior to the Change in Control;

in each case after notice in writing from the Employee to the Company and a period of 30 days after such notice during which the Company and its subsidiaries fail to correct such

conduct.

(m) "LTIP" means a long-term performance incentive plan of the Company.

(n) "Plan" means any compensation plan of the Company or a subsidiary such as an incentive, stock option or restricted stock plan or any employee benefit plan of the Company or a subsidiary such as a pension, profit sharing, medical, dental or life insurance plan.

(o) "Prior Executive Severance Agreement" means an Executive Severance Agreement between the Employee and the Company in effect immediately prior to the Effective Date of this Policy.

(p) "Retirement" means retirement after attaining age 62.

(q) "Retirement Plan" means the Company's tax-qualified pension plan in which the Employee participates, as the same may be modified, replaced or added to by the Company or a subsidiary from time to time.

3. Eligibility. Each officer of the Company or other key executive or

employee of the Company or its subsidiaries who has been designated in writing by the Committee shall be eligible for the severance payments and benefits and other provisions of this Policy if his termination of employment qualifies hereunder. Eligible persons shall include persons employed outside the United States, if designated by the Committee and subject to Section 10(h) of this Policy. As of the date of adoption of this Policy, each executive officer of the Company listed on Annex I is designated as a Tier 1 participant hereunder.

4. Severance Payments and Benefits. For each Employee or class of

Employees eligible to participate under this Policy, the Committee shall specify the terms and conditions under which severance payments and benefits will be paid and other terms and conditions of participation. For Employees designated as Tier 1 level participants, these terms and conditions shall be as set forth in Annex I hereto. If other participation Tiers are designated by the Committee, the terms and conditions of such participation shall be set forth in additional Annexes to the Plan. The foregoing and the provisions of any such Annex notwithstanding, the Committee may vary the terms or provide enhanced benefits in a document provided to a participant otherwise designated as a participant in a specified Tier, except that the Committee shall not vary such terms and conditions in a way adverse to a previously designated participant without the written consent of such participant.

5. Acceleration of Equity Awards Upon a Change in Control; Certain

Provisions Applicable to Equity Awards.

(a) Acceleration Upon Change in Control. In the event of a Change in Control, the following provisions will apply to any stock options, restricted stock and other awards based on stock then held by the Employee, other than Designated Awards and limited stock appreciation rights relating thereto:

(i) Any such option or other award carrying a right to exercise that was not previously vested and exercisable shall become fully vested and

exercisable as of the time of the Change in Control.

(ii) All forfeiture conditions, deferral of settlement conditions, and other restrictions applicable to such restricted stock and other equity awards shall lapse and such awards shall be fully payable or settleable as of the time of the Change in Control without regard to deferral and vesting conditions, except to the extent of any waiver by the Employee or other express Employee election to defer beyond a Change in Control.

(iii) With respect to such an outstanding equity award subject to achievement of performance goals and conditions, such performance goals and conditions shall be deemed to be fully met as of the date of such Change in Control, unless otherwise expressly provided by the Committee in the award document governing such award or other agreement entered into with the Employee after the Effective Date.

Notwithstanding the foregoing, Section 7 shall continue to apply to any such award in accordance with its terms.

(b) Effect of Policy Terms on Outstanding Options and Awards. If any option, restricted stock or stock unit award outstanding at the effective date of this Policy cannot, under the terms of the plan governing such award, provide for vesting or post-termination exercise on the terms set forth in Section 4, and any Annex hereto implementing Section 4, or this Section 5, or if the modification to the vesting and post-termination exercise and other terms of such option or award under Section 4, and any such Annex hereto, or this Section 5 would trigger an accounting expense to be measured and recognized by the Company prior to a Change in Control, such award shall be modified by Section 4, and any such Annex, and this Section 5 only to the extent that the modification is both permitted under the terms of the plan governing such award and does not trigger such accounting expense.

(c) More Favorable Terms Apply. If and to the extent that the terms of an option, restricted stock award, or other award based on stock are more favorable to the Employee, in the event of a Change in Control, than those terms provided under this Section 5, those terms shall apply, and this Section 5 shall not operate in any way to restrict or cut back on the rights of the Employee with respect to such award.

6. Excise Tax Gross-Up. If an Employee who has been designated as

eligible for benefits under this Section 6, as set forth in the Annex hereto designating the terms of such Employee's participation, becomes entitled to one or more payments in connection with a Change in Control or termination of employment during the three years following a Change in Control, other than a termination by the Company for Cause, (with a "payment" including, without limitation, the vesting of an option or other non-cash benefit or property, including under Section 5 of this Policy) pursuant to any plan, agreement or arrangement of the Company (together, "Severance Payments") which are or would be subject to the tax imposed by Section 4999 of the Internal Revenue Code of 1986, as amended (or any similar tax that may be imposed) (the "Excise Taxes"), the Company shall pay to the Employee an additional amount ("Gross-Up Payment") such that, after the payment by the Employee of all taxes (including without limitation all income and employment tax and Excise Tax and treating as a tax the lost tax benefit resulting

from the disallowance of any deduction of the Employee by virtue of the inclusion of the Gross-Up Payment in the Employee's adjusted gross income), and interest and penalties with respect to such taxes, imposed upon the Gross-Up Payment, the Employee retains an amount of the Gross-Up Payment equal to the Excise Taxes imposed upon the Severance Payments.

For purposes of determining whether any of the Severance Payments will be subject to the Excise Tax and the amount of such Excise Tax:

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

(ii) The amount of the Severance Payments which shall be treated as subject to the Excise Tax shall be equal to the lesser of (A) the total amount of the Severance Payments or (B) the total amount of excess parachute payments within the meaning of Section 280G(b)(1) of the Code (after applying clause (i) above).

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

For purposes of determining the amount of the Gross-Up Payment, the Employee shall be deemed (A) to pay federal income taxes at the highest marginal rate of federal income taxation for the calendar year in which the Gross-Up Payment is to be made; (B) to pay any applicable state and local income taxes at the highest marginal rate of taxation for the calendar year in which the Gross-Up Payment is to be made, net of the maximum reduction in federal income taxes which could be obtained from deduction of such state and local taxes if paid in such year (determined without regard to limitations on deductions based upon the amount of the Employee's adjusted gross income); and (C) to have otherwise allowable deductions for federal, state, and local income tax purposes at least equal to those disallowed because of the inclusion of the Gross-Up Payment in the Employee's adjusted gross income. In the event that the Excise Tax is subsequently determined to be less than the amount taken into account hereunder at the time the Gross-Up Payment is made, the Employee shall repay to the Company at the time that the amount of such reduction in Excise Tax is finally determined (but, if previously paid to the taxing authorities, not prior to the time the amount of such reduction is refunded to the Employee or otherwise realized as a benefit by the Employee) the portion of the Gross-Up Payment that would not have been paid if such Excise Tax had been applied in initially calculating the Gross-Up Payment, plus interest on the amount of such repayment at the rate provided in Section 1274(b)(2)(B) of the Code. In the event that the Excise Tax is determined to exceed the amount taken into account hereunder at the time the Gross-Up Payment is made (including by reason of any payment the existence or amount of which cannot be determined at the time of the Gross-

Up Payment), the Company shall make an additional Gross-Up Payment in respect of such excess (plus any interest and penalties payable with respect to such excess) at the time that the amount of such excess is finally determined.

The Gross-Up Payment provided for above shall be paid on the 30th day (or such earlier date as the Excise Tax becomes due and payable to the taxing authorities) after it has been determined that the Severance Payments (or any portion thereof) are subject to the Excise Tax; provided, however, that if the amount of such Gross-Up Payment or portion thereof cannot be finally determined on or before such day, the Company shall pay to the Employee on such day an estimate, as determined by the Independent Advisors, of the minimum amount of such payments and shall pay the remainder of such payments (together with interest at the rate provided in Section 1274(b)(2)(B) of the Code), as soon as the amount thereof can be determined. In the event that the amount of the estimated payments exceeds the amount subsequently determined to have been due, such excess shall constitute a loan by the Company to the Employee, payable on the fifth day after demand by the Company (together with interest at the rate provided in Section 1274(b)(2)(B) of the Code). If more than one Gross-Up Payment is made, the amount of each Gross-Up Payment shall be computed so as not to duplicate any prior Gross-Up Payment.

The Company shall have the right to control all proceedings with the Internal Revenue Service that may arise in connection with the determination and assessment of any Excise Tax and, at its sole option, the Company may pursue or forego any and all administrative appeals, proceedings, hearings, and conferences with any taxing authority in respect of such Excise Tax (including any interest or penalties thereon); provided, however, that the Company's control over any such proceedings shall be limited to issues with respect to which a Gross-Up Payment would be payable hereunder, and the Employee shall be entitled to settle or contest any other issue raised by the Internal Revenue Service or any other taxing authority. The Employee shall cooperate with the Company in any proceedings relating to the determination and assessment of any Excise Tax and shall not take any position or action that would materially increase the amount of any Gross-Up Payment hereunder.

7. Employee Obligations and Conditions to Receipt of Payments and

Benefits.

(a) Obligations of the Employee. The following requirements must be met by the Employee as a condition to his right to receive, continue to receive, or retain payments and benefits under the Policy, as specified in Section 7(b), (c) and (d):

(i) The Employee, acting alone or with others, directly or indirectly, shall not, during the Non-competition Period, either as employee, employer, consultant, advisor, or director, or as an owner, investor, partner, or shareholder unless the Employee's interest is insubstantial, engage in or become associated with a "Competitive Activity." For this purpose, (A) the "Non-competition Period" means the period prior to a Change in Control and either during Employee's employment or within two years following termination of such employment with the Company and any subsidiary or for such shorter period following such termination as may be provided by applicable law; and (B) the term "Competitive Activity" means any business or other endeavor that engages in a line of business in any geographic location that is substantially the same as either (1) any line of operating business which the Company or a subsidiary engages in, conducts, or, to the knowledge of the Executive, has

definitive plans to engage in or conduct, or (2) any operating business that has been engaged in or conducted by the Company or a subsidiary and as to which, to the knowledge of the Employee, the Company or subsidiary has covenanted in writing, in connection with the disposition of such business, not to compete therewith. The Committee shall, in the reasonable exercise of its discretion, determine which lines of business the Company and its subsidiaries conduct on any particular date and which third parties may reasonably be deemed to be in competition with the Company and its subsidiaries. For purposes of this Section 7(a) (including clause (ii) below), the Employee's interest as a shareholder is insubstantial if it represents beneficial ownership of less than five percent of the outstanding class of stock, and the Employee's interest as an owner, investor, or partner is insubstantial if it represents ownership, as determined by the Committee in its discretion, of less than five percent of the outstanding equity of the entity.

(ii) During the period prior to a Change in Control and either during the Employee's employment or within two years following termination of such employment with the Company or any subsidiary or for such shorter period following termination as may be provided by applicable law, the Employee, acting alone or with others, directly or indirectly, shall not (A) induce any customer or supplier of the Company or a subsidiary or affiliate, or other company with which the Company or a subsidiary or affiliate has a business relationship, to curtail, cancel, not renew, or not continue his or her or its business with the Company or any subsidiary or affiliate; or (B) induce, or attempt to influence, any employee of or service provider to the Company or a subsidiary or affiliate to terminate such employment or service.

(iii) The Employee shall not disclose, use, sell, or otherwise transfer, except in the course of employment with or other service to the Company or any subsidiary or affiliate, any confidential or proprietary information of the Company or any subsidiary or affiliate, including but not limited to information regarding the Company's current and potential customers, organization, employees, finances, and methods of operation and investments, so long as such information has not otherwise been disclosed to the public or is not otherwise in the public domain, except as required by law or pursuant to legal process, and the Employee shall not make statements or representations, or otherwise communicate, directly or indirectly, in writing, orally, or otherwise, or take any other action which may, directly or indirectly, disparage or be damaging to the Company or any of its subsidiaries or affiliates or their respective officers, directors, employees, advisors, businesses or reputations, except as required by law or pursuant to legal process.

(iv) The Employee shall cooperate with the Company or any subsidiary or affiliate by making himself available to testify on behalf of the Company or such subsidiary or affiliate in any action, suit, or proceeding, whether civil, criminal, administrative, or investigative, and otherwise to assist the Company or any subsidiary or affiliate in any such action, suit, or proceeding by providing information and meeting and consulting with members

of management of, other representatives of, or counsel to, the Company or such subsidiary or affiliate, as reasonably requested.

(v) The Employee shall deliver promptly to the Company on termination of the Employee's employment, or at any time the Company may so request, all documents, memoranda, notes, records, files, reports, and other materials, and all copies thereof, including digital versions, relating to the Company and its subsidiaries and affiliates, and all other property of the Company and its subsidiaries and affiliates, then in the possession of or under the Employee's control.

(b) Effect of the Employee's Failure to Comply with Obligations. The Company shall have no obligations to make payments or provide benefits to the Employee under this Policy if, in the case of an Employee whose employment terminates prior to a Change in Control, the Employee has failed or fails to comply with the obligations set forth in Section 7(a), other than inadvertent and inconsequential events constituting non-compliance, during the period of two years prior to the Employee's termination of employment or at any time following such termination of employment.

(c) Employee Obligation to Execute Release and Termination Agreement. The Company's obligations under this Policy to make payments and provide benefits is conditioned upon the Employee's signing a release and termination agreement and the expiration of any revocation period set forth therein. The Committee shall specify the form and content of such agreement, and may modify such form and content from time to time; provided, however, that, such agreement shall set forth the obligations in Section 7(a) and the Employee shall agree to comply therewith, and the Employee shall agree to the terms of Section 7(d); and provided further, that during the three years following a Change in Control, such agreement shall not be modified in a manner that increases the obligations or decreases the rights of the Employee as compared to the form of such agreement in use prior to the Change in Control.

(d) Clawback Provision. In the case of any termination of the Employee's employment prior to a Change in Control, if the Employee has failed to comply with the obligations under Section 7(a) (other than an inadvertent and inconsequential event constituting non-compliance) during the two years prior to termination or during the period following termination which is the lesser of two years or the period during which the obligations under Section 7(a) continue to apply, all of the following forfeitures will result:

(i) The unexercised portion of any option, whether or not vested, and any other award not then vested will be immediately forfeited and canceled.

(ii) The Employee will be obligated to repay to the Company, in cash, within five business days after demand is made therefor by the Company,

(A) the total amount of any cash payments made to the

Employee under this Policy, other than (i) such Employee's annual salary that had been payable as of the date of termination of employment, together with salary, incentive compensation and benefits which had been earned or become payable as of the date of termination but which had not yet been paid to the Employee and unreimbursed business expenses reimbursable under Company policies then in effect, and (ii) cash payments under welfare benefit plans;

(B) other cash amounts paid to the Employee under any AIP and LTIP awards since the date two years prior to the Employee's termination of employment; and

(C) the Award Gain (as defined below) realized by the Employee upon each exercise of an option or settlement of a restricted stock or stock unit award (regardless of any elective deferral) since the date two years prior to Employee's termination of employment. For purposes of this Section 7(d), the term "Award Gain" shall mean (1), in respect of a given option exercise, the product of (X) the fair market value per share of stock at the date of such exercise (without regard to any subsequent change in the market price of shares) minus the exercise price times (Y) the number of shares as to which the option was exercised at that date, and (ii), in respect of any other settlement of an award granted to the Employee, the fair market value of the cash or stock paid or payable to the Employee (regardless of any elective deferral) less any cash or the fair market value of any stock or property (excluding any payment of tax withholding) paid by the Employee to the Company as a condition of or in connection such settlement.

8. Other Provisions Applicable to Severance Payments and Benefits.

(a) Timing of Payments. All payments required to be paid as a lump sum under Section 4 and any Annex hereto implementing Section 4 shall be paid not later than the 15th day following the date of termination of Employee's employment (or the date such lump sum otherwise became payable hereunder). Other payments shall be made as promptly as practicable following the earliest date such payments are due.

(b) Limitation of Benefits In Case of Certain Business Dispositions. Notwithstanding anything in this Policy to the contrary, an Employee shall not be entitled to any payments or benefits upon a termination of employment prior to or more than three years after a Change in Control under Section 4, and any Annex implementing Section 4, unless the Committee in its sole discretion provides otherwise, in the event such termination of employment results from the sale or spin-off of a subsidiary, the sale of a division, other business unit or facility in which the Employee was employed immediately prior to such sale, and the Employee has been offered employment with the purchaser of such subsidiary, division, other business unit or facility or the spun-off entity on substantially the same terms and conditions under which the Employee worked prior to the sale. Such terms and conditions must include an agreement or plan binding on such purchaser or spun-off entity providing

that, upon any termination of the Employee's employment with the purchaser or spun-off entity of the kinds described in Section 4, and any Annex hereto applicable to the Employee, within three years following such sale or spin-off (but not past the attainment of age 65 by the Employee), the purchaser or spun-off entity shall pay to such Employee amounts comparable to the payments that the Employee would have received under the applicable provision of Section 4 and such Annex, and provide comparable benefits, as if the Employee had been terminated in like circumstances at the time of such sale and provided payments and benefits under this Policy.

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

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

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

(f) Calculation of Months. Provisions of this Policy which calculate the number of months remaining until age 65 will treat, for example, the period from August 16 through October 15 as two whole months, will treat any remaining partial month as one whole month, and will treat any negative number resulting from termination after age 65 as zero.

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

Benefits.

(a) Rights Under Other Plans. Except to the extent that the terms of this Policy confer rights to severance payments and benefits that are more favorable to the Employee than are available under any other employee (including executive) benefit plan or executive compensation plan of the Company or a subsidiary in which the Employee is a participant, the Employee's rights under any such employee (including executive) benefit plan or executive compensation plan shall be determined in accordance with the terms of such plan (as it may be modified or added to by the Company from time to time), except as otherwise provided in Section 5.

(b) Superseded Agreements and Rights. This Policy constitutes the entire understanding between the Company and the Employee relating to severance payments and benefits to be paid or provided to the Employee by the Company and its subsidiaries, and supersedes and cancels all prior agreements and understandings with respect to the subject matter of this Policy, except as otherwise provided in this Section 9(b). In order for the Employee to be entitled to any payments or benefits under this Policy, Employee must agree, within such period after the Committee has designated Employee as eligible to be covered by the Policy as the Committee may specify, that the Employee shall not be entitled to benefits under any Prior Executive Severance Agreement between the Company and the Employee, except to the extent that limited stock appreciation rights may continue in effect under Section 4 and any

Annex applicable to Employee and Section 5(a) hereof. If, however, the Employee has previously entered or after the Effective Date enters into an employment agreement with the Company or a subsidiary, that employment agreement will not be superseded by this Policy unless it specifically so provides.

(c) Non-Duplication of Payments and Benefits. The Employee shall not be entitled to any payment or benefit under this Policy which duplicates a payment or benefit received or receivable by the Employee under any other employment agreement, severance agreement, or other agreement or understanding, or under any employee (including executive) compensation or benefit plan, of the Company or a subsidiary.

10. Miscellaneous

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

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

(c) Legal Fees. The Company shall pay all legal fees and related expenses incurred by an Employee in seeking to obtain or enforce any payment, benefit or right provided by this Policy; provided, however, that the Employee shall be required to repay any such amounts to the Company to the extent that an arbitrator or a court of competent jurisdiction issues a final, unappealable order setting forth a determination that the position taken by the Employee was frivolous or advanced in bad faith.

(d) Amendment and Termination. The Board of Directors of the Company may amend or terminate this Policy at any time, provided, however, that, without the written consent of an affected Employee, (i), during the three years following a Change in Control, this Policy may not be amended or terminated in any manner materially adverse to an Employee, and (ii), at any other time, this Policy may not be amended or terminated in any manner materially adverse to an Employee except with one year's advance notice to the affected Employee, and no such amendment or termination shall be effective to limit any right or benefit relating to a termination during the three years after a Change in Control under Section 4 and any Annex implementing Section 4, Section 5 or Section 6 if a Change in Control has occurred prior to the lapse of such one-year period.

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

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

(f) Nonassignability. Payments and benefits under this Policy may not be assigned by the Employee. The terms and conditions of this Policy shall be binding on the successors and assigns of the Company.

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

(h) Foreign Participants. The terms and conditions of participation of any Employee whose employment is subject to the laws or customs of any jurisdiction other than the United States or a state thereof may be modified by the Committee to conform to or otherwise take into account such laws and customs. In no event shall payments or benefits be payable hereunder if and to the extent that such benefits would duplicate severance payments or benefits payable in accordance with such laws and customs, although severance payments and benefits payable hereunder may supplement those payable under such laws and customs. This Policy will be of no force or effect to the extent superseded by foreign law.

(i) Effective Date. This Policy is effective as of April 13, 2000.

Executive Separation Policy

TIER 1

Designation of Participants and Terms

This documents sets forth the participants designated in the Tier 1 participation level under the International Flavors & Fragrances Inc. Executive Separation Policy (the "Policy"). All of the terms of the Policy are incorporated into this Annex, and capitalized terms defined in the Policy have the same meaning in this Annex.

I. Designation of Participants in Tier 1.

The following Employees are hereby designated as Tier 1 participants under the Policy.

[Insert list of participants]

II. Terms of Participation in Tier 1

Subject to all of the terms and conditions of the Policy, the terms and conditions set forth below apply to Employees designated as Tier 1 level participants. (A summary of Tier 1 terms and conditions shall be attached hereto as Attachment A, but if there is any inconsistency between the terms and conditions of this Annex and Attachment A, this Annex shall take precedence.) This Annex shall have no application to Employees designated as participants at a level other than Tier 1, unless the Committee shall adopt such terms and conditions and so specify in a separate Annex to the Policy.

(a) Termination by the Company Not for Cause Prior to or More than Three Years After a Change in Control. An Employee who is eligible for Tier 1 severance payments and benefits under the Policy pursuant to Part I of this Annex shall be entitled to receive the payments and benefits from the Company upon termination of employment at any time prior to a Change in Control or more than three years following a Change in Control, if such termination is by the Company (or its subsidiaries) other than for Cause and such termination is not due to death, Disability or Retirement, as follows:

(i) Such Employee's annual salary otherwise payable through the date of termination of employment, together with salary, incentive compensation and benefits which have been earned or become payable as of the date of termination but which have not yet been paid to the Employee and unreimbursed business expenses reimbursable under Company policies then in effect; provided, however, that the Company and its subsidiaries may offset such amounts against obligations and liabilities of the Employee to the Company and its subsidiaries.

(ii) A lump-sum cash payment of a prorated portion of the Employee's

annual incentive under any AIP that would have become payable for performance in the year of termination had Employee's employment continued, with such award prorated based on the number of days during the year of termination which preceded the Employee's termination. This amount will be payable at such time as annual incentives for performance in the year of termination otherwise become payable.

(iii) For a period terminating on the earliest of 24 months following the date of termination of employment or the Employee's attaining age 65, severance payments, paid periodically at the date annual salary payments would otherwise have been made, at a monthly rate equal to one-twelfth of the sum of the Employee's annual salary at the date of termination plus the Employee's average annual incentive award paid for performance in the three years preceding the year of termination under any AIP (or averaged over the lesser number of years during which the Employee was eligible for AIP awards or, if not eligible before the year of termination, the Employee's target annual incentive under the AIP for the year of termination).

(iv) Subject to Section 5(b) of the Policy, and unless otherwise determined by the Committee, the Employee's options which have not vested at the time of the Employee's termination of employment shall be immediately forfeited and the Employee's options which have vested at or before the Employee's termination of employment shall remain outstanding and exercisable only for 90 days after such termination (but in no event past the stated expiration date of the option), and at the end of such period such options shall be canceled.

(v) Subject to Section 5(b) of the Policy, and unless otherwise determined by the Committee, the Employee's restricted stock and stock unit grants and LTIP awards which have not vested at the time of the Employee's termination of employment shall be immediately forfeited.

(vi) For a period terminating on the earliest of 24 months following the date of termination of employment, the commencement of eligibility for benefits under a new employer's welfare benefits plan, or the Employee's attaining age 65, the maintenance in effect for the continued benefit of the Employee and his dependents of:

(A) all insured and self-insured medical and dental benefit Plans of the Company and subsidiaries in which the Employee was participating immediately prior to termination, provided that the Employee's continued participation is possible under the general terms and conditions of such Plans (and any applicable funding media) and the Employee continues to pay an amount equal to the Employee's regular contribution for such participation; and

(B) the group life insurance, group accident insurance, and group disability insurance policies of the Company and subsidiaries then in effect and covering the Employee immediately prior to termination;

provided, however, that if the Company so elects, or if such continued participation is not possible under the general terms and conditions of such plans or under such policies, the Company, in lieu of the foregoing, shall arrange to have issued for the benefit of the Employee and the Employee's dependents individual policies of insurance providing benefits substantially similar (on an after-tax basis) to those described in this Part II(a)(vi), or, if such insurance is not available at a reasonable cost to the Company, shall otherwise provide to the Employee and the Employee's dependents substantially equivalent benefits (on an after-tax basis); provided further that, in no event shall the Employee be required to pay any premiums or other charges in an amount greater than that which the Employee would have paid in order to participate in the Company's Plans and policies.

(vii) The Employee's benefits and rights under the Retirement Plan and any Excess Benefit Plan shall be determined under the applicable provisions of such Plans.

(b) Termination by the Company for Cause or Voluntary Termination by the Employee Prior to or More than Three Years After a Change in Control. An Employee who is eligible for Tier 1 severance payments and benefits under the Policy pursuant to Part I of this Annex shall be entitled to receive the payments and benefits from the Company upon termination of employment at any time prior to a Change in Control or more than three years following a Change in Control, if such termination is by the Company (or its subsidiaries) for Cause or is voluntary by the Employee and such termination is not due to death, Disability or Retirement, and shall be subject to other terms, as follows:

(i) Such Employee's annual salary otherwise payable through the date of termination of employment, together with salary, incentive compensation and benefits which have been earned or become payable as of the date of termination but which have not yet been paid to the Employee and unreimbursed business expenses reimbursable under Company policies then in effect; provided, however, that the Company and its subsidiaries may offset such amounts against obligations and liabilities of the Employee to the Company and its subsidiaries.

(ii) No portion of the Employee's annual incentive under any AIP for the year of termination shall be or become payable.

(iii) Subject to Section 5(b) of the Policy, and unless otherwise determined by the Committee, the Employee's options which have not vested at the time of the Employee's termination of employment shall be immediately forfeited and the Employee's options which have vested at or before the Employee's termination of employment (A), if termination is by the Company (or its subsidiaries) for Cause, such options shall be immediately canceled, and (B), if termination is voluntary by the Employee, such options shall remain outstanding and exercisable only for 90 days after such termination (but in no event past the stated expiration date of the option), and at the end of such period such options shall be canceled.

(iv) Subject to Section 5(b) of the Policy, the Employee's restricted stock and stock unit grants and LTIP awards which have not vested at the time of the Employee's termination of employment shall be immediately forfeited.

(v) The Employee's benefits and rights under any welfare benefit Plan, the Retirement Plan and any Excess Benefit Plan shall be determined under the applicable provisions of such Plans.

(c) Termination Due to Death, Disability or Retirement Prior to or More than Three Years After a Change in Control. An Employee who is eligible for Tier 1 severance payments and benefits under the Policy pursuant to Part I of this Annex shall be entitled to receive the payments and benefits from the Company upon termination of employment at any time prior to a Change in Control or more than three years following a Change in Control, if such termination is due to death, Disability or Retirement and is not for Cause, and shall be subject to other terms, as follows:

(i) Such Employee's annual salary otherwise payable through the date of termination of employment, together with salary, incentive compensation and benefits which have been earned or become payable as of the date of termination but which have not yet been paid to the Employee and unreimbursed business expenses reimbursable under Company policies then in effect; provided, however, that the Company and its subsidiaries may offset such amounts against obligations and liabilities of the Employee to the Company and its subsidiaries.

(ii) A cash payment of a prorated portion of the Employee's annual incentive under any AIP that would have become payable for performance in the year of termination had Employee's employment continued, with such award prorated based on the number of days during the year of termination which preceded the Employee's termination. This amount will be payable at such time as annual incentives for performance in the year of termination otherwise become payable.

(iii) Subject to Section 5(b) of the Policy, the Employee's options which have not vested at the time of the Employee's termination of employment shall be immediately fully vested and exercisable (except the Committee may impose restrictions on exercise in the case of Retirement), and the Employee's options shall remain outstanding and exercisable after termination for the following periods (but in no event past the stated expiration date of the option): (A) for one year if termination resulted from the Employee's death, (B) three years if termination resulted from the Employee's Disability, and (C) for the remaining period until the stated expiration date of the option if termination resulted from Retirement. At the end of the applicable post-termination exercise period, such options shall be canceled.

(iv) Subject to Section 5(b) of the Policy, the Employee's restricted stock and stock unit awards which have not vested at the time of the Employee's termination of employment shall be immediately fully vested and,

unless waived or deferred by the Employee in the case of termination due to Disability or Retirement, stock unit awards shall be settled as promptly as practicable following termination.

(v) A cash payment of a prorated portion of each of the Employee's LTIP awards that would have become payable for each performance cycle on-going at the time of termination had Employee's employment continued through the end of such performance cycle, with such LTIP award prorated based on the number of days during the performance cycle preceding the Employee's termination. This amount will be payable at such time as the LTIP awards for the applicable performance cycle otherwise become payable, except the Committee may instead make a good faith estimate of the actual performance achieved through the date of termination and rely on this estimate to determine the amount payable in settlement of such LTIP award, in which case such payment will constitute full settlement of such LTIP award.

(vi) The Employee's benefits and rights under any welfare benefit Plan, the Retirement Plan and any Excess Benefit Plan shall be determined under the applicable provisions of such Plans.

(d) Termination by the Company Not for Cause or by Employee for Good Reason Within Three Years After a Change in Control. An Employee who is eligible for Tier 1 severance payments and benefits under the Policy pursuant to Part I of this Annex shall be entitled to receive the payments and benefits from the Company upon termination of employment within three years following a Change in Control, if such termination is by the Company (or its subsidiaries) not for Cause or is by the Employee for Good Reason and such termination is not due to death, Disability or Retirement, and shall be subject to other terms, as follows:

(i) Such Employee's annual salary otherwise payable through the date of termination of employment, together with salary, incentive compensation and benefits which have been earned or become payable as of the date of termination but which have not yet been paid to the Employee and unreimbursed business expenses reimbursable under Company policies then in effect; provided, however, that the Company and its subsidiaries may offset such amounts against obligations and liabilities of the Employee to the Company and its subsidiaries.

(ii) A cash payment of a prorated portion of the Employee's annual incentive under any AIP, determined as the greater of the target annual incentive for the year of termination or the annual incentive that would have become payable for performance in the year of termination had Employee's employment continued, with the award so determined then prorated based on the number of days during the year of termination which preceded the Employee's termination. The amount determined based on target annual incentive will be payable as a lump sum, with any additional amount resulting from performance over the full year of termination payable at such time as annual incentives for performance in that year otherwise become payable.

(iii) A lump-sum cash severance payment equal to the product of the Employee's Annual Compensation, multiplied by 3.

(iv) A cash payment of 100% of each of the Employee's LTIP awards for each performance cycle on-going at the time of termination, determined as the greater of the target LTIP award for that performance cycle or the LTIP award that would have become payable had Employee's employment continued through the end of such performance cycle. The amount determined based on the target LTIP awards will be payable as a lump sum, with any additional amount resulting from performance over the full performance cycle payable at such time as LTIP awards otherwise become payable.

(v) Subject to Section 5(b) of the Policy, the Employee's options which have not vested at the time of the Employee's termination of employment shall be immediately fully vested and exercisable, and the Employee's options shall remain outstanding and exercisable for the remaining period until the stated expiration date of the option.

(vi) Subject to Section 5(b) of the Policy, the Employee's restricted stock and stock unit awards which have not vested at the time of the Employee's termination of employment shall be immediately fully vested and, unless waived or deferred by the Employee, stock unit awards shall be settled as promptly as practicable following termination.

(vii) The Employee's Designated Awards, if any, will be subject to the terms of the Plan under which they were granted, and, in the case of options which are Designated Awards, Employee will be entitled to payment pursuant to the limited stock appreciation rights, if any, that were originally granted to Employee under the Prior Executive Severance Agreement. These limited stock appreciation rights are hereby amended and restated to provide that, for each share of the Company's Common Stock subject to any option which is a Designated Award that remains outstanding at the date of Employee's termination subject to this Part II(d), whether or not such option is then exercisable, the Company shall pay to Employee the amount determined by subtracting the exercise price thereof from the highest of (A) the market price per share of Common Stock on the New York Stock Exchange at the close of business on the effective day of termination, (B) the price per share contained in any published tender offer made within one year before or after the date of the Change in Control, (C) the price contained in any merger or acquisition agreement entered into by the Company and any third party within one year before or after the date of the Change in Control, or (D) the market price per share of Common Stock on the New York Stock Exchange on the date of the Change in Control, and, upon such payment, such option shall be deemed canceled and annulled.

(viii) The Employee will be credited with additional age and years of service under any Excess Benefit Plan as though the Employee continued to be employed for a period of 36 months after termination at a rate of

compensation equal to his or her Annual Compensation, and the Employee will be deemed to be fully vested under any such Excess Benefit Plan, with the time or times at which benefits are payable under any such Plan unchanged; provided, however, that if an Excess Benefit Plan does not permit such additional crediting of age and years of service, then Employee will be paid in a lump sum the present value of the additional benefits he would have received under such Plan had Employee's employment continued to the third anniversary of his termination at an annual rate of compensation equal to his or her Annual Compensation; provided further, that the Company's obligations under any such Excess Benefit Plan shall be fully funded by deposits into a "rabbi trust" the trustee of which shall be independent of the Company and the terms of which shall preclude access by the Company to any of the trust assets, except for attachments by creditors of the Company upon insolvency or bankruptcy of the Company, until all obligations to the Employee and his beneficiaries have been satisfied; and provided further, that the Company may elect to satisfy all obligations to the Employee and his beneficiaries by payment, as a lump sum, of the present value of the accrued benefit under any Excess Plan.

(ix) For a period terminating on the earlier of 36 months following the date of termination of employment or the commencement of eligibility for benefits under a new employer's welfare benefits plan, the maintenance in effect for the continued benefit of the Employee and his dependents of:

(A) all insured and self-insured medical and dental benefit plans of the Company and subsidiaries in which the Employee was participating immediately prior to termination, provided that the Employee's continued participation is possible under the general terms and conditions of such plans (and any applicable funding media) and the Employee continues to pay an amount equal to the Employee's regular contribution for such participation; and

(B) the group life insurance and group disability insurance policies of the Company and subsidiaries then in effect for Employee;

provided, however, that if the Company so elects, or if such continued participation is not possible under the general terms and conditions of such plans or under such policies, the Company, in lieu of the foregoing, shall arrange to have issued for the benefit of the Employee and the Employee's dependents individual policies of insurance providing benefits substantially similar (on an after-tax basis) to those described in this Part II(d)(ix), or, if such insurance is not available at a reasonable cost to the Company, shall otherwise provide the Employee and the Employee's dependents substantially equivalent benefits (on an after-tax basis); provided further that, in no event shall the Employee be required to pay any premiums or other charges in an amount greater than that which the Employee would have paid in order to participate in the Company's plans and policies. Notwithstanding anything to the contrary contained herein, in the event the Employee becomes eligible for benefits under a new employer's welfare benefit plan during the 36 month

period following the date of termination, the benefits required to be provided to the employee pursuant to this Part II(d)(iv) shall be reduced by the amount of substantially similar benefits provided to the Employee at no additional cost by such new employer.

(e) Termination by the Company for Cause or Voluntary Termination by the Employee Within Three Years After a Change in Control. An Employee who is eligible for Tier 1 severance payments and benefits under the Policy pursuant to Part I of this Annex shall be entitled to receive the payments and benefits from the Company upon termination of employment at any time within three years following a Change in Control, if such termination is by the Company (or its subsidiaries) for Cause or is voluntary by the Employee not for Good Reason and such termination is not due to death, Disability or Retirement, and shall be subject to other terms, as follows:

(i) Such Employee's annual salary otherwise payable through the date of termination of employment, together with salary, incentive compensation and benefits which have been earned or become payable as of the date of termination but which have not yet been paid to the Employee and unreimbursed business expenses reimbursable under Company policies then in effect; provided, however, that the Company and its subsidiaries may offset such amounts against obligations and liabilities of the Employee to the Company and its subsidiaries.

(ii) No portion of the Employee's annual incentive under any AIP for the year of termination shall be or become payable.

(iii) Subject to Section 5(b) of the Policy, and unless otherwise determined by the Committee, if termination is by the Company (or its subsidiaries) for Cause all of the Employee's options (vested and unvested) shall be immediately forfeited and canceled, and if termination is voluntary by the Employee, all of the Employee's options which have not vested at the time of his termination shall be immediately fully vested and exercisable, and all of the Employee's options which have vested at or before his termination shall remain outstanding and exercisable for 90 days after such termination (but in no event past the stated expiration date of the option), and at the end of such period such options shall be canceled.

(iv) Subject to Section 5(b) of the Policy, the Employee's restricted stock and stock unit grants and LTIP awards which have not vested at the time of the Employee's termination of employment shall be immediately forfeited.

(v) The Employee's benefits and rights under any welfare benefit Plan, the Retirement Plan and any Excess Benefit Plan shall be determined under the applicable provisions of such Plans.

(f) Termination Due to Death, Disability or Retirement Within Three Years After a Change in Control. An Employee who is eligible for Tier 1 severance payments and benefits under the Policy pursuant to Part I of this Annex shall be entitled to receive the payments and benefits from the Company upon termination of employment at any time within three years following a Change in Control, if such

termination is due to death, Disability or Retirement and is not for Cause or voluntary by the Employee for Good Reason, and shall be subject to other terms, as follows:

(i) Such Employee's annual salary otherwise payable through the date of termination of employment, together with salary, incentive compensation and benefits which have been earned or become payable as of the date of termination but which have not yet been paid to the Employee and unreimbursed business expenses reimbursable under Company policies then in effect; provided, however, that the Company and its subsidiaries may offset such amounts against obligations and liabilities of the Employee to the Company and its subsidiaries.

(ii) A cash payment of a prorated portion of the Employee's annual incentive under any AIP, determined as the greater of the target annual incentive for the year of termination or the annual incentive that would have become payable for performance in the year of termination had Employee's employment continued, with the award so determined then prorated based on the number of days during the year of termination which preceded the Employee's termination. The amount determined based on target annual incentive will be payable as a lump sum, with any additional amount resulting from performance over the full year of termination payable at such time as annual incentives for performance in that year otherwise become payable.

(iii) Subject to Section 5(b) of the Policy, the Employee's options which have not vested at the time of the Employee's termination of employment shall be immediately fully vested and exercisable, and the Employee's options shall remain outstanding and exercisable after termination for the following periods (but in no event past the stated expiration date of the option): (A) for one year if termination resulted from the Employee's death, (B) three years if termination resulted from the Employee's Disability, (C) for the remaining period until the stated expiration date of the option if termination resulted from Retirement or (D), unless otherwise determined by the Committee, for 90 days. At the end of the applicable post-termination exercise period, such options shall be canceled.

(iv) Subject to Section 5(b) of the Policy, the Employee's restricted stock and stock unit awards which have not vested at the time of the Employee's termination of employment shall be immediately fully vested and, unless waived or deferred by the Employee in the case of termination due to Disability or Retirement, stock unit awards shall be settled as promptly as practicable following termination.

(v) A cash payment of a prorated portion of each of the Employee's LTIP awards that would have become payable for each performance cycle on-going at the time of termination, determined as the greater of the target LTIP award for that performance cycle or the LTIP award that would have become payable had Employee's employment continued through the end of such performance cycle, with each LTIP award prorated based on the number of days during the performance cycle preceding the Employee's termination. The amount determined based on the target LTIP awards will be payable as a lump

sum, with any additional amount resulting from performance over the full performance cycle payable at such time as LTIP awards otherwise become payable.

(vi) The Employee's benefits and rights under any welfare benefit Plan, the Retirement Plan and any Excess Benefit Plan shall be determined under the applicable provisions of such Plans, except that the Employee will be deemed to be fully vested under any such Excess Benefit Plan.

(g) Entitlement to Gross-Up. Tier I level participants shall be entitled to the Gross-Up Payment in accordance with Section 6 of the Policy.

[Matrix for Tier 1 Participants]

U.S. \$1,000,000,000

180-DAY CREDIT AGREEMENT

Dated as of November 2, 2000

Among

INTERNATIONAL FLAVORS & FRAGRANCES INC.
as Borrower

-- -----

and

THE INITIAL LENDERS NAMED HEREIN

as Initial Lenders

-- -----

and

CITIBANK, N.A.

as Agent

-- -----

and

SALOMON SMITH BARNEY INC.

as Arranger

-- -----

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Exhibits
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- Exhibit A-1 - Form of Revolving Credit Note
- Exhibit A-2 - Form of Competitive Bid Note
- Exhibit B-1 - Form of Notice of Revolving Credit Borrowing
- Exhibit B-2 - Form of Notice of Competitive Bid Borrowing
- Exhibit C - Form of Assignment and Acceptance
- Exhibit D - Form of Opinion of Counsel for the Borrower

180-DAY CREDIT AGREEMENT

Dated as of November 2, 2000

INTERNATIONAL FLAVORS & FRAGRANCES INC., a New York corporation (the "Borrower"), the banks, financial institutions and other institutional lenders (the "Initial Lenders") listed on the signature pages hereof, and CITIBANK, N.A. ("Citibank"), as agent (the "Agent"), and SALOMON SMITH BARNEY INC., as arranger, for the Lenders (as hereinafter defined), agree as follows:

ARTICLE I

DEFINITIONS AND ACCOUNTING TERMS

SECTION 1.01. Certain Defined Terms. As used in this Agreement, the

following terms shall have the following meanings (such meanings to be equally applicable to both the singular and plural forms of the terms defined):

"Advance" means a Revolving Credit Advance or a Competitive Bid Advance.

"Affiliate" means, as to any Person, any other Person that, directly or indirectly, controls, is controlled by or is under common control with such Person or is a director or officer of such Person. For purposes of this definition, the term "control" (including the terms "controlling", "controlled by" and "under common control with") of a Person means the possession, direct or indirect, of the power to vote 5% or more of the Voting Stock of such Person or to direct or cause the direction of the management and policies of such Person, whether through the ownership of Voting Stock, by contract or otherwise.

"Agent's Account" means the account of the Agent maintained by the Agent at Citibank at its office at 399 Park Avenue, New York, New York 10043, Account No. 36852248, Attention: Melissa Hamilton.

"Applicable Lending Office" means, with respect to each Lender, such Lender's Domestic Lending Office in the case of a Base Rate Advance and such Lender's Eurodollar Lending Office in the case of a Eurodollar Rate Advance and, in the case of a Competitive Bid Advance, the office of such Lender notified by such Lender to the Agent as its Applicable Lending Office with respect to such Competitive Bid Advance.

"Applicable Margin" means (a) for Base Rate Advances, 0% per annum and (b) for Eurodollar Rate Advances as of any date, a percentage per annum determined by reference to the Public Debt Rating in effect on such date as set forth below:

Public Debt Rating S&P/Moody's	Applicable Margin for Eurodollar Rate Advances
Level 1 A+/A1or above	0.295%
Level 2 A/A2	0.430%
Level 3 A-/A3	0.515%
Level 4 BBB+/Baa1	0.635%
Level 5 Lower than Level 4	0.750%

provided that, until January 15, 2001, the Applicable Margin shall be deemed to be 0.885%.

"Applicable Percentage" means, as of any date, a percentage per annum determined by reference to the Public Debt Rating in effect on such date as set forth below:

Public Debt Rating S&P/Moody's	Applicable Percentage
Level 1 A+/A1or above	0.050%
Level 2 A/A2	0.070%
Level 3 A-/A3	0.085%
Level 4 BBB+/Baa1	0.115%
Level 5 Lower than Level 4	0.150%

provided that, until January 15, 2001, the Applicable Percentage shall be determined by reference to Level 4.

"Applicable Utilization Fee" means, as of any date on or after January 15, 2001 that the aggregate Advances exceed 33% of the aggregate Commitments, a percentage per annum determined by reference to the Public Debt Rating in effect on such date as set forth below:

Public Debt Rating S&P/Moody's	Applicable Utilization Fee
Level 1 A+/A1or above	0.100%
Level 2 A/A2	0.125%
Level 3 A-/A3	0.150%
Level 4 BBB+/Baa1	0.150%
Level 5 Lower than Level 4	0.200%

"Assignment and Acceptance" means an assignment and acceptance entered into by a Lender and an Eligible Assignee, and accepted by the Agent, in substantially the form of Exhibit C hereto.

"Base Rate" means a fluctuating interest rate per annum in effect from time to time, which rate per annum shall at all times be equal to the highest of:

(a) the rate of interest announced publicly by Citibank in New York, New York, from time to time, as Citibank's base rate;

(b) the sum (adjusted to the nearest 1/4 of 1% or, if there is no nearest 1/4 of 1%, to the next higher 1/4 of 1%) of (i) 1/2 of 1% per annum, plus (ii) the rate obtained by dividing (A) the latest three-

week moving average of secondary market morning offering rates in the United States

for three-month certificates of deposit of major United States money market banks, such three-week moving average (adjusted to the basis of a year of 360 days) being determined weekly on each Monday (or, if such day is not a Business Day, on the next succeeding Business Day) for the three-week period ending on the previous Friday by Citibank on the basis of such rates reported by certificate of deposit dealers to and published by the Federal Reserve Bank of New York or, if such publication shall be suspended or terminated, on the basis of quotations for such rates received by Citibank from three New York certificate of deposit dealers of recognized standing selected by Citibank, by (B) a percentage equal to 100% minus the average of the daily percentages specified during such three-week period by the Board of Governors of the Federal Reserve System (or any successor) for determining the maximum reserve requirement (including, but not limited to, any emergency, supplemental or other marginal reserve requirement) for Citibank with respect to liabilities consisting of or including (among other liabilities) three-month U.S. dollar non-personal time deposits in the United States, plus (iii) the average -----
during such three-week period of the annual assessment rates estimated by Citibank for determining the then current annual assessment payable by Citibank to the Federal Deposit Insurance Corporation (or any successor) for insuring U.S. dollar deposits of Citibank in the United States; and

(c) 1/2 of one percent per annum above the Federal Funds Rate.

"Base Rate Advance" means a Revolving Credit Advance denominated in -----
Dollars that bears interest as provided in Section 2.07(a)(i).

"Borrowing" means a Revolving Credit Borrowing or a Competitive Bid -----
Borrowing.

"Business Day" means a day of the year on which banks are not required -----
or authorized by law to close in New York City and, if the applicable Business Day relates to any Eurodollar Rate Advances or LIBO Rate Advances, on which dealings are carried on in the London interbank market.

"Commitment" means as to any Lender (a) the amount set forth opposite -----
such Lender's name on the signature pages hereof or (b) if such Lender has entered into any Assignment and Acceptance, the amount set forth for such Lender in the Register maintained by the Agent pursuant to Section 8.07(d).

"Competitive Bid Advance" means an advance by a Lender to the Borrower -----
as part of a Competitive Bid Borrowing resulting from the competitive bidding procedure described in Section 2.03 and refers to a Fixed Rate Advance or a LIBO Rate Advance.

"Competitive Bid Borrowing" means a borrowing consisting of -----
simultaneous Competitive Bid Advances from each of the Lenders whose offer to make one or more Competitive Bid Advances as part of such borrowing has been accepted under the competitive bidding procedure described in Section 2.03.

"Competitive Bid Note" means a promissory note of the Borrower payable -----
to the order of any Lender, in substantially the form of Exhibit A-2 hereto, evidencing the indebtedness of the Borrower to such Lender resulting from a Competitive Bid Advance made by such Lender.

"Competitive Bid Reduction" has the meaning specified in Section 2.01. -----

"Confidential Information" means information that the Borrower -----
furnishes to the Agent or any Lender, but does not include any such information that is or becomes generally available to the public or that is or becomes available to the Agent or such Lender from a source other than the Borrower.

"Consolidated" refers to the consolidation of accounts in accordance -----
with GAAP.

"Convert", "Conversion" and "Converted" each refers to a conversion of -----
Revolving Credit Advances of one Type into Revolving Credit Advances of the other Type pursuant to Section 2.08 or 2.09.

"Debt" of any Person means, without duplication, (a) all indebtedness

of such Person for borrowed money, (b) all obligations of such Person for the deferred purchase price of property or services (other than trade payables not overdue by more than 60 days incurred in the ordinary course of such Person's business), (c) all obligations of such Person evidenced by notes, bonds, debentures or other similar instruments, (d) all obligations of such Person created or arising under any conditional sale or other title retention agreement with respect to property acquired by such Person (even though the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such property), (e) all obligations of such Person as lessee under leases that have been or should be, in accordance with GAAP, recorded as capital leases, (f) all obligations, contingent or otherwise, of such Person in respect of acceptances, letters of credit or similar extensions of credit, (g) all obligations of such Person in respect of Hedge Agreements, (h) all Debt of others referred to in clauses (a) through (g) above or clause (i) below guaranteed directly or indirectly in any manner by such Person, or in effect guaranteed directly or indirectly by such Person through an agreement (1) to pay or purchase such Debt or to advance or supply funds for the payment or purchase of such Debt, (2) to purchase, sell or lease (as lessee or lessor) property, or to purchase or sell services, primarily for the purpose of enabling the debtor to make payment of such Debt or to assure the holder of such Debt against loss, (3) to supply funds to or in any other manner invest in the debtor (including any agreement to pay for property or services irrespective of whether such property is received or such services are rendered) or (4) otherwise to assure a creditor against loss, and (i) all Debt referred to in clauses (a) through (h) above secured by (or for which the holder of such Debt has an existing right, contingent or otherwise, to be secured by) any Lien on property (including, without limitation, accounts and contract rights) owned by such Person, even though such Person has not assumed or become liable for the payment of such Debt.

"Debt for Borrowed Money" of a Person means all items that, in

accordance with GAAP, would be classified as indebtedness on a Consolidated Balance sheet of such Person.

"Default" means any Event of Default or any event that would

constitute an Event of Default but for the requirement that notice be given or time elapse or both.

"Domestic Lending Office" means, with respect to any Lender, the

office of such Lender specified as its "Domestic Lending Office" opposite its name on Schedule I hereto or in the Assignment and Acceptance pursuant to which it became a Lender, or such other office of such Lender as such Lender may from time to time specify to the Borrower and the Agent.

"EBITDA" means, for any period, net income (or net loss) plus the sum

of (a) interest expense, (b) income tax expense, (c) depreciation expense, (d) amortization expense and all other non-cash charges and (e) extraordinary or unusual losses deducted in calculating net income less extraordinary or unusual gains added in calculating net income, in each case determined in accordance with GAAP for such period.

"Effective Date" has the meaning specified in Section 3.01.

"Eligible Assignee" means (i) a Lender; (ii) an Affiliate of a Lender;

and (iii) any other Person approved by the Agent and, unless an Event of Default has occurred and is continuing at the time any assignment is effected in accordance with Section 8.07, the Borrower, such approval not to be unreasonably withheld or delayed; provided, however, that neither the Borrower nor an

Affiliate of the Borrower shall qualify as an Eligible Assignee.

"Environmental Action" means any action, suit, demand, demand letter,

claim, notice of non-compliance or violation, notice of liability or potential liability, investigation, proceeding, consent order or consent agreement relating in any way to any Environmental Law, Environmental Permit or Hazardous Materials or arising from alleged injury or threat of injury to health, safety or the environment, including, without limitation, (a) by any governmental or regulatory authority for enforcement, cleanup, removal, response, remedial or other actions or damages and (b) by any governmental or regulatory

authority or any third party for damages, contribution, indemnification, cost recovery, compensation or injunctive relief.

"Environmental Law" means any federal, state, local or foreign

statute, law, ordinance, rule, regulation, code, order, judgment, decree or judicial or agency interpretation, policy or guidance relating to pollution or protection of the environment, health, safety or natural resources, including, without limitation, those relating to the use, handling, transportation, treatment, storage, disposal, release or discharge of Hazardous Materials.

"Environmental Permit" means any permit, approval, identification

number, license or other authorization required under any Environmental Law.

"ERISA" means the Employee Retirement Income Security Act of 1974, as

amended from time to time, and the regulations promulgated and rulings issued thereunder.

"ERISA Affiliate" means any Person that for purposes of Title IV of

ERISA is a member of the Borrower's controlled group, or under common control with the Borrower, within the meaning of Section 414 of the Internal Revenue Code.

"ERISA Event" means (a) (i) the occurrence of a reportable event,

within the meaning of Section 4043 of ERISA, with respect to any Plan unless the 30-day notice requirement with respect to such event has been waived by the PBGC, or (ii) the requirements of subsection (1) of Section 4043(b) of ERISA (without regard to subsection (2) of such Section) are met with a contributing sponsor, as defined in Section 4001(a)(13) of ERISA, of a Plan, and an event described in paragraph (9), (10), (11), (12) or (13) of Section 4043(c) of ERISA is reasonably expected to occur with respect to such Plan within the following 30 days; (b) the application for a minimum funding waiver with respect to a Plan; (c) the provision by the administrator of any Plan of a notice of intent to terminate such Plan pursuant to Section 4041(a)(2) of ERISA (including any such notice with respect to a plan amendment referred to in Section 4041(e) of ERISA); (d) the cessation of operations at a facility of the Borrower or any ERISA Affiliate in the circumstances described in Section 4062(e) of ERISA; (e) the withdrawal by the Borrower or any ERISA Affiliate from a Multiple Employer Plan during a plan year for which it was a substantial employer, as defined in Section 4001(a)(2) of ERISA; (f) the conditions for the imposition of a lien under Section 302(f) of ERISA shall have been met with respect to any Plan; (g) the adoption of an amendment to a Plan requiring the provision of security to such Plan pursuant to Section 307 of ERISA; or (h) the institution by the PBGC of proceedings to terminate a Plan pursuant to Section 4042 of ERISA, or the occurrence of any event or condition described in Section 4042 of ERISA that constitutes grounds for the termination of, or the appointment of a trustee to administer, a Plan.

"Eurocurrency Liabilities" has the meaning assigned to that term in

Regulation D of the Board of Governors of the Federal Reserve System, as in effect from time to time.

"Eurodollar Lending Office" means, with respect to any Lender, the

office of such Lender specified as its "Eurodollar Lending Office" opposite its name on Schedule I hereto or in the Assignment and Acceptance pursuant to which it became a Lender (or, if no such office is specified, its Domestic Lending Office), or such other office of such Lender as such Lender may from time to time specify to the Borrower and the Agent.

"Eurodollar Rate" means, for any Interest Period for each Eurodollar

Rate Advance comprising part of the same Revolving Credit Borrowing, an interest rate per annum equal to the rate per annum obtained by dividing (a) the rate per annum (rounded upward to the nearest whole multiple of 1/16 of 1% per annum) appearing on Dow Jones Markets Telerate Page 3750 (or any successor page) as the London interbank offered rate for deposits in U.S. dollars at approximately 11:00 A.M. (London time) two Business Days prior to the first day of such Interest Period for a term comparable to such Interest Period or, if for any reason such rate is not available, the average (rounded upward to the nearest whole multiple of 1/16 of

1% per annum, if such average is not such a multiple) of the rate per annum at which deposits in U.S. dollars are offered by the principal office of each of the Reference Banks in London, England to prime banks in the London interbank market at 11:00 A.M. (London time) two Business Days before the first day of such Interest Period in an amount substantially equal to such Reference Bank's Eurodollar Rate Advance comprising part of such Revolving Credit Borrowing to be outstanding during such Interest Period and for a period equal to such Interest Period by (b) a percentage equal to 100% minus the Eurodollar Rate Reserve Percentage for such Interest Period. If the Dow Jones Markets Page 3750 (or any successor page) is unavailable, the Eurodollar Rate for any Interest Period for each Eurodollar Rate Advance comprising part of the same Revolving Credit Borrowing shall be determined by the Agent on the basis of applicable rates furnished to and received by the Agent from the Reference Banks two Business Days before the first day of such Interest Period, subject, however, to the provisions of Section 2.08.

"Eurodollar Rate Advance" means a Revolving Credit Advance that bears interest as provided in Section 2.07(a)(ii).

"Eurodollar Rate Reserve Percentage" for any Interest Period for all Eurodollar Rate Advances or LIBO Rate Advances comprising part of the same Borrowing means the reserve percentage applicable two Business Days before the first day of such Interest Period under regulations issued from time to time by the Board of Governors of the Federal Reserve System (or any successor) for determining the maximum reserve requirement (including, without limitation, any emergency, supplemental or other marginal reserve requirement) for a member bank of the Federal Reserve System in New York City with respect to liabilities or assets consisting of or including Eurocurrency Liabilities (or with respect to any other category of liabilities that includes deposits by reference to which the interest rate on Eurodollar Rate Advances or LIBO Rate Advances is determined) having a term equal to such Interest Period.

"Events of Default" has the meaning specified in Section 6.01.

"Federal Funds Rate" means, for any period, a fluctuating interest rate per annum equal for each day during such period to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published for such day (or, if such day is not a Business Day, for the next preceding Business Day) by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average of the quotations for such day on such transactions received by the Agent from three Federal funds brokers of recognized standing selected by it.

"Fixed Rate Advances" has the meaning specified in Section 2.03(a)(i).

"Founder" means (a) each Person who is a beneficial owner (within the meaning of Rule 13d-3 of the Securities and Exchange Commission under the Securities Exchange Act of 1934) of 20% or more of the outstanding shares of Voting Stock of the Borrower on the date hereof or any Person that is or becomes a fiduciary of any Person who is a beneficial owner of (or any Person for whose account were held) outstanding shares of Voting Stock of the Borrower on the date hereof (in any such case, an "Existing Shareholder"), including any group that is comprised solely of Existing Shareholders and (b) any such Existing Shareholder or group comprised solely of Existing Shareholders who shall become the beneficial owner of 20% or more of the outstanding shares of Voting Stock of the Borrower solely as a result of an acquisition by the Borrower of shares of its Voting Stock, in each case until such time as the Persons or group described in clause (a) or (b) above shall become the beneficial owner (other than by means of a stock dividend, stock split, gift or inheritance or receipt or exercise of, or accrual of any right to exercise, any stock options of shares of stock granted by the Borrower) of any additional shares of Voting Stock of the Borrower. In addition, the Borrower, any wholly-owned Subsidiary of the Borrower and any employee stock ownership or other employee benefit plan of the Borrower or a wholly-owned Subsidiary of the Borrower shall be a "Founder".

"GAAP" has the meaning specified in Section 1.03.

"Hazardous Materials" means (a) petroleum and petroleum products, byproducts or breakdown products, radioactive materials, asbestos-containing materials, polychlorinated biphenyls and radon gas and (b) any other chemicals, materials or substances designated, classified or regulated as hazardous or toxic or as a pollutant or contaminant under any Environmental Law.

"Hedge Agreements" means interest rate swap, cap or collar agreements, interest rate future or option contracts, currency swap agreements, currency future or option contracts and other similar agreements.

"Information Memorandum" means the information memorandum dated October 25, 2000 used by the Agent in connection with the syndication of the Commitments.

"Interest Period" means, for each Eurodollar Rate Advance comprising part of the same Revolving Credit Borrowing and each LIBO Rate Advance comprising part of the same Competitive Bid Borrowing, the period commencing on the date of such Eurodollar Rate Advance or LIBO Rate Advance or the date of the Conversion of any Base Rate Advance into such Eurodollar Rate Advance and ending on the last day of the period selected by the Borrower pursuant to the provisions below and, thereafter, with respect to Eurodollar Rate Advances, each subsequent period commencing on the last day of the immediately preceding Interest Period and ending on the last day of the period selected by the Borrower pursuant to the provisions below. The duration of each such Interest Period shall be one, two, three or six months, as the Borrower may, upon notice received by the Agent not later than 11:00 A.M. (New York City time) on the third Business Day prior to the first day of such Interest Period, select; provided, however, that:

(i) the Borrower may not select any Interest Period that ends after the Termination Date;

(ii) Interest Periods commencing on the same date for Eurodollar Rate Advances comprising part of the same Revolving Credit Borrowing or for LIBO Rate Advances comprising part of the same Competitive Bid Borrowing shall be of the same duration;

(iii) whenever the last day of any Interest Period would otherwise occur on a day other than a Business Day, the last day of such Interest Period shall be extended to occur on the next succeeding Business Day, provided, however, that, if such extension would cause

the last day of such Interest Period to occur in the next following calendar month, the last day of such Interest Period shall occur on the next preceding Business Day; and

(iv) whenever the first day of any Interest Period occurs on a day of an initial calendar month for which there is no numerically corresponding day in the calendar month that succeeds such initial calendar month by the number of months equal to the number of months in such Interest Period, such Interest Period shall end on the last Business Day of such succeeding calendar month.

"Internal Revenue Code" means the Internal Revenue Code of 1986, as amended from time to time, and the regulations promulgated and rulings issued thereunder.

"Lenders" means the Initial Lenders and each Person that shall become a party hereto pursuant to Section 8.07.

"LIBO Rate" means, for any Interest Period for all LIBO Rate Advances comprising part of the same Competitive Bid Borrowing, an interest rate per annum equal to the rate per annum obtained by dividing (a) the rate per annum (rounded upward to the nearest whole multiple of 1/16 of 1% per annum) appearing on Dow Jones Markets Telerate Page 3750 (or any successor page) as the London interbank offered rate for deposits in U.S. dollars at approximately 11:00 A.M. (London time) two Business Days prior to the first day of such Interest Period for a term comparable to such Interest Period or, if for any

reason such rate is not available, the average (rounded upward to the nearest whole multiple of 1/16 of 1% per annum, if such average is not such a multiple) of the rate per annum at which deposits in U.S. dollars offered by the principal office of each of the Reference Banks in London, England to prime banks in the London interbank market at 11:00 A.M. (London time) two Business Days before the first day of such Interest Period in an amount substantially equal to the amount that would be the Reference Banks' respective ratable shares of such Borrowing if such Borrowing were to be a Revolving Credit Borrowing to be outstanding during such Interest Period and for a period equal to such Interest Period by (b) a percentage equal to 100% minus the Eurodollar Rate Reserve Percentage for such Interest Period. If the Dow Jones Markets Telerate Page 3750 (or any successor page) is unavailable, the LIBO Rate for any Interest Period for each LIBO Rate Advance comprising part of the same Competitive Bid Borrowing shall be determined by the Agent on the basis of applicable rates furnished to and received by the Agent from the Reference Banks two Business Days before the first day of such Interest Period, subject, however, to the provisions of

Section 2.08.

"LIBO Rate Advances" means a Competitive Bid Advance bearing interest based on the LIBO Rate.

"Lien" means any lien, security interest or other charge or encumbrance of any kind, or any other type of preferential arrangement, including, without limitation, the lien or retained security title of a conditional vendor and any easement, right of way or other encumbrance on title to real property.

"Material Adverse Change" means any material adverse change in the business, condition (financial or otherwise) or results of operations of the Borrower and its Subsidiaries taken as a whole.

"Material Adverse Effect" means a material adverse effect on (a) the business, condition (financial or otherwise) or results of operations of the Borrower and its Subsidiaries taken as a whole, (b) the rights and remedies of the Agent or any Lender under this Agreement or any Note or (c) the ability of the Borrower to perform its obligations under this Agreement or any Note.

"Merger Agreement" means the Agreement and Plan of Merger, dated as of September 25, 2000 among Bush Boake Allen Inc., a Virginia corporation, the Borrower and B Acquisition Corp., a Virginia corporation and a wholly owned subsidiary of the Borrower

"Moody's" means Moody's Investors Service, Inc., or any successor by merger or change of name which is a nationally recognized rating agency.

"Multiemployer Plan" means a multiemployer plan, as defined in Section 4001(a)(3) of ERISA, to which the Borrower or any ERISA Affiliate is making or accruing an obligation to make contributions, or has within any of the preceding five plan years made or accrued an obligation to make contributions.

"Multiple Employer Plan" means a single employer plan, as defined in Section 4001(a)(15) of ERISA, that (a) is maintained for employees of the Borrower or any ERISA Affiliate and at least one Person other than the Borrower and the ERISA Affiliates or (b) was so maintained and in respect of which the Borrower or any ERISA Affiliate could have liability under Section 4064 or 4069 of ERISA in the event such plan has been or were to be terminated.

"Note" means a Revolving Credit Note or a Competitive Bid Note.

"Notice of Revolving Credit Borrowing" has the meaning specified in Section 2.02(a).

"Notice of Competitive Bid Borrowing" has the meaning specified in Section 2.03(a).

"PBGC" means the Pension Benefit Guaranty Corporation (or any successor).

"Permitted Liens" means such of the following as to which no

enforcement, collection, execution, levy or foreclosure proceeding shall have been commenced: (a) Liens for taxes, assessments and governmental charges or levies to the extent not required to be paid under Section 5.01(b) hereof; (b) Liens imposed by law, such as materialmen's, mechanics', carriers', workmen's and repairmen's Liens and other similar Liens arising in the ordinary course of business securing obligations that are not overdue for a period of more than 30 days; (c) pledges or deposits to secure obligations under workers' compensation laws or similar legislation or to secure public or statutory obligations; and (d) easements, rights of way and other encumbrances on title to real property that do not render title to the property encumbered thereby unmarketable or materially adversely affect the use of such property for its present purposes.

"Person" means an individual, partnership, corporation (including a

business trust), joint stock company, trust, unincorporated association, joint venture, limited liability company or other entity, or a government or any political subdivision or agency thereof.

"Plan" means a Single Employer Plan or a Multiple Employer Plan.

"Public Debt Rating" means, as of any date, the lowest rating that has

been most recently announced by either S&P or Moody's, as the case may be, for any class of non-credit enhanced long-term senior unsecured debt issued by the Borrower. For purposes of the foregoing, (a) if only one of S&P and Moody's shall have in effect a Public Debt Rating, the Applicable Margin, the Applicable Percentage and the Applicable Utilization Fee shall be determined by reference to the available rating; (b) if neither S&P nor Moody's shall have in effect a Public Debt Rating, the Applicable Margin, the Applicable Percentage and the Applicable Utilization Fee will be set in accordance with Level 5 under the definition of "Applicable Margin", "Applicable Percentage" or "Applicable

Utilization Fee", as the case may be; (c) if the ratings established by S&P and

Moody's shall fall within different levels, the Applicable Margin and the Applicable Percentage shall be based upon the higher rating; (d) if any rating established by S&P or Moody's shall be changed, such change shall be effective as of the date on which such change is first announced publicly by the rating agency making such change; and (e) if S&P or Moody's shall change the basis on which ratings are established, each reference to the Public Debt Rating announced by S&P or Moody's, as the case may be, shall refer to the then equivalent rating by S&P or Moody's, as the case may be.

"Reference Banks" means Citibank and First Union National Bank.

"Register" has the meaning specified in Section 8.07(d).

"Required Lenders" means at any time Lenders owed at least a majority

in interest of the then aggregate unpaid principal amount of the Revolving Credit Advances owing to Lenders, or, if no such principal amount is then outstanding, Lenders having at least a majority in interest of the Commitments.

"Revolving Credit Advance" means an advance by a Lender to the

Borrower as part of a Revolving Credit Borrowing and refers to a Base Rate Advance or a Eurodollar Rate Advance (each of which shall be a "Type" of

Revolving Credit Advance).

"Revolving Credit Borrowing" means a borrowing consisting of

simultaneous Revolving Credit Advances of the same Type made by each of the Lenders pursuant to Section 2.01.

"Revolving Credit Note" means a promissory note of the Borrower

payable to the order of any Lender, delivered pursuant to a request made under Section 2.16 in substantially the form of Exhibit A-1 hereto, evidencing the aggregate indebtedness of the Borrower to such Lender resulting from the Revolving Credit Advances made by such Lender.

"S&P" means Standard & Poor's, a division of The McGraw-Hill

Companies, Inc., or any successor by merger or change of name which is a nationally recognized rating agency.

"Single Employer Plan" means a single employer plan, as defined in

Section 4001(a)(15) of ERISA, that (a) is maintained for employees of the Borrower or any ERISA Affiliate and no Person other than the Borrower and the ERISA Affiliates or (b) was so maintained and in respect of which the Borrower or any ERISA Affiliate could have liability under Section 4069 of ERISA in the event such plan has been or were to be terminated.

"Subsidiary" of any Person means any corporation, partnership, joint

venture, limited liability company, trust or estate of which (or in which) more than 50% of (a) the issued and outstanding capital stock having ordinary voting power to elect a majority of the Board of Directors of such corporation (irrespective of whether at the time capital stock of any other class or classes of such corporation shall or might have voting power upon the occurrence of any contingency), (b) the interest in the capital or profits of such limited liability company, partnership or joint venture or (c) the beneficial interest in such trust or estate is at the time directly or indirectly owned or controlled by such Person, by such Person and one or more of its other Subsidiaries or by one or more of such Person's other Subsidiaries.

"Termination Date" means the earlier of (a) April 30, 2001 and (b) the

date of termination in whole of the Commitments pursuant to Section 2.05 or 6.01.

"Voting Stock" means capital stock issued by a corporation, or

equivalent interests in any other Person, the holders of which are ordinarily, in the absence of contingencies, entitled to vote for the election of directors (or persons performing similar functions) of such Person, even if the right so to vote has been suspended by the happening of such a contingency.

SECTION 1.02. Computation of Time Periods. In this Agreement in the

computation of periods of time from a specified date to a later specified date, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding".

SECTION 1.03. Accounting Terms. All accounting terms not

specifically defined herein shall be construed in accordance with generally accepted accounting principles consistent with those applied in the preparation of the financial statements referred to in Section 4.01(e) ("GAAP").

ARTICLE II

AMOUNTS AND TERMS OF THE ADVANCES

SECTION 2.01. The Revolving Credit Advances. Each Lender severally

agrees, on the terms and conditions hereinafter set forth, to make Revolving Credit Advances to the Borrower from time to time on any Business Day during the period from the Effective Date until the Termination Date in an aggregate amount not to exceed at any time outstanding such Lender's Commitment provided that the

aggregate amount of the Commitments of the Lenders shall be deemed used from time to time to the extent of the aggregate amount of the Competitive Bid Advances then outstanding and such deemed use of the aggregate amount of the Commitments shall be allocated among the Lenders ratably according to their respective Commitments (such deemed use of the aggregate amount of the Commitments being a "Competitive Bid Reduction"). Each Revolving Credit

Borrowing shall be in an aggregate amount of \$10,000,000 or an integral multiple of \$1,000,000 in excess thereof and shall consist of Revolving Credit Advances of the same Type made on the same day by the Lenders ratably according to their respective Commitments. Within the limits of each Lender's Commitment, the Borrower may borrow under this Section 2.01, prepay pursuant to Section 2.10 and reborrow under this Section 2.01.

SECTION 2.02. Making the Revolving Credit Advances. (a) Each

Revolving Credit Borrowing shall be made on notice, given not later than (x) 11:00 A.M. (New York City time) on the third Business Day prior to the date of the proposed Revolving Credit Borrowing in the case of a Revolving Credit Borrowing consisting of Eurodollar Rate Advances or (y) 11:00 A.M. (New York City time) on the date of the proposed Revolving Credit Borrowing in the case of a Revolving Credit Borrowing consisting of Base Rate Advances, by the Borrower to the Agent, which shall give to each Lender prompt notice thereof by telecopier or telex. Each such notice of a Revolving Credit Borrowing (a "Notice

of Revolving Credit Borrowing") shall be by telephone, confirmed

immediately in writing, or telecopier or telex in substantially the form of Exhibit B-1 hereto, specifying therein the requested (i) date of such Revolving Credit Borrowing, (ii) Type of Advances comprising such Revolving Credit Borrowing, (iii) aggregate amount of such Revolving Credit Borrowing, and (iv) in the case of a Revolving Credit Borrowing consisting of Eurodollar Rate Advances, initial Interest Period for each such Revolving Credit Advance. Each Lender shall, before 12:00 Noon (New York City time) on the date of such Revolving Credit Borrowing make available for the account of its Applicable Lending Office to the Agent at the Agent's Account, in same day funds, such Lender's ratable portion of such Revolving Credit Borrowing. After the Agent's receipt of such funds and upon fulfillment of the applicable conditions set forth in Article III, the Agent will make such funds available to the Borrower at the Agent's address referred to in Section 8.02.

(b) Anything in subsection (a) above to the contrary notwithstanding, (i) the Borrower may not select Eurodollar Rate Advances for any Revolving Credit Borrowing if the aggregate amount of such Revolving Credit Borrowing is less than \$10,000,000 or if the obligation of the Lenders to make Eurodollar Rate Advances shall then be suspended pursuant to Section 2.08 or 2.12 and (ii) the Eurodollar Rate Advances may not be outstanding as part of more than six separate Revolving Credit Borrowings.

(c) Each Notice of Revolving Credit Borrowing shall be irrevocable and binding on the Borrower. In the case of any Revolving Credit Borrowing that the related Notice of Revolving Credit Borrowing specifies is to be comprised of Eurodollar Rate Advances, the Borrower shall indemnify each Lender against any loss, cost or expense incurred by such Lender as a result of any failure to fulfill on or before the date specified in such Notice of Revolving Credit Borrowing for such Revolving Credit Borrowing the applicable conditions set forth in Article III, including, without limitation, any loss (excluding loss of anticipated profits), cost or expense incurred by reason of the liquidation or reemployment of deposits or other funds acquired by such Lender to fund the Revolving Credit Advance to be made by such Lender as part of such Revolving Credit Borrowing when such Revolving Credit Advance, as a result of such failure, is not made on such date.

(d) Unless the Agent shall have received notice from a Lender prior to the date of any Revolving Credit Borrowing that such Lender will not make available to the Agent such Lender's ratable portion of such Revolving Credit Borrowing, the Agent may assume that such Lender has made such portion available to the Agent on the date of such Revolving Credit Borrowing in accordance with subsection (a) of this Section 2.02 and the Agent may, in reliance upon such assumption, make available to the Borrower on such date a corresponding amount. If and to the extent that such Lender shall not have so made such ratable portion available to the Agent, such Lender and the Borrower severally agree to repay to the Agent forthwith on demand such corresponding amount together with interest thereon, for each day from the date such amount is made available to the Borrower until the date such amount is repaid to the Agent, at (i) in the case of the Borrower, the interest rate applicable at the time to Revolving Credit Advances comprising such Revolving Credit Borrowing and (ii) in the case of such Lender, the Federal Funds Rate. If such Lender shall repay to the Agent such corresponding amount, such amount so repaid shall constitute such Lender's Revolving Credit Advance as part of such Revolving Credit Borrowing for purposes of this Agreement.

(e) The failure of any Lender to make the Revolving Credit Advance to be made by it as part of any Revolving Credit Borrowing shall not relieve any other Lender of its obligation, if any, hereunder to make its Revolving Credit Advance on the date of such Revolving Credit Borrowing, but no Lender shall be responsible for the failure of any other Lender to make the Revolving Credit Advance to be made by such other Lender on the date of any Revolving Credit Borrowing.

SECTION 2.03. The Competitive Bid Advances. (a) Each Lender

severally agrees that the Borrower may make Competitive Bid Borrowings under this Section 2.03 from time to time on any Business Day during the period from the date hereof until the date occurring 30 days prior to the Termination Date in the manner set forth below; provided that, following the making of each

Competitive Bid Borrowing, the aggregate amount of the Advances then outstanding shall not exceed the aggregate amount of the Commitments of the Lenders (computed without regard to any Competitive Bid Reduction).

(i) The Borrower may request a Competitive Bid Borrowing under this Section 2.03 by delivering to the Agent, by telecopier or telex, a notice of a Competitive Bid Borrowing (a "Notice of

Competitive Bid Borrowing"), in substantially the form of Exhibit B-2

hereto, specifying therein the requested (v) date of such proposed Competitive Bid Borrowing, (w) aggregate amount of such proposed Competitive Bid Borrowing, (x) in the case of a Competitive Bid Borrowing consisting of LIBO Rate Advances, Interest Period, or in the case of a Competitive Bid Borrowing consisting of Fixed Rate Advances, maturity date for repayment of each Fixed Rate Advance to be made as part of such Competitive Bid Borrowing (which maturity date may not be earlier than the date occurring 30 days after the date of such Competitive Bid Borrowing or later than the Termination Date), (y) interest payment date or dates relating thereto, and (z) other terms (if any) to be applicable to such Competitive Bid Borrowing, not later than 10:00 A.M. (New York City time) (A) at least one Business Day prior to the date of the proposed Competitive Bid Borrowing, if the Borrower shall specify in the Notice of Competitive Bid Borrowing that the rates of interest to be offered by the Lenders shall be fixed rates per annum (the Advances comprising any such Competitive Bid Borrowing being referred to herein as "Fixed Rate Advances") and (B) at

least four Business Days prior to the date of the proposed Competitive Bid Borrowing, if the Borrower shall instead specify in the Notice of Competitive Bid Borrowing that the Advances comprising such Competitive Bid Borrowing shall be LIBO Rate Advances. Each Notice of Competitive Bid Borrowing shall be irrevocable and binding on the Borrower. The Agent shall in turn promptly notify each Lender of each request for a Competitive Bid Borrowing received by it from the Borrower by sending such Lender a copy of the related Notice of Competitive Bid Borrowing.

(ii) Each Lender may, if, in its sole discretion, it elects to do so, irrevocably offer to make one or more Competitive Bid Advances to the Borrower as part of such proposed Competitive Bid Borrowing at a rate or rates of interest specified by such Lender in its sole discretion, by notifying the Agent (which shall give prompt notice thereof to the Borrower), (A) before 9:30 A.M. (New York City time) on the date of such proposed Competitive Bid Borrowing, in the case of a Competitive Bid Borrowing consisting of Fixed Rate Advances and (B) before 10:00 A.M. (New York City time) three Business Days before the date of such proposed Competitive Bid Borrowing, in the case of a Competitive Bid Borrowing consisting of LIBO Rate Advances of the minimum amount and maximum amount of each Competitive Bid Advance which such Lender would be willing to make as part of such proposed Competitive Bid Borrowing (which amounts of such proposed Competitive Bid may, subject to the proviso to the first sentence of this Section 2.03(a), exceed such Lender's Commitment, if any), the rate or rates of interest therefor and such Lender's Applicable Lending Office with respect to such Competitive Bid Advance; provided that if the Agent in

its capacity as a Lender shall, in its sole discretion, elect to make any such offer, it shall notify the Borrower of such offer at least 30 minutes before the time and on the date on which notice of such election is to be given to the Agent, by the other Lenders. If any Lender shall elect not to make such an offer, such Lender shall so notify the Agent before 10:00 A.M. (New York City time), and such Lender shall not be obligated to, and shall not, make any Competitive Bid Advance as part of such Competitive Bid Borrowing; provided that the failure by any Lender to give such notice

shall not cause such Lender to be obligated to make any Competitive Bid Advance as part of such proposed Competitive Bid Borrowing.

(iii) The Borrower shall, in turn, (A) before 10:30 A.M. (New York City time) on the date of such proposed Competitive Bid Borrowing, in the case of a Competitive Bid Borrowing consisting of Fixed Rate Advances and (B) before 11:00 A.M. (New York City time) three Business Days before the date of such proposed Competitive Bid Borrowing, in the case of a Competitive Bid Borrowing consisting of LIBO Rate Advances, either:

(x) cancel such Competitive Bid Borrowing by giving the Agent notice to that effect, or

(y) accept one or more of the offers made by any Lender or Lenders pursuant to paragraph (ii) above, in its sole discretion, by giving notice to the Agent of the amount of each Competitive Bid Advance (which amount shall be equal to or greater than the minimum amount, and equal to or less than the maximum amount, notified to the Borrower by the Agent on behalf of such Lender for such Competitive Bid Advance pursuant to paragraph (ii) above) to be made by

each Lender as part of such Competitive Bid Borrowing, and reject any remaining offers made by Lenders pursuant to paragraph (ii) above by giving the Agent notice to that effect. The Borrower shall accept the offers made by any Lender or Lenders to make Competitive Bid Advances in order of the lowest to the highest rates of interest offered by such Lenders. If two or more Lenders have offered the same interest rate, the amount to be borrowed at such interest rate will be allocated among such Lenders in proportion to the amount that each such Lender offered at such interest rate.

(iv) If the Borrower notifies the Agent that such Competitive Bid Borrowing is cancelled pursuant to paragraph (iii)(x) above, the Agent shall give prompt notice thereof to the Lenders and such Competitive Bid Borrowing shall not be made.

(v) If the Borrower accepts one or more of the offers made by any Lender or Lenders pursuant to paragraph (iii)(y) above, the Agent shall in turn promptly notify (A) each Lender that has made an offer as described in paragraph (ii) above, of the date and aggregate amount of such Competitive Bid Borrowing and whether or not any offer or offers made by such Lender pursuant to paragraph (ii) above have been accepted by the Borrower, (B) each Lender that is to make a Competitive Bid Advance as part of such Competitive Bid Borrowing, of the amount of each Competitive Bid Advance to be made by such Lender as part of such Competitive Bid Borrowing, and (C) each Lender that is to make a Competitive Bid Advance as part of such Competitive Bid Borrowing, upon receipt, that the Agent has received forms of documents appearing to fulfill the applicable conditions set forth in Article III. Each Lender that is to make a Competitive Bid Advance as part of such Competitive Bid Borrowing shall, before 11:00 A.M. (New York City time) on the date of such Competitive Bid Borrowing specified in the notice received from the Agent pursuant to clause (A) of the preceding sentence or any later time when such Lender shall have received notice from the Agent pursuant to clause (C) of the preceding sentence, make available for the account of its Applicable Lending Office to the Agent at its address referred to in Section 8.02, in same day funds, such Lender's portion of such Competitive Bid Borrowing. Upon fulfillment of the applicable conditions set forth in Article III and after receipt by the Agent of such funds, the Agent will make such funds available to the Borrower at the location specified by the Borrower in its Notice of Competitive Bid Borrowing. Promptly after each Competitive Bid Borrowing the Agent will notify each Lender of the amount of the Competitive Bid Borrowing, the consequent Competitive Bid Reduction and the dates upon which such Competitive Bid Reduction commenced and will terminate.

(vi) If the Borrower notifies the Agent that it accepts one or more of the offers made by any Lender or Lenders pursuant to paragraph (iii)(y) above, such notice of acceptance shall be irrevocable and binding on the Borrower. The Borrower shall indemnify each Lender against any loss, cost or expense incurred by such Lender as a result of any failure to fulfill on or before the date specified in the related Notice of Competitive Bid Borrowing for such Competitive Bid Borrowing the applicable conditions set forth in Article III, including, without limitation, any loss (excluding loss of anticipated profits), cost or expense incurred by reason of the liquidation or reemployment of deposits or other funds acquired by such Lender to fund the Competitive Bid Advance to be made by such Lender as part of such Competitive Bid Borrowing when such Competitive Bid Advance, as a result of such failure, is not made on such date.

(b) Each Competitive Bid Borrowing shall be in an aggregate amount of \$10,000,000 or an integral multiple of \$1,000,000 in excess thereof and, following the making of each Competitive Bid Borrowing, the Borrower shall be in compliance with the limitation set forth in the proviso to the first sentence of subsection (a) above.

(c) Within the limits and on the conditions set forth in this Section 2.03, the Borrower may from time to time borrow under this Section 2.03, repay or prepay pursuant to subsection (d) below, and reborrow under this Section 2.03, provided that a Competitive Bid Borrowing shall not be made within

three Business Days of the date of any other Competitive Bid Borrowing.

(d) The Borrower shall repay to the Agent for the account of each Lender that has made a Competitive Bid Advance, on the maturity date of each Competitive Bid Advance (such maturity date being that specified by the Borrower for repayment of such Competitive Bid Advance in the related Notice of Competitive Bid Borrowing delivered pursuant to subsection (a)(i) above and provided in the Competitive Bid Note evidencing such Competitive Bid Advance), the then unpaid principal amount of such Competitive Bid Advance. The Borrower shall have no right to prepay any principal amount of any Competitive Bid Advance unless, and then only on the terms, specified by the Borrower for such Competitive Bid Advance in the related Notice of Competitive Bid Borrowing delivered pursuant to subsection (a)(i) above and set forth in the Competitive Bid Note evidencing such Competitive Bid Advance.

(e) The Borrower shall pay interest on the unpaid principal amount of each Competitive Bid Advance from the date of such Competitive Bid Advance to the date the principal amount of such Competitive Bid Advance is repaid in full, at the rate of interest for such Competitive Bid Advance specified by the Lender making such Competitive Bid Advance in its notice with respect thereto delivered pursuant to subsection (a)(ii) above, payable on the interest payment date or dates specified by the Borrower for such Competitive Bid Advance in the related Notice of Competitive Bid Borrowing delivered pursuant to subsection (a)(i) above, as provided in the Competitive Bid Note evidencing such Competitive Bid Advance. Upon the occurrence and during the continuance of an Event of Default under Section 6.01(a), the Borrower shall pay interest on the amount of unpaid principal of and interest on each Competitive Bid Advance owing to a Lender, payable in arrears on the date or dates interest is payable thereon, at a rate per annum equal at all times to 1% per annum above the rate per annum required to be paid on such Competitive Bid Advance under the terms of the Competitive Bid Note evidencing such Competitive Bid Advance unless otherwise agreed in such Competitive Bid Note.

(f) The indebtedness of the Borrower resulting from each Competitive Bid Advance made to the Borrower as part of a Competitive Bid Borrowing shall be evidenced by a separate Competitive Bid Note of the Borrower payable to the order of the Lender making such Competitive Bid Advance.

SECTION 2.04. Fees. (a) Facility Fee. The Borrower agrees to pay

to the Agent for the account of each Lender a facility fee on the aggregate amount of such Lender's Commitment from the date hereof in the case of each Initial Lender and from the effective date specified in the Assignment and Acceptance pursuant to which it became a Lender in the case of each other Lender until the Termination Date at a rate per annum equal to the Applicable Percentage, payable in arrears quarterly on the last day of each March, June, September and December, commencing December 31, 2000, and on the Termination Date.

(b) Utilization Fee. The Borrower agrees to pay to the Agent

for the account of each Lender for each date prior to the Termination Date on which the aggregate outstanding Advances exceed 33% of the Commitments, a fee on the aggregate amount of the outstanding Advances at a rate per annum equal to the Applicable Utilization Fee, payable in arrears quarterly on the last day of each March, June, September and December, commencing December 31, 2000, and on the Termination Date.

(c) Agent's Fees. The Borrower shall pay to the Agent for its

own account such fees as may from time to time be agreed between the Borrower and the Agent.

SECTION 2.05. Optional Termination or Reduction of the Commitments.

The Borrower shall have the right, upon at least three Business Days' notice to the Agent, to terminate in whole or reduce ratably in part the unused portions of the respective Commitments of the Lenders, provided that each partial

reduction shall be in the aggregate amount of \$10,000,000 or an integral multiple of \$1,000,000 in excess thereof and provided further that the aggregate

amount of the Commitments of the Lenders shall not be reduced to an amount that is less than the aggregate principal amount of the Competitive Bid Advances then outstanding.

SECTION 2.06. Repayment of Revolving Credit Advances. The Borrower

shall repay to the Agent for the ratable account of the Lenders on the Termination Date the aggregate principal amount of the Revolving Credit Advances then outstanding.

SECTION 2.07. Interest on Revolving Credit Advances. (a) Scheduled

Interest. The Borrower shall pay interest on the unpaid principal amount of

each Revolving Credit Advance owing to each Lender from the

date of such Revolving Credit Advance until such principal amount shall be paid in full, at the following rates per annum:

(i) Base Rate Advances. During such periods as such Revolving

Credit Advance is a Base Rate Advance, a rate per annum equal at all times to the sum of (x) the Base Rate in effect from time to time plus (y) the

Applicable Margin in effect from time to time, payable in arrears quarterly on the last day of each March, June, September and December during such periods and on the date such Base Rate Advance shall be Converted or paid in full.

(ii) Eurodollar Rate Advances. During such periods as such

Revolving Credit Advance is a Eurodollar Rate Advance, a rate per annum equal at all times during each Interest Period for such Revolving Credit Advance to the sum of (x) the Eurodollar Rate for such Interest Period for such Revolving Credit Advance plus (y) the Applicable Margin in effect from

time to time, payable in arrears on the last day of such Interest Period and, if such Interest Period has a duration of more than three months, on each day that occurs during such Interest Period every three months from the first day of such Interest Period and on the date such Eurodollar Rate Advance shall be Converted or paid in full.

(b) Default Interest. Upon the occurrence and during the

continuance of an Event of Default under Section 6.01(a), the Borrower shall pay interest on (i) the unpaid principal amount of each Revolving Credit Advance owing to each Lender, payable in arrears on the dates referred to in clause (a)(i) or (a)(ii) above, at a rate per annum equal at all times to 1% per annum above the rate per annum required to be paid on such Revolving Credit Advance pursuant to clause (a)(i) or (a)(ii) above and (ii) to the fullest extent permitted by law, the amount of any interest, fee or other amount payable hereunder that is not paid when due, from the date such amount shall be due until such amount shall be paid in full, payable in arrears on the date such amount shall be paid in full and on demand, at a rate per annum equal at all times to 1% per annum above the rate per annum required to be paid on Base Rate Advances pursuant to clause (a)(i) above.

SECTION 2.08. Interest Rate Determination. (a) Each Reference Bank

agrees to furnish to the Agent timely information for the purpose of determining each Eurodollar Rate and each LIBO Rate. If any one or more of the Reference Banks shall not furnish such timely information to the Agent for the purpose of determining any such interest rate, the Agent shall determine such interest rate on the basis of timely information furnished by the remaining Reference Banks. The Agent shall give prompt notice to the Borrower and the Lenders of the applicable interest rate determined by the Agent for purposes of Section 2.07(a)(i) or (ii), and the rate, if any, furnished by each Reference Bank for the purpose of determining the interest rate under Section 2.07(a)(ii).

(b) If, with respect to any Eurodollar Rate Advances, the Required

Lenders notify the Agent that the Eurodollar Rate for any Interest Period for such Advances will not adequately reflect the cost to such Required Lenders of making, funding or maintaining their respective Eurodollar Rate Advances for such Interest Period, the Agent shall forthwith so notify the Borrower and the Lenders, whereupon (i) each Eurodollar Rate Advance will automatically, on the last day of the then existing Interest Period therefor, Convert into a Base Rate Advance, and (ii) the obligation of the Lenders to make, or to Convert Revolving Credit Advances into, Eurodollar Rate Advances shall be suspended until the Agent shall notify the Borrower and the Lenders that the circumstances causing such suspension no longer exist.

(c) If the Borrower shall fail to select the duration of any

Interest Period for any Eurodollar Rate Advances in accordance with the provisions contained in the definition of "Interest Period" in Section 1.01, the Agent will forthwith so notify the Borrower and the Lenders and such Advances will automatically, on the last day of the then existing Interest Period therefor, be Converted into Base Rate Advances.

(d) On the date on which the aggregate unpaid principal amount of

Eurodollar Rate Advances comprising any Borrowing shall be reduced, by payment or prepayment or otherwise, to less than \$10,000,000, such Advances shall automatically Convert into Base Rate Advances.

(e) Upon the occurrence and during the continuance of any Event of

Default under Section 6.01(a), (i) each Eurodollar Rate Advance will automatically, on the last day of the then existing Interest

Period therefor, Convert into a Base Rate Advance and (ii) the obligation of the Lenders to make, or to Convert Advances into, Eurodollar Rate Advances shall be suspended.

(f) If Dow Jones Markets Telerate Page 3750 is unavailable and fewer than two Reference Banks furnish timely information to the Agent for determining the Eurodollar Rate or LIBO Rate for any Eurodollar Rate Advances or LIBO Rate Advances, as the case may be,

(i) the Agent shall forthwith notify the Borrower and the Lenders that the interest rate cannot be determined for such Eurodollar Rate Advances or LIBO Rate Advances, as the case may be,

(ii) with respect to Eurodollar Rate Advances, each such Advance will automatically, on the last day of the then existing Interest Period therefor, be prepaid by the Borrower or be automatically Converted into a Base Rate Advance (or if such Advance is then a Base Rate Advance, will continue as a Base Rate Advance), and

(iii) the obligation of the Lenders to make Eurodollar Rate Advances or LIBO Rate Advances or to Convert Revolving Credit Advances into Eurodollar Rate Advances shall be suspended until the Agent shall notify the Borrower and the Lenders that the circumstances causing such suspension no longer exist.

SECTION 2.09. Optional Conversion of Revolving Credit Advances. The

Borrower may on any Business Day, upon notice given to the Agent not later than 11:00 A.M. (New York City time) on the third Business Day prior to the date of the proposed Conversion and subject to the provisions of Sections 2.08 and 2.12, Convert all Revolving Credit Advances of one Type comprising the same Borrowing into Revolving Credit Advances of the other Type; provided, however, that any

Conversion of Eurodollar Rate Advances into Base Rate Advances shall be made only on the last day of an Interest Period for such Eurodollar Rate Advances, any Conversion of Base Rate Advances into Eurodollar Rate Advances shall be in an amount not less than the minimum amount specified in Section 2.02(b) and no Conversion of any Revolving Credit Advances shall result in more separate Revolving Credit Borrowings than permitted under Section 2.02(b). Each such notice of a Conversion shall, within the restrictions specified above, specify (i) the date of such Conversion, (ii) the Revolving Credit Advances to be Converted, and (iii) if such Conversion is into Eurodollar Rate Advances, the duration of the initial Interest Period for each such Advance. Each notice of Conversion shall be irrevocable and binding on the Borrower.

SECTION 2.10. Prepayments of Revolving Credit Advances. The Borrower

may, upon notice at least two Business Days' prior to the date of such prepayment, in the case of Eurodollar Rate Advances, and not later than 11:00 A.M. (New York City time) on the date of such prepayment, in the case of Base Rate Advances, to the Agent stating the proposed date and aggregate principal amount of the prepayment, and if such notice is given the Borrower shall, prepay the outstanding principal amount of the Revolving Credit Advances comprising part of the same Revolving Credit Borrowing in whole or ratably in part, together with accrued interest to the date of such prepayment on the principal amount prepaid; provided, however, that (x) each partial prepayment shall be in

an aggregate principal amount of \$10,000,000 or an integral multiple of \$1,000,000 in excess thereof and (y) in the event of any such prepayment of a Eurodollar Rate Advance, the Borrower shall be obligated to reimburse the Lenders in respect thereof pursuant to Section 8.04(c).

SECTION 2.11. Increased Costs. (a) If after the date hereof, due to

either (i) the introduction of or any change in or in the interpretation of any law or regulation or (ii) the compliance with any guideline or request from any central bank or other governmental authority (whether or not having the force of law), there shall be any increase in the cost to any Lender of agreeing to make or making, funding or maintaining Eurodollar Rate Advances or LIBO Rate Advances (excluding for purposes of this Section 2.11 any such increased costs resulting from (i) Taxes or Other Taxes (as to which Section 2.14 shall govern) and (ii) changes in the basis of taxation of overall net income or overall gross income by the United States or by the foreign jurisdiction or state under the laws of which such Lender is organized or has its Applicable Lending Office or any political subdivision thereof), then the Borrower shall from time to time, upon demand by such Lender (with a copy of such demand to the Agent), pay to the Agent for the account of such Lender additional amounts sufficient to compensate such Lender for such

increased cost. A certificate as to the amount of such increased cost, submitted to the Borrower and the Agent by such Lender, shall be conclusive and binding for all purposes, absent manifest error.

(b) If after the date hereof any Lender determines that compliance with any law or regulation or any guideline or request from any central bank or other governmental authority (whether or not having the force of law) affects or would affect the amount of capital required or expected to be maintained by such Lender or any corporation controlling such Lender and that the amount of such capital is increased by or based upon the existence of such Lender's commitment to lend hereunder and other commitments of this type, then, upon demand by such Lender (with a copy of such demand to the Agent), the Borrower shall pay to the Agent for the account of such Lender, from time to time as specified by such Lender, additional amounts sufficient to compensate such Lender or such corporation in the light of such circumstances, to the extent that such Lender reasonably determines such increase in capital to be allocable to the existence of such Lender's commitment to lend hereunder. A certificate as to such amounts submitted to the Borrower and the Agent by such Lender shall be conclusive and binding for all purposes, absent manifest error.

SECTION 2.12. Illegality. Notwithstanding any other provision of

this Agreement, if any Lender shall notify the Agent that the introduction of or any change in or in the interpretation of any law or regulation makes it unlawful, or any central bank or other governmental authority asserts that it is unlawful, for any Lender or its Eurodollar Lending Office to perform its obligations hereunder to make Eurodollar Rate Advances or to fund or maintain Eurodollar Rate Advances hereunder, (a) each Eurodollar Rate Advance will automatically, upon such demand, Convert into a Base Rate Advance and (b) the obligation of the Lenders to make Eurodollar Rate Advances or LIBO Rate Advances or to Convert Revolving Credit Advances into Eurodollar Rate Advances shall be suspended until the Agent shall notify the Borrower and the Lenders that the circumstances causing such suspension no longer exist.

SECTION 2.13. Payments and Computations. (a) The Borrower shall

make each payment hereunder not later than 11:00 A.M. (New York City time) on the day when due to the Agent at the Agent's Account in same day funds. The Agent will promptly thereafter cause to be distributed like funds relating to the payment of principal or interest or facility fees ratably (other than amounts payable pursuant to Section 2.03, 2.11, 2.14 or 8.04(c)) to the Lenders for the account of their respective Applicable Lending Offices, and like funds relating to the payment of any other amount payable to any Lender to such Lender for the account of its Applicable Lending Office, in each case to be applied in accordance with the terms of this Agreement. Upon its acceptance of an Assignment and Acceptance and recording of the information contained therein in the Register pursuant to Section 8.07(c), from and after the effective date specified in such Assignment and Acceptance, the Agent shall make all payments hereunder and under the Notes in respect of the interest assigned thereby to the Lender assignee thereunder, and the parties to such Assignment and Acceptance shall make all appropriate adjustments in such payments for periods prior to such effective date directly between themselves.

(b) The Borrower hereby authorizes each Lender, if and to the extent payment owed to such Lender is not made when due hereunder or under the Note held by such Lender, to charge from time to time against any or all of the Borrower's accounts with such Lender any amount so due.

(c) All computations of interest based on the Base Rate shall be made by the Agent on the basis of a year of 365 or 366 days, as the case may be, all computations of interest based on the Eurodollar Rate, the LIBO Rate or the Federal Funds Rate or in respect of Fixed Rate Advances and of fees shall be made by the Agent on the basis of a year of 360 days, in each case for the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest or facility fees are payable. Each determination by the Agent of an interest rate hereunder shall be conclusive and binding for all purposes, absent manifest error.

(d) Whenever any payment hereunder or under the Notes shall be stated to be due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day, and such extension of time shall in such case be included in the computation of payment of interest or facility fee, as the case may be; provided, however, that, if such extension would cause payment

of interest on or principal of Eurodollar Rate Advances or LIBO Rate Advances to be made in the next following calendar month, such payment shall be made on the next preceding Business Day.

(e) Unless the Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Lenders hereunder that the Borrower will not make such payment in full, the Agent may assume that the Borrower has made such payment in full to the Agent on such date and the Agent may, in reliance upon such assumption, cause to be distributed to each Lender on such due date an amount equal to the amount then due such Lender. If and to the extent the Borrower shall not have so made such payment in full to the Agent, each Lender shall repay to the Agent forthwith on demand such amount distributed to such Lender together with interest thereon, for each day from the date such amount is distributed to such Lender until the date such Lender repays such amount to the Agent, at the Federal Funds Rate.

SECTION 2.14. Taxes. (a) Any and all payments by the Borrower

hereunder or under the Notes shall be made, in accordance with Section 2.13, free and clear of and without deduction for any and all present or future taxes, levies, imposts, deductions, charges or withholdings, and all liabilities with respect thereto, excluding, in the case of each Lender and the Agent, taxes

imposed on its overall net income, and franchise taxes imposed on it in lieu of net income taxes, by the jurisdiction under the laws of which such Lender or the Agent (as the case may be) is organized or any political subdivision thereof and, in the case of each Lender, taxes imposed on its overall net income, and franchise taxes imposed on it in lieu of net income taxes, by the jurisdiction of such Lender's Applicable Lending Office or any political subdivision thereof (all such non-excluded taxes, levies, imposts, deductions, charges, withholdings and liabilities in respect of payments hereunder or under the Notes being hereinafter referred to as "Taxes"). If the Borrower shall be required by law

to deduct any Taxes from or in respect of any sum payable hereunder or under any Note to any Lender or the Agent, (i) the sum payable shall be increased as may be necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section 2.14) such Lender or the Agent (as the case may be) receives an amount equal to the sum it would have received had no such deductions been made, (ii) the Borrower shall make such deductions and (iii) the Borrower shall pay the full amount deducted to the relevant taxation authority or other authority in accordance with applicable law.

(b) In addition, the Borrower shall pay any present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies that arise from any payment made hereunder or under the Notes or from the execution, delivery or registration of, performing under, or otherwise with respect to, this Agreement or the Notes (hereinafter referred to as "Other Taxes").

(c) The Borrower shall indemnify each Lender and the Agent for and hold it harmless against the full amount of Taxes or Other Taxes (including, without limitation, taxes of any kind imposed by any jurisdiction on amounts payable under this Section 2.14) imposed on or paid by such Lender or the Agent (as the case may be) and any liability (including the penalties, interest and expenses) arising therefrom or with respect thereto. This indemnification shall be made within 30 days from the date such Lender or the Agent (as the case may be) makes written demand therefor.

(d) Within 30 days after the date of any payment of Taxes, the Borrower shall furnish to the Agent, at its address referred to in Section 8.02, the original or a certified copy of a receipt evidencing such payment. In the case of any payment hereunder or under the Notes by or on behalf of the Borrower through an account or branch outside the United States or by or on behalf of the Borrower by a payor that is not a United States person, if the Borrower determines that no Taxes are payable in respect thereof, the Borrower shall furnish, or shall cause such payor to furnish, to the Agent, at such address, an opinion of counsel reasonably acceptable to the Agent stating that such payment is exempt from Taxes. For purposes of this subsection (d) and subsection (e), the terms "United States" and "United States person" shall have the meanings

specified in Section 7701 of the Internal Revenue Code.

(e) Each Lender organized under the laws of a jurisdiction outside the United States, on or prior to the date of its execution and delivery of this Agreement in the case of each Initial Lender and on the date of the Assignment and Acceptance pursuant to which it becomes a Lender in the case of each other Lender, and from time to time thereafter as requested in writing by the Borrower (but only so long as such Lender remains lawfully able to do so), shall provide each of the Agent and the Borrower with two original Internal Revenue Service forms W-8BEN or W-8EC1, as appropriate, or any successor or other form prescribed by the Internal Revenue Service, certifying that such Lender is exempt from or entitled to a reduced rate of United States withholding tax on payments pursuant to this Agreement or the Notes. If the form provided by a Lender at the time such Lender first

becomes a party to this Agreement indicates a United States interest withholding tax rate in excess of zero, withholding tax at such rate shall be considered excluded from Taxes unless and until such Lender provides the appropriate forms certifying that a lesser rate applies, whereupon withholding tax at such lesser rate only shall be considered excluded from Taxes for periods governed by such form; provided, however, that, if at the date of the Assignment and Acceptance

pursuant to which a Lender assignee becomes a party to this Agreement, the Lender assignor was entitled to payments under subsection (a) in respect of United States withholding tax with respect to interest paid at such date, then, to such extent, the term Taxes shall include (in addition to withholding taxes that may be imposed in the future or other amounts otherwise includable in Taxes) United States withholding tax, if any, applicable with respect to the Lender assignee on such date. If any form or document referred to in this subsection (e) requires the disclosure of information, other than information necessary to compute the tax payable and information required on the date hereof by Internal Revenue Service form 1001 or 4224, that the Lender reasonably considers to be confidential, the Lender shall give notice thereof to the Borrower and shall not be obligated to include in such form or document such confidential information.

(f) For any period with respect to which a Lender has failed to provide the Borrower with the appropriate form described in Section 2.14(e) (other than if such failure is due to a change in law occurring subsequent to

the date on which a form originally was required to be provided, or if such form otherwise is not required under subsection (e) above), such Lender shall not be entitled to indemnification under Section 2.14(a) or (c) with respect to Taxes imposed by the United States by reason of such failure; provided, however, that

should a Lender become subject to Taxes because of its failure to deliver a form required hereunder, the Borrower shall take such steps as the Lender shall reasonably request to assist the Lender to recover such Taxes.

(g) Any Lender claiming any additional amounts payable pursuant to this Section 2.14 agrees to use reasonable efforts (consistent with its internal policy and legal and regulatory restrictions) to change the jurisdiction of its Eurodollar Lending Office if the making of such a change would avoid the need for, or reduce the amount of, any such additional amounts that may thereafter accrue and would not, in the reasonable judgment of such Lender, be otherwise disadvantageous to such Lender.

SECTION 2.15. Sharing of Payments, Etc. If any Lender shall obtain

any payment (whether voluntary, involuntary, through the exercise of any right of set-off, or otherwise) on account of the Revolving Credit Advances owing to it (other than pursuant to Section 2.11, 2.14 or 8.04(c)) in excess of its ratable share of payments on account of the Revolving Credit Advances obtained by all the Lenders, such Lender shall forthwith purchase from the other Lenders such participations in the Revolving Credit Advances owing to them as shall be necessary to cause such purchasing Lender to share the excess payment ratably with each of them; provided, however, that if all or any portion of such excess

payment is thereafter recovered from such purchasing Lender, such purchase from each Lender shall be rescinded and such Lender shall repay to the purchasing Lender the purchase price to the extent of such recovery together with an amount equal to such Lender's ratable share (according to the proportion of (i) the amount of such Lender's required repayment to (ii) the total amount so recovered from the purchasing Lender) of any interest or other amount paid or payable by the purchasing Lender in respect of the total amount so recovered. The Borrower agrees that any Lender so purchasing a participation from another Lender pursuant to this Section 2.15 may, to the fullest extent permitted by law, exercise all its rights of payment (including the right of set-off) with respect to such participation as fully as if such Lender were the direct creditor of the Borrower in the amount of such participation.

SECTION 2.16. Evidence of Debt. (a) Each Lender shall maintain in

accordance with its usual practice an account or accounts evidencing the indebtedness of the Borrower to such Lender resulting from each Revolving Credit Advance owing to such Lender from time to time, including the amounts of principal and interest payable and paid to such Lender from time to time hereunder in respect of Revolving Credit Advances. The Borrower agrees that upon notice by any Lender to the Borrower (with a copy of such notice to the Agent) to the effect that a Revolving Credit Note is required or appropriate in order for such Lender to evidence (whether for purposes of pledge, enforcement or otherwise) the Revolving Credit Advances owing to, or to be made by, such Lender, the Borrower shall promptly execute and deliver to such Lender a Revolving Credit Note payable to the order of such Lender in a principal amount up to the Commitment of such Lender.

(b) The Register maintained by the Agent pursuant to Section 8.07(d) shall include a control account, and a subsidiary account for each Lender, in which accounts (taken together) shall be recorded (i) the date

and amount of each Borrowing made hereunder, the Type of Advances comprising such Borrowing and, if appropriate, the Interest Period applicable thereto, (ii) the terms of each Assignment and Acceptance delivered to and accepted by it, (iii) the amount of any principal or interest due and payable or to become due and payable from the Borrower to each Lender hereunder and (iv) the amount of any sum received by the Agent from the Borrower hereunder and each Lender's share thereof.

(c) Entries made in good faith by the Agent in the Register pursuant to subsection (b) above, and by each Lender in its account or accounts pursuant to subsection (a) above, shall be prima facie evidence of the amount of

principal and interest due and payable or to become due and payable from the Borrower to, in the case of the Register, each Lender and, in the case of such account or accounts, such Lender, under this Agreement, absent manifest error; provided, however, that the failure of the Agent or such Lender to make an entry, or any finding that an entry is incorrect, in the Register or such account or accounts shall not limit or otherwise affect the obligations of the Borrower under this Agreement.

SECTION 2.17. Use of Proceeds. The proceeds of the Advances shall be available (and the Borrower agrees that it shall use such proceeds) for the acquisition of the common stock of Bush Boake Allen Inc., a Virginia corporation, pursuant to the Merger Agreement and for other general corporate purposes of the Borrower and its Subsidiaries, including commercial paper backstop.

ARTICLE III

CONDITIONS TO EFFECTIVENESS AND LENDING

SECTION 3.01. Conditions Precedent to Effectiveness of Sections 2.01 and 2.03. Sections 2.01 and 2.03 of this Agreement shall become effective on and as of the first date (the "Effective Date") on which the following conditions precedent have been satisfied:

(a) There shall have occurred no Material Adverse Change since December 31, 1999.

(b) There shall exist no action, suit, investigation, litigation or proceeding affecting the Borrower or any of its Subsidiaries pending or threatened before any court, governmental agency or arbitrator that (i) could be reasonably likely to have a Material Adverse Effect or (ii) purports to affect the legality, validity or enforceability of this Agreement or any Note or the consummation of the transactions contemplated hereby.

(c) Nothing shall have come to the attention of the Lenders during the course of their due diligence investigation to lead them to believe that the Information Memorandum was or has become misleading, incorrect or incomplete in any material respect; without limiting the generality of the foregoing, the Lenders shall have been given such access to the management, records, books of account, contracts and properties of the Borrower and its Subsidiaries as they shall have requested.

(d) All governmental and third party consents and approvals necessary in connection with the transactions contemplated hereby shall have been obtained (without the imposition of any conditions that are not acceptable to the Lenders) and shall remain in effect, and no law or regulation shall be applicable in the reasonable judgment of the Lenders that restrains, prevents or imposes materially adverse conditions upon the transactions contemplated hereby.

(e) The Borrower shall have notified each Lender and the Agent in writing as to the proposed Effective Date.

(f) The Borrower shall have paid all accrued fees and expenses of the Agent and the Lenders (including the accrued fees and expenses of counsel to the Agent).

(g) On the Effective Date, the following statements shall be true and the Agent shall have received for the account of each Lender a certificate signed by a duly authorized officer of the Borrower, dated the Effective Date, stating that:

(i) The representations and warranties contained in Section 4.01 are correct on and as of the Effective Date, and

(ii) No event has occurred and is continuing that constitutes a Default.

(h) The Agent shall have received on or before the Effective Date the following, each dated such day, in form and substance satisfactory to the Agent and (except for the Revolving Credit Notes) in sufficient copies for each Lender:

(i) The Revolving Credit Notes to the order of the Lenders to the extent requested by any Lender pursuant to Section 2.16.

(ii) Certified copies of the resolutions of the Board of Directors of the Borrower approving this Agreement and the Notes, and of all documents evidencing other necessary corporate action and governmental approvals, if any, with respect to this Agreement and the Notes.

(iii) A certificate of the Secretary or an Assistant Secretary of the Borrower certifying the names and true signatures of the officers of the Borrower authorized to sign this Agreement and the Notes and the other documents to be delivered hereunder.

(iv) A favorable opinion of Stephen A. Block, Senior Vice President and General Counsel, counsel for the Borrower, substantially in the form of Exhibit D hereto and as to such other matters as any Lender through the Agent may reasonably request.

(v) A favorable opinion of Shearman & Sterling, counsel for the Agent, in form and substance satisfactory to the Agent.

(i) The Minimum Condition (as defined in the Merger Agreement) shall have been satisfied and the applicable waiting period under the Hart-Scott Rodino Antitrust Improvements Act of 1976 has expired or terminated.

SECTION 3.02. Conditions Precedent to Each Revolving Credit

Borrowing. The obligation of each Lender to make a Revolving Credit Advance on

the occasion of each Revolving Credit Borrowing shall be subject to the conditions precedent that the Effective Date shall have occurred and on the date of such Revolving Credit Borrowing the (a) the following statements shall be true (and each of the giving of the applicable Notice of Revolving Credit Borrowing and the acceptance by the Borrower of the proceeds of such Revolving Credit Borrowing shall constitute a representation and warranty by the Borrower that on the date of such Borrowing such statements are true):

(i) the representations and warranties contained in Section 4.01 (except the representations set forth in the last sentence of subsection (e) thereof and in subsection (f)(i) thereof) are correct on and as of such date, before and after giving effect to such Revolving Credit Borrowing, and to the application of the proceeds therefrom, as though made on and as of such date, and

(ii) no event has occurred and is continuing, or would result from such Revolving Credit Borrowing or from the application of the proceeds therefrom, that constitutes a Default;

and (b) the Agent shall have received such other approvals, opinions or documents as any Lender through the Agent may reasonably request.

SECTION 3.03. Conditions Precedent to Each Competitive Bid Borrowing.

The obligation of each Lender that is to make a Competitive Bid Advance on the occasion of a Competitive Bid Borrowing to make such Competitive Bid Advance as part of such Competitive Bid Borrowing is subject to the conditions precedent that (a) the Agent shall have received the written confirmatory Notice of Competitive Bid Borrowing with respect thereto, (b) on or before the date of such Competitive Bid Borrowing, but prior to such Competitive Bid Borrowing, the Agent shall have received a Competitive Bid Note payable to the order of such Lender for each of the one or more Competitive Bid Advances to be made by such Lender as part of such Competitive Bid Borrowing, in a principal amount equal to the principal amount of the Competitive Bid Advance to be evidenced thereby and otherwise on such terms as were agreed to for such Competitive Bid Advance in accordance with Section 2.03, and (c) on the date of such Competitive Bid Borrowing the following statements shall be true (and each of the giving of the applicable Notice of Competitive Bid Borrowing and the acceptance by the Borrower of the proceeds of such Competitive Bid Borrowing shall constitute a representation and warranty by the Borrower that on the date of such Competitive Bid Borrowing such statements are true):

(i) the representations and warranties contained in Section 4.01 are correct on and as of the date of such Competitive Bid Borrowing, before and after giving effect to such Competitive Bid Borrowing and to the application of the proceeds therefrom, as though made on and as of such date, and

(ii) no event has occurred and is continuing, or would result from such Competitive Bid Borrowing or from the application of the proceeds therefrom, that constitutes a Default.

SECTION 3.04. Determinations Under Section 3.01. For purposes of

determining compliance with the conditions specified in Section 3.01, each Lender shall be deemed to have consented to, approved or accepted or to be satisfied with each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to the Lenders unless an officer of the Agent responsible for the transactions contemplated by this Agreement shall have received notice from such Lender prior to the date that the Borrower, by notice to the Lenders, designates as the proposed Effective Date, specifying its objection thereto. The Agent shall promptly notify the Lenders of the occurrence of the Effective Date.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES

SECTION 4.01. Representations and Warranties of the Borrower. The

Borrower represents and warrants as follows:

(a) The Borrower is a corporation duly organized, validly existing and in good standing under the laws of the State of New York.

(b) The execution, delivery and performance by the Borrower of this Agreement and the Notes to be delivered by it, and the consummation of the transactions contemplated hereby, are within the Borrower's corporate powers, have been duly authorized by all necessary corporate action, and do not contravene (i) the Borrower's charter or by-laws or (ii) law or any contractual restriction binding on or affecting the Borrower.

(c) No authorization or approval or other action by, and no notice to or filing with, any governmental authority or regulatory body or any other third party is required for the due execution, delivery and performance by the Borrower of this Agreement or the Notes to be delivered by it.

(d) This Agreement has been, and each of the Notes to be delivered by it when delivered hereunder will have been, duly executed and delivered by the Borrower. This Agreement is, and each of the Notes when delivered hereunder will be, the legal, valid and binding obligation of the Borrower enforceable against the Borrower in accordance with their respective terms.

(e) The Consolidated balance sheet of the Borrower and its Subsidiaries as at December 31, 1999, and the related Consolidated statements of income and cash flows of the Borrower and its Subsidiaries for the fiscal year then ended, accompanied by an opinion of PricewaterhouseCoopers LLP, independent public accountants, and the Consolidated balance sheet of the Borrower and its Subsidiaries as at September 30, 2000, and the related Consolidated statements of income and cash flows of the Borrower and its Subsidiaries for the nine months then ended, duly certified by the chief financial officer of the Borrower, copies of which have been furnished to each Lender, fairly present subject, in the case of said balance sheet as at September 30, 2000 and said statements of income and cash flows for the nine months then ended, to year-end audit adjustments, the Consolidated financial condition of the Borrower and its Subsidiaries as at such dates and the Consolidated results of the operations of the Borrower and its Subsidiaries for the periods ended on such date, all in accordance with generally accepted accounting principles consistently applied. Since December 31, 1999, there has been no Material Adverse Change.

(f) There is no pending or threatened action, suit, investigation, litigation or proceeding, including, without limitation, any Environmental Action, affecting the Borrower or any of its Subsidiaries before any court, governmental agency or arbitrator that (i) could be reasonably likely to have a Material Adverse Effect or (ii) purports to affect the legality, validity or enforceability of this Agreement or any Note or the consummation of the transactions contemplated hereby.

(g) The Borrower is not engaged in the business of extending credit for the purpose of purchasing or carrying margin stock (within the meaning of Regulation U issued by the Board of Governors of the Federal Reserve System), and no proceeds of any Advance will be used to purchase or carry any margin stock or to extend credit to others for the purpose of purchasing or carrying any margin stock.

(h) The Borrower is not an "investment company", or a company "controlled" by an "investment company", within the meaning of the Investment Company Act of 1940, as amended.

ARTICLE V

COVENANTS OF THE BORROWER

SECTION 5.01. Affirmative Covenants. So long as any Advance shall

remain unpaid or any Lender shall have any Commitment hereunder, the Borrower will:

(a) Compliance with Laws, Etc. Comply, and cause each of its

Subsidiaries to comply, in all material respects, with all applicable laws, rules, regulations and orders, such compliance to include, without limitation, compliance with ERISA and Environmental Laws.

(b) Payment of Taxes, Etc. Pay and discharge, and cause each of its

Subsidiaries to pay and discharge, before the same shall become delinquent, (i) all taxes, assessments and governmental charges or levies imposed upon it or upon its property and (ii) all lawful claims that, if unpaid, might by law become a Lien upon its property; provided, however, that neither the

Borrower nor any of its Subsidiaries shall be required to pay or discharge any such tax, assessment, charge or claim that is being contested in good faith and by proper proceedings and as to which appropriate reserves are being maintained, unless and until any Lien resulting therefrom attaches to its property and becomes enforceable against its other creditors.

(c) Maintenance of Insurance. Maintain, and cause each of its

Subsidiaries to maintain, insurance with responsible and reputable insurance companies or associations in such amounts and covering such risks as is usually carried by companies engaged in similar businesses and owning similar properties in the same general areas in which the Borrower or such Subsidiary operates; provided, however, that the Borrower and its

Subsidiaries may self-insure to the same extent as other companies engaged in similar businesses and owning similar properties in the same general areas in which the Borrower or such Subsidiary operates and to the extent consistent with prudent business practice.

(d) Preservation of Corporate Existence, Etc. Preserve and maintain, -----
and cause each of its Subsidiaries to preserve and maintain, its corporate
existence, rights (charter and statutory) and franchises; provided,

however, that the Borrower and its Subsidiaries may consummate any merger

or consolidation permitted under Section 5.02(b) and provided further that

neither the Borrower nor any of its Subsidiaries shall be required to
preserve any right or franchise or, in the case of any Subsidiary, its
corporate existence, if the Board of Directors of the Borrower shall
determine that the preservation thereof is no longer desirable in the
conduct of the business of the Borrower, and that the loss thereof is not
disadvantageous in any material respect to the Borrower or the Lenders.

(e) Visitation Rights. At any reasonable time and from time to time,

permit the Agent or any of the Lenders or any agents or representatives
thereof, to examine and make copies of and abstracts from the records and
books of account of, and visit the properties of, the Borrower and any of
its Subsidiaries, and to discuss the affairs, finances and accounts of the
Borrower and any of its Subsidiaries with any of their officers or
directors and with their independent certified public accountants.

(f) Keeping of Books. Keep, and cause each of its Subsidiaries to

keep, proper books of record and account, in which full and correct entries
shall be made of all financial transactions and the assets and business of
the Borrower and each such Subsidiary in accordance with generally accepted
accounting principles in effect from time to time.

(g) Maintenance of Properties, Etc. Maintain and preserve, and cause

each of its Subsidiaries to maintain and preserve, all of its properties
that are used or useful in the conduct of its business in good working
order and condition, ordinary wear and tear excepted.

(h) Reporting Requirements. Furnish to the Lenders:

(i) as soon as available and in any event within 45 days after
the end of each of the first three quarters of each fiscal year of the
Borrower, the Consolidated balance sheet of the Borrower and its
Subsidiaries as of the end of such quarter and Consolidated statements
of income and cash flows of the Borrower and its Subsidiaries for the
period commencing at the end of the previous fiscal year and ending
with the end of such quarter, duly certified (subject to year-end
audit adjustments) by the chief financial officer of the Borrower as
having been prepared in accordance with generally accepted accounting
principles and certificates of the chief financial officer of the
Borrower as to compliance with the terms of this Agreement and setting
forth in reasonable detail the calculations necessary to demonstrate
compliance with Section 5.03, provided that in the event of any change

in GAAP used in the preparation of such financial statements, the
Borrower shall also provide, if necessary for the determination of
compliance with Section 5.03, a statement of reconciliation conforming
such financial statements to GAAP;

(ii) as soon as available and in any event within 90 days after
the end of each fiscal year of the Borrower, a copy of the annual
audit report for such year for the Borrower and its Subsidiaries,
containing the Consolidated balance sheet of the Borrower and its
Subsidiaries as of the end of such fiscal year and Consolidated
statements of income and cash flows of the Borrower and its
Subsidiaries for such fiscal year, in each case accompanied by an
opinion acceptable to the Required Lenders by PricewaterhouseCoopers
LLP or other "Big Five" independent public accountants, provided that

in the event of any change in GAAP used in the preparation of such
financial statements, the Borrower shall also provide, if necessary
for the determination of compliance with Section 5.03, a statement of
reconciliation conforming such financial statements to GAAP;

(iii) as soon as possible and in any event within five days
after the occurrence of each Default continuing on the date of such
statement, a statement of the chief financial officer of the Borrower
setting forth details of such Default and the action that the Borrower
has taken and proposes to take with respect thereto;

(iv) promptly after the sending or filing thereof, copies of all reports that the Borrower sends to any of its securityholders, and copies of all reports and registration statements that the Borrower or any Subsidiary files with the Securities and Exchange Commission or any national securities exchange;

(v) promptly after the commencement thereof, notice of all actions and proceedings before any court, governmental agency or arbitrator affecting the Borrower or any of its Subsidiaries of the type described in Section 4.01(f); and

(vi) such other information respecting the Borrower or any of its Subsidiaries as any Lender through the Agent may from time to time reasonably request.

SECTION 5.02. Negative Covenants. So long as any Advance shall

remain unpaid or any Lender shall have any Commitment hereunder, the Borrower will not:

(a) Liens, Etc. Create or suffer to exist, or permit any of its

Subsidiaries to create or suffer to exist, any Lien on or with respect to any of its properties, whether now owned or hereafter acquired, or assign, or permit any of its Subsidiaries to assign, any right to receive income, other than:

(i) Permitted Liens,

(ii) purchase money Liens upon or in any real property or equipment acquired or held by the Borrower or any Subsidiary in the ordinary course of business to secure the purchase price of such property or equipment or to secure Debt incurred solely for the purpose of financing the acquisition of such property or equipment, or Liens existing on such property or equipment at the time of its acquisition (other than any such Liens created in contemplation of such acquisition that were not incurred to finance the acquisition of such property) or extensions, renewals or replacements of any of the foregoing for the same or a lesser amount, provided, however, that no

such lien shall extend to or cover any properties of any character other than the real property or equipment being acquired, and no such extension, renewal or replacement shall extend to or cover any properties not theretofore subject to the Lien being extended, renewed or replaced, provided further that the aggregate principal amount of

the indebtedness secured by the Liens referred to in this clause (ii) shall not exceed \$25,000,000 at any time outstanding,

(iii) the Liens existing on the Effective Date and described on Schedule 5.02(a) hereto,

(iv) Liens on property of a Person existing at the time such Person is merged into or consolidated with the Borrower or any Subsidiary of the Borrower or becomes a Subsidiary of the Borrower; provided that such Liens were not created in contemplation of such

merger, consolidation or acquisition and do not extend to any assets other than those of the Person so merged into or consolidated with the Borrower or such Subsidiary or acquired by the Borrower or such Subsidiary,

(v) other Liens securing Debt in an aggregate principal amount not to exceed \$100,000,000 at any time outstanding, and

(vi) the replacement, extension or renewal of any Lien permitted by clause (iii) or (iv) above upon or in the same property theretofore subject thereto or the replacement, extension or renewal (without increase in the amount or change in any direct or contingent obligor) of the Debt secured thereby.

(b) Mergers, Etc. Merge or consolidate with or into, or convey,

transfer, lease or otherwise dispose of (whether in one transaction or in a series of transactions) all or substantially all of the assets

(whether now owned or hereafter acquired) of the Borrower and its Subsidiaries, taken as a whole, to, any Person, or permit any of its Subsidiaries to do so, except that any Subsidiary of the Borrower may merge or consolidate with or into, or dispose of assets to, any other Subsidiary of the Borrower, and except that any Subsidiary of the Borrower may merge into or dispose of assets to the Borrower and the Borrower may merge with any other Person so long as the Borrower is the surviving corporation, provided, in each case, that no Default shall have occurred and be continuing at the time of such proposed transaction or would result therefrom.

(c) Accounting Changes. Make or permit, or permit any of its Subsidiaries to make or permit, any change in accounting policies or reporting practices, except as required or permitted by generally accepted accounting principles.

(d) Change in Nature of Business. Make, or permit any of its Subsidiaries to make, any material change in the nature of its business as carried on at the date hereof.

(e) Subsidiary Debt. Permit any of its Subsidiaries to create or suffer to exist, any Debt other than:

(i) Debt owed to the Borrower or to a wholly owned Subsidiary of the Borrower,

(ii) Debt aggregating for all of the Borrower's Subsidiaries not more than \$400,000,000 at any one time outstanding, and

(iii) indorsement of negotiable instruments for deposit or collection or similar transactions in the ordinary course of business.

SECTION 5.03. Financial Covenant. So long as any Advance shall

remain unpaid or any Lender shall have any Commitment hereunder, the Borrower will maintain a ratio of Debt for Borrowed Money as at the end of each fiscal quarter ending in the periods set forth below to EBITDA for the period of four fiscal quarters then ended of not more than the ratios indicated below:

FISCAL QUARTER ENDING	RATIO
December 31, 2000	3.65:1.0
March 31, 2001	3.55:1.0
June 30, 2001	3.45:1.0
September 30, 2001 and thereafter	3.25:1.0

ARTICLE VI

EVENTS OF DEFAULT

SECTION 6.01. Events of Default. If any of the following events

("Events of Default") shall occur and be continuing:

(a) The Borrower shall fail to pay any principal of any Advance when the same becomes due and payable; or the Borrower shall fail to pay any interest on any Advance or make any other payment of fees or other amounts payable under this Agreement or any Note within three Business Days after the same becomes due and payable; or

(b) Any representation or warranty made by the Borrower herein or by the Borrower (or any of its officers) in connection with this Agreement shall prove to have been incorrect in any material respect when made; or

(c) (i) The Borrower shall fail to perform or observe any term, covenant or agreement contained in Section 5.01(d), (e) or (h), 5.02 or 5.03, or (ii) the Borrower shall fail to perform or observe any other term, covenant or agreement contained in this Agreement on its part to be performed or observed if such failure shall remain unremedied for 10 days after written notice thereof shall have been given to the Borrower by the Agent or any Lender; or

(d) The Borrower or any of its Subsidiaries shall fail to pay any principal of or premium or interest on any Debt that is outstanding in a principal or notional amount of at least \$25,000,000 in the aggregate (but excluding Debt outstanding hereunder) of the Borrower or such Subsidiary (as the case may be), when the same becomes due and payable (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise), and such failure shall continue after the applicable grace period, if any, specified in the agreement or instrument relating to such Debt; or any other event shall occur or condition shall exist under any agreement or instrument relating to any such Debt and shall continue after the applicable grace period, if any, specified in such agreement or instrument, if the effect of such event or condition is to accelerate, or to permit the acceleration of, the maturity of such Debt; or any such Debt shall be declared to be due and payable, or required to be prepaid or redeemed (other than by a regularly scheduled required prepayment or redemption), purchased or defeased, or an offer to prepay, redeem, purchase or defease such Debt shall be required to be made, in each case prior to the stated maturity thereof; or

(e) The Borrower or any of its Subsidiaries shall generally not pay its debts as such debts become due, or shall admit in writing its inability to pay its debts generally, or shall make a general assignment for the benefit of creditors; or any proceeding shall be instituted by or against the Borrower or any of its Subsidiaries seeking to adjudicate it a bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief, or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its property and, in the case of any such proceeding instituted against it (but not instituted by it), either such proceeding shall remain undismissed or unstayed for a period of 30 days, or any of the actions sought in such proceeding (including, without limitation, the entry of an order for relief against, or the appointment of a receiver, trustee, custodian or other similar official for, it or for any substantial part of its property) shall occur; or the Borrower or any of its Subsidiaries shall take any corporate action to authorize any of the actions set forth above in this subsection (e); or

(f) Judgments or orders for the payment of money in excess of \$25,000,000 in the aggregate shall be rendered against the Borrower or any of its Subsidiaries and either (i) enforcement proceedings shall have been commenced by any creditor upon such judgment or order or (ii) there shall be any period of 20 consecutive days during which a stay of enforcement of such judgment or order, by reason of a pending appeal or otherwise, shall not be in effect; provided, however, that any such judgment or order shall

not be an Event of Default under this Section 6.01(f) if and for so long as (i) the amount of such judgment or order is covered by a valid and binding policy of insurance between the defendant and the insurer covering payment thereof and (ii) such insurer, which shall be rated at least "A" by A.M. Best Company, has been notified of, and has not disputed the claim made for payment of, the amount of such judgment or order; or

(g) (i) Any Person or two or more Persons acting in concert (other than any Founder) shall have acquired beneficial ownership (within the meaning of Rule 13d-3 of the Securities and Exchange Commission under the Securities Exchange Act of 1934), directly or indirectly, of Voting Stock of the Borrower (or other securities convertible into such Voting Stock) representing 20% or more of the combined voting power of all Voting Stock of the Borrower; or (ii) during any period of up to 24 consecutive months, commencing before or after the date of this Agreement, individuals who at the

beginning of such 24-month period were directors of the Borrower shall cease for any reason (other than due to death or disability) to constitute a majority of the board of directors of the Borrower (except to the extent that individuals who at the beginning of such 24-month period were replaced by individuals (x) elected by a majority of the remaining members of the board of directors of the Borrower or (y) nominated for election by a majority of the remaining members of the board of directors of the Borrower and thereafter elected as directors by the shareholders of the Borrower); or (iii) any Person or two or more Persons acting in concert (other than any Founder) shall have acquired by contract or otherwise, or shall have entered into a contract or arrangement that, upon consummation, will result in its or their acquisition of the power to exercise, directly or indirectly, a controlling influence over the management or policies of the Borrower; or

(h) The Borrower or any of its ERISA Affiliates shall incur, or shall be reasonably likely to incur liability in excess of \$25,000,000 in the aggregate as a result of one or more of the following: (i) the occurrence of any ERISA Event; (ii) the partial or complete withdrawal of the Borrower or any of its ERISA Affiliates from a Multiemployer Plan; or (iii) the reorganization or termination of a Multiemployer Plan;

then, and in any such event, the Agent (i) shall at the request, or may with the consent, of the Required Lenders, by notice to the Borrower, declare the obligation of each Lender to make Advances to be terminated, whereupon the same shall forthwith terminate, and (ii) shall at the request, or may with the consent, of the Required Lenders, by notice to the Borrower, declare the Advances, all interest thereon and all other amounts payable under this Agreement to be forthwith due and payable, whereupon the Advances, all such interest and all such amounts shall become and be forthwith due and payable, without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived by the Borrower; provided, however, that in the

event of an actual or deemed entry of an order for relief with respect to the Borrower under the Federal Bankruptcy Code, (A) the obligation of each Lender to make Advances shall automatically be terminated and (B) the Advances, all such interest and all such amounts shall automatically become and be due and payable, without presentment, demand, protest or any notice of any kind, all of which are hereby expressly waived by the Borrower.

ARTICLE VII

THE AGENT

SECTION 7.01. Authorization and Action. Each Lender hereby appoints

and authorizes the Agent to take such action as agent on its behalf and to exercise such powers and discretion under this Agreement as are delegated to the Agent by the terms hereof, together with such powers and discretion as are reasonably incidental thereto. As to any matters not expressly provided for by this Agreement (including, without limitation, enforcement or collection of the Notes), the Agent shall not be required to exercise any discretion or take any action, but shall be required to act or to refrain from acting (and shall be fully protected in so acting or refraining from acting) upon the instructions of the Required Lenders, and such instructions shall be binding upon all Lenders and all holders of Notes; provided, however, that the Agent shall not be

required to take any action that exposes the Agent to personal liability or that is contrary to this Agreement or applicable law. The Agent agrees to give to each Lender prompt notice of each notice given to it by the Borrower pursuant to the terms of this Agreement.

SECTION 7.02. Agent's Reliance, Etc. Neither the Agent nor any of

its directors, officers, agents or employees shall be liable for any action taken or omitted to be taken by it or them under or in connection with this Agreement, except for its or their own gross negligence or willful misconduct. Without limitation of the generality of the foregoing, the Agent: (i) may treat the Lender that made any Advance as the holder of the Debt resulting therefrom until the Agent receives and accepts an Assignment and Acceptance entered into by such Lender, as assignor, and an Eligible Assignee, as assignee, as provided in Section 8.07; (ii) may consult with legal counsel (including counsel for the Borrower), independent public accountants and other experts selected by it and shall not be liable for any action taken or omitted to be taken in good faith by it in accordance with the advice of such counsel, accountants or experts; (iii) makes no warranty or representation to any Lender and shall not be responsible to any Lender for any statements, warranties or representations (whether written or oral) made in or in connection with this Agreement; (iv) shall not have any duty to ascertain or to inquire as to the performance or observance of

any of the terms, covenants or conditions of this Agreement on the part of the Borrower or to inspect the property (including the books and records) of the Borrower; (v) shall not be responsible to any Lender for the due execution, legality, validity, enforceability, genuineness, sufficiency or value of this Agreement or any other instrument or document furnished pursuant hereto; and (vi) shall incur no liability under or in respect of this Agreement by acting upon any notice, consent, certificate or other instrument or writing (which may be by telecopier, telegram or telex) believed by it to be genuine and signed or sent by the proper party or parties.

SECTION 7.03. Citibank and Affiliates. With respect to its

Commitment, the Advances made by it and the Note issued to it, Citibank shall have the same rights and powers under this Agreement as any other Lender and may exercise the same as though it were not the Agent; and the term "Lender" or "Lenders" shall, unless otherwise expressly indicated, include Citibank in its individual capacity. Citibank and its Affiliates may accept deposits from, lend money to, act as trustee under indentures of, accept investment banking engagements from and generally engage in any kind of business with, the Borrower, any of its Subsidiaries and any Person who may do business with or own securities of the Borrower or any such Subsidiary, all as if Citibank were not the Agent and without any duty to account therefor to the Lenders.

SECTION 7.04. Lender Credit Decision. Each Lender acknowledges that

it has, independently and without reliance upon the Agent or any other Lender and based on the financial statements referred to in Section 4.01 and such other documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Agent or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement.

SECTION 7.05. Indemnification. The Lenders agree to indemnify the

Agent (to the extent not reimbursed by the Borrower), ratably according to the respective principal amounts of the Revolving Credit Advances then owed to each of them (or if no Revolving Credit Advances are at the time outstanding, ratably according to the respective amounts of their Commitments), from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever that may be imposed on, incurred by, or asserted against the Agent in any way relating to or arising out of this Agreement or any action taken or omitted by the Agent under this Agreement (collectively, the "Indemnified

Costs"), provided that no Lender shall be liable for any portion of the

Indemnified Costs resulting from the Agent's gross negligence or willful misconduct. Without limitation of the foregoing, each Lender agrees to reimburse the Agent promptly upon demand for its ratable share of any out-of-pocket expenses (including reasonable counsel fees) incurred by the Agent in connection with the preparation, execution, delivery, administration, modification, amendment or enforcement (whether through negotiations, legal proceedings or otherwise) of, or legal advice in respect of rights or responsibilities under, this Agreement, to the extent that the Agent is not reimbursed for such expenses by the Borrower. In the case of any investigation, litigation or proceeding giving rise to any Indemnified Costs, this Section 7.05 applies whether any such investigation, litigation or proceeding is brought by the Agent, any Lender or a third party.

SECTION 7.06. Successor Agent. The Agent may resign at any time by

giving written notice thereof to the Lenders and the Borrower and may be removed at any time with or without cause by the Required Lenders. Upon any such resignation or removal, the Required Lenders shall have the right to appoint a successor Agent, provided that, so long as no Default has occurred and is

continuing, the Borrower shall have the right to consent to such successor Agent (which consent shall not be unreasonably withheld or delayed). If no successor Agent shall have been so appointed by the Required Lenders, and shall have accepted such appointment, within 30 days after the retiring Agent's giving of notice of resignation or the Required Lenders' removal of the retiring Agent, then the retiring Agent may, on behalf of the Lenders, appoint a successor Agent, which shall be a commercial bank organized under the laws of the United States of America or of any State thereof and having a combined capital and surplus of at least \$500,000,000. Upon the acceptance of any appointment as Agent hereunder by a successor Agent, such successor Agent shall thereupon succeed to and become vested with all the rights, powers, discretion, privileges and duties of the retiring Agent, and the retiring Agent shall be discharged from its duties and obligations under this Agreement. After any retiring Agent's resignation or removal hereunder as Agent, the provisions of this Article VII shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Agent under this Agreement.

SECTION 7.07. Other Agents. Each Lender hereby acknowledges that

neither any co-agent nor any other Lender designated as any "Agent" on the signature pages hereof has any liability hereunder other than in its capacity as a Lender.

ARTICLE VIII

MISCELLANEOUS

SECTION 8.01. Amendments, Etc. No amendment or waiver of any

provision of this Agreement or the Revolving Credit Notes, nor consent to any departure by the Borrower therefrom, shall in any event be effective unless the same shall be in writing and signed by the Required Lenders, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided, however, that no amendment, waiver

or consent shall, unless in writing and signed by all the Lenders, do any of the following: (a) waive any of the conditions specified in Section 3.01, (b) increase the Commitments of the Lenders or subject the Lenders to any additional obligations, (c) reduce the principal of, or interest on, the Revolving Credit Advances or any fees or other amounts payable hereunder, (d) postpone any date fixed for any payment of principal of, or interest on, the Revolving Credit Advances or any fees or other amounts payable hereunder, (e) change the percentage of the Commitments or of the aggregate unpaid principal amount of the Revolving Credit Advances, or the number of Lenders, that shall be required for the Lenders or any of them to take any action hereunder or (f) amend this Section 8.01; and provided further that no amendment, waiver or consent shall,

unless in writing and signed by the Agent in addition to the Lenders required above to take such action, affect the rights or duties of the Agent under this Agreement or any Note.

SECTION 8.02. Notices, Etc. All notices and other communications

provided for hereunder shall be in writing (including telecopier, telegraphic or telex communication) and mailed, telecopied, telegraphed, telexed or delivered, if to the Borrower, at its address at 521 West 57th Street, New York, New York 10019, Attention: Treasurer, with a copy to Corporate Secretary; if to any Initial Lender, at its Domestic Lending Office specified opposite its name on Schedule I hereto; if to any other Lender, at its Domestic Lending Office specified in the Assignment and Acceptance pursuant to which it became a Lender; and if to the Agent, at its address at Two Penns Way, New Castle, Delaware 19720, Attention: Bank Loan Syndications Department; or, as to the Borrower or the Agent, at such other address as shall be designated by such party in a written notice to the other parties and, as to each other party, at such other address as shall be designated by such party in a written notice to the Borrower and the Agent. All such notices and communications shall, when mailed, telecopied, telegraphed or telexed, be effective when deposited in the mails, telecopied, delivered to the telegraph company or confirmed by telex answerback, respectively, except that notices and communications to the Agent pursuant to Article II, III or VII shall not be effective until received by the Agent. Delivery by telecopier of an executed counterpart of any amendment or waiver of any provision of this Agreement or the Notes or of any Exhibit hereto to be executed and delivered hereunder shall be effective as delivery of a manually executed counterpart thereof.

SECTION 8.03. No Waiver; Remedies. No failure on the part of any

Lender or the Agent to exercise, and no delay in exercising, any right hereunder or under any Note shall operate as a waiver thereof; nor shall any single or partial exercise of any such right preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

SECTION 8.04. Costs and Expenses. (a) The Borrower agrees to pay on

demand all costs and expenses of the Agent in connection with the preparation, execution, delivery, administration, modification and amendment of this Agreement, the Notes and the other documents to be delivered hereunder, including, without limitation, (A) all due diligence, syndication (including printing, distribution and bank meetings), transportation, computer, duplication, appraisal, consultant, and audit expenses and (B) the reasonable fees and expenses of counsel for the Agent with respect thereto and with respect to advising the Agent as to its rights and responsibilities under this Agreement. The Borrower further agrees to pay on demand all costs and expenses of the Agent and the Lenders, if any (including, without limitation, reasonable counsel fees and expenses), in connection with the enforcement (whether through negotiations, legal proceedings or otherwise) of this Agreement, the Notes and the other documents to be delivered hereunder, including, without limitation, reasonable fees and expenses of counsel for the Agent and each Lender in connection with the enforcement of rights under this Section 8.04(a), provided

that in the case of any enforcement of this Agreement, the Notes and the other documents to be delivered hereunder, the

Agent and the Lenders shall retain one counsel at the expense of the Borrower, provided, further, that if there exists or is reasonably likely to exist a

conflict of interest that would make it inappropriate for the same counsel to represent all the Lenders, then each Lender with such a conflict of interest shall be entitled to retain its own counsel at the expense of the Borrower.

(b) The Borrower agrees to indemnify and hold harmless the Agent and each Lender and each of their Affiliates and their officers, directors, employees, agents and advisors (each, an "Indemnified Party") from and against

any and all claims, damages, losses, liabilities and expenses (including, without limitation, reasonable fees and expenses of counsel) incurred by or asserted or awarded against any Indemnified Party, in each case arising out of or in connection with or by reason of (including, without limitation, in connection with any investigation, litigation or proceeding or preparation of a defense in connection therewith) (i) the Notes, this Agreement, any of the transactions contemplated herein or the actual or proposed use of the proceeds of the Advances or (ii) the actual or alleged presence of Hazardous Materials on any property of the Borrower or any of its Subsidiaries or any Environmental Action relating in any way to the Borrower or any of its Subsidiaries, except to the extent such claim, damage, loss, liability or expense is found in a final, non-appealable judgment by a court of competent jurisdiction to have resulted from such Indemnified Party's gross negligence or willful misconduct. In the case of an investigation, litigation or other proceeding to which the indemnity in this Section 8.04(b) applies, such indemnity shall be effective whether or not such investigation, litigation or proceeding is brought by the Borrower, its directors, shareholders or creditors or an Indemnified Party or any other Person or any Indemnified Party is otherwise a party thereto and whether or not the transactions contemplated hereby are consummated. The Borrower also agrees not to assert any claim for special, indirect, consequential or punitive damages against the Agent, any Lender, any of their Affiliates, or any of their respective directors, officers, employees, attorneys and agents, and the Agent and each Lender agrees not to assert any claim for special, indirect, consequential or punitive damages against the Borrower, any of its Affiliates, or any of their respective directors, officers, employees, attorneys and agents, on any theory of liability arising out of or otherwise relating to the Notes, this Agreement, any of the transactions contemplated herein or the actual or proposed use of the proceeds of the Advances.

(c) If any payment of principal of, or Conversion of, any Eurodollar Rate Advance, LIBO Rate Advance is made by the Borrower to or for the account of a Lender other than on the last day of the Interest Period for such Advance, as a result of a payment or Conversion pursuant to Section 2.08(d) or (e), 2.10 or 2.12, acceleration of the maturity of the Notes pursuant to Section 6.01 or for any other reason or by an Eligible Assignee to a Lender other than on the last day of the Interest Period for such Advance upon an assignment of rights and obligations under this Agreement pursuant to Section 8.07 as a result of a demand by the Borrower pursuant to Section 8.07(a), the Borrower shall, upon demand by such Lender (with a copy of such demand to the Agent), pay to the Agent for the account of such Lender any amounts required to compensate such Lender for any additional losses, costs or expenses that it may reasonably incur as a result of such payment or Conversion, including, without limitation, any loss (excluding loss of anticipated profits), cost or expense incurred by reason of the liquidation or reemployment of deposits or other funds acquired by any Lender to fund or maintain such Advance.

(d) Without prejudice to the survival of any other agreement of the Borrower hereunder, the agreements and obligations of the Borrower contained in Sections 2.11, 2.14 and 8.04 shall survive the payment in full of principal, interest and all other amounts payable hereunder and under the Notes.

SECTION 8.05. Right of Set-off. Upon (i) the occurrence and during

the continuance of any Event of Default and (ii) the making of the request or the granting of the consent specified by Section 6.01 to authorize the Agent to declare the Notes due and payable pursuant to the provisions of Section 6.01, each Lender and each of its Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other indebtedness at any time owing by such Lender or such Affiliate to or for the credit or the account of the Borrower against any and all of the obligations of the Borrower now or hereafter existing under this Agreement and the Note held by such Lender, whether or not such Lender shall have made any demand under this Agreement or such Note and although such obligations may be unmatured. Each Lender agrees promptly to notify the Borrower after any such set-off and application, provided that the failure to

give such notice shall not affect the validity of such set-off and application. The rights of each Lender and its Affiliates under this Section are in addition to other rights and remedies (including, without limitation, other rights of set-off) that such Lender and its Affiliates may have.

SECTION 8.06. Binding Effect. This Agreement shall become effective

(other than Sections 2.01 and 2.03, which shall only become effective upon satisfaction of the conditions precedent set forth in Section 3.01) when it shall have been executed by the Borrower and the Agent and when the Agent shall have been notified by each Initial Lender that such Initial Lender has executed it and thereafter shall be binding upon and inure to the benefit of the Borrower, the Agent and each Lender and their respective successors and assigns, except that the Borrower shall not have the right to assign its rights hereunder or any interest herein without the prior written consent of the Lenders.

SECTION 8.07. Assignments and Participations. (a) Each Lender may

and, if demanded by the Borrower (following a demand by such Lender pursuant to Section 2.11 or 2.14 or a notification by such Lender pursuant to Section 2.12) upon at least five Business Days' notice to such Lender and the Agent, will assign to one or more Persons all or a portion of its rights and obligations under this Agreement (including, without limitation, all or a portion of its Commitment, the Revolving Credit Advances owing to it and the Revolving Credit Note or Notes held by it); provided, however, that (i) each such assignment

shall be of a constant, and not a varying, percentage of all rights and obligations under this Agreement (other than any right to make Competitive Bid Advances, Competitive Bid Advances owing to it and Competitive Bid Notes), (ii) except in the case of an assignment to a Person that, immediately prior to such assignment, was a Lender or an assignment of all of a Lender's rights and obligations under this Agreement, the amount of the Commitment of the assigning Lender being assigned pursuant to each such assignment (determined as of the date of the Assignment and Acceptance with respect to such assignment) shall in no event be less than \$10,000,000 or an integral multiple of \$1,000,000 in excess thereof, (iii) each such assignment shall be to an Eligible Assignee, (iv) each such assignment made as a result of a demand by the Borrower pursuant to this Section 8.07(a) shall be arranged by the Borrower after consultation with the Agent and shall be either an assignment of all of the rights and obligations of the assigning Lender under this Agreement or an assignment of a portion of such rights and obligations made concurrently with another such assignment or other such assignments that together cover all of the rights and obligations of the assigning Lender under this Agreement, (v) no Lender shall be obligated to make any such assignment as a result of a demand by the Borrower pursuant to this Section 8.07(a) unless and until such Lender shall have received one or more payments from either the Borrower or one or more Eligible Assignees in an aggregate amount at least equal to the aggregate outstanding principal amount of the Advances owing to such Lender, together with accrued interest thereon to the date of payment of such principal amount and all other amounts payable to such Lender under this Agreement, and (vi) the parties to each such assignment shall execute and deliver to the Agent, for its acceptance and recording in the Register, an Assignment and Acceptance, together with any Revolving Credit Note subject to such assignment and a processing and recordation fee of \$3,500. Upon such execution, delivery, acceptance and recording, from and after the effective date specified in each Assignment and Acceptance, (x) the assignee thereunder shall be a party hereto and, to the extent that rights and obligations hereunder have been assigned to it pursuant to such Assignment and Acceptance, have the rights and obligations of a Lender hereunder and (y) the Lender assignor thereunder shall, to the extent that rights and obligations hereunder have been assigned by it pursuant to such Assignment and Acceptance, relinquish its rights and be released from its obligations under this Agreement (and, in the case of an Assignment and Acceptance covering all or the remaining portion of an assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto).

(b) By executing and delivering an Assignment and Acceptance, the Lender assignor thereunder and the assignee thereunder confirm to and agree with each other and the other parties hereto as follows: (i) other than as provided in such Assignment and Acceptance, such assigning Lender makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with this Agreement or the execution, legality, validity, enforceability, genuineness, sufficiency or value of this Agreement or any other instrument or document furnished pursuant hereto; (ii) such assigning Lender makes no representation or warranty and assumes no responsibility with respect to the financial condition of the Borrower or the performance or observance by the Borrower of any of its obligations under this Agreement or any other instrument or document furnished pursuant hereto; (iii) such assignee confirms that it has received a copy of this Agreement, together with copies of the financial statements referred to in Section 4.01 and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into such Assignment and Acceptance; (iv) such assignee will, independently and without reliance upon the Agent, such assigning Lender or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement; (v) such assignee confirms that it is an Eligible Assignee; (vi) such assignee appoints and authorizes the Agent to take such

action as agent on its behalf and to exercise such powers and discretion under this Agreement as are delegated to the Agent by the terms hereof, together with such powers and discretion as are reasonably incidental thereto; and (vii) such assignee agrees that it will perform in accordance with their terms all of the obligations that by the terms of this Agreement are required to be performed by it as a Lender.

(c) Upon its receipt of an Assignment and Acceptance executed by an assigning Lender and an assignee representing that it is an Eligible Assignee, together with any Revolving Credit Note or Notes subject to such assignment, the Agent shall, if such Assignment and Acceptance has been completed and is in substantially the form of Exhibit C hereto, (i) accept such Assignment and Acceptance, (ii) record the information contained therein in the Register and (iii) give prompt notice thereof to the Borrower.

(d) The Agent shall maintain at its address referred to in Section 8.02 a copy of each Assignment and Acceptance delivered to and accepted by it and a register for the recordation of the names and addresses of the Lenders and the Commitment of, and principal amount of the Advances owing to, each Lender from time to time (the "Register"). The entries in the Register shall be

conclusive and binding for all purposes, absent manifest error, and the Borrower, the Agent and the Lenders may treat each Person whose name is recorded in the Register as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by the Borrower or any Lender at any reasonable time and from time to time upon reasonable prior notice.

(e) Each Lender may sell participations to one or more banks or other entities (other than the Borrower or any of its Affiliates) in or to all or a portion of its rights and obligations under this Agreement (including, without limitation, all or a portion of its Commitment, the Advances owing to it and any Note or Notes held by it); provided, however, that (i) such Lender's obligations

under this Agreement (including, without limitation, its Commitment to the Borrower hereunder) shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, (iii) such Lender shall remain the holder of any such Note for all purposes of this Agreement, (iv) the Borrower, the Agent and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement and (v) no participant under any such participation shall have any right to approve any amendment or waiver of any provision of this Agreement or any Note, or any consent to any departure by the Borrower therefrom, except to the extent that such amendment, waiver or consent would reduce the principal of, or interest on, the Notes or any fees or other amounts payable hereunder, in each case to the extent subject to such participation, or postpone any date fixed for any payment of principal of, or interest on, the Notes or any fees or other amounts payable hereunder, in each case to the extent subject to such participation.

(f) Any Lender may, in connection with any assignment or participation or proposed assignment or participation pursuant to this Section 8.07, disclose to the assignee or participant or proposed assignee or participant, any information relating to the Borrower furnished to such Lender by or on behalf of the Borrower; provided that, prior to any such disclosure,

the assignee or participant or proposed assignee or participant shall agree to preserve the confidentiality of any Confidential Information relating to the Borrower received by it from such Lender.

(g) Notwithstanding any other provision set forth in this Agreement, any Lender may at any time create a security interest in all or any portion of its rights under this Agreement (including, without limitation, the Advances owing to it and any Note or Notes held by it) in favor of any Federal Reserve Bank in accordance with Regulation A of the Board of Governors of the Federal Reserve System.

SECTION 8.08. Confidentiality. Neither the Agent nor any Lender

shall disclose any Confidential Information to any other Person without the consent of the Borrower, other than (a) to the Agent's or such Lender's Affiliates and their officers, directors, employees, agents and advisors and, as contemplated by Section 8.07(f), to actual or prospective assignees and participants, and then only on a confidential basis, (b) as required by any law, rule or regulation or judicial process and (c) as requested or required by any state, federal or foreign authority or examiner regulating banks or banking.

SECTION 8.09. Governing Law. This Agreement and the Notes shall be

governed by, and construed in accordance with, the laws of the State of New York.

SECTION 8.10. Execution in Counterparts. This Agreement may be

executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement by telecopier shall be effective as delivery of a manually executed counterpart of this Agreement.

SECTION 8.11. Jurisdiction, Etc. (a) Each of the parties hereto

hereby irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of any New York State court or federal court of the United States of America sitting in New York City, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement or the Notes, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in any such New York State court or, to the extent permitted by law, in such federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement shall affect any right that any party may otherwise have to bring any action or proceeding relating to this Agreement or the Notes in the courts of any jurisdiction.

(b) Each of the parties hereto irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection that it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement or the Notes in any New York State or federal court. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

SECTION 8.12. Waiver of Jury Trial. Each of the Borrower, the Agent

and the Lenders hereby irrevocably waives all right to trial by jury in any action, proceeding or counterclaim (whether based on contract, tort or otherwise) arising out of or relating to this Agreement or the Notes or the actions of the Agent or any Lender in the negotiation, administration, performance or enforcement thereof.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of the date first above written.

INTERNATIONAL FLAVORS & FRAGRANCES INC.

By _____
Title:

CITIBANK, N.A.,
as Agent

By _____
Title:

Initial Lenders

Administrative Agent and Book Manager

Commitment

\$1,000,000,000

CITIBANK, N.A.

By _____
Title:

\$1,000,000,000 Total of the Commitments

SCHEDULE I
INTERNATIONAL FLAVORS & FRAGRANCES INC.
364-DAY CREDIT AGREEMENT
APPLICABLE LENDING OFFICES

Name of Initial Lender	Domestic Lending Office	Eurodollar Lending Office
CITIBANK, N.A.	Two Penns Way New Castle, DE 19720 Attn: Meaghan McCormack T: 302 894-6017 F: 302 894-6120	Two Penns Way New Castle, DE 19720 Attn: Meaghan McCormack T: 302 894-6017 F: 302 894-6120

EXHIBIT A-1 - FORM OF
REVOLVING CREDIT
PROMISSORY NOTE

U.S.\$ _____ Dated: _____, 2000

FOR VALUE RECEIVED, the undersigned, INTERNATIONAL FLAVORS & FRAGRANCES
INC., a New York corporation (the "Borrower"), HEREBY PROMISES TO PAY to the

order of _____ (the "Lender") for the account of its Applicable Lending

Office on the later of Termination Date and the date designated pursuant to
Section 2.06 of the Credit Agreement (each as defined in the Credit Agreement
referred to below) the principal sum of U.S.\$[amount of the Lender's Commitment
in figures] or, if less, the aggregate principal amount of the Revolving Credit
Advances made by the Lender to the Borrower pursuant to the 364-Day Credit
Agreement dated as of November 2, 2000 among the Borrower, the Lender and
certain other lenders parties thereto, and Citibank, N.A. as Agent for the
Lender and such other lenders (as amended or modified from time to time, the
"Credit Agreement"; the terms defined therein being used herein as therein
defined) outstanding on such date.

The Borrower promises to pay interest on the unpaid principal amount of
each Revolving Credit Advance from the date of such Revolving Credit Advance
until such principal amount is paid in full, at such interest rates, and payable
at such times, as are specified in the Credit Agreement.

Both principal and interest are payable in lawful money of the United
States of America to Citibank, as Agent, at 399 Park Avenue, New York, New York
10043, in same day funds. Each Revolving Credit Advance owing to the Lender by
the Borrower pursuant to the Credit Agreement, and all payments made on account
of principal thereof, shall be recorded by the Lender and, prior to any transfer
hereof, endorsed on the grid attached hereto which is part of this Promissory
Note.

This Promissory Note is one of the Revolving Credit Notes referred to in,
and is entitled to the benefits of, the Credit Agreement. The Credit Agreement,
among other things, (i) provides for the making of Revolving Credit Advances by
the Lender to the Borrower from time to time in an aggregate amount not to
exceed at any time outstanding the U.S. dollar amount first above mentioned, the
indebtedness of the Borrower resulting from each such Revolving Credit Advance
being evidenced by this Promissory Note and (ii) contains provisions for
acceleration of the maturity hereof upon the happening of certain stated events
and also for prepayments on account of principal hereof prior to the maturity
hereof upon the terms and conditions therein specified.

INTERNATIONAL FLAVORS & FRAGRANCES INC.

By _____
Title:

EXHIBIT A-2 - FORM OF
COMPETITIVE BID
PROMISSORY NOTE

U.S.\$ _____ Dated: _____, 200__

FOR VALUE RECEIVED, the undersigned, INTERNATIONAL FLAVORS & FRAGRANCES INC., a New York corporation (the "Borrower"), HEREBY PROMISES TO PAY to the order of _____ (the "Lender") for the account of its Applicable Lending Office (as defined in the 364-Day Credit Agreement dated as of November 2, 2000 among the Borrower, the Lender and certain other lenders parties thereto, and Citibank, N.A., as Agent for the Lender and such other lenders (as amended or modified from time to time, the "Credit Agreement"; the terms defined therein being used herein as therein defined)), on _____, 200__, the principal amount of U.S.\$_____.

The Borrower promises to pay interest on the unpaid principal amount hereof from the date hereof until such principal amount is paid in full, at the interest rate and payable on the interest payment date or dates provided below:

Interest Rate: _____% per annum (calculated on the basis of a year of _____ days for the actual number of days elapsed).

Both principal and interest are payable in lawful money of the United States to Citibank, as agent, for the account of the Lender at the office of Citibank at 399 Park Avenue, New York, New York 10043 in same day funds.

This Promissory Note is one of the Competitive Bid Notes referred to in, and is entitled to the benefits of, the Credit Agreement. The Credit Agreement, among other things, contains provisions for acceleration of the maturity hereof upon the happening of certain stated events.

The Borrower hereby waives presentment, demand, protest and notice of any kind. No failure to exercise, and no delay in exercising, any rights hereunder on the part of the holder hereof shall operate as a waiver of such rights.

This Promissory Note shall be governed by, and construed in accordance with, the laws of the State of New York.

INTERNATIONAL FLAVORS & FRAGRANCES INC.

By _____
Title:

EXHIBIT B-1 - FORM OF NOTICE OF
REVOLVING CREDIT BORROWING

Citibank, N.A., as Agent
for the Lenders parties
to the Credit Agreement
referred to below
Two Penns Way
New Castle, Delaware 19720

[Date]

Attention: Bank Loan Syndications Department

Ladies and Gentlemen:

The undersigned, International Flavors & Fragrances Inc., refers to the
364-Day Credit Agreement, dated as of November 2, 2000 (as amended or modified
from time to time, the "Credit Agreement", the terms defined therein being used

herein as therein defined), among the undersigned, certain Lenders parties
thereto and Citibank, N.A., as Agent for said Lenders, and hereby gives you
notice, irrevocably, pursuant to Section 2.02 of the Credit Agreement that the
undersigned hereby requests a Revolving Credit Borrowing under the Credit
Agreement, and in that connection sets forth below the information relating to
such Revolving Credit Borrowing (the "Proposed Revolving Credit Borrowing") as

required by Section 2.02(a) of the Credit Agreement:

(i) The Business Day of the Proposed Revolving Credit Borrowing is
_____, 200_.

(ii) The Type of Advances comprising the Proposed Revolving Credit
Borrowing is [Base Rate Advances] [Eurodollar Rate Advances].

(iii) The aggregate amount of the Proposed Revolving Credit Borrowing is
\$_____.

[(iv) The initial Interest Period for each Eurodollar Rate Advance made as
part of the Proposed Revolving Credit Borrowing is _____ month[s].]

The undersigned hereby certifies that the following statements are true on
the date hereof, and will be true on the date of the Proposed Revolving Credit
Borrowing:

(A) the representations and warranties contained in Section 4.01 of the
Credit Agreement (except the representations set forth in the last sentence of
subsection (e) thereof and in subsection (f)(i) thereof) are correct, before and
after giving effect to the Proposed Revolving Credit Borrowing and to the
application of the proceeds therefrom, as though made on and as of such date;
and

(B) no event has occurred and is continuing, or would result from such
Proposed Revolving Credit Borrowing or from the application of the proceeds
therefrom, that constitutes a Default.

Very truly yours,

INTERNATIONAL FLAVORS & FRAGRANCES INC.

By _____
Title:

EXHIBIT B-2 - FORM OF NOTICE OF
COMPETITIVE BID BORROWING

Citibank, N.A., as Agent
for the Lenders parties
to the Credit Agreement
referred to below
Two Penns Way
New Castle, Delaware 19720

[Date]

Attention: Bank Loan Syndications Department

Ladies and Gentlemen:

The undersigned, International Flavors & Fragrances Inc., refers to the
364-Day Credit Agreement, dated as of November 2, 2000 (as amended or modified
from time to time, the "Credit Agreement", the terms defined therein being used

herein as therein defined), among the undersigned, certain Lenders parties
thereto and Citibank, N.A., as Agent for said Lenders, and hereby gives you
notice, irrevocably, pursuant to Section 2.03 of the Credit Agreement that the
undersigned hereby requests a Competitive Bid Borrowing under the Credit
Agreement, and in that connection sets forth the terms on which such Competitive
Bid Borrowing (the "Proposed Competitive Bid Borrowing") is requested to be

made:

- (A) Date of Competitive Bid Borrowing _____
- (B) Amount of Competitive Bid Borrowing _____
- (C) [Maturity Date] [Interest Period] _____
- (D) Interest Rate Basis _____
- (E) Interest Payment Date(s) _____
- (F) _____

The undersigned hereby certifies that the following statements are true on
the date hereof, and will be true on the date of the Proposed Competitive Bid
Borrowing:

- (a) the representations and warranties contained in Section 4.01 are
correct, before and after giving effect to the Proposed Competitive Bid
Borrowing and to the application of the proceeds therefrom, as though made on
and as of such date;
- (b) no event has occurred and is continuing, or would result from the
Proposed Competitive Bid Borrowing or from the application of the proceeds
therefrom, that constitutes a Default;
- (c) no event has occurred and no circumstance exists as a result of which
the information concerning the undersigned that has been provided to the Agent
and each Lender by the undersigned in connection with the Credit Agreement would
include an untrue statement of a material fact or omit to state any material
fact or any fact necessary to make the statements contained therein, in the
light of the circumstances under which they were made, not misleading; and
- (d) the aggregate amount of the Proposed Competitive Bid Borrowing and all
other Borrowings to be made on the same day under the Credit Agreement is within
the aggregate amount of the unused Commitments of the Lenders.

The undersigned hereby confirms that the Proposed Competitive Bid Borrowing is to be made available to it in accordance with Section 2.03(a)(v) of the Credit Agreement.

Very truly yours,

INTERNATIONAL FLAVORS & FRAGRANCES INC.

By _____
Title:

EXHIBIT C - FORM OF
ASSIGNMENT AND ACCEPTANCE

Reference is made to the 364-Day Credit Agreement dated as of November 2, 2000 (as amended or modified from time to time, the "Credit Agreement") among

International Flavors & Fragrances Inc., a New York corporation (the "Borrower"), the Lenders (as defined in the Credit Agreement) and Citibank,

N.A., as agent for the Lenders (the "Agent"). Terms defined in the Credit

Agreement are used herein with the same meaning.

The "Assignor" and the "Assignee" referred to on Schedule I hereto agree as follows:

1. The Assignor hereby sells and assigns to the Assignee, and the Assignee hereby purchases and assumes from the Assignor, an interest in and to the Assignor's rights and obligations under the Credit Agreement as of the date hereof (other than in respect of Competitive Bid Advances and Competitive Bid Notes) equal to the percentage interest specified on Schedule 1 hereto of all outstanding rights and obligations under the Credit Agreement (other than in respect of Competitive Bid Advances and Competitive Bid Notes). After giving effect to such sale and assignment, the Assignee's Commitment and the amount of the Revolving Credit Advances owing to the Assignee will be as set forth on Schedule 1 hereto.

2. The Assignor (i) represents and warrants that it is the legal and beneficial owner of the interest being assigned by it hereunder and that such interest is free and clear of any adverse claim; (ii) makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with the Credit Agreement or the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Credit Agreement or any other instrument or document furnished pursuant thereto; (iii) makes no representation or warranty and assumes no responsibility with respect to the financial condition of the Borrower or the performance or observance by the Borrower of any of its obligations under the Credit Agreement or any other instrument or document furnished pursuant thereto; and (iv) attaches the Revolving Credit Note, if any held by the Assignor.

3. The Assignee (i) confirms that it has received a copy of the Credit Agreement, together with copies of the financial statements referred to in Section 4.01 thereof and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Acceptance; (ii) agrees that it will, independently and without reliance upon the Agent, the Assignor or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Credit Agreement; (iii) confirms that it is an Eligible Assignee; (iv) appoints and authorizes the Agent to take such action as agent on its behalf and to exercise such powers and discretion under the Credit Agreement as are delegated to the Agent by the terms thereof, together with such powers and discretion as are reasonably incidental thereto; (v) agrees that it will perform in accordance with their terms all of the obligations that by the terms of the Credit Agreement are required to be performed by it as a Lender; and (vi) attaches any U.S. Internal Revenue Service forms required under Section 2.14 of the Credit Agreement.

4. Following the execution of this Assignment and Acceptance, it will be delivered to the Agent for acceptance and recording by the Agent. The effective date for this Assignment and Acceptance (the "Effective Date") shall be the date

of acceptance hereof by the Agent, unless otherwise specified on Schedule 1 hereto.

5. Upon such acceptance and recording by the Agent, as of the Effective Date, (i) the Assignee shall be a party to the Credit Agreement and, to the extent provided in this Assignment and Acceptance, have the rights and obligations of a Lender thereunder and (ii) the Assignor shall, to the extent provided in this Assignment and Acceptance, relinquish its rights and be released from its obligations under the Credit Agreement.

6. Upon such acceptance and recording by the Agent, from and after the Effective Date, the Agent shall make all payments under the Credit Agreement and the Revolving Credit Notes in respect of the interest assigned hereby (including, without limitation, all payments of principal, interest and facility fees with respect thereto) to the Assignee. The Assignor and Assignee shall make all appropriate adjustments in payments under the

Credit Agreement and the Revolving Credit Notes for periods prior to the Effective Date directly between themselves.

7. This Assignment and Acceptance shall be governed by, and construed in accordance with, the laws of the State of New York.

8. This Assignment and Acceptance may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of Schedule 1 to this Assignment and Acceptance by telecopier shall be effective as delivery of a manually executed counterpart of this Assignment and Acceptance.

IN WITNESS WHEREOF, the Assignor and the Assignee have caused Schedule 1 to this Assignment and Acceptance to be executed by their officers thereunto duly authorized as of the date specified thereon.

Schedule 1
to
Assignment and Acceptance

Percentage interest assigned: _____%

Assignee's Commitment: \$ _____

Aggregate outstanding principal amount of Revolving Credit Advances assigned: \$ _____

Principal amount of Revolving Credit Note payable to Assignee: \$ _____

Principal amount of Revolving Credit Note payable to Assignor: \$ _____

Effective Date*: _____, 200_

[NAME OF ASSIGNOR], as Assignor

By _____
Title:

Dated: _____, 200_

[NAME OF ASSIGNEE], as Assignee

By _____
Title:

Dated: _____, 200_

Domestic Lending Office:
[Address]

Eurodollar Lending Office:
[Address]

Accepted [and Approved] this
_____ day of _____, 200_

CITIBANK, N.A., as Agent

By _____
Title:

* This date should be no earlier than five Business Days after the delivery of this Assignment and Acceptance to the Agent.

[Approved this _____ day
of _____, 200_

INTERNATIONAL FLAVORS & FRAGRANCES INC.

By _____]*
Title:

* Required if the Assignee is an Eligible Assignee solely by reason of clause
(iii) of the definition of "Eligible Assignee".

Exhibit 10(v)

EXHIBIT D - FORM OF
OPINION OF COUNSEL
FOR THE BORROWER

U.S. \$650,000,000

364-DAY CREDIT AGREEMENT

Dated as of November 28, 2000

Among

INTERNATIONAL FLAVORS & FRAGRANCES INC.
as Borrower

-- -----

and

THE INITIAL LENDERS NAMED HEREIN

as Initial Lenders

-- -----

and

CITIBANK, N.A.

as Administrative Agent

-- -----

FIRST UNION NATIONAL BANK

and

BANK OF TOKYO-MITSUBISHI TRUST COMPANY

as Syndication Agents

-- -----

FORTIS (USA) FINANCE LLC

as Co-Agent

-- -----

and

SALOMON SMITH BARNEY INC.

as Arranger

-- -----

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Schedule I - List of Applicable Lending

Schedule 5.02(a) - Existing Liens

Exhibits
- - - - -

- Exhibit A-1 - Form of Revolving Credit Note
- Exhibit A-2 - Form of Competitive Bid Note
- Exhibit B-1 - Form of Notice of Revolving Credit Borrowing
- Exhibit B-2 - Form of Notice of Competitive Bid Borrowing
- Exhibit C - Form of Assignment and Acceptance
- Exhibit D - Form of Opinion of Counsel for the Borrower

364-DAY CREDIT AGREEMENT

Dated as of November 28, 2000

INTERNATIONAL FLAVORS & FRAGRANCES INC., a New York corporation (the "Borrower"), the banks, financial institutions and other institutional lenders (the "Initial Lenders") listed on the signature pages hereof, and CITIBANK, N.A. ("Citibank"), as administrative agent (the "Agent"), FIRST UNION NATIONAL BANK and BANK OF TOKYO-MITSUBISHI TRUST COMPANY, as syndication agents, FORTIS (USA) FINANCE LLC, as co-agent, and SALOMON SMITH BARNEY INC., as arranger, for the Lenders (as hereinafter defined), agree as follows:

ARTICLE I

DEFINITIONS AND ACCOUNTING TERMS

SECTION 1.01. Certain Defined Terms. As used in this Agreement, the

following terms shall have the following meanings (such meanings to be equally applicable to both the singular and plural forms of the terms defined):

"Advance" means a Revolving Credit Advance or a Competitive Bid

Advance.

"Affiliate" means, as to any Person, any other Person that, directly

or indirectly, controls, is controlled by or is under common control with such Person or is a director or officer of such Person. For purposes of this definition, the term "control" (including the terms "controlling", "controlled by" and "under common control with") of a Person means the possession, direct or indirect, of the power to vote 5% or more of the Voting Stock of such Person or to direct or cause the direction of the management and policies of such Person, whether through the ownership of Voting Stock, by contract or otherwise.

"Agent's Account" means the account of the Agent maintained by the

Agent at Citibank at its office at 399 Park Avenue, New York, New York 10043, Account No. 36852248, Attention: Melissa Hamilton.

"Applicable Lending Office" means, with respect to each Lender, such

Lender's Domestic Lending Office in the case of a Base Rate Advance and such Lender's Eurodollar Lending Office in the case of a Eurodollar Rate Advance and, in the case of a Competitive Bid Advance, the office of such Lender notified by such Lender to the Agent as its Applicable Lending Office with respect to such Competitive Bid Advance.

"Applicable Margin" means (a) for Base Rate Advances, 0% per annum and

(b) for Eurodollar Rate Advances as of any date, a percentage per annum determined by reference to the Public Debt Rating in effect on such date as set forth below:

Public Debt Rating S&P/Moody's	Applicable Margin for Eurodollar Rate Advances
Level 1	
A+/A1or above	0.295%
Level 2	
A/A2	0.430%
Level 3	
A-/A3	0.515%
Level 4	
BBB+/Baal	0.635%

Public Debt Rating S&P/Moody's	Applicable Percentage
Level 5	
Lower than Level 4	0.750%

provided that, until January 15, 2001, the Applicable Margin shall be deemed to be 0.885%.

"Applicable Percentage" means, as of any date, a percentage per annum determined by reference to the Public Debt Rating in effect on such date as set forth below:

Public Debt Rating S&P/Moody's	Applicable Percentage
Level 1	
A+/A1or above	0.055%
Level 2	
A/A2	0.070%
Level 3	
A-/A3	0.085%
Level 4	
BBB+/Baal	0.115%
Level 5	
Lower than Level 4	0.150%

provided that, until January 15, 2001, the Applicable Percentage shall be determined by reference to Level 4.

"Applicable Utilization Fee" means, as of any date after January 15, 2001 that the aggregate Advances exceed 33% of the aggregate Commitments, a percentage per annum determined by reference to the Public Debt Rating in effect on such date as set forth below:

Public Debt Rating S&P/Moody's	Applicable Utilization Fee
Level 1	
A+/A1or above	0.100%
Level 2	
A/A2	0.125%
Level 3	
A-/A3	0.150%
Level 4	
BBB+/Baal	0.150%
Level 5	
Lower than Level 4	0.200%

"Assignment and Acceptance" means an assignment and acceptance entered into by a Lender and an Eligible Assignee, and accepted by the Agent, in substantially the form of Exhibit C hereto.

"Base Rate" means a fluctuating interest rate per annum in effect from time to time, which rate per annum shall at all times be equal to the highest of:

- (a) the rate of interest announced publicly by Citibank in New York, New York, from time to time, as Citibank's base rate;

(b) the sum (adjusted to the nearest 1/4 of 1% or, if there is no nearest 1/4 of 1%, to the next higher 1/4 of 1%) of (i) 1/2 of 1% per annum, plus (ii) the rate obtained by dividing (A) the latest

three-week moving average of secondary market morning offering rates in the United States for three-month certificates of deposit of major United States money market banks, such three-week moving average (adjusted to the basis of a year of 360 days) being determined weekly on each Monday (or, if such day is not a Business Day, on the next succeeding Business Day) for the three-week period ending on the previous Friday by Citibank on the basis of such rates reported by certificate of deposit dealers to and published by the Federal Reserve Bank of New York or, if such publication shall be suspended or terminated, on the basis of quotations for such rates received by Citibank from three New York certificate of deposit dealers of recognized standing selected by Citibank, by (B) a percentage equal to 100% minus the average of the daily percentages specified during such three-week period by the Board of Governors of the Federal Reserve System (or any successor) for determining the maximum reserve requirement (including, but not limited to, any emergency, supplemental or other marginal reserve requirement) for Citibank with respect to liabilities consisting of or including (among other liabilities) three-month U.S. dollar non-personal time deposits in the United States, plus (iii) the average during such three-week period of

the annual assessment rates estimated by Citibank for determining the then current annual assessment payable by Citibank to the Federal Deposit Insurance Corporation (or any successor) for insuring U.S. dollar deposits of Citibank in the United States; and

(c) 1/2 of one percent per annum above the Federal Funds Rate.

"Base Rate Advance" means a Revolving Credit Advance that bears

interest as provided in Section 2.07(a)(i).

"Borrowing" means a Revolving Credit Borrowing or a Competitive Bid

Borrowing.

"Business Day" means a day of the year on which banks are not required

or authorized by law to close in New York City and, if the applicable Business Day relates to any Eurodollar Rate Advances or LIBO Rate Advances, on which dealings are carried on in the London interbank market.

"Commitment" means as to any Lender (a) the amount set forth opposite

such Lender's name on the signature pages hereof or (b) if such Lender has entered into any Assignment and Acceptance, the amount set forth for such Lender in the Register maintained by the Agent pursuant to Section 8.07(d).

"Competitive Bid Advance" means an advance by a Lender to the Borrower

as part of a Competitive Bid Borrowing resulting from the competitive bidding procedure described in Section 2.03 and refers to a Fixed Rate Advance or a LIBO Rate Advance.

"Competitive Bid Borrowing" means a borrowing consisting of

simultaneous Competitive Bid Advances from each of the Lenders whose offer to make one or more Competitive Bid Advances as part of such borrowing has been accepted under the competitive bidding procedure described in Section 2.03.

"Competitive Bid Note" means a promissory note of the Borrower payable

to the order of any Lender, in substantially the form of Exhibit A-2 hereto, evidencing the indebtedness of the Borrower to such Lender resulting from a Competitive Bid Advance made by such Lender.

"Competitive Bid Reduction" has the meaning specified in Section 2.01.

"Confidential Information" means information that the Borrower

furnishes to the Agent or any Lender, but does not include any such information that is or becomes generally available to the public or that is or becomes available to the Agent or such Lender from a source other than the Borrower.

"Consolidated" refers to the consolidation of accounts in accordance

with GAAP.

"Convert", "Conversion" and "Converted" each refers to a conversion of

Revolving Credit Advances of one Type into Revolving Credit Advances of the
other Type pursuant to Section 2.08 or 2.09.

"Debt" of any Person means, without duplication, (a) all indebtedness

of such Person for borrowed money, (b) all obligations of such Person for
the deferred purchase price of property or services (other than trade
payables not overdue by more than 60 days incurred in the ordinary course
of such Person's business), (c) all obligations of such Person evidenced by
notes, bonds, debentures or other similar instruments, (d) all obligations
of such Person created or arising under any conditional sale or other title
retention agreement with respect to property acquired by such Person (even
though the rights and remedies of the seller or lender under such agreement
in the event of default are limited to repossession or sale of such
property), (e) all obligations of such Person as lessee under leases that
have been or should be, in accordance with GAAP, recorded as capital
leases, (f) all obligations, contingent or otherwise, of such Person in
respect of acceptances, letters of credit or similar extensions of credit,
(g) all obligations of such Person in respect of Hedge Agreements, (h) all
Debt of others referred to in clauses (a) through (g) above or clause (i)
below guaranteed directly or indirectly in any manner by such Person, or in
effect guaranteed directly or indirectly by such Person through an
agreement (1) to pay or purchase such Debt or to advance or supply funds
for the payment or purchase of such Debt, (2) to purchase, sell or lease
(as lessee or lessor) property, or to purchase or sell services, primarily
for the purpose of enabling the debtor to make payment of such Debt or to
assure the holder of such Debt against loss, (3) to supply funds to or in
any other manner invest in the debtor (including any agreement to pay for
property or services irrespective of whether such property is received or
such services are rendered) or (4) otherwise to assure a creditor against
loss, and (i) all Debt referred to in clauses (a) through (h) above secured
by (or for which the holder of such Debt has an existing right, contingent
or otherwise, to be secured by) any Lien on property (including, without
limitation, accounts and contract rights) owned by such Person, even though
such Person has not assumed or become liable for the payment of such Debt.

"Debt for Borrowed Money" of a Person means all items that, in

accordance with GAAP, would be classified as indebtedness on a Consolidated
balance sheet of such Person.

"Default" means any Event of Default or any event that would

constitute an Event of Default but for the requirement that notice be given
or time elapse or both.

"Domestic Lending Office" means, with respect to any Lender, the

office of such Lender specified as its "Domestic Lending Office" opposite
its name on Schedule I hereto or in the Assignment and Acceptance pursuant
to which it became a Lender, or such other office of such Lender as such
Lender may from time to time specify to the Borrower and the Agent.

"EBITDA" means, for any period, net income (or net loss) plus the sum

of (a) interest expense, (b) income tax expense, (c) depreciation expense,
(d) amortization expense and all other non-cash charges and (e)
extraordinary or unusual losses deducted in calculating net income less

extraordinary or unusual gains added in calculating net income, in each
case determined in accordance with GAAP for such period.

"Effective Date" has the meaning specified in Section 3.01.

"Eligible Assignee" means (i) a Lender; (ii) an Affiliate of a Lender;

and (iii) any other Person approved by the Agent and, unless an Event of
Default has occurred and is continuing at the time any assignment is
effected in accordance with Section 8.07, the Borrower, such approval not
to be unreasonably withheld or delayed; provided, however, that neither the

Borrower nor an Affiliate of the Borrower shall qualify as an Eligible
Assignee.

"Environmental Action" means any action, suit, demand, demand letter,

claim, notice of non-compliance or violation, notice of liability or
potential liability, investigation, proceeding, consent order or consent
agreement relating in any way to any Environmental Law, Environmental
Permit or Hazardous Materials or arising from alleged injury or threat of
injury to health, safety or the environment,

including, without limitation, (a) by any governmental or regulatory authority for enforcement, cleanup, removal, response, remedial or other actions or damages and (b) by any governmental or regulatory authority or any third party for damages, contribution, indemnification, cost recovery, compensation or injunctive relief.

"Environmental Law" means any federal, state, local or foreign

statute, law, ordinance, rule, regulation, code, order, judgment, decree or judicial or agency interpretation, policy or guidance relating to pollution or protection of the environment, health, safety or natural resources, including, without limitation, those relating to the use, handling, transportation, treatment, storage, disposal, release or discharge of Hazardous Materials.

"Environmental Permit" means any permit, approval, identification

number, license or other authorization required under any Environmental Law.

"ERISA" means the Employee Retirement Income Security Act of 1974, as

amended from time to time, and the regulations promulgated and rulings issued thereunder.

"ERISA Affiliate" means any Person that for purposes of Title IV of

ERISA is a member of the Borrower's controlled group, or under common control with the Borrower, within the meaning of Section 414 of the Internal Revenue Code.

"ERISA Event" means (a) (i) the occurrence of a reportable event,

within the meaning of Section 4043 of ERISA, with respect to any Plan unless the 30-day notice requirement with respect to such event has been waived by the PBGC, or (ii) the requirements of subsection (1) of Section 4043(b) of ERISA (without regard to subsection (2) of such Section) are met with a contributing sponsor, as defined in Section 4001(a)(13) of ERISA, of a Plan, and an event described in paragraph (9), (10), (11), (12) or (13) of Section 4043(c) of ERISA is reasonably expected to occur with respect to such Plan within the following 30 days; (b) the application for a minimum funding waiver with respect to a Plan; (c) the provision by the administrator of any Plan of a notice of intent to terminate such Plan pursuant to Section 4041(a)(2) of ERISA (including any such notice with respect to a plan amendment referred to in Section 4041(e) of ERISA); (d) the cessation of operations at a facility of the Borrower or any ERISA Affiliate in the circumstances described in Section 4062(e) of ERISA; (e) the withdrawal by the Borrower or any ERISA Affiliate from a Multiple Employer Plan during a plan year for which it was a substantial employer, as defined in Section 4001(a)(2) of ERISA; (f) the conditions for the imposition of a lien under Section 302(f) of ERISA shall have been met with respect to any Plan; (g) the adoption of an amendment to a Plan requiring the provision of security to such Plan pursuant to Section 307 of ERISA; or (h) the institution by the PBGC of proceedings to terminate a Plan pursuant to Section 4042 of ERISA, or the occurrence of any event or condition described in Section 4042 of ERISA that constitutes grounds for the termination of, or the appointment of a trustee to administer, a Plan.

"Eurocurrency Liabilities" has the meaning assigned to that term in

Regulation D of the Board of Governors of the Federal Reserve System, as in effect from time to time.

"Eurodollar Lending Office" means, with respect to any Lender, the

office of such Lender specified as its "Eurodollar Lending Office" opposite its name on Schedule I hereto or in the Assignment and Acceptance pursuant to which it became a Lender (or, if no such office is specified, its Domestic Lending Office), or such other office of such Lender as such Lender may from time to time specify to the Borrower and the Agent.

"Eurodollar Rate" means, for any Interest Period for each Eurodollar

Rate Advance comprising part of the same Revolving Credit Borrowing, an interest rate per annum equal to the rate per annum obtained by dividing (a) the rate per annum (rounded upward to the nearest whole multiple of 1/16 of 1% per annum) appearing on Dow Jones Markets Telerate Page 3750 (or any successor page) as the London interbank offered rate for deposits in U.S. dollars at approximately 11:00 A.M. (London time) two Business

Days prior to the first day of such Interest Period for a term comparable to such Interest Period or, if for any reason such rate is not available, the average (rounded upward to the nearest whole multiple of 1/16 of 1% per annum, if such average is not such a multiple) of the rate per annum at which deposits in U.S. dollars are offered by the principal office of each of the Reference Banks in London, England to prime banks in the London interbank market at 11:00 A.M. (London time) two Business Days before the first day of such Interest Period in an amount substantially equal to such Reference Bank's Eurodollar Rate Advance comprising part of such Revolving Credit Borrowing to be outstanding during such Interest Period and for a period equal to such Interest Period by (b) a percentage equal to 100% minus the Eurodollar Rate Reserve Percentage for such Interest Period. If the Dow Jones Markets Page 3750 (or any successor page) is unavailable, the Eurodollar Rate for any Interest Period for each Eurodollar Rate Advance comprising part of the same Revolving Credit Borrowing shall be determined by the Agent on the basis of applicable rates furnished to and received by the Agent from the Reference Banks two Business Days before the first day of such Interest Period, subject, however, to the provisions of Section

2.08.

"Eurodollar Rate Advance" means a Revolving Credit Advance that bears interest as provided in Section 2.07(a)(ii).

"Eurodollar Rate Reserve Percentage" for any Interest Period for all Eurodollar Rate Advances or LIBO Rate Advances comprising part of the same Borrowing means the reserve percentage applicable two Business Days before the first day of such Interest Period under regulations issued from time to time by the Board of Governors of the Federal Reserve System (or any successor) for determining the maximum reserve requirement (including, without limitation, any emergency, supplemental or other marginal reserve requirement) for a member bank of the Federal Reserve System in New York City with respect to liabilities or assets consisting of or including Eurocurrency Liabilities (or with respect to any other category of liabilities that includes deposits by reference to which the interest rate on Eurodollar Rate Advances or LIBO Rate Advances is determined) having a term equal to such Interest Period.

"Events of Default" has the meaning specified in Section 6.01.

"Federal Funds Rate" means, for any period, a fluctuating interest rate per annum equal for each day during such period to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published for such day (or, if such day is not a Business Day, for the next preceding Business Day) by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average of the quotations for such day on such transactions received by the Agent from three Federal funds brokers of recognized standing selected by it.

"Fixed Rate Advances" has the meaning specified in Section 2.03(a)(i).

"Founder" means (a) each Person who is a beneficial owner (within the meaning of Rule 13d-3 of the Securities and Exchange Commission under the Securities Exchange Act of 1934) of 20% or more of the outstanding shares of Voting Stock of the Borrower on the date hereof or any Person that is or becomes a fiduciary of any Person who is a beneficial owner of (or any Person for whose account were held) outstanding shares of Voting Stock of the Borrower on the date hereof (in any such case, an "Existing Shareholder"), including any group that is comprised solely of Existing Shareholders and (b) any such Existing Shareholder or group comprised solely of Existing Shareholders who shall become the beneficial owner of 20% or more of the outstanding shares of Voting Stock of the Borrower solely as a result of an acquisition by the Borrower of shares of its Voting Stock, in each case until such time as the Persons or group described in clause (a) or (b) above shall become the beneficial owner (other than by means of a stock dividend, stock split, gift or inheritance or receipt or exercise of, or accrual of any right to exercise, any stock options of shares of stock granted by the Borrower) of any additional shares of Voting Stock of the Borrower. In addition, the Borrower, any wholly-owned Subsidiary of the Borrower and any employee stock ownership or other employee benefit plan of the Borrower or a wholly-owned Subsidiary of the Borrower shall be a "Founder".

"GAAP" has the meaning specified in Section 1.03.

"Hazardous Materials" means (a) petroleum and petroleum products,

byproducts or breakdown products, radioactive materials, asbestos-containing materials, polychlorinated biphenyls and radon gas and (b) any other chemicals, materials or substances designated, classified or regulated as hazardous or toxic or as a pollutant or contaminant under any Environmental Law.

"Hedge Agreements" means interest rate swap, cap or collar agreements, interest rate future or option contracts, currency swap agreements, currency future or option contracts and other similar agreements.

"Information Memorandum" means the information memorandum dated October 25, 2000 used by the Agent in connection with the syndication of the Commitments.

"Interest Period" means, for each Eurodollar Rate Advance comprising part of the same Revolving Credit Borrowing and each LIBO Rate Advance comprising part of the same Competitive Bid Borrowing, the period commencing on the date of such Eurodollar Rate Advance or LIBO Rate Advance or the date of the Conversion of any Base Rate Advance into such Eurodollar Rate Advance and ending on the last day of the period selected by the Borrower pursuant to the provisions below and, thereafter, with respect to Eurodollar Rate Advances, each subsequent period commencing on the last day of the immediately preceding Interest Period and ending on the last day of the period selected by the Borrower pursuant to the provisions below. The duration of each such Interest Period shall be one, two, three or six months, as the Borrower may, upon notice received by the Agent not later than 11:00 A.M. (New York City time) on the third Business Day prior to the first day of such Interest Period, select; provided, however, that:

(i) the Borrower may not select any Interest Period that ends after the Termination Date;

(ii) Interest Periods commencing on the same date for Eurodollar Rate Advances comprising part of the same Revolving Credit Borrowing or for LIBO Rate Advances comprising part of the same Competitive Bid Borrowing shall be of the same duration;

(iii) whenever the last day of any Interest Period would otherwise occur on a day other than a Business Day, the last day of such Interest Period shall be extended to occur on the next succeeding Business Day, provided, however, that, if such extension would cause the last day of such Interest Period to occur in the next following calendar month, the last day of such Interest Period shall occur on the next preceding Business Day; and

(iv) whenever the first day of any Interest Period occurs on a day of an initial calendar month for which there is no numerically corresponding day in the calendar month that succeeds such initial calendar month by the number of months equal to the number of months in such Interest Period, such Interest Period shall end on the last Business Day of such succeeding calendar month.

"Internal Revenue Code" means the Internal Revenue Code of 1986, as amended from time to time, and the regulations promulgated and rulings issued thereunder.

"Lenders" means the Initial Lenders and each Person that shall become a party hereto pursuant to Section 8.07.

"LIBO Rate" means, for any Interest Period for all LIBO Rate Advances comprising part of the same Competitive Bid Borrowing, an interest rate per annum equal to the rate per annum obtained by dividing (a) the rate per annum (rounded upward to the nearest whole multiple of 1/16 of 1% per annum) appearing on Dow Jones Markets Telerate Page 3750 (or any successor page) as the London interbank

offered rate for deposits in U.S. dollars at approximately 11:00 A.M. (London time) two Business Days prior to the first day of such Interest Period for a term comparable to such Interest Period or, if for any reason such rate is not available, the average (rounded upward to the nearest whole multiple of 1/16 of 1% per annum, if such average is not such a multiple) of the rate per annum at which deposits in U.S. dollars offered by the principal office of each of the Reference Banks in London, England to prime banks in the London interbank market at 11:00 A.M. (London time) two Business Days before the first day of such Interest Period in an amount substantially equal to the amount that would be the Reference Banks' respective ratable shares of such Borrowing if such Borrowing were to be a Revolving Credit Borrowing to be outstanding during such Interest Period and for a period equal to such Interest Period by (b) a percentage equal to 100% minus the Eurodollar Rate Reserve Percentage for such Interest Period. If the Dow Jones Markets Telerate Page 3750 (or any successor page) is unavailable, the LIBO Rate for any Interest Period for each LIBO Rate Advance comprising part of the same Competitive Bid Borrowing shall be determined by the Agent on the basis of applicable rates furnished to and received by the Agent from the Reference Banks two Business Days before the first day of such Interest Period, subject, however, to the provisions of

Section 2.08.

"LIBO Rate Advances" means a Competitive Bid Advance bearing interest based on the LIBO Rate.

"Lien" means any lien, security interest or other charge or encumbrance of any kind, or any other type of preferential arrangement, including, without limitation, the lien or retained security title of a conditional vendor and any easement, right of way or other encumbrance on title to real property.

"Material Adverse Change" means any material adverse change in the business, condition (financial or otherwise) or results of operations of the Borrower and its Subsidiaries taken as a whole.

"Material Adverse Effect" means a material adverse effect on (a) the business, condition (financial or otherwise) or results of operations of the Borrower and its Subsidiaries taken as a whole, (b) the rights and remedies of the Agent or any Lender under this Agreement or any Note or (c) the ability of the Borrower to perform its obligations under this Agreement or any Note.

"Merger Agreement" means the Agreement and Plan of Merger, dated as of September 25, 2000 among Bush Boake Allen Inc., a Virginia corporation, the Borrower and B Acquisition Corp., a Virginia corporation and a wholly owned subsidiary of the Borrower

"Moody's" means Moody's Investors Service, Inc., or any successor by merger or change of name which is a nationally recognized rating agency.

"Multiemployer Plan" means a multiemployer plan, as defined in Section 4001(a)(3) of ERISA, to which the Borrower or any ERISA Affiliate is making or accruing an obligation to make contributions, or has within any of the preceding five plan years made or accrued an obligation to make contributions.

"Multiple Employer Plan" means a single employer plan, as defined in Section 4001(a)(15) of ERISA, that (a) is maintained for employees of the Borrower or any ERISA Affiliate and at least one Person other than the Borrower and the ERISA Affiliates or (b) was so maintained and in respect of which the Borrower or any ERISA Affiliate could have liability under Section 4064 or 4069 of ERISA in the event such plan has been or were to be terminated.

"Note" means a Revolving Credit Note or a Competitive Bid Note.

"Notice of Revolving Credit Borrowing" has the meaning specified in Section 2.02(a).

"Notice of Competitive Bid Borrowing" has the meaning specified in Section 2.03(a).

"PBGC" means the Pension Benefit Guaranty Corporation (or any

successor).

"Permitted Liens" means such of the following as to which no

enforcement, collection, execution, levy or foreclosure proceeding shall
have been commenced: (a) Liens for taxes, assessments and governmental
charges or levies to the extent not required to be paid under Section
5.01(b) hereof; (b) Liens imposed by law, such as materialmen's,
mechanics', carriers', workmen's and repairmen's Liens and other similar
Liens arising in the ordinary course of business securing obligations that
are not overdue for a period of more than 30 days; (c) pledges or deposits
to secure obligations under workers' compensation laws or similar
legislation or to secure public or statutory obligations; and (d)
easements, rights of way and other encumbrances on title to real property
that do not render title to the property encumbered thereby unmarketable or
materially adversely affect the use of such property for its present
purposes.

"Person" means an individual, partnership, corporation (including a

business trust), joint stock company, trust, unincorporated association,
joint venture, limited liability company or other entity, or a government
or any political subdivision or agency thereof.

"Plan" means a Single Employer Plan or a Multiple Employer Plan.

"Public Debt Rating" means, as of any date, the lowest rating that has

been most recently announced by either S&P or Moody's, as the case may be,
for any class of non-credit enhanced long-term senior unsecured debt issued
by the Borrower. For purposes of the foregoing, (a) if only one of S&P and
Moody's shall have in effect a Public Debt Rating, the Applicable Margin,
the Applicable Percentage and the Applicable Utilization Fee shall be
determined by reference to the available rating; (b) if neither S&P nor
Moody's shall have in effect a Public Debt Rating, the Applicable Margin,
the Applicable Percentage and the Applicable Utilization Fee will be set in
accordance with Level 5 under the definition of "Applicable Margin",

"Applicable Percentage" or "Applicable Utilization Fee", as the case may

be; (c) if the ratings established by S&P and Moody's shall fall within
different levels, the Applicable Margin, the Applicable Percentage and the
Applicable Utilization Fee shall be based upon the higher rating, except
that, in the event that the lower of such ratings is more than one level
below the higher of such ratings, the Applicable Margin, the Applicable
Percentage and the Applicable Utilization Fee shall be based upon the level
immediately above the lower of such ratings; (d) if any rating established
by S&P or Moody's shall be changed, such change shall be effective as of
the date on which such change is first announced publicly by the rating
agency making such change; and (e) if S&P or Moody's shall change the basis
on which ratings are established, each reference to the Public Debt Rating
announced by S&P or Moody's, as the case may be, shall refer to the then
equivalent rating by S&P or Moody's, as the case may be.

"Reference Banks" means Citibank and First Union National Bank.

"Register" has the meaning specified in Section 8.07(d).

"Required Lenders" means at any time Lenders owed at least a majority

in interest of the then aggregate unpaid principal amount of the Revolving
Credit Advances owing to Lenders, or, if no such principal amount is then
outstanding, Lenders having at least a majority in interest of the
Commitments.

"Revolving Credit Advance" means an advance by a Lender to the

Borrower as part of a Revolving Credit Borrowing and refers to a Base Rate
Advance or a Eurodollar Rate Advance (each of which shall be a "Type" of

Revolving Credit Advance).

"Revolving Credit Borrowing" means a borrowing consisting of

simultaneous Revolving Credit Advances of the same Type made by each of the
Lenders pursuant to Section 2.01.

"Revolving Credit Note" means a promissory note of the Borrower

payable to the order of any Lender, delivered pursuant to a request made
under Section 2.16 in substantially the form of Exhibit A-1

hereto, evidencing the aggregate indebtedness of the Borrower to such Lender resulting from the Revolving Credit Advances made by such Lender.

"S&P" means Standard & Poor's, a division of The McGraw-Hill

Companies, Inc., or any successor by merger or change of name which is a nationally recognized rating agency

"Single Employer Plan" means a single employer plan, as defined in

Section 4001(a)(15) of ERISA, that (a) is maintained for employees of the Borrower or any ERISA Affiliate and no Person other than the Borrower and the ERISA Affiliates or (b) was so maintained and in respect of which the Borrower or any ERISA Affiliate could have liability under Section 4069 of ERISA in the event such plan has been or were to be terminated.

"Subsidiary" of any Person means any corporation, partnership, joint

venture, limited liability company, trust or estate of which (or in which) more than 50% of (a) the issued and outstanding capital stock having ordinary voting power to elect a majority of the Board of Directors of such corporation (irrespective of whether at the time capital stock of any other class or classes of such corporation shall or might have voting power upon the occurrence of any contingency), (b) the interest in the capital or profits of such limited liability company, partnership or joint venture or (c) the beneficial interest in such trust or estate is at the time directly or indirectly owned or controlled by such Person, by such Person and one or more of its other Subsidiaries or by one or more of such Person's other Subsidiaries.

"Termination Date" means the earlier of (a) November 27, 2001 and (b)

the date of termination in whole of the Commitments pursuant to Section 2.05 or 6.01.

"Voting Stock" means capital stock issued by a corporation, or

equivalent interests in any other Person, the holders of which are ordinarily, in the absence of contingencies, entitled to vote for the election of directors (or persons performing similar functions) of such Person, even if the right so to vote has been suspended by the happening of such a contingency.

SECTION 1.02. Computation of Time Periods. In this Agreement in the

computation of periods of time from a specified date to a later specified date, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding".

SECTION 1.03. Accounting Terms. All accounting terms not

specifically defined herein shall be construed in accordance with generally accepted accounting principles consistent with those applied in the preparation of the financial statements referred to in Section 4.01(e) ("GAAP").

ARTICLE II

AMOUNTS AND TERMS OF THE ADVANCES

SECTION 2.01. The Revolving Credit Advances. Each Lender severally

agrees, on the terms and conditions hereinafter set forth, to make Revolving Credit Advances to the Borrower from time to time on any Business Day during the period from the Effective Date until the Termination Date in an aggregate amount not to exceed at any time outstanding such Lender's Commitment provided that the

aggregate amount of the Commitments of the Lenders shall be deemed used from time to time to the extent of the aggregate amount of the Competitive Bid Advances then outstanding and such deemed use of the aggregate amount of the Commitments shall be allocated among the Lenders ratably according to their respective Commitments (such deemed use of the aggregate amount of the Commitments being a "Competitive Bid Reduction"). Each Revolving Credit

Borrowing shall be in an aggregate amount of \$10,000,000 or an integral multiple of \$1,000,000 in excess thereof and shall consist of Revolving Credit Advances of the same Type made on the same day by the Lenders ratably according to their respective Commitments. Within the limits of each Lender's Commitment, the Borrower may borrow under this Section 2.01, prepay pursuant to Section 2.10 and reborrow under this Section 2.01.

SECTION 2.02. Making the Revolving Credit Advances. (a) Each

Revolving Credit Borrowing shall be made on notice, given not later than (x) 11:00 A.M. (New York City time) on the third Business Day prior to the date of the proposed Revolving Credit Borrowing in the case of a Revolving Credit Borrowing consisting of Eurodollar Rate Advances or (y) 11:00 A.M. (New York City time) on the date of the proposed Revolving Credit Borrowing in the case of a Revolving Credit Borrowing consisting of Base Rate Advances, by the Borrower to the Agent, which shall give to each Lender prompt notice thereof by telecopier or telex. Each such notice of a Revolving Credit Borrowing (a "Notice of Revolving Credit Borrowing") shall be by telephone, confirmed

immediately in writing, or telecopier or telex in substantially the form of Exhibit B-1 hereto, specifying therein the requested (i) date of such Revolving Credit Borrowing, (ii) Type of Advances comprising such Revolving Credit Borrowing, (iii) aggregate amount of such Revolving Credit Borrowing, and (iv) in the case of a Revolving Credit Borrowing consisting of Eurodollar Rate Advances, initial Interest Period for each such Revolving Credit Advance. Each Lender shall, before 12:00 Noon (New York City time) on the date of such Revolving Credit Borrowing make available for the account of its Applicable Lending Office to the Agent at the Agent's Account, in same day funds, such Lender's ratable portion of such Revolving Credit Borrowing. After the Agent's receipt of such funds and upon fulfillment of the applicable conditions set forth in Article III, the Agent will make such funds available to the Borrower at the Agent's address referred to in Section 8.02.

(b) Anything in subsection (a) above to the contrary notwithstanding, (i) the Borrower may not select Eurodollar Rate Advances for any Revolving Credit Borrowing if the aggregate amount of such Revolving Credit Borrowing is less than \$10,000,000 or if the obligation of the Lenders to make Eurodollar Rate Advances shall then be suspended pursuant to Section 2.08 or 2.12 and (ii) the Eurodollar Rate Advances may not be outstanding as part of more than six separate Revolving Credit Borrowings.

(c) Each Notice of Revolving Credit Borrowing shall be irrevocable and binding on the Borrower. In the case of any Revolving Credit Borrowing that the related Notice of Revolving Credit Borrowing specifies is to be comprised of Eurodollar Rate Advances, the Borrower shall indemnify each Lender against any loss, cost or expense incurred by such Lender as a result of any failure to fulfill on or before the date specified in such Notice of Revolving Credit Borrowing for such Revolving Credit Borrowing the applicable conditions set forth in Article III, including, without limitation, any loss (excluding loss of anticipated profits), cost or expense incurred by reason of the liquidation or reemployment of deposits or other funds acquired by such Lender to fund the Revolving Credit Advance to be made by such Lender as part of such Revolving Credit Borrowing when such Revolving Credit Advance, as a result of such failure, is not made on such date.

(d) Unless the Agent shall have received notice from a Lender prior to the date of any Revolving Credit Borrowing that such Lender will not make available to the Agent such Lender's ratable portion of such Revolving Credit Borrowing, the Agent may assume that such Lender has made such portion available to the Agent on the date of such Revolving Credit Borrowing in accordance with subsection (a) of this Section 2.02 and the Agent may, in reliance upon such assumption, make available to the Borrower on such date a corresponding amount. If and to the extent that such Lender shall not have so made such ratable portion available to the Agent, such Lender and the Borrower severally agree to repay to the Agent forthwith on demand such corresponding amount together with interest thereon, for each day from the date such amount is made available to the Borrower until the date such amount is repaid to the Agent, at (i) in the case of the Borrower, the interest rate applicable at the time to Revolving Credit Advances comprising such Revolving Credit Borrowing and (ii) in the case of such Lender, the Federal Funds Rate. If such Lender shall repay to the Agent such corresponding amount, such amount so repaid shall constitute such Lender's Revolving Credit Advance as part of such Revolving Credit Borrowing for purposes of this Agreement.

(e) The failure of any Lender to make the Revolving Credit Advance to be made by it as part of any Revolving Credit Borrowing shall not relieve any other Lender of its obligation, if any, hereunder to make its Revolving Credit Advance on the date of such Revolving Credit Borrowing, but no Lender shall be responsible for the failure of any other Lender to make the Revolving Credit Advance to be made by such other Lender on the date of any Revolving Credit Borrowing.

SECTION 2.03. The Competitive Bid Advances. (a) Each Lender

severally agrees that the Borrower may make Competitive Bid Borrowings under this Section 2.03 from time to time on any Business Day during the period from the date hereof until the date occurring 30 days prior to the Termination Date in the manner

set forth below; provided that, following the making of each Competitive Bid

Borrowing, the aggregate amount of the Advances then outstanding shall not exceed the aggregate amount of the Commitments of the Lenders (computed without regard to any Competitive Bid Reduction).

(i) The Borrower may request a Competitive Bid Borrowing under this Section 2.03 by delivering to the Agent, by telecopier or telex, a notice of a Competitive Bid Borrowing (a "Notice of Competitive Bid Borrowing"),

in substantially the form of Exhibit B-2 hereto, specifying therein the requested (v) date of such proposed Competitive Bid Borrowing, (w) aggregate amount of such proposed Competitive Bid Borrowing, (x) in the case of a Competitive Bid Borrowing consisting of LIBO Rate Advances, Interest Period, or in the case of a Competitive Bid Borrowing consisting of Fixed Rate Advances, maturity date for repayment of each Fixed Rate Advance to be made as part of such Competitive Bid Borrowing (which maturity date may not be earlier than the date occurring 30 days after the date of such Competitive Bid Borrowing or later than the Termination Date), (y) interest payment date or dates relating thereto, and (z) other terms (if any) to be applicable to such Competitive Bid Borrowing, not later than 10:00 A.M. (New York City time) (A) at least one Business Day prior to the date of the proposed Competitive Bid Borrowing, if the Borrower shall specify in the Notice of Competitive Bid Borrowing that the rates of interest to be offered by the Lenders shall be fixed rates per annum (the Advances comprising any such Competitive Bid Borrowing being referred to herein as "Fixed Rate Advances") and (B) at least four Business Days prior

to the date of the proposed Competitive Bid Borrowing, if the Borrower shall instead specify in the Notice of Competitive Bid Borrowing that the Advances comprising such Competitive Bid Borrowing shall be LIBO Rate Advances. Each Notice of Competitive Bid Borrowing shall be irrevocable and binding on the Borrower. The Agent shall in turn promptly notify each Lender of each request for a Competitive Bid Borrowing received by it from the Borrower by sending such Lender a copy of the related Notice of Competitive Bid Borrowing.

(ii) Each Lender may, if, in its sole discretion, it elects to do so, irrevocably offer to make one or more Competitive Bid Advances to the Borrower as part of such proposed Competitive Bid Borrowing at a rate or rates of interest specified by such Lender in its sole discretion, by notifying the Agent (which shall give prompt notice thereof to the Borrower), (A) before 9:30 A.M. (New York City time) on the date of such proposed Competitive Bid Borrowing, in the case of a Competitive Bid Borrowing consisting of Fixed Rate Advances and (B) before 10:00 A.M. (New York City time) three Business Days before the date of such proposed Competitive Bid Borrowing, in the case of a Competitive Bid Borrowing consisting of LIBO Rate Advances of the minimum amount and maximum amount of each Competitive Bid Advance which such Lender would be willing to make as part of such proposed Competitive Bid Borrowing (which amounts of such proposed Competitive Bid may, subject to the proviso to the first sentence of this Section 2.03(a), exceed such Lender's Commitment, if any), the rate or rates of interest therefor and such Lender's Applicable Lending Office with respect to such Competitive Bid Advance; provided that if the Agent in

its capacity as a Lender shall, in its sole discretion, elect to make any such offer, it shall notify the Borrower of such offer at least 30 minutes before the time and on the date on which notice of such election is to be given to the Agent, by the other Lenders. If any Lender shall elect not to make such an offer, such Lender shall so notify the Agent before 10:00 A.M. (New York City time), and such Lender shall not be obligated to, and shall not, make any Competitive Bid Advance as part of such Competitive Bid Borrowing; provided that the failure by any Lender to give such notice

shall not cause such Lender to be obligated to make any Competitive Bid Advance as part of such proposed Competitive Bid Borrowing.

(iii) The Borrower shall, in turn, (A) before 10:30 A.M. (New York City time) on the date of such proposed Competitive Bid Borrowing, in the case of a Competitive Bid Borrowing consisting of Fixed Rate Advances and (B) before 11:00 A.M. (New York City time) three Business Days before the date of such proposed Competitive Bid Borrowing, in the case of a Competitive Bid Borrowing consisting of LIBO Rate Advances, either:

(x) cancel such Competitive Bid Borrowing by giving the Agent notice to that effect, or

(y) accept one or more of the offers made by any Lender or Lenders pursuant to paragraph (ii) above, in its sole discretion, by giving notice to the Agent of the amount of each Competitive Bid Advance (which amount shall be equal to or greater than the minimum amount, and equal to or less than the maximum amount, notified to the Borrower by the Agent on behalf of such Lender for such Competitive Bid Advance pursuant to paragraph (ii) above) to be made by each Lender as part of such Competitive Bid Borrowing, and reject any remaining offers made by Lenders pursuant to paragraph (ii) above by giving the Agent notice to that effect. The Borrower shall accept the offers made by any Lender or Lenders to make Competitive Bid Advances in order of the lowest to the highest rates of interest offered by such Lenders. If two or more Lenders have offered the same interest rate, the amount to be borrowed at such interest rate will be allocated among such Lenders in proportion to the amount that each such Lender offered at such interest rate.

(iv) If the Borrower notifies the Agent that such Competitive Bid Borrowing is cancelled pursuant to paragraph (iii)(x) above, the Agent shall give prompt notice thereof to the Lenders and such Competitive Bid Borrowing shall not be made.

(v) If the Borrower accepts one or more of the offers made by any Lender or Lenders pursuant to paragraph (iii)(y) above, the Agent shall in turn promptly notify (A) each Lender that has made an offer as described in paragraph (ii) above, of the date and aggregate amount of such Competitive Bid Borrowing and whether or not any offer or offers made by such Lender pursuant to paragraph (ii) above have been accepted by the Borrower, (B) each Lender that is to make a Competitive Bid Advance as part of such Competitive Bid Borrowing, of the amount of each Competitive Bid Advance to be made by such Lender as part of such Competitive Bid Borrowing, and (C) each Lender that is to make a Competitive Bid Advance as part of such Competitive Bid Borrowing, upon receipt, that the Agent has received forms of documents appearing to fulfill the applicable conditions set forth in Article III. Each Lender that is to make a Competitive Bid Advance as part of such Competitive Bid Borrowing shall, before 11:00 A.M. (New York City time) on the date of such Competitive Bid Borrowing specified in the notice received from the Agent pursuant to clause (A) of the preceding sentence or any later time when such Lender shall have received notice from the Agent pursuant to clause (C) of the preceding sentence, make available for the account of its Applicable Lending Office to the Agent at its address referred to in Section 8.02, in same day funds, such Lender's portion of such Competitive Bid Borrowing. Upon fulfillment of the applicable conditions set forth in Article III and after receipt by the Agent of such funds, the Agent will make such funds available to the Borrower at the location specified by the Borrower in its Notice of Competitive Bid Borrowing. Promptly after each Competitive Bid Borrowing the Agent will notify each Lender of the amount of the Competitive Bid Borrowing, the consequent Competitive Bid Reduction and the dates upon which such Competitive Bid Reduction commenced and will terminate.

(vi) If the Borrower notifies the Agent that it accepts one or more of the offers made by any Lender or Lenders pursuant to paragraph (iii)(y) above, such notice of acceptance shall be irrevocable and binding on the Borrower. The Borrower shall indemnify each Lender against any loss, cost or expense incurred by such Lender as a result of any failure to fulfill on or before the date specified in the related Notice of Competitive Bid Borrowing for such Competitive Bid Borrowing the applicable conditions set forth in Article III, including, without limitation, any loss (excluding loss of anticipated profits), cost or expense incurred by reason of the liquidation or reemployment of deposits or other funds acquired by such Lender to fund the Competitive Bid Advance to be made by such Lender as part of such Competitive Bid Borrowing when such Competitive Bid Advance, as a result of such failure, is not made on such date.

(b) Each Competitive Bid Borrowing shall be in an aggregate amount of \$10,000,000 or an integral multiple of \$1,000,000 in excess thereof and, following the making of each Competitive Bid Borrowing, the Borrower shall be in compliance with the limitation set forth in the proviso to the first sentence of subsection (a) above.

(c) Within the limits and on the conditions set forth in this Section 2.03, the Borrower may from time to time borrow under this Section 2.03, repay or prepay pursuant to subsection (d) below, and reborrow under this Section 2.03, provided that a Competitive Bid Borrowing shall not be made within three

Business Days of the date of any other Competitive Bid Borrowing.

(d) The Borrower shall repay to the Agent for the account of each Lender that has made a Competitive Bid Advance, on the maturity date of each Competitive Bid Advance (such maturity date being that specified by the Borrower for repayment of such Competitive Bid Advance in the related Notice of Competitive Bid Borrowing delivered pursuant to subsection (a)(i) above and provided in the Competitive Bid Note evidencing such Competitive Bid Advance), the then unpaid principal amount of such Competitive Bid Advance. The Borrower shall have no right to prepay any principal amount of any Competitive Bid Advance unless, and then only on the terms, specified by the Borrower for such Competitive Bid Advance in the related Notice of Competitive Bid Borrowing delivered pursuant to subsection (a)(i) above and set forth in the Competitive Bid Note evidencing such Competitive Bid Advance.

(e) The Borrower shall pay interest on the unpaid principal amount of each Competitive Bid Advance from the date of such Competitive Bid Advance to the date the principal amount of such Competitive Bid Advance is repaid in full, at the rate of interest for such Competitive Bid Advance specified by the Lender making such Competitive Bid Advance in its notice with respect thereto delivered pursuant to subsection (a)(ii) above, payable on the interest payment date or dates specified by the Borrower for such Competitive Bid Advance in the related Notice of Competitive Bid Borrowing delivered pursuant to subsection (a)(i) above, as provided in the Competitive Bid Note evidencing such Competitive Bid Advance. Upon the occurrence and during the continuance of an Event of Default under Section 6.01(a), the Borrower shall pay interest on the amount of unpaid principal of and interest on each Competitive Bid Advance owing to a Lender, payable in arrears on the date or dates interest is payable thereon, at a rate per annum equal at all times to 1% per annum above the rate per annum required to be paid on such Competitive Bid Advance under the terms of the Competitive Bid Note evidencing such Competitive Bid Advance unless otherwise agreed in such Competitive Bid Note.

(f) The indebtedness of the Borrower resulting from each Competitive Bid Advance made to the Borrower as part of a Competitive Bid Borrowing shall be evidenced by a separate Competitive Bid Note of the Borrower payable to the order of the Lender making such Competitive Bid Advance.

SECTION 2.04. Fees. (a) Facility Fee. The Borrower agrees to pay

to the Agent for the account of each Lender a facility fee on the aggregate amount of such Lender's Commitment from the date hereof in the case of each Initial Lender and from the effective date specified in the Assignment and Acceptance pursuant to which it became a Lender in the case of each other Lender until the Termination Date at a rate per annum equal to the Applicable Percentage, payable in arrears quarterly on the last day of each March, June, September and December, commencing December 31, 2000, and on the Termination Date.

(b) Utilization Fee. The Borrower agrees to pay to the Agent for the

account of each Lender for each date prior to the Termination Date on which the aggregate outstanding Advances exceed 33% of the Commitments, a fee on the aggregate amount of the outstanding Advances at a rate per annum equal to the Applicable Utilization Fee, payable in arrears quarterly on the last day of each March, June, September and December, commencing December 31, 2000, and on the Termination Date.

(c) Agent's Fees. The Borrower shall pay to the Agent for its own

account such fees as may from time to time be agreed between the Borrower and the Agent.

SECTION 2.05. Termination or Reduction of the Commitments. The

Borrower shall have the right, upon at least three Business Days' notice to the Agent, to terminate in whole or reduce ratably in part the unused portions of the respective Commitments of the Lenders, provided that each partial reduction

shall be in the aggregate amount of \$10,000,000 or an integral multiple of \$1,000,000 in excess thereof and provided further that the aggregate amount of

the Commitments of the Lenders shall not be reduced to an amount that is less than the aggregate principal amount of the Competitive Bid Advances then outstanding.

SECTION 2.06. Repayment of Revolving Credit Advances. The Borrower

shall repay to the Agent for the ratable account of the Lenders on the Termination Date the aggregate principal amount of the Revolving Credit Advances then outstanding.

SECTION 2.07. Interest on Revolving Credit Advances. (a) Scheduled

Interest. The Borrower shall pay interest on the unpaid principal amount of

each Revolving Credit Advance owing to each Lender from the date of such Revolving Credit Advance until such principal amount shall be paid in full, at the following rates per annum:

(i) Base Rate Advances. During such periods as such Revolving Credit

Advance is a Base Rate Advance, a rate per annum equal at all times to the sum of (x) the Base Rate in effect from time to time plus (y) the

Applicable Margin in effect from time to time, payable in arrears quarterly on the last day of each March, June, September and December during such periods and on the date such Base Rate Advance shall be Converted or paid in full.

(ii) Eurodollar Rate Advances. During such periods as such Revolving

Credit Advance is a Eurodollar Rate Advance, a rate per annum equal at all times during each Interest Period for such Revolving Credit Advance to the sum of (x) the Eurodollar Rate for such Interest Period for such Revolving Credit Advance plus (y) the Applicable Margin in effect from time to time,

payable in arrears on the last day of such Interest Period and, if such Interest Period has a duration of more than three months, on each day that occurs during such Interest Period every three months from the first day of such Interest Period and on the date such Eurodollar Rate Advance shall be Converted or paid in full.

(b) Default Interest. Upon the occurrence and during the continuance

of an Event of Default under Section 6.01(a), the Borrower shall pay interest on (i) the unpaid principal amount of each Revolving Credit Advance owing to each Lender, payable in arrears on the dates referred to in clause (a)(i) or (a)(ii) above, at a rate per annum equal at all times to 1% per annum above the rate per annum required to be paid on such Revolving Credit Advance pursuant to clause (a)(i) or (a)(ii) above and (ii) to the fullest extent permitted by law, the amount of any interest, fee or other amount payable hereunder that is not paid when due, from the date such amount shall be due until such amount shall be paid in full, payable in arrears on the date such amount shall be paid in full and on demand, at a rate per annum equal at all times to 1% per annum above the rate per annum required to be paid on Base Rate Advances pursuant to clause (a)(i) above.

SECTION 2.08. Interest Rate Determination. (a) Each Reference Bank

agrees to furnish to the Agent timely information for the purpose of determining each Eurodollar Rate and each LIBO Rate. If any one or more of the Reference Banks shall not furnish such timely information to the Agent for the purpose of determining any such interest rate, the Agent shall determine such interest rate on the basis of timely information furnished by the remaining Reference Banks. The Agent shall give prompt notice to the Borrower and the Lenders of the applicable interest rate determined by the Agent for purposes of Section 2.07(a)(i) or (ii), and the rate, if any, furnished by each Reference Bank for the purpose of determining the interest rate under Section 2.07(a)(ii).

(b) If, with respect to any Eurodollar Rate Advances, the Required Lenders notify the Agent that the Eurodollar Rate for any Interest Period for such Advances will not adequately reflect the cost to such Required Lenders of making, funding or maintaining their respective Eurodollar Rate Advances for such Interest Period, the Agent shall forthwith so notify the Borrower and the Lenders, whereupon (i) each Eurodollar Rate Advance will automatically, on the last day of the then existing Interest Period therefor, Convert into a Base Rate Advance, and (ii) the obligation of the Lenders to make, or to Convert Revolving Credit Advances into, Eurodollar Rate Advances shall be suspended until the Agent shall notify the Borrower and the Lenders that the circumstances causing such suspension no longer exist.

(c) If the Borrower shall fail to select the duration of any Interest Period for any Eurodollar Rate Advances in accordance with the provisions contained in the definition of "Interest Period" in Section 1.01, the Agent will forthwith so notify the Borrower and the Lenders and such Advances will automatically, on the last day of the then existing Interest Period therefor, be Converted into Base Rate Advances.

(d) On the date on which the aggregate unpaid principal amount of Eurodollar Rate Advances comprising any Borrowing shall be reduced, by payment or prepayment or otherwise, to less than \$10,000,000, such Advances shall automatically Convert into Base Rate Advances.

(e) Upon the occurrence and during the continuance of any Event of Default under Section 6.01(a), (i) each Eurodollar Rate Advance will automatically, on the last day of the then existing Interest Period therefor, Convert into a Base Rate Advance and (ii) the obligation of the Lenders to make, or to Convert Advances into, Eurodollar Rate Advances shall be suspended.

(f) If Dow Jones Markets Telerate Page 3750 is unavailable and fewer than two Reference Banks furnish timely information to the Agent for determining the Eurodollar Rate or LIBO Rate for any Eurodollar Rate Advances or LIBO Rate Advances, as the case may be,

(i) the Agent shall forthwith notify the Borrower and the Lenders that the interest rate cannot be determined for such Eurodollar Rate Advances or LIBO Rate Advances, as the case may be,

(ii) with respect to Eurodollar Rate Advances, each such Advance will automatically, on the last day of the then existing Interest Period therefor, be prepaid by the Borrower or be automatically Converted into a Base Rate Advance (or if such Advance is then a Base Rate Advance, will continue as a Base Rate Advance), and

(iii) the obligation of the Lenders to make Eurodollar Rate Advances or LIBO Rate Advances or to Convert Revolving Credit Advances into Eurodollar Rate Advances shall be suspended until the Agent shall notify the Borrower and the Lenders that the circumstances causing such suspension no longer exist.

SECTION 2.09. Optional Conversion of Revolving Credit Advances. The

Borrower may on any Business Day, upon notice given to the Agent not later than 11:00 A.M. (New York City time) on the third Business Day prior to the date of the proposed Conversion and subject to the provisions of Sections 2.08 and 2.12, Convert all Revolving Credit Advances of one Type comprising the same Borrowing into Revolving Credit Advances of the other Type; provided, however, that any

Conversion of Eurodollar Rate Advances into Base Rate Advances shall be made only on the last day of an Interest Period for such Eurodollar Rate Advances, any Conversion of Base Rate Advances into Eurodollar Rate Advances shall be in an amount not less than the minimum amount specified in Section 2.02(b) and no Conversion of any Revolving Credit Advances shall result in more separate Revolving Credit Borrowings than permitted under Section 2.02(b). Each such notice of a Conversion shall, within the restrictions specified above, specify (i) the date of such Conversion, (ii) the Revolving Credit Advances to be Converted, and (iii) if such Conversion is into Eurodollar Rate Advances, the duration of the initial Interest Period for each such Advance. Each notice of Conversion shall be irrevocable and binding on the Borrower.

SECTION 2.10. Prepayments of Revolving Credit Advances. The Borrower

may, upon notice at least two Business Days' prior to the date of such prepayment, in the case of Eurodollar Rate Advances, and not later than 11:00 A.M. (New York City time) on the date of such prepayment, in the case of Base Rate Advances, to the Agent stating the proposed date and aggregate principal amount of the prepayment, and if such notice is given the Borrower shall, prepay the outstanding principal amount of the Revolving Credit Advances comprising part of the same Revolving Credit Borrowing in whole or ratably in part, together with accrued interest to the date of such prepayment on the principal amount prepaid; provided, however, that (x) each partial prepayment shall be in

an aggregate principal amount of \$10,000,000 or an integral multiple of \$1,000,000 in excess thereof and (y) in the event of any such prepayment of a Eurodollar Rate Advance, the Borrower shall be obligated to reimburse the Lenders in respect thereof pursuant to Section 8.04(c).

SECTION 2.11. Increased Costs. (a) If after the date hereof, due to

either (i) the introduction of or any change in or in the interpretation of any law or regulation or (ii) the compliance with any guideline or request from any central bank or other governmental authority (whether or not having the force of law), there shall be any increase in the cost to any Lender of agreeing to make or making, funding or maintaining Eurodollar Rate Advances or LIBO Rate Advances (excluding for purposes of this Section 2.11 any such increased costs resulting from (i)

Taxes or Other Taxes (as to which Section 2.14 shall govern) and (ii) changes in the basis of taxation of overall net income or overall gross income by the United States or by the foreign jurisdiction or state under the laws of which such Lender is organized or has its Applicable Lending Office or any political subdivision thereof), then the Borrower shall from time to time, upon demand by such Lender (with a copy of such demand to the Agent), pay to the Agent for the account of such Lender additional amounts sufficient to compensate such Lender for such increased cost. A certificate as to the amount of such increased cost, submitted to the Borrower and the Agent by such Lender, shall be conclusive and binding for all purposes, absent manifest error.

(b) If after the date hereof any Lender determines that compliance with any law or regulation or any guideline or request from any central bank or other governmental authority (whether or not having the force of law) affects or would affect the amount of capital required or expected to be maintained by such Lender or any corporation controlling such Lender and that the amount of such capital is increased by or based upon the existence of such Lender's commitment to lend hereunder and other commitments of this type, then, upon demand by such Lender (with a copy of such demand to the Agent), the Borrower shall pay to the Agent for the account of such Lender, from time to time as specified by such Lender, additional amounts sufficient to compensate such Lender or such corporation in the light of such circumstances, to the extent that such Lender reasonably determines such increase in capital to be allocable to the existence of such Lender's commitment to lend hereunder. A certificate as to such amounts submitted to the Borrower and the Agent by such Lender shall be conclusive and binding for all purposes, absent manifest error.

SECTION 2.12. Illegality. Notwithstanding any other provision of

this Agreement, if any Lender shall notify the Agent that the introduction of or any change in or in the interpretation of any law or regulation makes it unlawful, or any central bank or other governmental authority asserts that it is unlawful, for any Lender or its Eurodollar Lending Office to perform its obligations hereunder to make Eurodollar Rate Advances or to fund or maintain Eurodollar Rate Advances hereunder, (a) each Eurodollar Rate Advance will automatically, upon such demand, Convert into a Base Rate Advance and (b) the obligation of the Lenders to make Eurodollar Rate Advances or LIBO Rate Advances or to Convert Revolving Credit Advances into Eurodollar Rate Advances shall be suspended until the Agent shall notify the Borrower and the Lenders that the circumstances causing such suspension no longer exist.

SECTION 2.13. Payments and Computations. (a) The Borrower shall

make each payment hereunder not later than 11:00 A.M. (New York City time) on the day when due to the Agent at the Agent's Account in same day funds without deduction, set-off or counterclaim. The Agent will promptly thereafter cause to be distributed like funds relating to the payment of principal or interest or facility fees ratably (other than amounts payable pursuant to Section 2.03, 2.11, 2.14 or 8.04(c)) to the Lenders for the account of their respective Applicable Lending Offices, and like funds relating to the payment of any other amount payable to any Lender to such Lender for the account of its Applicable Lending Office, in each case to be applied in accordance with the terms of this Agreement. Upon its acceptance of an Assignment and Acceptance and recording of the information contained therein in the Register pursuant to Section 8.07(c), from and after the effective date specified in such Assignment and Acceptance, the Agent shall make all payments hereunder and under the Notes in respect of the interest assigned thereby to the Lender assignee thereunder, and the parties to such Assignment and Acceptance shall make all appropriate adjustments in such payments for periods prior to such effective date directly between themselves.

(b) The Borrower hereby authorizes each Lender, if and to the extent payment owed to such Lender is not made when due hereunder or under the Note held by such Lender, to charge from time to time against any or all of the Borrower's accounts with such Lender any amount so due.

(c) All computations of interest based on the Base Rate shall be made by the Agent on the basis of a year of 365 or 366 days, as the case may be, all computations of interest based on the Eurodollar Rate, the LIBO Rate or the Federal Funds Rate or in respect of Fixed Rate Advances and of fees shall be made by the Agent on the basis of a year of 360 days, in each case for the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest or facility fees are payable. Each determination by the Agent of an interest rate hereunder shall be conclusive and binding for all purposes, absent manifest error.

(d) Whenever any payment hereunder or under the Notes shall be stated to be due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day, and such extension of

time shall in such case be included in the computation of payment of interest or facility fee, as the case may be; provided, however, that, if such extension

would cause payment of interest on or principal of Eurodollar Rate Advances or LIBO Rate Advances to be made in the next following calendar month, such payment shall be made on the next preceding Business Day.

(e) Unless the Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Lenders hereunder that the Borrower will not make such payment in full, the Agent may assume that the Borrower has made such payment in full to the Agent on such date and the Agent may, in reliance upon such assumption, cause to be distributed to each Lender on such due date an amount equal to the amount then due such Lender. If and to the extent the Borrower shall not have so made such payment in full to the Agent, each Lender shall repay to the Agent forthwith on demand such amount distributed to such Lender together with interest thereon, for each day from the date such amount is distributed to such Lender until the date such Lender repays such amount to the Agent, at the Federal Funds Rate.

SECTION 2.14. Taxes. (a) Any and all payments by the Borrower

hereunder or under the Notes shall be made, in accordance with Section 2.13, free and clear of and without deduction for any and all present or future taxes, levies, imposts, deductions, charges or withholdings, and all liabilities with respect thereto, excluding, in the case of each Lender and the Agent, taxes

imposed on its overall net income, and franchise taxes imposed on it in lieu of net income taxes, by the jurisdiction under the laws of which such Lender or the Agent (as the case may be) is organized or any political subdivision thereof and, in the case of each Lender, taxes imposed on its overall net income, and franchise taxes imposed on it in lieu of net income taxes, by the jurisdiction of such Lender's Applicable Lending Office or any political subdivision thereof (all such non-excluded taxes, levies, imposts, deductions, charges, withholdings and liabilities in respect of payments hereunder or under the Notes being hereinafter referred to as "Taxes"). If the Borrower shall be required by law

to deduct any Taxes from or in respect of any sum payable hereunder or under any Note to any Lender or the Agent, (i) the sum payable shall be increased as may be necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section 2.14) such Lender or the Agent (as the case may be) receives an amount equal to the sum it would have received had no such deductions been made, (ii) the Borrower shall make such deductions and (iii) the Borrower shall pay the full amount deducted to the relevant taxation authority or other authority in accordance with applicable law.

(b) In addition, the Borrower shall pay any present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies that arise from any payment made hereunder or under the Notes or from the execution, delivery or registration of, performing under, or otherwise with respect to, this Agreement or the Notes (hereinafter referred to as "Other Taxes").

(c) The Borrower shall indemnify each Lender and the Agent for and hold it harmless against the full amount of Taxes or Other Taxes (including, without limitation, taxes of any kind imposed by any jurisdiction on amounts payable under this Section 2.14) imposed on or paid by such Lender or the Agent (as the case may be) and any liability (including penalties, interest and expenses) arising therefrom or with respect thereto. This indemnification shall be made within 30 days from the date such Lender or the Agent (as the case may be) makes written demand therefor.

(d) Within 30 days after the date of any payment of Taxes, the Borrower shall furnish to the Agent, at its address referred to in Section 8.02, the original or a certified copy of a receipt evidencing such payment. In the case of any payment hereunder or under the Notes by or on behalf of the Borrower through an account or branch outside the United States or by or on behalf of the Borrower by a payor that is not a United States person, if the Borrower determines that no Taxes are payable in respect thereof, the Borrower shall furnish, or shall cause such payor to furnish, to the Agent, at such address, an opinion of counsel reasonably acceptable to the Agent stating that such payment is exempt from Taxes. For purposes of this subsection (d) and subsection (e), the terms "United States" and "United States person" shall have the meanings

specified in Section 7701 of the Internal Revenue Code.

(e) Each Lender organized under the laws of a jurisdiction outside the United States, on or prior to the date of its execution and delivery of this Agreement in the case of each Initial Lender and on the date of the Assignment and Acceptance pursuant to which it becomes a Lender in the case of each other Lender, and from

time to time thereafter as requested in writing by the Borrower (but only so long as such Lender remains lawfully able to do so), shall provide each of the Agent and the Borrower with two original Internal Revenue Service forms W-8BEN or W-8EC1, as appropriate, or any successor or other form prescribed by the Internal Revenue Service, certifying that such Lender is exempt from or entitled to a reduced rate of United States withholding tax on payments pursuant to this Agreement or the Notes. If the form provided by a Lender at the time such Lender first becomes a party to this Agreement indicates a United States interest withholding tax rate in excess of zero, withholding tax at such rate shall be considered excluded from Taxes unless and until such Lender provides the appropriate forms certifying that a lesser rate applies, whereupon withholding tax at such lesser rate only shall be considered excluded from Taxes for periods governed by such form; provided, however, that, if at the date of the Assignment

and Acceptance pursuant to which a Lender assignee becomes a party to this Agreement, the Lender assignor was entitled to payments under subsection (a) in respect of United States withholding tax with respect to interest paid at such date, then, to such extent, the term Taxes shall include (in addition to withholding taxes that may be imposed in the future or other amounts otherwise includable in Taxes) United States withholding tax, if any, applicable with respect to the Lender assignee on such date. If any form or document referred to in this subsection (e) requires the disclosure of information, other than information necessary to compute the tax payable and information required on the date hereof by Internal Revenue Service form 1001 or 4224, that the Lender reasonably considers to be confidential, the Lender shall give notice thereof to the Borrower and shall not be obligated to include in such form or document such confidential information.

(f) For any period with respect to which a Lender has failed to provide the Borrower with the appropriate form described in Section 2.14(e) (other than if such failure is due to a change in law occurring subsequent to -----
the date on which a form originally was required to be provided, or if such form otherwise is not required under subsection (e) above), such Lender shall not be entitled to indemnification under Section 2.14(a) or (c) with respect to Taxes imposed by the United States by reason of such failure; provided, however, that -----
should a Lender become subject to Taxes because of its failure to deliver a form required hereunder, the Borrower shall take such steps as the Lender shall reasonably request to assist the Lender to recover such Taxes.

(g) Any Lender claiming any additional amounts payable pursuant to this Section 2.14 agrees to use reasonable efforts (consistent with its internal policy and legal and regulatory restrictions) to change the jurisdiction of its Eurodollar Lending Office if the making of such a change would avoid the need for, or reduce the amount of, any such additional amounts that may thereafter accrue and would not, in the reasonable judgment of such Lender, be otherwise disadvantageous to such Lender.

SECTION 2.15. Sharing of Payments, Etc. If any Lender shall obtain

any payment (whether voluntary, involuntary, through the exercise of any right of set-off, or otherwise) on account of the Revolving Credit Advances owing to it (other than pursuant to Section 2.11, 2.14 or 8.04(c)) in excess of its ratable share of payments on account of the Revolving Credit Advances obtained by all the Lenders, such Lender shall forthwith purchase from the other Lenders such participations in the Revolving Credit Advances owing to them as shall be necessary to cause such purchasing Lender to share the excess payment ratably with each of them; provided, however, that if all or any portion of such excess -----
payment is thereafter recovered from such purchasing Lender, such purchase from each Lender shall be rescinded and such Lender shall repay to the purchasing Lender the purchase price to the extent of such recovery together with an amount equal to such Lender's ratable share (according to the proportion of (i) the amount of such Lender's required repayment to (ii) the total amount so recovered from the purchasing Lender) of any interest or other amount paid or payable by the purchasing Lender in respect of the total amount so recovered. The Borrower agrees that any Lender so purchasing a participation from another Lender pursuant to this Section 2.15 may, to the fullest extent permitted by law, exercise all its rights of payment (including the right of set-off) with respect to such participation as fully as if such Lender were the direct creditor of the Borrower in the amount of such participation.

SECTION 2.16. Evidence of Debt. (a) Each Lender shall maintain in

accordance with its usual practice an account or accounts evidencing the indebtedness of the Borrower to such Lender resulting from each Revolving Credit Advance owing to such Lender from time to time, including the amounts of principal and interest payable and paid to such Lender from time to time hereunder in respect of Revolving Credit Advances. The Borrower agrees that upon notice by any Lender to the Borrower (with a copy of such notice to the Agent) to the effect that a Revolving Credit Note is required or appropriate in order for such Lender to evidence (whether for purposes of pledge, enforcement or otherwise) the Revolving Credit Advances owing to, or to be made by, such

Lender, the Borrower shall promptly execute and deliver to such Lender a Revolving Credit Note payable to the order of such Lender in a principal amount up to the Commitment of such Lender.

(b) The Register maintained by the Agent pursuant to Section 8.07(d) shall include a control account, and a subsidiary account for each Lender, in which accounts (taken together) shall be recorded (i) the date and amount of each Borrowing made hereunder, the Type of Advances comprising such Borrowing and, if appropriate, the Interest Period applicable thereto, (ii) the terms of each Assignment and Acceptance delivered to and accepted by it, (iii) the amount of any principal or interest due and payable or to become due and payable from the Borrower to each Lender hereunder and (iv) the amount of any sum received by the Agent from the Borrower hereunder and each Lender's share thereof.

(c) Entries made in good faith by the Agent in the Register pursuant to subsection (b) above, and by each Lender in its account or accounts pursuant to subsection (a) above, shall be prima facie evidence of the amount of

principal and interest due and payable or to become due and payable from the Borrower to, in the case of the Register, each Lender and, in the case of such account or accounts, such Lender, under this Agreement, absent manifest error;

provided, however, that the failure of the Agent or such Lender to make an

entry, or any finding that an entry is incorrect, in the Register or such account or accounts shall not limit or otherwise affect the obligations of the Borrower under this Agreement.

SECTION 2.17. Use of Proceeds. The proceeds of the Advances shall be

available (and the Borrower agrees that it shall use such proceeds) for the acquisition of the common stock of Bush Boake Allen Inc., a Virginia corporation, pursuant to the Merger Agreement and for other general corporate purposes of the Borrower and its Subsidiaries, including commercial paper backstop.

ARTICLE III

CONDITIONS TO EFFECTIVENESS AND LENDING

SECTION 3.01. Conditions Precedent to Effectiveness of Sections 2.01

and 2.03. Sections 2.01 and 2.03 of this Agreement shall become effective on

and as of the first date (the "Effective Date") on which the following conditions precedent have been satisfied:

(a) There shall have occurred no Material Adverse Change since December 31, 1999.

(b) There shall exist no action, suit, investigation, litigation or proceeding affecting the Borrower or any of its Subsidiaries pending or threatened before any court, governmental agency or arbitrator that (i) could be reasonably likely to have a Material Adverse Effect or (ii) purports to affect the legality, validity or enforceability of this Agreement or any Note or the consummation of the transactions contemplated hereby.

(c) Nothing shall have come to the attention of the Lenders during the course of their due diligence investigation to lead them to believe that the Information Memorandum was or has become misleading, incorrect or incomplete in any material respect; without limiting the generality of the foregoing, the Lenders shall have been given such access to the management, records, books of account, contracts and properties of the Borrower and its Subsidiaries as they shall have requested.

(d) All governmental and third party consents and approvals necessary in connection with the transactions contemplated hereby shall have been obtained (without the imposition of any conditions that are not acceptable to the Lenders) and shall remain in effect, and no law or regulation shall be applicable in the reasonable judgment of the Lenders that restrains, prevents or imposes materially adverse conditions upon the transactions contemplated hereby.

(e) The Borrower shall have notified each Lender and the Agent in writing as to the proposed Effective Date.

(f) The Borrower shall have paid all accrued fees and expenses of the Agent and the Lenders (including the accrued fees and expenses of counsel to the Agent).

(g) On the Effective Date, the following statements shall be true and the Agent shall have received for the account of each Lender a certificate signed by a duly authorized officer of the Borrower, dated the Effective Date, stating that:

(i) The representations and warranties contained in Section 4.01 are correct on and as of the Effective Date, and

(ii) No event has occurred and is continuing that constitutes a Default.

(h) The Agent shall have received on or before the Effective Date the following, each dated such day, in form and substance satisfactory to the Agent and (except for the Revolving Credit Notes) in sufficient copies for each Lender:

(i) The Revolving Credit Notes to the order of the Lenders to the extent requested by any Lender pursuant to Section 2.16.

(ii) Certified copies of the resolutions of the Board of Directors of the Borrower approving this Agreement and the Notes, and of all documents evidencing other necessary corporate action and governmental approvals, if any, with respect to this Agreement and the Notes.

(iii) A certificate of the Secretary or an Assistant Secretary of the Borrower certifying the names and true signatures of the officers of the Borrower authorized to sign this Agreement and the Notes and the other documents to be delivered hereunder.

(iv) A favorable opinion of Stephen A. Block, Senior Vice President and General Counsel, counsel for the Borrower, substantially in the form of Exhibit D hereto and as to such other matters as any Lender through the Agent may reasonably request.

(v) A favorable opinion of Shearman & Sterling, counsel for the Agent, in form and substance satisfactory to the Agent.

(i) The Minimum Condition (as defined in the Merger Agreement) shall have been satisfied and the applicable waiting period under the Hart-Scott Rodino Antitrust Improvements Act of 1976 has expired or terminated.

(j) The Borrower shall have reduced the commitments of the lenders, and the aggregate principal amount of the advances, under the 180-Day Credit Agreement dated as of November 2, 2000 among the Borrower, Citibank, N.A., as lender and as administrative agent, and Salomon Smith Barney Inc., as arranger, to an aggregate amount of not more than \$350,000,000.

SECTION 3.02. Conditions Precedent to Each Revolving Credit

Borrowing. The obligation of each Lender to make a Revolving Credit Advance on

the occasion of each Revolving Credit Borrowing shall be subject to the conditions precedent that the Effective Date shall have occurred and on the date of such Revolving Credit Borrowing (a) the following statements shall be true (and each of the giving of the applicable Notice of Revolving Credit Borrowing and the acceptance by the Borrower of the proceeds of such Revolving Credit Borrowing shall constitute a representation and warranty by the Borrower that on the date of such Borrowing such statements are true):

(i) the representations and warranties contained in Section 4.01 (except the representations set forth in the last sentence of subsection (e) thereof and in subsection (f)(i) thereof) are correct on and as

of such date, before and after giving effect to such Revolving Credit Borrowing, and to the application of the proceeds therefrom, as though made on and as of such date, and

(ii) no event has occurred and is continuing, or would result from such Revolving Credit Borrowing or from the application of the proceeds therefrom, that constitutes a Default;

and (b) the Agent shall have received such other approvals, opinions or documents as any Lender through the Agent may reasonably request.

SECTION 3.03. Conditions Precedent to Each Competitive Bid Borrowing.

The obligation of each Lender that is to make a Competitive Bid Advance on the occasion of a Competitive Bid Borrowing to make such Competitive Bid Advance as part of such Competitive Bid Borrowing is subject to the conditions precedent that (a) the Agent shall have received the written confirmatory Notice of Competitive Bid Borrowing with respect thereto, (b) on or before the date of such Competitive Bid Borrowing, but prior to such Competitive Bid Borrowing, the Agent shall have received a Competitive Bid Note payable to the order of such Lender for each of the one or more Competitive Bid Advances to be made by such Lender as part of such Competitive Bid Borrowing, in a principal amount equal to the principal amount of the Competitive Bid Advance to be evidenced thereby and otherwise on such terms as were agreed to for such Competitive Bid Advance in accordance with Section 2.03, and (c) on the date of such Competitive Bid Borrowing the following statements shall be true (and each of the giving of the applicable Notice of Competitive Bid Borrowing and the acceptance by the Borrower of the proceeds of such Competitive Bid Borrowing shall constitute a representation and warranty by the Borrower that on the date of such Competitive Bid Borrowing such statements are true):

(i) the representations and warranties contained in Section 4.01 are correct on and as of the date of such Competitive Bid Borrowing, before and after giving effect to such Competitive Bid Borrowing and to the application of the proceeds therefrom, as though made on and as of such date, and

(ii) no event has occurred and is continuing, or would result from such Competitive Bid Borrowing or from the application of the proceeds therefrom, that constitutes a Default.

SECTION 3.04. Determinations Under Section 3.01. For purposes of

determining compliance with the conditions specified in Section 3.01, each Lender shall be deemed to have consented to, approved or accepted or to be satisfied with each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to the Lenders unless an officer of the Agent responsible for the transactions contemplated by this Agreement shall have received notice from such Lender prior to the date that the Borrower, by notice to the Lenders, designates as the proposed Effective Date, specifying its objection thereto. The Agent shall promptly notify the Lenders of the occurrence of the Effective Date.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES

SECTION 4.01. Representations and Warranties of the Borrower. The

Borrower represents and warrants as follows:

(a) The Borrower is a corporation duly organized, validly existing and in good standing under the laws of the State of New York.

(b) The execution, delivery and performance by the Borrower of this Agreement and the Notes to be delivered by it, and the consummation of the transactions contemplated hereby, are within the Borrower's corporate powers, have been duly authorized by all necessary corporate action, and do not contravene (i) the Borrower's charter or by-laws or (ii) any law or any contractual restriction binding on or affecting the Borrower.

(c) No authorization or approval or other action by, and no notice to or filing with, any governmental authority or regulatory body or any other third party is required for the due execution, delivery and performance by the Borrower of this Agreement or the Notes to be delivered by it.

(d) This Agreement has been, and each of the Notes to be delivered by it when delivered hereunder will have been, duly executed and delivered by the Borrower. This Agreement is, and each of the Notes when delivered hereunder will be, the legal, valid and binding obligation of the Borrower enforceable against the Borrower in accordance with their respective terms.

(e) The Consolidated balance sheet of the Borrower and its Subsidiaries as at December 31, 1999, and the related Consolidated statements of income and cash flows of the Borrower and its Subsidiaries for the fiscal year then ended, accompanied by an opinion of PricewaterhouseCoopers LLP, independent public accountants, and the Consolidated balance sheet of the Borrower and its Subsidiaries as at September 30, 2000, and the related Consolidated statements of income and cash flows of the Borrower and its Subsidiaries for the nine months then ended, duly certified by the chief financial officer of the Borrower, copies of which have been furnished to each Lender, fairly present subject, in the case of said balance sheet as at September 30, 2000 and said statements of income and cash flows for the nine months then ended, to year-end audit adjustments, the Consolidated financial condition of the Borrower and its Subsidiaries as at such dates and the Consolidated results of the operations of the Borrower and its Subsidiaries for the periods ended on such date, all in accordance with generally accepted accounting principles consistently applied. Since December 31, 1999, there has been no Material Adverse Change.

(f) There is no pending or threatened action, suit, investigation, litigation or proceeding, including, without limitation, any Environmental Action, affecting the Borrower or any of its Subsidiaries before any court, governmental agency or arbitrator that (i) could be reasonably likely to have a Material Adverse Effect or (ii) purports to affect the legality, validity or enforceability of this Agreement or any Note or the consummation of the transactions contemplated hereby.

(g) The Borrower is not engaged in the business of extending credit for the purpose of purchasing or carrying margin stock (within the meaning of Regulation U issued by the Board of Governors of the Federal Reserve System), and no proceeds of any Advance will be used to purchase or carry any margin stock or to extend credit to others for the purpose of purchasing or carrying any margin stock.

(h) The Borrower is not an "investment company", or a company "controlled" by an "investment company", within the meaning of the Investment Company Act of 1940, as amended.

ARTICLE V

COVENANTS OF THE BORROWER

SECTION 5.01. Affirmative Covenants. So long as any Advance shall

remain unpaid or any Lender shall have any Commitment hereunder, the Borrower will:

(a) Compliance with Laws, Etc. Comply, and cause each of its

Subsidiaries to comply, in all material respects, with all applicable laws, rules, regulations and orders, such compliance to include, without limitation, compliance with ERISA and Environmental Laws.

(b) Payment of Taxes, Etc. Pay and discharge, and cause each of its

Subsidiaries to pay and discharge, before the same shall become delinquent, (i) all taxes, assessments and governmental charges or levies imposed upon it or upon its property and (ii) all lawful claims that, if unpaid, might by law become a Lien upon its property; provided, however, that neither the

Borrower nor any of its Subsidiaries shall be required to pay or discharge any such tax, assessment, charge or claim that is being contested in good faith

and by proper proceedings and as to which appropriate reserves are being maintained, unless and until any Lien resulting therefrom attaches to its property and becomes enforceable against its other creditors.

(c) Maintenance of Insurance. Maintain, and cause each of its

Subsidiaries to maintain, insurance with responsible and reputable insurance companies or associations in such amounts and covering such risks as is usually carried by companies engaged in similar businesses and owning similar properties in the same general areas in which the Borrower or such Subsidiary operates; provided, however, that the Borrower and its

Subsidiaries may self-insure to the same extent as other companies engaged in similar businesses and owning similar properties in the same general areas in which the Borrower or such Subsidiary operates and to the extent consistent with prudent business practice.

(d) Preservation of Corporate Existence, Etc. Preserve and maintain,

and cause each of its Subsidiaries to preserve and maintain, its corporate existence, rights (charter and statutory) and franchises; provided,

however, that the Borrower and its Subsidiaries may consummate any merger

or consolidation permitted under Section 5.02(b) and provided further that

neither the Borrower nor any of its Subsidiaries shall be required to preserve any right or franchise or, in the case of any Subsidiary, its corporate existence, if the Board of Directors of the Borrower shall determine that the preservation thereof is no longer desirable in the conduct of the business of the Borrower, and that the loss thereof is not disadvantageous in any material respect to the Borrower or the Lenders.

(e) Visitation Rights. At any reasonable time and from time to time,

permit the Agent or any of the Lenders or any agents or representatives thereof, to examine and make copies of and abstracts from the records and books of account of, and visit the properties of, the Borrower and any of its Subsidiaries, and to discuss the affairs, finances and accounts of the Borrower and any of its Subsidiaries with any of their officers or directors and with their independent certified public accountants.

(f) Keeping of Books. Keep, and cause each of its Subsidiaries to

keep, proper books of record and account, in which full and correct entries shall be made of all financial transactions and the assets and business of the Borrower and each such Subsidiary in accordance with generally accepted accounting principles in effect from time to time.

(g) Maintenance of Properties, Etc. Maintain and preserve, and cause

each of its Subsidiaries to maintain and preserve, all of its properties that are used or useful in the conduct of its business in good working order and condition, ordinary wear and tear excepted.

(h) Reporting Requirements. Furnish to the Lenders:

(i) as soon as available and in any event within 45 days after the end of each of the first three quarters of each fiscal year of the Borrower, the Consolidated balance sheet of the Borrower and its Subsidiaries as of the end of such quarter and Consolidated statements of income and cash flows of the Borrower and its Subsidiaries for the period commencing at the end of the previous fiscal year and ending with the end of such quarter, duly certified (subject to year-end audit adjustments) by the chief financial officer of the Borrower as having been prepared in accordance with generally accepted accounting principles and certificates of the chief financial officer of the Borrower as to compliance with the terms of this Agreement and setting forth in reasonable detail the calculations necessary to demonstrate compliance with Section 5.03, provided that in the event of any change

in GAAP used in the preparation of such financial statements, the Borrower shall also provide, if necessary for the determination of compliance with Section 5.03, a statement of reconciliation conforming such financial statements to GAAP;

(ii) as soon as available and in any event within 90 days after the end of each fiscal year of the Borrower, a copy of the annual audit report for such year for the Borrower and its Subsidiaries, containing the Consolidated balance sheet of the Borrower and its Subsidiaries as of the end of such fiscal year and Consolidated statements of income and cash flows of the Borrower

and its Subsidiaries for such fiscal year, in each case accompanied by an opinion acceptable to the Required Lenders by PricewaterhouseCoopers LLP or other "Big Five" independent public accountants, provided that in the event of any change in GAAP used in

the preparation of such financial statements, the Borrower shall also provide, if necessary for the determination of compliance with Section 5.03, a statement of reconciliation conforming such financial statements to GAAP;

(iii) as soon as possible and in any event within five days after the occurrence of each Default continuing on the date of such statement, a statement of the chief financial officer of the Borrower setting forth details of such Default and the action that the Borrower has taken and proposes to take with respect thereto;

(iv) promptly after the sending or filing thereof, copies of all reports that the Borrower sends to any of its securityholders, and copies of all reports and registration statements that the Borrower or any Subsidiary files with the Securities and Exchange Commission or any national securities exchange;

(v) promptly after the commencement thereof, notice of all actions and proceedings before any court, governmental agency or arbitrator affecting the Borrower or any of its Subsidiaries of the type described in Section 4.01(f); and

(vi) such other information respecting the Borrower or any of its Subsidiaries as any Lender through the Agent may from time to time reasonably request.

SECTION 5.02. Negative Covenants. So long as any Advance shall

remain unpaid or any Lender shall have any Commitment hereunder, the Borrower will not:

(a) Liens, Etc. Create or suffer to exist, or permit any of its

Subsidiaries to create or suffer to exist, any Lien on or with respect to any of its properties, whether now owned or hereafter acquired, or assign, or permit any of its Subsidiaries to assign, any right to receive income, other than:

(i) Permitted Liens,

(ii) purchase money Liens upon or in any real property or equipment acquired or held by the Borrower or any Subsidiary in the ordinary course of business to secure the purchase price of such property or equipment or to secure Debt incurred solely for the purpose of financing the acquisition of such property or equipment, or Liens existing on such property or equipment at the time of its acquisition (other than any such Liens created in contemplation of such acquisition that were not incurred to finance the acquisition of such property) or extensions, renewals or replacements of any of the foregoing for the same or a lesser amount, provided, however, that no

such Lien shall extend to or cover any properties of any character other than the real property or equipment being acquired, and no such extension, renewal or replacement shall extend to or cover any properties not theretofore subject to the Lien being extended, renewed or replaced, provided further that the aggregate principal amount of

the indebtedness secured by the Liens referred to in this clause (ii) shall not exceed \$25,000,000 at any time outstanding,

(iii) the Liens existing on the Effective Date and described on Schedule 5.02(a) hereto,

(iv) Liens on property of a Person existing at the time such Person is merged into or consolidated with the Borrower or any Subsidiary of the Borrower or becomes a Subsidiary of the Borrower; provided that such Liens were not created in contemplation of such

merger, consolidation or acquisition and do not extend to any assets other than those of the Person so

merged into or consolidated with the Borrower or such Subsidiary or acquired by the Borrower or such Subsidiary,

(v) other Liens securing Debt in an aggregate principal amount not to exceed \$100,000,000 at any time outstanding, and

(vi) the replacement, extension or renewal of any Lien permitted by clause (iii) or (iv) above upon or in the same property theretofore subject thereto or the replacement, extension or renewal (without increase in the amount or change in any direct or contingent obligor) of the Debt secured thereby.

(b) Mergers, Etc. Merge or consolidate with or into, or convey,

transfer, lease or otherwise dispose of (whether in one transaction or in a series of transactions) all or substantially all of the assets (whether now owned or hereafter acquired) of the Borrower and its Subsidiaries, taken as a whole, to, any Person, or permit any of its Subsidiaries to do so, except that any Subsidiary of the Borrower may merge or consolidate with or into, or dispose of assets to, any other Subsidiary of the Borrower, and except that any Subsidiary of the Borrower may merge into or dispose of assets to the Borrower and the Borrower may merge with any other Person so long as the Borrower is the surviving corporation, provided, in each case, that no

Default shall have occurred and be continuing at the time of such proposed transaction or would result therefrom.

(c) Accounting Changes. Make or permit, or permit any of its

Subsidiaries to make or permit, any change in accounting policies or reporting practices, except as required or permitted by generally accepted accounting principles.

(d) Change in Nature of Business. Make, or permit any of its

Subsidiaries to make, any material change in the nature of its business as carried on at the date hereof.

(e) Subsidiary Debt. Permit any of its Subsidiaries to create or

suffer to exist, any Debt other than:

(i) Debt owed to the Borrower or to a wholly owned Subsidiary of the Borrower,

(ii) Debt aggregating for all of the Borrower's Subsidiaries not more than \$400,000,000 at any one time outstanding, and

(iii) endorsement of negotiable instruments for deposit or collection or similar transactions in the ordinary course of business.

SECTION 5.03. Financial Covenant. So long as any Advance shall

remain unpaid or any Lender shall have any Commitment hereunder, the Borrower will maintain a ratio of Debt for Borrowed Money as at the end of each fiscal quarter ending in the periods set forth below to EBITDA for the period of four fiscal quarters then ended of not more than the ratios indicated below:

----- Fiscal Quarter Ending -----	Ratio -----
December 31, 2000 -----	3.65:1.0 -----
March 31, 2001 -----	3.55:1.0 -----
June 30, 2001 -----	3.45:1.0 -----
September 30, 2001 and thereafter -----	3.25:1.0 -----

ARTICLE VI

EVENTS OF DEFAULT

SECTION 6.01. Events of Default. If any of the following events

("Events of Default") shall occur and be continuing:

(a) The Borrower shall fail to pay any principal of any Advance when the same becomes due and payable; or the Borrower shall fail to pay any interest on any Advance or make any other payment of fees or other amounts payable under this Agreement or any Note within three Business Days after the same becomes due and payable; or

(b) Any representation or warranty made by the Borrower herein or by the Borrower (or any of its officers) in connection with this Agreement shall prove to have been incorrect in any material respect when made; or

(c) (i) The Borrower shall fail to perform or observe any term, covenant or agreement contained in Section 5.01(d), (e) or (h), 5.02 or 5.03, or (ii) the Borrower shall fail to perform or observe any other term, covenant or agreement contained in this Agreement on its part to be performed or observed if such failure shall remain unremedied for 10 days after written notice thereof shall have been given to the Borrower by the Agent or any Lender; or

(d) The Borrower or any of its Subsidiaries shall fail to pay any principal of or premium or interest on any Debt that is outstanding in a principal or notional amount of at least \$25,000,000 in the aggregate (but excluding Debt outstanding hereunder) of the Borrower or such Subsidiary (as the case may be), when the same becomes due and payable (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise), and such failure shall continue after the applicable grace period, if any, specified in the agreement or instrument relating to such Debt; or any other event shall occur or condition shall exist under any agreement or instrument relating to any such Debt and shall continue after the applicable grace period, if any, specified in such agreement or instrument, if the effect of such event or condition is to accelerate, or to permit the acceleration of, the maturity of such Debt; or any such Debt shall be declared to be due and payable, or required to be prepaid or redeemed (other than by a regularly scheduled required prepayment or redemption), purchased or defeased, or an offer to prepay, redeem, purchase or defease such Debt shall be required to be made, in each case prior to the stated maturity thereof; or

(e) The Borrower or any of its Subsidiaries shall generally not pay its debts as such debts become due, or shall admit in writing its inability to pay its debts generally, or shall make a general assignment for the benefit of creditors; or any proceeding shall be instituted by or against the Borrower or any of its Subsidiaries seeking to adjudicate it a bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief, or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its property and, in the case of any such proceeding instituted against it (but not instituted by it), either such proceeding shall remain undismissed or unstayed for a period of 30 days, or any of the actions sought in such proceeding (including, without limitation, the entry of an order for relief against, or the appointment of a receiver, trustee, custodian or other similar official for, it or for any substantial part of its property) shall occur; or the Borrower or any of its Subsidiaries shall take any corporate action to authorize any of the actions set forth above in this subsection (e); or

(f) Judgments or orders for the payment of money in excess of \$25,000,000 in the aggregate shall be rendered against the Borrower or any of its Subsidiaries and either (i) enforcement proceedings

shall have been commenced by any creditor upon such judgment or order or (ii) there shall be any period of 20 consecutive days during which a stay of enforcement of such judgment or order, by reason of a pending appeal or otherwise, shall not be in effect; provided, however, that any such

judgment or order shall not be an Event of Default under this Section 6.01(f) if and for so long as (i) the amount of such judgment or order is covered by a valid and binding policy of insurance between the defendant and the insurer covering payment thereof and (ii) such insurer, which shall be rated at least "A" by A.M. Best Company, has been notified of, and has not disputed the claim made for payment of, the amount of such judgment or order; or

(g) (i) Any Person or two or more Persons acting in concert (other than any Founder) shall have acquired beneficial ownership (within the meaning of Rule 13d-3 of the Securities and Exchange Commission under the Securities Exchange Act of 1934), directly or indirectly, of Voting Stock of the Borrower (or other securities convertible into such Voting Stock) representing 20% or more of the combined voting power of all Voting Stock of the Borrower; or (ii) during any period of up to 24 consecutive months, commencing before or after the date of this Agreement, individuals who at the beginning of such 24-month period were directors of the Borrower shall cease for any reason (other than due to death or disability) to constitute a majority of the board of directors of the Borrower (except to the extent that individuals who at the beginning of such 24-month period were replaced by individuals (x) elected by a majority of the remaining members of the board of directors of the Borrower or (y) nominated for election by a majority of the remaining members of the board of directors of the Borrower and thereafter elected as directors by the shareholders of the Borrower); or (iii) any Person or two or more Persons acting in concert (other than any Founder) shall have acquired by contract or otherwise, or shall have entered into a contract or arrangement that, upon consummation, will result in its or their acquisition of the power to exercise, directly or indirectly, a controlling influence over the management or policies of the Borrower; or

(h) The Borrower or any of its ERISA Affiliates shall incur, or shall be reasonably likely to incur liability in excess of \$25,000,000 in the aggregate as a result of one or more of the following: (i) the occurrence of any ERISA Event; (ii) the partial or complete withdrawal of the Borrower or any of its ERISA Affiliates from a Multiemployer Plan; or (iii) the reorganization or termination of a Multiemployer Plan;

then, and in any such event, the Agent (i) shall at the request, or may with the consent, of the Required Lenders, by notice to the Borrower, declare the obligation of each Lender to make Advances to be terminated, whereupon the same shall forthwith terminate, and (ii) shall at the request, or may with the consent, of the Required Lenders, by notice to the Borrower, declare the Advances, all interest thereon and all other amounts payable under this Agreement to be forthwith due and payable, whereupon the Advances, all such interest and all such amounts shall become and be forthwith due and payable, without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived by the Borrower; provided, however, that in the

event of an actual or deemed entry of an order for relief with respect to the Borrower under the Federal Bankruptcy Code, (A) the obligation of each Lender to make Advances shall automatically be terminated and (B) the Advances, all such interest and all such amounts shall automatically become and be due and payable, without presentment, demand, protest or any notice of any kind, all of which are hereby expressly waived by the Borrower.

ARTICLE VII

THE AGENT

SECTION 7.01. Authorization and Action. Each Lender hereby appoints

and authorizes the Agent to take such action as agent on its behalf and to exercise such powers and discretion under this Agreement as are delegated to the Agent by the terms hereof, together with such powers and discretion as are reasonably incidental thereto. As to any matters not expressly provided for by this Agreement (including, without limitation, enforcement or collection of the Notes), the Agent shall not be required to exercise any discretion or take any action, but shall be required to act or to refrain from acting (and shall be fully protected in so acting or refraining from acting) upon the instructions of the Required Lenders, and such instructions shall be binding upon all Lenders and all holders of

Notes; provided, however, that the Agent shall not be required to take any

action that exposes the Agent to personal liability or that is contrary to this Agreement or applicable law. The Agent agrees to give to each Lender prompt notice of each notice given to it by the Borrower pursuant to the terms of this Agreement.

SECTION 7.02. Agent's Reliance, Etc. Neither the Agent nor any of

its directors, officers, agents or employees shall be liable for any action taken or omitted to be taken by it or them under or in connection with this Agreement, except for its or their own gross negligence or willful misconduct. Without limitation of the generality of the foregoing, the Agent: (i) may treat the Lender that made any Advance as the holder of the Debt resulting therefrom until the Agent receives and accepts an Assignment and Acceptance entered into by such Lender, as assignor, and an Eligible Assignee, as assignee, as provided in Section 8.07; (ii) may consult with legal counsel (including counsel for the Borrower), independent public accountants and other experts selected by it and shall not be liable for any action taken or omitted to be taken in good faith by it in accordance with the advice of such counsel, accountants or experts; (iii) makes no warranty or representation to any Lender and shall not be responsible to any Lender for any statements, warranties or representations (whether written or oral) made in or in connection with this Agreement; (iv) shall not have any duty to ascertain or to inquire as to the performance or observance of any of the terms, covenants or conditions of this Agreement on the part of the Borrower or to inspect the property (including the books and records) of the Borrower; (v) shall not be responsible to any Lender for the due execution, legality, validity, enforceability, genuineness, sufficiency or value of this Agreement or any other instrument or document furnished pursuant hereto; and (vi) shall incur no liability under or in respect of this Agreement by acting upon any notice, consent, certificate or other instrument or writing (which may be by telecopier, telegram or telex) believed by it to be genuine and signed or sent by the proper party or parties.

SECTION 7.03. Citibank and Affiliates. With respect to its

Commitment, the Advances made by it and the Note issued to it, Citibank shall have the same rights and powers under this Agreement as any other Lender and may exercise the same as though it were not the Agent; and the term "Lender" or "Lenders" shall, unless otherwise expressly indicated, include Citibank in its individual capacity. Citibank and its Affiliates may accept deposits from, lend money to, act as trustee under indentures of, accept investment banking engagements from and generally engage in any kind of business with, the Borrower, any of its Subsidiaries and any Person who may do business with or own securities of the Borrower or any such Subsidiary, all as if Citibank were not the Agent and without any duty to account therefor to the Lenders.

SECTION 7.04. Lender Credit Decision. Each Lender acknowledges that

it has, independently and without reliance upon the Agent or any other Lender and based on the financial statements referred to in Section 4.01 and such other documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Agent or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement.

SECTION 7.05. Indemnification. The Lenders agree to indemnify the

Agent (to the extent not reimbursed by the Borrower), ratably according to the respective principal amounts of the Revolving Credit Advances then owed to each of them (or if no Revolving Credit Advances are at the time outstanding, ratably according to the respective amounts of their Commitments), from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever that may be imposed on, incurred by, or asserted against the Agent in any way relating to or arising out of this Agreement or any action taken or omitted by the Agent under this Agreement (collectively, the "Indemnified

Costs"), provided that no Lender shall be liable for any portion of the

Indemnified Costs resulting from the Agent's gross negligence or willful misconduct. Without limitation of the foregoing, each Lender agrees to reimburse the Agent promptly upon demand for its ratable share of any out-of-pocket expenses (including reasonable counsel fees) incurred by the Agent in connection with the preparation, execution, delivery, administration, modification, amendment or enforcement (whether through negotiations, legal proceedings or otherwise) of, or legal advice in respect of rights or responsibilities under, this Agreement, to the extent that the Agent is not reimbursed for such expenses by the Borrower. In the case of any investigation, litigation or proceeding giving rise to any Indemnified Costs, this Section 7.05 applies whether any such investigation, litigation or proceeding is brought by the Agent, any Lender or a third party.

SECTION 7.06. Successor Agent. The Agent may resign at any time by

giving written notice thereof to the Lenders and the Borrower and may be removed at any time with or without cause by the Required Lenders. Upon any such resignation or removal, the Required Lenders shall have the right to appoint a successor Agent, provided that, so long as no Default has occurred and is

continuing, the Borrower shall have the right to consent to such successor Agent (which consent shall not be unreasonably withheld or delayed) . If no successor Agent shall have been so appointed by the Required Lenders, and shall have accepted such appointment, within 30 days after the retiring Agent's giving of notice of resignation or the Required Lenders' removal of the retiring Agent, then the retiring Agent may, on behalf of the Lenders, appoint a successor Agent, which shall be a commercial bank organized under the laws of the United States of America or of any State thereof and having a combined capital and surplus of at least \$500,000,000. Upon the acceptance of any appointment as Agent hereunder by a successor Agent, such successor Agent shall thereupon succeed to and become vested with all the rights, powers, discretion, privileges and duties of the retiring Agent, and the retiring Agent shall be discharged from its duties and obligations under this Agreement. After any retiring Agent's resignation or removal hereunder as Agent, the provisions of this Article VII shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Agent under this Agreement.

SECTION 7.07. Other Agents. Each Lender hereby acknowledges that

neither any co-agent nor any other Lender designated as any "Agent" on the signature pages hereof has any liability hereunder other than in its capacity as a Lender.

ARTICLE VIII

MISCELLANEOUS

SECTION 8.01. Amendments, Etc. No amendment or waiver of any

provision of this Agreement or the Revolving Credit Notes, nor consent to any departure by the Borrower therefrom, shall in any event be effective unless the same shall be in writing and signed by the Required Lenders, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided, however, that no amendment, waiver

or consent shall, unless in writing and signed by all the Lenders, do any of the following: (a) waive any of the conditions specified in Section 3.01, (b) increase the Commitments of the Lenders or subject the Lenders to any additional obligations, (c) reduce the principal of, or interest on, the Revolving Credit Advances or any fees or other amounts payable hereunder, (d) postpone any date fixed for any payment of principal of, or interest on, the Revolving Credit Advances or any fees or other amounts payable hereunder, (e) change the percentage of the Commitments or of the aggregate unpaid principal amount of the Revolving Credit Advances, or the number of Lenders, that shall be required for the Lenders or any of them to take any action hereunder or (f) amend this Section 8.01; and provided further that no amendment, waiver or consent shall,

unless in writing and signed by the Agent in addition to the Lenders required above to take such action, affect the rights or duties of the Agent under this Agreement or any Note.

SECTION 8.02. Notices, Etc. All notices and other communications

provided for hereunder shall be in writing (including telecopier, telegraphic or telex communication) and mailed, telecopied, telegraphed, telexed or delivered, if to the Borrower, at its address at 521 West 57th Street, New York, New York 10019, Attention: Treasurer, with a copy to Corporate Secretary; if to any Initial Lender, at its Domestic Lending Office specified opposite its name on Schedule I hereto; if to any other Lender, at its Domestic Lending Office specified in the Assignment and Acceptance pursuant to which it became a Lender; and if to the Agent, at its address at Two Penns Way, New Castle, Delaware 19720, Attention: Bank Loan Syndications Department; or, as to the Borrower or the Agent, at such other address as shall be designated by such party in a written notice to the other parties and, as to each other party, at such other address as shall be designated by such party in a written notice to the Borrower and the Agent. All such notices and communications shall, when mailed, telecopied, telegraphed or telexed, be effective when deposited in the mails, telecopied, delivered to the telegraph company or confirmed by telex answerback, respectively, except that notices and communications to the Agent pursuant to Article II, III or VII shall not be effective until received by the Agent. Delivery by telecopier of an executed counterpart of any amendment or waiver of any provision of this Agreement or the Notes or of any Exhibit hereto to be executed and delivered hereunder shall be effective as delivery of a manually executed counterpart thereof.

SECTION 8.03. No Waiver; Remedies. No failure on the part of any

Lender or the Agent to exercise, and no delay in exercising, any right hereunder or under any Note shall operate as a waiver thereof; nor shall any single or partial exercise of any such right preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

SECTION 8.04. Costs and Expenses. (a) The Borrower agrees to pay on

demand all costs and expenses of the Agent in connection with the preparation, execution, delivery, administration, modification and amendment of this Agreement, the Notes and the other documents to be delivered hereunder, including, without limitation, (A) all due diligence, syndication (including printing, distribution and bank meetings), transportation, computer, duplication, appraisal, consultant, and audit expenses and (B) the reasonable fees and expenses of counsel for the Agent with respect thereto and with respect to advising the Agent as to its rights and responsibilities under this Agreement. The Borrower further agrees to pay on demand all costs and expenses of the Agent and the Lenders, if any (including, without limitation, reasonable counsel fees and expenses), in connection with the enforcement (whether through negotiations, legal proceedings or otherwise) of this Agreement, the Notes and the other documents to be delivered hereunder, including, without limitation, reasonable fees and expenses of counsel for the Agent and each Lender in connection with the enforcement of rights under this Section 8.04(a), provided

that in the case of any enforcement of this Agreement, the Notes and the other documents to be delivered hereunder, the Agent and the Lenders shall retain one counsel at the expense of the Borrower, provided, further, that if there exists

or is reasonably likely to exist a conflict of interest that would make it inappropriate for the same counsel to represent all the Lenders, then each Lender with such a conflict of interest shall be entitled to retain its own counsel at the expense of the Borrower.

(b) The Borrower agrees to indemnify and hold harmless the Agent and each Lender and each of their Affiliates and their officers, directors, employees, agents and advisors (each, an "Indemnified Party") from and against

any and all claims, damages, losses, liabilities and expenses (including, without limitation, reasonable fees and expenses of counsel) incurred by or asserted or awarded against any Indemnified Party, in each case arising out of or in connection with or by reason of (including, without limitation, in connection with any investigation, litigation or proceeding or preparation of a defense in connection therewith) (i) the Notes, this Agreement, any of the transactions contemplated herein or the actual or proposed use of the proceeds of the Advances or (ii) the actual or alleged presence of Hazardous Materials on any property of the Borrower or any of its Subsidiaries or any Environmental Action relating in any way to the Borrower or any of its Subsidiaries, except to the extent such claim, damage, loss, liability or expense is found in a final, non-appealable judgment by a court of competent jurisdiction to have resulted from such Indemnified Party's gross negligence or willful misconduct. In the case of an investigation, litigation or other proceeding to which the indemnity in this Section 8.04(b) applies, such indemnity shall be effective whether or not such investigation, litigation or proceeding is brought by the Borrower, its directors, shareholders or creditors or an Indemnified Party or any other Person or any Indemnified Party is otherwise a party thereto and whether or not the transactions contemplated hereby are consummated. The Borrower also agrees not to assert any claim for special, indirect, consequential or punitive damages against the Agent, any Lender, any of their Affiliates, or any of their respective directors, officers, employees, attorneys and agents, and the Agent and each Lender agrees not to assert any claim for special, indirect, consequential or punitive damages against the Borrower, any of its Affiliates, or any of their respective directors, officers, employees, attorneys and agents, on any theory of liability arising out of or otherwise relating to the Notes, this Agreement, any of the transactions contemplated herein or the actual or proposed use of the proceeds of the Advances.

(c) If any payment of principal of, or Conversion of, any Eurodollar Rate Advance, LIBO Rate Advance is made by the Borrower to or for the account of a Lender other than on the last day of the Interest Period for such Advance, as a result of a payment or Conversion pursuant to Section 2.08(d) or (e), 2.10 or 2.12, acceleration of the maturity of the Notes pursuant to Section 6.01 or for any other reason or by an Eligible Assignee to a Lender other than on the last day of the Interest Period for such Advance upon an assignment of rights and obligations under this Agreement pursuant to Section 8.07 as a result of a demand by the Borrower pursuant to Section 8.07(a), the Borrower shall, upon demand by such Lender (with a copy of such demand to the Agent), pay to the Agent for the account of such Lender any amounts required to compensate such Lender for any additional losses, costs or expenses that it may reasonably incur as a result of such payment or Conversion, including, without limitation, any loss (excluding loss of anticipated profits), cost or expense incurred by reason of the liquidation or reemployment of deposits or other funds acquired by any Lender to fund or maintain such Advance.

(d) Without prejudice to the survival of any other agreement of the Borrower hereunder, the agreements and obligations of the Borrower contained in Sections 2.11, 2.14 and 8.04 shall survive the payment in full of principal, interest and all other amounts payable hereunder and under the Notes.

SECTION 8.05. Right of Set-off-. Upon (i) the occurrence and during

the continuance of any Event of Default and (ii) the making of the request or the granting of the consent specified by Section 6.01 to authorize the Agent to declare the Notes due and payable pursuant to the provisions of Section 6.01, each Lender and each of its Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other indebtedness at any time owing by such Lender or such Affiliate to or for the credit or the account of the Borrower against any and all of the obligations of the Borrower now or hereafter existing under this Agreement and the Note held by such Lender, whether or not such Lender shall have made any demand under this Agreement or such Note and although such obligations may be unmaturred. Each Lender agrees promptly to notify the Borrower after any such set-off and application, provided that the failure to

give such notice shall not affect the validity of such set-off and application. The rights of each Lender and its Affiliates under this Section are in addition to other rights and remedies (including, without limitation, other rights of set-off) that such Lender and its Affiliates may have.

SECTION 8.06. Binding Effect. This Agreement shall become effective

(other than Sections 2.01 and 2.03, which shall only become effective upon satisfaction of the conditions precedent set forth in Section 3.01) when it shall have been executed by the Borrower and the Agent and when the Agent shall have been notified by each Initial Lender that such Initial Lender has executed it and thereafter shall be binding upon and inure to the benefit of the Borrower, the Agent and each Lender and their respective successors and assigns, except that the Borrower shall not have the right to assign its rights hereunder or any interest herein without the prior written consent of the Lenders.

SECTION 8.07. Assignments and Participations. (a) Each Lender may

and, if demanded by the Borrower (following a demand by such Lender pursuant to Section 2.11 or 2.14 or a notification by such Lender pursuant to Section 2.12) upon at least five Business Days' notice to such Lender and the Agent, will assign to one or more Persons all or a portion of its rights and obligations under this Agreement (including, without limitation, all or a portion of its Commitment, the Revolving Credit Advances owing to it and the Revolving Credit Note or Notes held by it); provided, however, that (i) each such assignment

shall be of a constant, and not a varying, percentage of all rights and obligations under this Agreement (other than any right to make Competitive Bid Advances, Competitive Bid Advances owing to it and Competitive Bid Notes), (ii) except in the case of an assignment to a Person that, immediately prior to such assignment, was a Lender or an assignment of all of a Lender's rights and obligations under this Agreement, the amount of the Commitment of the assigning Lender being assigned pursuant to each such assignment (determined as of the date of the Assignment and Acceptance with respect to such assignment) shall in no event be less than \$10,000,000 or an integral multiple of \$1,000,000 in excess thereof, (iii) each such assignment shall be to an Eligible Assignee, (iv) each such assignment made as a result of a demand by the Borrower pursuant to this Section 8.07(a) shall be arranged by the Borrower after consultation with the Agent and shall be either an assignment of all of the rights and obligations of the assigning Lender under this Agreement or an assignment of a portion of such rights and obligations made concurrently with another such assignment or other such assignments that together cover all of the rights and obligations of the assigning Lender under this Agreement, (v) no Lender shall be obligated to make any such assignment as a result of a demand by the Borrower pursuant to this Section 8.07(a) unless and until such Lender shall have received one or more payments from either the Borrower or one or more Eligible Assignees in an aggregate amount at least equal to the aggregate outstanding principal amount of the Advances owing to such Lender, together with accrued interest thereon to the date of payment of such principal amount and all other amounts payable to such Lender under this Agreement, and (vi) the parties to each such assignment shall execute and deliver to the Agent, for its acceptance and recording in the Register, an Assignment and Acceptance, together with any Revolving Credit Note subject to such assignment and a processing and recordation fee of \$3,500. Upon such execution, delivery, acceptance and recording, from and after the effective date specified in each Assignment and Acceptance, (x) the assignee thereunder shall be a party hereto and, to the extent that rights and obligations hereunder have been assigned to it pursuant to such Assignment and Acceptance, have the rights and obligations of a Lender hereunder and (y) the Lender assignor thereunder shall, to the extent that rights and obligations hereunder have been assigned by it pursuant to such Assignment and Acceptance, relinquish its rights and be released from its obligations under this Agreement (and, in the case of an

Assignment and Acceptance covering all or the remaining portion of an assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto).

(b) By executing and delivering an Assignment and Acceptance, the Lender assignor thereunder and the assignee thereunder confirm to and agree with each other and the other parties hereto as follows: (i) other than as provided in such Assignment and Acceptance, such assigning Lender makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with this Agreement or the execution, legality, validity, enforceability, genuineness, sufficiency or value of this Agreement or any other instrument or document furnished pursuant hereto; (ii) such assigning Lender makes no representation or warranty and assumes no responsibility with respect to the financial condition of the Borrower or the performance or observance by the Borrower of any of its obligations under this Agreement or any other instrument or document furnished pursuant hereto; (iii) such assignee confirms that it has received a copy of this Agreement, together with copies of the financial statements referred to in Section 4.01 and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into such Assignment and Acceptance; (iv) such assignee will, independently and without reliance upon the Agent, such assigning Lender or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement; (v) such assignee confirms that it is an Eligible Assignee; (vi) such assignee appoints and authorizes the Agent to take such action as agent on its behalf and to exercise such powers and discretion under this Agreement as are delegated to the Agent by the terms hereof, together with such powers and discretion as are reasonably incidental thereto; and (vii) such assignee agrees that it will perform in accordance with their terms all of the obligations that by the terms of this Agreement are required to be performed by it as a Lender.

(c) Upon its receipt of an Assignment and Acceptance executed by an assigning Lender and an assignee representing that it is an Eligible Assignee, together with any Revolving Credit Note or Notes subject to such assignment, the Agent shall, if such Assignment and Acceptance has been completed and is in substantially the form of Exhibit C hereto, (i) accept such Assignment and Acceptance, (ii) record the information contained therein in the Register and (iii) give prompt notice thereof to the Borrower.

(d) The Agent shall maintain at its address referred to in Section 8.02 a copy of each Assignment and Acceptance delivered to and accepted by it and a register for the recordation of the names and addresses of the Lenders and the Commitment of, and principal amount of the Advances owing to, each Lender from time to time (the "Register"). The entries in the Register shall be

conclusive and binding for all purposes, absent manifest error, and the Borrower, the Agent and the Lenders may treat each Person whose name is recorded in the Register as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by the Borrower or any Lender at any reasonable time and from time to time upon reasonable prior notice.

(e) Each Lender may sell participations to one or more banks or other entities (other than the Borrower or any of its Affiliates) in or to all or a portion of its rights and obligations under this Agreement (including, without limitation, all or a portion of its Commitment, the Advances owing to it and any Note or Notes held by it); provided, however, that (i) such Lender's

obligations under this Agreement (including, without limitation, its Commitment to the Borrower hereunder) shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, (iii) such Lender shall remain the holder of any such Note for all purposes of this Agreement, (iv) the Borrower, the Agent and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement and (v) no participant under any such participation shall have any right to approve any amendment or waiver of any provision of this Agreement or any Note, or any consent to any departure by the Borrower therefrom, except to the extent that such amendment, waiver or consent would reduce the principal of, or interest on, the Notes or any fees or other amounts payable hereunder, in each case to the extent subject to such participation, or postpone any date fixed for any payment of principal of, or interest on, the Notes or any fees or other amounts payable hereunder, in each case to the extent subject to such participation.

(f) Any Lender may, in connection with any assignment or participation or proposed assignment or participation pursuant to this Section 8.07, disclose to the assignee or participant or proposed assignee or participant, any information relating to the Borrower furnished to such Lender by or on behalf of the Borrower; provided that, prior to any such disclosure,

the assignee or participant or proposed assignee or participant shall agree

to preserve the confidentiality of any Confidential Information relating to the Borrower received by it from such Lender.

(g) Notwithstanding any other provision set forth in this Agreement, any Lender may at any time create a security interest in all or any portion of its rights under this Agreement (including, without limitation, the Advances owing to it and any Note or Notes held by it) in favor of any Federal Reserve Bank in accordance with Regulation A of the Board of Governors of the Federal Reserve System.

SECTION 8.08. Confidentiality. Neither the Agent nor any Lender

shall disclose any Confidential Information to any other Person without the consent of the Borrower, other than (a) to the Agent's or such Lender's Affiliates and their officers, directors, employees, agents and advisors and, as contemplated by Section 8.07(f), to actual or prospective assignees and participants, and then only on a confidential basis, (b) as required by any law, rule or regulation or judicial process and (c) as requested or required by any state, federal or foreign authority or examiner regulating banks or banking.

SECTION 8.09. Governing Law. This Agreement and the Notes shall be

governed by, and construed in accordance with, the laws of the State of New York.

SECTION 8.10. Execution in Counterparts. This Agreement may be

executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement by telecopier shall be effective as delivery of a manually executed counterpart of this Agreement.

SECTION 8.11. Jurisdiction, Etc. (a) Each of the parties hereto

hereby irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of any New York State court or federal court of the United States of America sitting in New York City, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement or the Notes, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in any such New York State court or, to the extent permitted by law, in such federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement shall affect any right that any party may otherwise have to bring any action or proceeding relating to this Agreement or the Notes in the courts of any jurisdiction.

(b) Each of the parties hereto irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection that it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement or the Notes in any New York State or federal court. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

SECTION 8.12. Integration. This Agreement and the commitment letter

dated September 21, 2000 among the Borrower, Citibank, N.A. and Salomon Smith Barney Inc. constitute the entire contract among the parties relating to the subject matter hereof and supersedes any and all previous arrangements and understandings, oral or written, relating to the subject matter hereof.

SECTION 8.13. WAIVER OF JURY TRIAL. EACH OF THE BORROWER, THE AGENT

AND THE LENDERS HEREBY IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE NOTES OR THE ACTIONS OF THE AGENT OR ANY LENDER IN THE NEGOTIATION, ADMINISTRATION, PERFORMANCE OR ENFORCEMENT THEREOF.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed by their respective officers thereunto duly authorized, as of the date first above written.

INTERNATIONAL FLAVORS & FRAGRANCES INC.

By _____
Title:

CITIBANK, N.A.,
as Agent

By _____
Title:

Initial Lenders

Administrative Agent and Book Manager

Commitment

\$75,000,000

CITIBANK, N.A.

By _____
Title:

Syndication Agents

\$75,000,000

BANK OF TOKYO-MITSUBISHI TRUST COMPANY

By _____
Title:

\$75,000,000

FIRST UNION NATIONAL BANK

By _____
Title:

Co-Agents

\$60,000,000

BANK ONE, NA

By _____
Title:

\$60,0000,000

FORTIS (USA) FINANCE LLC

By _____
Title:

By _____
Title:

Lenders

\$50,000,000

ABN AMRO BANK, N.V.

By _____
Title:

\$50,000,000

FLEET NATIONAL BANK

By _____
Title:

\$50,000,000

FUJI BANK

By _____
Title:

\$40,000,000

BANK HAPOALIM

By _____
Title:

\$25,000,000	BANCA COMMERCIALE ITALIANA-NEW YORK BRANCH
	By _____
	Title: _____
\$25,000,000	BNP PARIBAS
	By _____
	Title: _____
	By _____
	Title: _____
\$25,000,000	MELLON BANK
	By _____
	Title: _____
\$25,000,000	SANWA BANK
	By _____
	Title: _____
\$15,000,000	UNICREDITO ITALIANO SPA
	By _____
	Title: _____
\$650,000,000	Total of the Commitments

SCHEDULE I
INTERNATIONAL FLAVORS & FRAGRANCES INC.
364-DAY CREDIT AGREEMENT
APPLICABLE LENDING OFFICES

Name of Initial Lender	Domestic Lending Office	Eurodollar Lending Office
ABN AMRO BANK, N.V.	208 South LaSalle, Suite 1500 Chicago, IL 60604-1003 Attn: Loan Administration T: 312 992-5151 F: 312 992-5156	208 South LaSalle, Suite 1500 Chicago, IL 60604-1003 Attn: Loan Administration T: 312 992-5151 F: 312 992-5156
BANCA COMMERCIALE ITALIANA-NEW YORK BRANCH	One William Street New York, NY 10004 Attn: Frank Maffei T: 212 607-3880 F: 212 809-2124	One William Street New York, NY 10004 Attn: Frank Maffei T: 212 607-3880 F: 212 809-2124
BANK HAPOALIM	1177 Avenue of the Americas New York, NY 10016 Attn: James Surlless T: 212 782-2178 F: 212 782-2187	1177 Avenue of the Americas New York, NY 10016 Attn: James Surlless T: 212 782-2178 F: 212 782-2187
BANK OF TOKYO-MITSUBISHI TRUST COMPANY	1251 Avenue of the Americas 12/th/ Floor New York, NY 10020 Attn: Rolando Uy T: 212 782-5637 F: 212 782-5635	1251 Avenue of the Americas 12/th/ Floor New York, NY 10020 Attn: Rolando Uy T: 212 782-5637 F: 212 782-5635
BANK ONE, NA	1 Bank One Plaza Chicago, IL 60670 Attn: Gloria Steinbrenner T: 312 732-5714 F: 312 732-4840	1 Bank One Plaza Chicago, IL 60670 Attn: Gloria Steinbrenner T: 312 732-5714 F: 312 732-4840
BNP PARIBAS	787 Seventh Avenue New York, NY 10019 Attn: Sophie Kaufman T: 212 841-2661 F: 212 841-3049	787 Seventh Avenue New York, NY 10019 Attn: Sophie Kaufman T: 212 841-2661 F: 212 841-3049
CITIBANK, N.A.	Two Penns Way New Castle, DE 19720 Attn: Meaghan McCormack T: 302 894-6017 F: 302 894-6120	Two Penns Way New Castle, DE 19720 Attn: Meaghan McCormack T: 302 894-6017 F: 302 894-6120
FIRST UNION NATIONAL BANK	50 Main Street, 11/th/ Floor White Plains, NY 10606 Attn: Barbara Darling T: 914 286-5035 F: 914 681-8755	50 Main Street, 11/th/ Floor White Plains, NY 10606 Attn: Barbara Darling T: 914 286-5035 F: 914 681-8755
FLEET NATIONAL BANK	100 Federal Street Boston, MA 02110 Attn: Cecilia Martinez T: 617 434-4796 F: 617 434-0800	100 Federal Street Boston, MA 02110 Attn: Cecilia Martinez T: 617 434-4796 F: 617 434-0800

FORTIS (USA) FINANCE LLC

520 Madison Avenue
New York, NY 10022
Attn: Stephane Garceau
T: 212 418-8748
F: 212 750-9503

520 Madison Avenue
New York, NY 10022
Attn: Stephane Garceau
T: 212 418-8748
F: 212 750-9503

FUJI BANK

Two World Trade Center
New York, NY 10048
Attn: Tina Catapano
T: 212 898-2099
F: 212 898-8216

Two World Trade Center
New York, NY 10048
Attn: Tina Catapano
T: 212 898-2099
F: 212 898-8216

MELLON BANK

3 Mellon Bank Center, 12/th/ Floor
Pittsburgh, PA 15259
Attn: Sannford Richards
T: 412 234-8285
F: 412 209-6118

3 Mellon Bank Center, 12/th/ Floor
Pittsburgh, PA 15259
Attn: Sannford Richards
T: 412 234-8285
F: 412 209-6118

SANWA BANK

55 East 52/nd/ Street
New York, NY 10055
Attn: Marlin Chin
T: 212 339-6392
F: 212 754-2368

55 East 52/nd/ Street
New York, NY 10055
Attn: Marlin Chin
T: 212 339-6392
F: 212 754-2368

UNICREDITO ITALIANO SPA

375 Park Avenue
New York, NY 10152
Attn: Charles Michael
T: 212 546-9604
F: 212 546-9665

375 Park Avenue
New York, NY 10152
Attn: Charles Michael
T: 212 546-9604
F: 212 546-9665

EXHIBIT A-1 - FORM OF
REVOLVING CREDIT
PROMISSORY NOTE

U.S.\$ _____ Dated: _____, 200_

FOR VALUE RECEIVED, the undersigned, INTERNATIONAL FLAVORS & FRAGRANCES INC., a New York corporation (the "Borrower"), HEREBY PROMISES TO PAY to the

order of _____ (the "Lender") for the account of its Applicable Lending

Office on the Termination Date (each as defined in the Credit Agreement referred to below) the principal sum of U.S.\$[amount of the Lender's Commitment in figures] or, if less, the aggregate principal amount of the Revolving Credit Advances made by the Lender to the Borrower pursuant to the 364-Day Credit Agreement dated as of November 28, 2000 among the Borrower, the Lender and certain other lenders parties thereto, and Citibank, N.A. as Agent for the Lender and such other lenders (as amended or modified from time to time, the "Credit Agreement"; the terms defined therein being used herein as therein

defined) outstanding on the Termination Date.

The Borrower promises to pay interest on the unpaid principal amount of each Revolving Credit Advance from the date of such Revolving Credit Advance until such principal amount is paid in full, at such interest rates, and payable at such times, as are specified in the Credit Agreement.

Both principal and interest are payable in lawful money of the United States of America to Citibank, as Agent, at 399 Park Avenue, New York, New York 10043, in same day funds. Each Revolving Credit Advance owing to the Lender by the Borrower pursuant to the Credit Agreement, and all payments made on account of principal thereof, shall be recorded by the Lender and, prior to any transfer hereof, endorsed on the grid attached hereto which is part of this Promissory Note.

This Promissory Note is one of the Revolving Credit Notes referred to in, and is entitled to the benefits of, the Credit Agreement. The Credit Agreement, among other things, (i) provides for the making of Revolving Credit Advances by the Lender to the Borrower from time to time in an aggregate amount not to exceed at any time outstanding the U.S. dollar amount first above mentioned, the indebtedness of the Borrower resulting from each such Revolving Credit Advance being evidenced by this Promissory Note and (ii) contains provisions for acceleration of the maturity hereof upon the happening of certain stated events and also for prepayments on account of principal hereof prior to the maturity hereof upon the terms and conditions therein specified.

INTERNATIONAL FLAVORS & FRAGRANCES INC.

By _____
Title:

EXHIBIT A-2 - FORM OF
COMPETITIVE BID
PROMISSORY NOTE

U.S.\$ _____ Dated: _____, 200_

FOR VALUE RECEIVED, the undersigned, INTERNATIONAL FLAVORS & FRAGRANCES INC., a New York corporation (the "Borrower"), HEREBY PROMISES TO PAY to the

order of _____ (the "Lender") for the account of its Applicable Lending

Office (as defined in the 364-Day Credit Agreement dated as of November 28, 2000 among the Borrower, the Lender and certain other lenders parties thereto, and Citibank, N.A., as Agent for the Lender and such other lenders (as amended or modified from time to time, the "Credit Agreement"; the terms defined therein

being used herein as therein defined)), on _____, 200_, the principal amount of U.S.\$ _____.

The Borrower promises to pay interest on the unpaid principal amount hereof from the date hereof until such principal amount is paid in full, at the interest rate and payable on the interest payment date or dates provided below:

Interest Rate: _____% per annum (calculated on the basis of a year of _____ days for the actual number of days elapsed).

Both principal and interest are payable in lawful money of the United States to Citibank, as agent, for the account of the Lender at the office of Citibank at 399 Park Avenue, New York, New York 10043 in same day funds.

This Promissory Note is one of the Competitive Bid Notes referred to in, and is entitled to the benefits of, the Credit Agreement. The Credit Agreement, among other things, contains provisions for acceleration of the maturity hereof upon the happening of certain stated events.

The Borrower hereby waives presentment, demand, protest and notice of any kind. No failure to exercise, and no delay in exercising, any rights hereunder on the part of the holder hereof shall operate as a waiver of such rights.

This Promissory Note shall be governed by, and construed in accordance with, the laws of the State of New York.

INTERNATIONAL FLAVORS & FRAGRANCES INC.

By _____
Title:

EXHIBIT B-1 - FORM OF NOTICE OF
REVOLVING CREDIT BORROWING

Citibank, N.A., as Agent
for the Lenders parties
to the Credit Agreement
referred to below
Two Penns Way
New Castle, Delaware 19720

[Date]

Attention: Bank Loan Syndications Department

Ladies and Gentlemen:

The undersigned, International Flavors & Fragrances Inc., refers to the 364-Day Credit Agreement, dated as of November 28, 2000 (as amended or modified from time to time, the "Credit Agreement", the terms defined therein

being used herein as therein defined), among the undersigned, certain Lenders parties thereto and Citibank, N.A., as Agent for said Lenders, and hereby gives you notice, irrevocably, pursuant to Section 2.02 of the Credit Agreement that the undersigned hereby requests a Revolving Credit Borrowing under the Credit Agreement, and in that connection sets forth below the information relating to such Revolving Credit Borrowing (the "Proposed Revolving Credit Borrowing") as

required by Section 2.02(a) of the Credit Agreement:

(i) The Business Day of the Proposed Revolving Credit Borrowing is _____, 200_.

(ii) The Type of Advances comprising the Proposed Revolving Credit Borrowing is [Base Rate Advances] [Eurodollar Rate Advances].

(iii) The aggregate amount of the Proposed Revolving Credit Borrowing is \$_____.

[(iv) The initial Interest Period for each Eurodollar Rate Advance made as part of the Proposed Revolving Credit Borrowing is _____ month[s].]

The undersigned hereby certifies that the following statements are true on the date hereof, and will be true on the date of the Proposed Revolving Credit Borrowing:

(A) the representations and warranties contained in Section 4.01 of the Credit Agreement (except the representations set forth in the last sentence of subsection (e) thereof and in subsection (f)(i) thereof) are correct, before and after giving effect to the Proposed Revolving Credit Borrowing and to the application of the proceeds therefrom, as though made on and as of such date; and

(B) no event has occurred and is continuing, or would result from such Proposed Revolving Credit Borrowing or from the application of the proceeds therefrom, that constitutes a Default.

Very truly yours,

INTERNATIONAL FLAVORS & FRAGRANCES INC.

By _____
Title:

EXHIBIT B-2 - FORM OF NOTICE OF
COMPETITIVE BID BORROWING

Citibank, N.A., as Agent
for the Lenders parties
to the Credit Agreement
referred to below
Two Penns Way
New Castle, Delaware 19720

[Date]

Attention: Bank Loan Syndications Department

Ladies and Gentlemen:

The undersigned, International Flavors & Fragrances Inc., refers to the
364-Day Credit Agreement, dated as of November 28, 2000 (as amended or modified
from time to time, the "Credit Agreement", the terms defined therein being used

herein as therein defined), among the undersigned, certain Lenders parties
thereto and Citibank, N.A., as Agent for said Lenders, and hereby gives you
notice, irrevocably, pursuant to Section 2.03 of the Credit Agreement that the
undersigned hereby requests a Competitive Bid Borrowing under the Credit
Agreement, and in that connection sets forth the terms on which such Competitive
Bid Borrowing (the "Proposed Competitive Bid Borrowing") is requested to be

made:

- (A) Date of Competitive Bid Borrowing _____
- (B) Amount of Competitive Bid Borrowing _____
- (C) [Maturity Date] [Interest Period] _____
- (D) Interest Rate Basis _____
- (E) Interest Payment Date(s) _____
- (F) _____

The undersigned hereby certifies that the following statements are true on
the date hereof, and will be true on the date of the Proposed Competitive Bid
Borrowing:

- (a) the representations and warranties contained in Section 4.01 are correct,
before and after giving effect to the Proposed Competitive Bid Borrowing and to
the application of the proceeds therefrom, as though made on and as of such
date;
- (b) no event has occurred and is continuing, or would result from the
Proposed Competitive Bid Borrowing or from the application of the proceeds
therefrom, that constitutes a Default;
- (c) no event has occurred and no circumstance exists as a result of which the
information concerning the undersigned that has been provided to the Agent and
each Lender by the undersigned in connection with the Credit Agreement would
include an untrue statement of a material fact or omit to state any material
fact or any fact necessary to make the statements contained therein, in the
light of the circumstances under which they were made, not misleading; and
- (d) the aggregate amount of the Proposed Competitive Bid Borrowing and all
other Borrowings to be made on the same day under the Credit Agreement is within
the aggregate amount of the unused Commitments of the Lenders.

The undersigned hereby confirms that the Proposed Competitive Bid Borrowing is to be made available to it in accordance with Section 2.03(a)(v) of the Credit Agreement.

Very truly yours,

INTERNATIONAL FLAVORS & FRAGRANCES INC.

By _____
Title:

EXHIBIT C - FORM OF
ASSIGNMENT AND ACCEPTANCE

Reference is made to the 364-Day Credit Agreement dated as of November 28, 2000 (as amended or modified from time to time, the "Credit Agreement") among

International Flavors & Fragrances Inc., a New York corporation (the "Borrower"), the Lenders (as defined in the Credit Agreement) and Citibank,

N.A., as agent for the Lenders (the "Agent"). Terms defined in the Credit Agreement are used herein with the same meaning.

The "Assignor" and the "Assignee" referred to on Schedule I hereto agree as follows:

1. The Assignor hereby sells and assigns to the Assignee, and the Assignee hereby purchases and assumes from the Assignor, an interest in and to the Assignor's rights and obligations under the Credit Agreement as of the date hereof (other than in respect of Competitive Bid Advances and Competitive Bid Notes) equal to the percentage interest specified on Schedule 1 hereto of all outstanding rights and obligations under the Credit Agreement (other than in respect of Competitive Bid Advances and Competitive Bid Notes). After giving effect to such sale and assignment, the Assignee's Commitment and the amount of the Revolving Credit Advances owing to the Assignee will be as set forth on Schedule 1 hereto.

2. The Assignor (i) represents and warrants that it is the legal and beneficial owner of the interest being assigned by it hereunder and that such interest is free and clear of any adverse claim; (ii) makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with the Credit Agreement or the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Credit Agreement or any other instrument or document furnished pursuant thereto; (iii) makes no representation or warranty and assumes no responsibility with respect to the financial condition of the Borrower or the performance or observance by the Borrower of any of its obligations under the Credit Agreement or any other instrument or document furnished pursuant thereto; and (iv) attaches the Revolving Credit Note, if any held by the Assignor.

3. The Assignee (i) confirms that it has received a copy of the Credit Agreement, together with copies of the financial statements referred to in Section 4.01 thereof and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Acceptance; (ii) agrees that it will, independently and without reliance upon the Agent, the Assignor or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Credit Agreement; (iii) confirms that it is an Eligible Assignee; (iv) appoints and authorizes the Agent to take such action as agent on its behalf and to exercise such powers and discretion under the Credit Agreement as are delegated to the Agent by the terms thereof, together with such powers and discretion as are reasonably incidental thereto; (v) agrees that it will perform in accordance with their terms all of the obligations that by the terms of the Credit Agreement are required to be performed by it as a Lender; and (vi) attaches any U.S. Internal Revenue Service forms required under Section 2.14 of the Credit Agreement.

4. Following the execution of this Assignment and Acceptance, it will be delivered to the Agent for acceptance and recording by the Agent. The effective date for this Assignment and Acceptance (the "Effective Date") shall be the date

of acceptance hereof by the Agent, unless otherwise specified on Schedule 1 hereto.

5. Upon such acceptance and recording by the Agent, as of the Effective Date, (i) the Assignee shall be a party to the Credit Agreement and, to the extent provided in this Assignment and Acceptance, have the rights and obligations of a Lender thereunder and (ii) the Assignor shall, to the extent provided in this Assignment and Acceptance, relinquish its rights and be released from its obligations under the Credit Agreement.

6. Upon such acceptance and recording by the Agent, from and after the Effective Date, the Agent shall make all payments under the Credit Agreement and the Revolving Credit Notes in respect of the interest assigned hereby (including, without limitation, all payments of principal, interest and facility fees with respect thereto) to the Assignee. The Assignor and Assignee shall make all appropriate adjustments in payments under the

Credit Agreement and the Revolving Credit Notes for periods prior to the Effective Date directly between themselves.

7. This Assignment and Acceptance shall be governed by, and construed in accordance with, the laws of the State of New York.

8. This Assignment and Acceptance may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of Schedule 1 to this Assignment and Acceptance by telecopier shall be effective as delivery of a manually executed counterpart of this Assignment and Acceptance.

IN WITNESS WHEREOF, the Assignor and the Assignee have caused Schedule 1 to this Assignment and Acceptance to be executed by their officers thereunto duly authorized as of the date specified thereon.

Schedule 1
to
Assignment and Acceptance

Percentage interest assigned: _____%

Assignee's Commitment: \$ _____

Aggregate outstanding principal amount of Revolving Credit
Advances assigned: \$ _____

Principal amount of Revolving Credit Note payable to Assignee: \$ _____

Principal amount of Revolving Credit Note payable to Assignor: \$ _____

Effective Date*: _____, 200_

[NAME OF ASSIGNOR], as Assignor

By _____
Title:

Dated: _____, 200_

[NAME OF ASSIGNEE], as Assignee

By _____
Title:

Dated: _____, 200_

Domestic Lending Office:
[Address]

Eurodollar Lending Office:
[Address]

Accepted [and Approved] this
_____ day of _____, 200_

CITIBANK, N.A., as Agent

By _____
Title:

[Approved this _____ day

* This date should be no earlier than five Business Days after the delivery of
this Assignment and Acceptance to the Agent.

of _____, 200_

INTERNATIONAL FLAVORS & FRAGRANCES INC.

By _____]*
Title

* Required if the Assignee is an Eligible Assignee solely by reason of clause (iii) of the definition of "Eligible Assignee".

Exhibit 10(w)

EXHIBIT D - FORM OF
OPINION OF COUNSEL
FOR THE BORROWER

This Exhibit consists of the following as they appear in Registrant's 2000 Annual Report:

Management's Discussion and Analysis of
Results of Operations and Financial Condition
Quarterly Financial Data
Report of Independent Accountants
Consolidated Statements of Income and
Retained Earnings
Consolidated Balance Sheet
Consolidated Statement of Cash Flows
Notes to Consolidated Financial Statements
Five-Year Summary

Management's Discussion and Analysis of Results of Operations and Financial Condition
 International Flavors & Fragrances Inc.
 (All dollars in millions except per share amounts)

Operations

The Company acquired Bush Boake Allen ("BBA"), effective November 3, 2000, and the BBA operating results are included in the Company's consolidated results from that date. Consolidated sales as reported and pro-forma sales for IFF and BBA combined for 2000, 1999 and 1998 were as follows:

Consolidated sales as reported	2000	Percent Change	1999	Percent Change	1998
Flavors	\$ 597.7	1%	\$ 590.3	1%	\$ 587.2
Fragrances	865.1	2%	849.2	4%	820.1
Total net sales	\$1,462.8	2%	\$1,439.5	2%	\$1,407.3

Pro-forma sales	2000	Percent Change	1999	Percent Change	1998
Flavors	\$ 846.7	(4%)	\$ 879.0	2%	\$ 865.2
Fragrances	1,033.9	(2%)	1,052.4	3%	1,022.1
Total net sales	\$1,880.6	(3%)	\$1,931.4	2%	\$1,887.3

Excluding BBA, 2000 flavor, fragrance and worldwide net sales were \$558.6, \$838.3 and \$1,396.9, respectively.

Sales outside the United States represented approximately 70% of total sales in 2000, 1999 and 1998. The following table shows sales on a geographic basis, including BBA from date of acquisition:

Sales by Destination	2000	Percent Change	1999	Percent Change	1998
North America	\$ 455.4	1%	\$ 452.6	1%	\$ 448.9
Europe, Africa and the Middle East (EAME)	551.8	(2%)	565.2	1%	556.9
Latin America	234.9	1%	232.9	(3%)	239.4
Asia-Pacific	220.7	17%	188.8	16%	162.1
Total net sales	\$1,462.8	2%	\$1,439.5	2%	\$1,407.3

Excluding BBA, 2000 sales by destination and related comparison to 1999 were: North America \$433.1 (4% decline), EAME \$524.0 (7% decline), Latin America \$231.3 (1% decline) and Asia-Pacific \$208.5 (10% increase).

During 2000, excluding BBA, the Company's sales declined 3% in comparison to 1999. Reported sales were unfavorably impacted by the continuing strong U.S. dollar, most notably against the Euro and the major Western European currencies; had dollar exchange rates remained the same during 2000 and 1999, reported sales would have been approximately 5% higher. Local currency growth in fragrances was strongest in Asia-Pacific and EAME, with sales gains of 8% and 7%, respectively. North American fragrance sales increased 3% for the year, while Latin America sales declined 2%, reflecting the slow economic environment in much of that region. Flavor sales, in local currency, were also strongest in Asia-Pacific and EAME, with respective increases of 9% and 4%. Flavor sales in Latin America grew 2% from the prior year, while North America flavor sales were down 12% for the year; the North America performance reflected the continued slow business conditions facing many of the Company's customers in the region.

During 1999, sales growth was strongest in EAME fragrances and in Asia-Pacific in flavors and fragrances. Local currency sales in Asia-Pacific increased 12% for the year, as that region continued its economic recovery. Local currency sales growth in EAME fragrances totaled 6% for the year. Latin America flavor sales declined 11% as a result of the currency and economic conditions in the region, most notably in Brazil, the Company's largest flavor market in the area. In 1999, reported sales were unfavorably impacted by the continued strength of the U.S. dollar, principally against the European currencies; if dollar exchange rates had remained the same during 1999 and 1998, consolidated sales would have been approximately 1% higher than reported.

Although the Company's reported sales and earnings are affected by the weakening or strengthening of the U.S. dollar, this has no long-term effect on the underlying strength of our business.

The percentage relationship of cost of goods sold and other operating expenses to sales on an as reported basis was as follows:

	2000	1999	1998
Cost of goods sold	56.9%	56.0%	55.3%

Research and development expenses	7.7%	7.2%	7.0%
Selling and administrative expenses	17.7%	17.2%	15.9%
	-----	-----	-----

The above table reflects the reclassification of shipping and handling costs from Selling expense to Cost of goods sold in accordance with guidance established by Emerging Issues Task

Force Issue No. 00-10, "Accounting for Shipping and Handling Fees and Costs." The amounts reclassified were \$15.1 in 2000, \$14.6 in 1999 and \$14.3 in 1998; the change in classification did not impact net income in any year.

Cost of goods sold, which includes cost of materials and internal manufacturing expenses, has remained fairly constant as a percentage of sales for the past several years. The increase in 2000 is mainly attributable to the acquisition of BBA and unfavorable absorption of manufacturing costs in North America due to poor sales performance in that region. The moderate increase in 1999 was primarily due to the impact of the currency devaluation and economic disruption in Brazil, which impacted the Company's near-term ability to pass on price increases to its customers in that market. Excluding BBA, cost of goods sold would have represented approximately 56.4% of sales in 2000.

Research and development expenses are for the development of new and improved products, technical product support, compliance with governmental regulations and help in maintaining our relationships with our customers who are often dependent on technical advances. These activities contribute in a significant way to the Company's business. Excluding BBA, research and development expenses would have represented approximately 7.8% of sales in 2000.

Selling and administrative expenses are necessary to support the Company's sales and operating levels. Selling and administrative expenses increased primarily due to increased depreciation and other costs associated with new computer systems and equipment, as well as certain costs incurred in connection with an employment contract in 2000. These additional costs were partially offset by elimination of costs incurred in 1999 and 1998 in connection with the Company's Y2K program of \$14.2 and \$12.5, respectively. In 1999, administrative expenses also included approximately \$6.0 in costs associated with the final settlement of certain employment contracts and \$2.3 relating to nonrecurring charges (discussed below). Administrative expenses for 1999 and 1998 also included certain costs incurred in connection with the Company's project to implement the enterprise requirements planning ("ERP") software package, SAP. Excluding BBA, selling and administrative expenses would have represented approximately 17.8% of sales in 2000.

Operating profit, excluding corporate and other unallocated expenses, amortization of goodwill and other intangibles, and the effect of nonrecurring charges, was \$291.7 in 2000, \$321.4 in 1999 and \$335.2 in 1998. In 2000, operating profit declined primarily due to the decline in gross margin on sales, and increased selling and administration, and research and development expenditures. Operating profit decreased in 1999 in comparison to 1998 primarily due to the decline in gross margin on sales, charges of \$3.5 relating primarily to accelerated depreciation on assets to be disposed of and increased research and development expenditures. In 1999 and 1998, operating profit reflected the effects of the Y2K related expenses. The Company recorded nonrecurring charges of \$41.3 and \$32.9 in 2000 and 1999, respectively. BBA operations contributed \$9.3 to operating profit, before amortization of goodwill and other intangibles, for the period from November 3, 2000 through year-end.

Interest expense amounted to \$25.1, \$5.2, and \$2.0 in 2000, 1999 and 1998, respectively. Interest expense incurred in connection with the acquisition of BBA approximated \$10.6. Interest expense in 2000, excluding interest cost attributable to the BBA acquisition, increased in comparison to 1999 mainly due to the higher level of borrowings incurred in connection with the Company's share repurchase program. Similarly, interest expense increased in 1999 compared to 1998 due to higher average borrowing levels during the year, again mainly in connection with the Company's share repurchase program.

Other (income) expense, net was \$2.3 expense in 2000, compared to \$0.3 income in 1999 and \$6.4 income in 1998. The decrease in other income in 2000 compared to 1999 was primarily due to lower interest income and lower exchange gains than in the prior year. The decrease in other income in 1999 compared to 1998 was mainly due to facility closure costs (discussed below). Also, in 1999, interest income decreased in comparison to 1998, primarily due to lower average interest rates and lower levels of investments.

In April 2000, the Company acquired Laboratoire Monique Remy (LMR), a leader in the creation and commercialization of natural raw materials for fragrances and flavors. LMR operates state-of-the-art laboratory and manufacturing facilities in Grasse, France and an extraction plant in Lozere, France. Results of LMR are included in the consolidated results of the Company from acquisition date. Neither the acquisition nor the financial results of LMR was material to the Company's consolidated operating results, financial position or cash flows.

On November 3, 2000, the Company acquired all of the outstanding shares of BBA for \$48.50 per share in cash; total consideration paid, including transaction costs, approximated \$970.0. The transaction is being accounted for as a purchase business combination.

Amortization of goodwill and other intangibles in 2000 was \$7.0 and arose due to the acquisition of BBA. The purchase price has been preliminarily allocated to the assets acquired and liabilities assumed based on their estimated fair values at the date of acquisition. Final determination of the purchase price, as well as its allocation to the net assets acquired, is not complete as of December 31, 2000 pending the final valuation of tangible and intangible assets acquired and the quantification of certain liabilities assumed. The excess of the purchase price over the estimated value of tangible and identified intangible assets acquired is recorded as goodwill, and is being amortized on a straight-line basis over 20 years. Other intangible assets include

patents, trademarks and other intellectual property owned or developed by BBA, the value of which is being amortized over periods ranging from 10 to 20 years. At December 31, 2000, goodwill and other intangible assets, net of accumulated amortization, was \$755.9. More details on the BBA acquisition are contained in Note 3 of the Notes to the Consolidated Financial Statements.

The BBA acquisition has been initially financed through the issuance of commercial paper. At December 31, 2000, \$400.0 of the commercial paper outstanding has been reflected as long-term borrowings as the Company has the ability and intent to refinance that portion of the borrowings on a long-term basis. The Company is currently in the process of arranging permanent, long-term financing for a substantial portion of the related debt and expects this permanent financing to be in place during the first half of 2001. More details on bank loans, commercial paper and long-term debt are contained in Note 8 of the Notes to the Consolidated Financial Statements.

The Company expects to achieve annual cost savings of approximately \$70.0 as a result of synergies and efficiencies to be generated in connection with the integration of BBA and IFF. Approximately half of these savings are expected in 2001, with the remainder to be realized in 2002.

These savings will be achieved primarily through the consolidation of facilities, optimization of capacity, reduced selling, general and administrative expenses, and supply chain rationalization. A portion of these savings will be reinvested in the business; however, the Company expects a large portion to contribute to improving net earnings. Based on information and plans formulated to date, the Company expects the integration to result in approximately \$75.0 to \$80.0 in implementation costs, relating primarily to employee separation and facility closure costs, and approximately \$45.0 to \$50.0 of capital spending associated with the consolidation of manufacturing facilities. A substantial portion of these implementation costs will be reflected as an adjustment to the cost of the BBA acquisition.

In October 2000, the Company announced a reorganization, including management changes, further consolidation of production facilities and related actions. Henceforth, the Company will be organized under two global umbrellas of business development and operations. In addition, effective January 1, 2001, the Company will now have a single regional manager covering each of its major geographical clusters - North America, Europe, Asia-Pacific, Latin America and the newly constituted Central Asia and the Middle East (CAME) region.

Business development will drive the top line growth of the Company and will include consumer and market research, product category strategy, product development, global sales and marketing, and technical application. Operations will be responsible for effective utilization of capital, increasing productivity and reducing inventory levels and cycle times.

The total pretax cost of actions taken in connection with the reorganization, including \$31.9 recorded in 2000, is expected to approximate \$90.0 to \$100.0 through the end of 2002. The reorganization is expected to yield annual savings by the year 2003 in the range of \$25.0 to \$30.0. A portion of the savings is expected to be reinvested in the business although a substantial portion is expected to contribute to improved earnings.

In June 1999, the Company announced a program to streamline the Company's operations worldwide by improving operating efficiencies and asset utilization, enabling significant cost savings and enhanced profitability. The program included the closure of selected manufacturing, distribution and sales facilities in all geographic areas in which the Company operates. In addition, the Company planned to consolidate and align production in its remaining manufacturing locations. The Company anticipated realizing annual savings from this program of approximately \$15.0; approximately \$10.0 in savings from the program was realized in 2000 while approximately \$5.0 was realized in the second half of 1999. A portion of the savings was reinvested in the business.

In connection with the 2000 reorganization and the 1999 program, the Company initiated two separate voluntary retirement incentive programs for United States-based employees meeting certain eligibility requirements. Those eligible employees who elected to take the incentive will receive additional credit, for pension purposes, in terms of age and service, as well as other benefits. During 2000, approximately 155 employees accepted enhanced retirement benefits under these two programs, resulting in nonrecurring pretax charges of \$23.8. In addition, during 2000, the Company recognized additional nonrecurring charges of \$17.5, essentially all of which related to employee separation costs and other reorganization activities. Total nonrecurring charges recorded in 2000 were \$41.3 (\$26.8 after tax, or approximately \$.27 per share). There were no significant non-cash related elements of the 2000 charges. Certain costs associated with the merger and the integration of BBA operations are accounted for as part of the acquisition cost, and do not affect current earnings.

In 1999, in connection with the program to streamline operations, the Company recorded total pretax charges of \$40.9 (\$27.2 after tax, or approximately \$.26 per share); non-cash charges approximated \$11.7. Certain elements of these charges, relating primarily to accelerated depreciation on assets to be disposed of, were recognized in cost of goods sold (\$1.2) and selling and administrative expenses (\$2.3). In addition, \$4.5 associated primarily with facility closure was included in other income and expense. The balance of the charges, representing employee separation and asset-related costs, were recorded as nonrecurring charges in the Consolidated Statement of Income.

Movements in reserves related to nonrecurring charges were as follows:

	Employee- Related	Asset- Related	Total
Original reserve	\$ 22.9	\$ 10.0	\$ 32.9
Utilized in 1999	(13.3)	(8.4)	(21.7)
Balance December 31, 1999	9.6	1.6	11.2
Additional reserves	37.1	4.2	41.3
Utilized in 2000	(22.3)	(3.7)	(26.0)
Balance December 31, 2000	\$ 24.4	\$ 2.1	\$ 26.5

The balance of the reserves is expected to be utilized in 2001 and 2002 in connection with the final decommissioning and disposal of affected equipment and as severance obligations to affected employees are satisfied. In excess of 400 employees will be affected by the program.

Essentially all of the pretax charges recorded in 2000 related to United States-based operations. Of the pretax charges in 1999, approximately \$29.4 were for EAME, principally employee separation costs associated with the rationalization of certain operations and facilities in the United Kingdom, the Netherlands and France. For North America, Latin America and Asia-Pacific, 1999 charges totaled \$5.6, \$2.9 and \$3.0, respectively, and related to employee separations and closure of operations.

Effective January 1, 1998, the Company adopted Statement of Position 98-1 (SOP 98-1), Accounting for the Costs of Computer Software Developed or Obtained for Internal Use. SOP 98-1 establishes guidance on when costs incurred for internal-use software are capitalized. The Company capitalized approximately \$0.5, \$24.8 and \$28.0 in 2000, 1999 and 1998, respectively, related to the acquisition and development of the SAP software package.

Statement of Financial Accounting Standards No. 133 (FAS 133), Accounting for Derivative Instruments and Hedging Activities, was issued in June 1998. In June 1999, the Financial Accounting Standards Board issued FAS 137 which deferred the effective date of FAS 133 to fiscal years beginning after June 15, 2000. FAS 133 establishes accounting and reporting standards for derivative instruments, and for hedging activities. It requires that an entity recognize all derivatives as either assets or liabilities in the statement of financial position and measure those instruments at fair value. The Company will adopt FAS 133 effective January 1, 2001. The Company believes that adoption of this Standard, given the Company's current level of relevant activity, will not have a material effect on the Company's consolidated financial position or results of operation.

In December 1999, the Securities and Exchange Commission issued SEC Staff Accounting Bulletin No. 101 (SAB 101), "Revenue Recognition in Financial Statements." This staff accounting bulletin summarizes certain of the staff's views in applying generally accepted accounting principles to revenue recognition in financial statements. The Company adopted the guidelines of SAB 101 without material effect.

In February 2001, the Financial Accounting Standards Board issued a revised exposure draft on Business Combinations and Intangible Assets - Accounting for Goodwill. The proposed Statement would establish a new accounting standard for goodwill acquired in a business combination. It would continue to require recognition of goodwill as an asset but would not permit amortization of goodwill as currently required by APB Opinion No. 17, Intangible Assets. This proposed Statement would establish a new method of evaluating goodwill for impairment using a fair-value based approach. Companies would be required to adopt the provisions of this proposed Statement in the quarter following issuance of the final standard; the provisions would apply to the unamortized balance of goodwill at the date of adoption. If the accounting standard is issued as it is currently drafted, adoption of the standard would eliminate approximately \$25.0 to \$30.0 of annual amortization expense related to goodwill.

Compliance with existing governmental requirements regulating the discharge of materials into the environment has not materially affected the Company's operations, earnings or competitive position. In 2000, the Company spent approximately \$1.4 on capital projects and about \$9.1 in operating expenses and governmental charges for the purpose of complying with such regulations. Expenditures for these purposes will continue for the foreseeable future. In addition, the Company is party to a number of proceedings brought under the Comprehensive Environmental Response, Compensation and Liability Act or similar state statutes. It is expected that the impact of any judgements in or voluntary settlements of such proceedings will not be material to the Company's financial condition, results of operations or liquidity.

Financial Condition

Cash, cash equivalents and short-term investments totaled \$129.2 at December 31, 2000, compared to \$63.0 and \$116.0 at December 31, 1999 and 1998, respectively. Short-term investments are high-quality, readily marketable instruments. Working capital, excluding commercial paper used to finance the BBA acquisition, totaled \$409.9 at year-end 2000, compared to \$465.7 and \$575.1 at December 31, 1999 and 1998, respectively. Gross additions to property, plant and equipment were \$60.7, \$103.8 and \$91.7 in 2000, 1999 and 1998, respectively, and are expected to approximate \$65.0 to \$70.0 in 2001, including capital expenditures associated with the integration of BBA.

At December 31, 2000, the Company's outstanding commercial paper totaled \$1,209.4 at an average interest rate of 7.4%. Commercial paper maturities did not extend beyond April 2, 2001. The Company maintained revolving credit facilities of \$1,300.0

Management's Discussion and Analysis of Results of Operations and Financial Condition
International Flavors & Fragrances Inc.

as a backstop for the commercial paper program. There were no amounts drawn under these facilities. The Company compensates the banks participating in these credit facilities in the form of fees, the amounts of which are not significant.

Of the total revolving credit facilities, \$300.0 is available to be extended as long-term debt at the election of the Company. Accordingly, \$300.0 of commercial paper outstanding has been classified as long-term debt at December 31, 2000. In addition, the Company has entered into a financing agreement with a major European financial institution that, in part, provides for \$100.0 of long-term debt to be issued with maturities in 2005 and 2006. Proceeds from this financing agreement will be used to reduce outstanding commercial paper and accordingly, a corresponding amount of commercial paper has been classified as noncurrent in the December 31, 2000 consolidated balance sheet. Interest on this debt will not exceed the applicable LIBOR base rate, plus 1.4%.

Long-term debt, excluding \$400.0 of commercial paper outstanding classified as long-term debt, increased \$13.7 in the twelve months of 2000 due to a loan in Japan; the loan is payable in full in 2005 and bears interest at a rate of 1.7%. Proceeds from the loan were used to repay certain short-term borrowings and for general corporate purposes.

In April 2000, the Company announced a plan to repurchase up to an additional 7.5 million shares of its common stock. In September 2000, the Company announced a plan to increase its current share repurchase program by an additional \$100.0. A program to repurchase 7.5 million shares, which had been in effect since 1996, was completed in the first quarter of 2000. Repurchases will be made from time to time on the open market or through private transactions as market and business conditions warrant. The repurchased shares will be available for use in connection with the Company's employee benefit plans and for other general corporate purposes. At December 31, 2000, approximately 5.6 million shares of common stock had been repurchased under the 2000 program. Under these plans, the Company purchased \$201.0, \$46.3 and \$134.4 of treasury stock in 2000, 1999 and 1998, respectively.

The Company anticipates that its financing requirements, other than those related to the BBA acquisition as discussed above, will be funded from internal sources and credit facilities currently in place.

The Company paid dividends to shareholders totaling \$155.5, \$161.2 and \$159.6 in 2000, 1999 and 1998, respectively. The dividend rate per share in 2000, 1999 and 1998 was, respectively, \$1.29, \$1.52 and \$1.48. In September 2000, the Board of Directors authorized a reduction in the Company's quarterly dividend by 60%, to \$.15 per share, beginning with the fourth quarter 2000 dividend.

Euro Currency Adoption

As part of the European Economic and Monetary Union, a single currency (the "Euro") will replace the national currencies of many of the European countries in which the Company conducts business. The conversion rates between the Euro and the participating nations' currencies were fixed irrevocably as of January 1, 1999, with the participating national currencies scheduled to be removed from circulation between January 1, and June 30, 2002, and replaced by Euro notes and coinage. During the transition period, from January 1, 1999 through December 31, 2001, public and private entities as well as individuals may pay for goods and services using either checks, drafts, or wire transfers denominated in Euros or the participating country's national currency. The Company's systems and processes were "Euro Capable" (able to enter into Euro-denominated transactions) on January 1, 1999. The effects of the Euro conversion on the Company's revenues, costs and competitive position have not been significant. The costs of the systems and business process conversions were not material.

Subsequent Event

On February 20, 2001, the Company announced that its Board of Directors and management were evaluating the Company's business portfolio as part of an ongoing effort to refocus IFF on its core strategic areas. As a first step, the Board authorized management to divest a significant portion of the aroma chemicals business acquired as part of the BBA transaction. The BBA chemicals business had annual sales of approximately \$100.0 for the year ended December 31, 2000. The Company has entered into preliminary discussions with potential third parties although no definitive agreement as to the terms or conditions of a sale had been finalized. IFF will also continue to evaluate its portfolio on an ongoing basis.

IFF intends to use the proceeds from the sale of the BBA aroma chemicals business and of any other non-core elements of its business to pay down debt.

Cautionary Statement Under the Private Securities Litigation Reform Act of 1995

Statements in this Management's Discussion and Analysis which are not historical facts or information are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, and are subject to risks and uncertainties that could cause the Company's actual results to differ materially from those expressed or implied by such forward-looking statements. Risks and uncertainties with respect to the Company's business include general economic and business conditions, interest rates, the price and availability of raw materials, and political and economic uncertainties, including the fluctuation or devaluation of currencies in countries in which the Company does business. The Company intends its forward-looking statements to speak only as of the time of such statements, and does not undertake to update or revise them as more information becomes available.

Quarterly Financial Data (Unaudited)

Quarter	Net Sales		Gross Profit/(a)/		Net Income/(b)/		Net Income Per Share/(c)/			
	2000	1999	2000	1999	2000	1999	Basic	Diluted		
First	\$ 369,912	\$ 367,765	\$165,235	\$157,426	\$ 43,776	\$ 48,780	\$ 0.42	\$ 0.46	\$ 0.42	\$ 0.46
Second	368,759	371,079	165,197	162,079	48,916	27,434	0.48	0.26	0.48	0.26
Third	339,591	364,674	148,092	161,956	28,927	49,155	0.29	0.46	0.29	0.46
Fourth/(d)/	384,533	335,981	152,618	151,656	1,386	36,631	0.01	0.35	0.01	0.35
	\$1,462,795	\$1,439,499	\$631,142	\$633,117	\$123,005	\$162,000	\$ 1.22	\$ 1.53	\$ 1.22	\$ 1.53

(a) Reflects the classification of shipping and handling costs as a component of Cost of goods sold; prior to 2000, the Company had accounted for such costs as a component of Selling and administrative expenses. Prior year amounts have been reclassified from Selling expense to Cost of goods sold in accordance with guidance established by Emerging Issues Task Force Issue No. 00-10, "Accounting for Shipping and Handling Fees and Costs." Implementation had no effect on net income.

(b) Net income for the 2000 first, third and fourth quarters includes the after-tax effects of certain charges of \$6,248, \$4,765 and \$15,752, respectively. Net income for the 1999 second, third and fourth quarters includes the after-tax effects of certain charges of \$23,145, \$1,748 and \$2,289, respectively. See Note 2 of the Notes to Consolidated Financial Statements for further discussion.

(c) The sum of the 2000 quarters' earnings per share does not equal the year-to-date earnings per share due to changes in average share calculations. This is in accordance with prescribed reporting requirements.

(d) The Company acquired Bush Boake Allen ("BBA") effective November 3, 2000, and the BBA operating results are included in the Company's consolidated results from that date.

Report of Independent Accountants

To the Board of Directors and Shareholders of International Flavors & Fragrances Inc.

In our opinion, the accompanying consolidated balance sheet and the related consolidated statements of income and retained earnings and of cash flows present fairly, in all material respects, the financial position of International Flavors & Fragrances Inc. and its subsidiaries at December 31, 2000 and 1999, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2000 in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

/s/ PricewaterhouseCoopers LLP

New York, New York
January 29, 2001

Consolidated Statements of Income and Retained Earnings
International Flavors & Fragrances Inc.

(Dollars in thousands except per share amounts)	Year Ended December 31,		
	2000	1999	1998
Consolidated Statement of Income			
Net sales	\$ 1,462,795	\$ 1,439,499	\$ 1,407,349
Cost of goods sold	831,653	806,382	777,764
Research and development expenses	112,671	103,794	98,438
Selling and administrative expenses	258,653	248,047	224,393
Amortization of goodwill and other intangibles	7,032	--	--
Nonrecurring charges	41,273	32,948	--
Interest expense	25,072	5,154	2,042
Other (income) expense, net	2,314	(291)	(6,356)
	<u>1,278,668</u>	<u>1,196,034</u>	<u>1,096,281</u>
Income before taxes on income	184,127	243,465	311,068
Taxes on income	61,122	81,465	107,283
Net income	<u>123,005</u>	<u>162,000</u>	<u>203,785</u>
Other comprehensive income			
Foreign currency translation adjustments	(20,443)	(48,005)	27,721
Comprehensive income	<u>\$ 102,562</u>	<u>\$ 113,995</u>	<u>\$ 231,506</u>
	2000	1999	1998
Net income per share - basic	\$ 1.22	\$ 1.53	\$ 1.90
Net income per share - diluted	\$ 1.22	\$ 1.53	\$ 1.90

(Dollars in thousands)	2000	1999	1998
Consolidated Statement of Retained Earnings			
At beginning of year	\$ 1,211,790	\$ 1,210,620	\$1,166,348
Net income	123,005	162,000	203,785
Cash dividends declared	1,334,795	1,372,620	1,370,133
	130,234	160,830	159,513
At end of year	<u>\$ 1,204,561</u>	<u>\$ 1,211,790</u>	<u>\$1,210,620</u>

See Notes to Consolidated Financial Statements

Consolidated Balance Sheet
International Flavors & Fragrances Inc.

(Dollars in thousands)

	December 31,	
	2000	1999
Assets		
Current Assets:		
Cash and cash equivalents	\$ 128,869	\$ 62,135
Short-term investments	369	836
Receivables:		
Trade	343,294	290,118
Allowance for doubtful accounts	(11,074)	(10,013)
Other	32,094	23,313
Inventories	435,312	415,269
Prepaid and deferred charges	90,076	53,756
Total Current Assets	1,018,940	835,414
Property, Plant and Equipment, net	679,874	523,916
Intangible Assets, net	755,923	--
Other Assets	34,296	42,165
Total Assets	\$ 2,489,033	\$ 1,401,495

	December 31,	
	2000	1999
Liabilities and Shareholders' Equity		
Current Liabilities:		
Bank loans	\$ 43,633	\$ 29,274
Commercial paper	809,352	63,200
Accounts payable	75,021	71,989
Accrued payrolls and bonuses	43,375	18,527
Dividends payable	14,614	39,882
Income taxes	61,073	54,497
Other current liabilities	131,949	92,333
Total Current Liabilities	1,179,017	369,702
Other Liabilities:		
Long-term debt	417,402	3,832
Deferred income taxes	103,151	32,785
Retirement and other liabilities	158,204	136,679
Total Other Liabilities	678,757	173,296
Shareholders' Equity:		
Common stock 12 1/2(cent) par value; authorized 500,000,000 shares; issued 115,761,840 shares	14,470	14,470
Capital in excess of par value	133,041	134,480
Retained earnings	1,204,561	1,211,790
Accumulated other comprehensive income:		
Cumulative translation adjustment	(77,578)	(57,135)
Treasury stock, at cost - 18,335,796 shares in 2000 and 10,939,915 shares in 1999	1,274,494 (643,235)	1,303,605 (445,108)
Total Shareholders' Equity	631,259	858,497
Total Liabilities and Shareholders' Equity	\$ 2,489,033	\$ 1,401,495

See Notes to Consolidated Financial Statements

Consolidated Statement of Cash Flows
International Flavors & Fragrances Inc.

(Dollars in thousands)	Year Ended December 31,		
	2000	1999	1998
Cash flows from operating activities:			
Net income	\$ 123,005	\$ 162,000	\$ 203,785
Adjustments to reconcile to net cash provided by operations:			
Depreciation and amortization	69,344	56,369	49,006
Deferred income taxes	(30,496)	(4,191)	15,877
Changes in assets and liabilities:			
Current receivables	15,261	(35,354)	(3,887)
Inventories	64,591	(33,955)	(31,354)
Current payables	22,017	40,719	(15,816)
Other, net	5,388	10,230	(1,185)
Net cash provided by operations	269,110	195,818	216,426
Cash flows from investing activities:			
Proceeds from sales/maturities of short-term investments	1,566	1,073	41,766
Purchases of short-term investments	(1,111)	(955)	--
Investments in acquired businesses, net of cash received	(953,295)	--	--
Additions to property, plant and equipment	(60,696)	(103,835)	(91,690)
Proceeds from disposal of assets	11,301	1,925	1,949
Net cash used in investing activities	(1,002,235)	(101,792)	(47,975)
Cash flows from financing activities:			
Cash dividends paid to shareholders	(155,502)	(161,249)	(159,619)
Increase in bank loans	5,164	1,599	16,570
Proceeds from issuance of commercial paper	746,152	63,200	--
Increase in long-term debt	413,747	--	--
Decrease in long-term debt	(1,903)	(859)	(1,380)
Proceeds from issuance of stock under stock option plans	1,387	4,290	4,569
Purchase of treasury stock	(200,953)	(46,298)	(134,448)
Net cash provided by (used in) financing activities	808,092	(139,317)	(274,308)
Effect of exchange rate changes on cash and cash equivalents	(8,233)	(7,534)	3,823
Net change in cash and cash equivalents	66,734	(52,825)	(102,034)
Cash and cash equivalents at beginning of year	62,135	114,960	216,994
Cash and cash equivalents at end of year	\$ 128,869	\$ 62,135	\$ 114,960

See Notes to Consolidated Financial Statements

Note 1. Summary of Significant Accounting Policies

Nature of Operations

The Company is the leading creator and manufacturer of flavors and fragrances used by others to impart or improve flavor or fragrance in a wide variety of consumer products. The Company's products are sold principally to manufacturers of perfumes and cosmetics, hair and other personal care products, soaps and detergents, cleaning products, dairy, meat and other processed foods, beverages, snacks and savory foods, confectionery, sweet and baked goods, and pharmaceutical and oral care products.

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and all subsidiaries.

Revenue Recognition

Revenue is recognized when products are shipped and when title and risk of loss transfer to the customer.

Currency Translation

The assets and liabilities of non-U.S. subsidiaries which operate in a local currency environment are translated into U.S. dollars at year-end exchange rates. Income and expense items are translated at average exchange rates during the year. Cumulative translation adjustments are shown as a separate component of shareholders' equity.

For periods through December 31, 2000, certain subsidiaries which operated in U.S. dollars, or which operated in a highly inflationary environment, inventory and property, plant and equipment were translated using the approximate exchange rates at the time of acquisition. All other assets and liabilities were translated at year-end exchange rates. Except for inventories charged to cost of goods sold and depreciation, which were remeasured for historical rates of exchange, all income and expense items were translated at average exchange rates during the year. Gains and losses as a result of remeasurements were included in income. Effective January 1, 2001, substantially all subsidiaries operate in a local currency environment.

Research and Development

All costs associated with research and development are charged to expense as incurred.

Inventories

Inventories are stated at the lower of cost (generally on an average basis) or market.

Cash Equivalents

Highly liquid investments with maturities of three months or less at date of purchase are considered to be cash equivalents.

Long-Lived Assets

Property, plant and equipment are recorded at cost. Depreciation is calculated on a straight-line basis, principally over the following estimated useful lives: buildings and improvements, 10 to 40 years; machinery, equipment and software, 3 to 10 years; and leasehold improvements, the shorter of 10 years or the remaining life of the lease.

When properties are retired or otherwise disposed of, the asset and related accumulated depreciation are removed from the accounts and the resultant gain or loss is included in income.

Identifiable intangible assets include patents, trademarks and other intellectual property which are valued at acquisition through independent appraisals, and are being amortized on a straight-line basis over periods ranging from 10 to 20 years. Goodwill arising from business acquisitions is amortized on a straight-line basis over its estimated useful life, which is generally 20 years.

Long-lived assets are reviewed for impairment when events or changes in business conditions indicate that their full carrying value may not be recovered. Assets are considered to be impaired and written down to estimated fair value if expected associated cash flows are less than the carrying amounts.

Income Taxes

Deferred income taxes reflect the impact of temporary differences between the amount of assets and liabilities recognized for financial reporting purposes and such amounts recognized for tax purposes, based on tax laws as currently enacted. Additional taxes which would result from dividend distributions by subsidiary companies to the parent company are provided to the extent such dividends are anticipated. No provision is made for additional taxes on undistributed earnings of subsidiary companies which are intended to be permanently invested in such subsidiaries. As a result, no income tax effect is attributable to the currency translation component of other comprehensive income.

Retirement Benefits

Current service costs of retirement plans and postretirement health care and life insurance benefits are accrued currently. Prior service costs resulting from improvements in these plans are amortized over periods ranging from 10 to 20 years.

Financial Instruments

The fair value of financial instruments is determined by reference to various market data and other valuation techniques, as appropriate. Unless otherwise disclosed, the fair values of financial instruments approximate their recorded values.

Risks and Uncertainties

The diversity of the Company's products, customers and geographic operations significantly reduces the risk that a severe impact will occur in the near term as a result of changes in its customer base, competition, sources of supply or markets. It is unlikely that any one event would have a severe impact on the Company's operating results.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. Actual results could differ from those estimates.

Software Costs

Effective January 1, 1998, the Company adopted Statement of Position 98-1 (SOP 98-1), Accounting for the Costs of Computer Software Developed or Obtained for Internal Use. In accordance with SOP 98-1, the Company capitalizes direct internal and external development costs associated with internal-use software. Neither preliminary evaluation costs nor costs associated with the software after implementation are capitalized.

Shipping and Handling Costs

Shipping and handling costs are included in Cost of goods sold in accordance with the guidance established by Emerging Issues Task Force Issue No. 00-10, "Accounting for Shipping and Handling Fees and Costs." Such costs totaled \$15.1 million, \$14.6 million and \$14.3 million in 2000, 1999 and 1998, respectively, and were previously included in Selling and administrative expenses. The change in classification did not impact net income.

New Accounting Pronouncements

Statement of Financial Accounting Standards No. 133 (FAS 133), Accounting for Derivative Instruments and Hedging Activities, was issued in June 1998. In June 1999, the Financial Accounting Standards Board issued FAS 137 which deferred the effective date of FAS 133 to fiscal years beginning after June 15, 2000. FAS 133 establishes accounting and reporting standards for derivative instruments, and for hedging activities. It requires that an entity recognize all derivatives as either assets or liabilities in the statement of financial position and measure those instruments at fair value. The Company will adopt FAS 133 effective January 1, 2001. The Company believes that adoption of this Standard, given the Company's current level of relevant activity, will not have a material effect on the Company's consolidated financial position or results of operation.

In December 1999, the Securities and Exchange Commission issued SEC Staff Accounting Bulletin No. 101 (SAB 101), "Revenue Recognition in Financial Statements." This staff accounting bulletin summarizes certain of the staff's views in applying generally accepted accounting principles to revenue recognition in financial statements. The Company adopted the guidelines of SAB 101 without material effect.

Net Income Per Share

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

(Shares in thousands)	Number of Shares		
	2000	1999	1998
Basic EPS	101,073	105,748	107,122
Dilution under stock plans	20	195	308
Diluted EPS	101,093	105,943	107,430

Net income used in the computation of basic and diluted net income per share is not affected by the assumed issuance of stock under the Company's stock plans.

Options to purchase 5,430,857, 2,946,607 and 2,295,667 shares were outstanding in 2000, 1999 and 1998, respectively, but were not included in the computation of diluted net income per share because the options' exercise prices were greater than the average market price of the common shares in the respective years.

Reclassifications

Certain reclassifications have been made to the prior years' financial statements to conform to fiscal 2000 classifications.

Note 2. Nonrecurring and Other Charges

In October 2000, the Company announced a reorganization, including management changes, further consolidation of production facilities and related actions.

Henceforth, the Company will be organized under two global umbrellas of business development and operations. In addition, effective January 1, 2001, the Company will now have a single regional manager covering each of its major geographical clusters - North America, Europe, Asia-Pacific, Latin America and the newly constituted Central Asia and the Middle East (CAME) region.

Business development will drive the top line growth of the Company and will include consumer and market research, product category strategy, product development, global sales and marketing, and technical application. Operations will be responsible for effective utilization of capital, increasing productivity and reducing inventory levels and cycle times.

The total pretax cost of actions taken in connection with the reorganization, including \$31.9 million recorded in 2000, is expected to approximate \$90.0 million to \$100.0 million through the end of 2002. The reorganization is expected to yield annual savings by the year 2003 in the range of \$25.0 million to \$30.0 million. A portion of the savings is expected to be reinvested in the business although a substantial portion is expected to contribute to improved earnings.

In June 1999, the Company announced a program to streamline the Company's operations worldwide by improving operating efficiencies and asset utilization, enabling significant cost savings and enhanced profitability. The program included the closure of selected manufacturing, distribution and sales facilities in all geographic areas in which the Company operates. In addition, the Company planned to consolidate and align production in its remaining manufacturing locations. The Company anticipated realizing annual savings from this program of approximately \$15.0 million; approximately \$10.0 million in savings from the program was realized in 2000 while approximately \$5.0 million was realized in the second half of 1999. A portion of the savings was reinvested in the business.

In connection with the 2000 reorganization and the 1999 program, the Company initiated two separate voluntary retirement incentive programs for United States-based employees meeting certain eligibility requirements. Those eligible employees who elected to take the incentive will receive additional credit, for pension purposes, in terms of age and service, as well as other benefits. During 2000, approximately 155 employees accepted enhanced retirement benefits under these two programs, resulting in nonrecurring pretax charges of \$23.8 million. In addition, during 2000, the Company recognized additional nonrecurring charges of \$17.5 million, essentially all of which related to employee separation costs and other reorganization activities. Total nonrecurring charges recorded in 2000 were \$41.3 million (\$26.8 million after tax). There were no significant non-cash related elements of the 2000 charges. Certain costs associated with the merger and the integration of BBA operations are accounted for as part of the acquisition cost, and do not affect current earnings.

In 1999, in connection with the program to streamline operations, the Company recorded total pretax charges of \$40.9 million (\$27.2 million after tax); non-cash charges approximated \$11.7 million. Certain elements of these charges, relating primarily to accelerated depreciation on assets to be disposed of, were recognized in cost of goods sold (\$1.2 million) and selling and administrative expenses (\$2.3 million). In addition, \$4.5 million associated primarily with facility closure was included in other income and expense. The balance of the charges, representing employee separation and asset-related costs, were recorded as nonrecurring charges in the Consolidated Statement of Income.

Movements in the reserves related to the nonrecurring charges were as follows:

(Dollars in thousands)	Employee- Related	Asset- Related	Total
Original reserve	\$ 22,951	\$ 9,997	\$ 32,948
Utilized in 1999	(13,329)	(8,411)	(21,740)
Balance December 31, 1999	9,622	1,586	11,208
Additional reserves	37,095	4,178	41,273
Utilized in 2000	(22,338)	(3,711)	(26,049)
Balance December 31, 2000	\$ 24,379	\$ 2,053	\$ 26,432

The balance of the reserve is expected to be utilized in 2001 and 2002 in connection with the final decommissioning and disposal of affected equipment and as severance obligations to affected employees are satisfied. In excess of 400 employees will be affected by the program.

Essentially all of the pretax charges recorded in 2000 related to United States-based operations. Of the pretax charges in 1999, approximately \$29.4 million were for EAME, principally employee separation costs associated with the rationalization of certain operations and facilities in the United Kingdom, the Netherlands and France. For North America, Latin America and Asia-Pacific, 1999 charges totaled \$5.6 million, \$2.9 million and \$3.0 million, respectively, and related to employee separations and closure of operations.

Note 3. Acquisitions

On November 3, 2000, the Company acquired all of the outstanding shares of Bush Boake Allen Inc. ("BBA") for \$48.50 per share in cash; total consideration paid, including transaction costs, approximated \$970.0 million.

The acquisition was accounted for under the purchase method of accounting and, accordingly, the purchase price has been preliminarily allocated to the assets acquired and liabilities assumed based on their estimated fair values at the date of acquisition. Final determination of the purchase price, as well as its allocation to the net assets acquired, is not complete as of December 31,

2000 pending the final valuation of tangible and intangible assets acquired and the quantification of certain liabilities assumed. The excess of the purchase price over the estimated value of tangible and identified intangible assets acquired is recorded as goodwill, and is being amortized on a straight-line

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basis over 20 years. Other intangible assets include patents, trademarks and other intellectual property owned or developed by BBA, the value of which is being amortized over periods ranging from 10 to 20 years. At December 31, 2000, goodwill and other intangible assets, net of accumulated amortization, was \$755.9 million.

The following unaudited pro-forma results of operations give effect to the BBA acquisition as if it had occurred as of the beginning of each of the periods presented.

(Dollars in thousands except per share amounts)	2000	1999
Net sales	\$ 1,880,612	\$ 1,931,380
Net income	83,398	97,898
Net income per share - basic	\$ 0.83	\$0.93
Net income per share - diluted	\$ 0.82	\$0.92

(Dollars in thousands)	2000
Preliminary allocation of purchase price:	
Fair value of assets acquired, net of cash	\$ 1,170,858
Cash paid for common stock and transaction costs	(970,000)
Liabilities assumed	\$ 200,858

In April 2000, the Company acquired Laboratoire Monique Remy (LMR), a leader in the creation and commercialization of natural raw materials for fragrances and flavors. LMR operates state-of-the-art laboratory and manufacturing facilities in Grasse, France and an extraction plant in Lozere, France. Results of LMR are included in the consolidated results of the Company from acquisition date. Neither the acquisition nor financial results of LMR was material to the Company's consolidated operating results, financial position or cash flows.

Note 4. Marketable Securities

Marketable securities are included in cash equivalents and short-term investments, as appropriate. At December 31, 2000 and 1999, marketable securities totaling \$9.9 million and \$1.6 million, respectively, were available for sale and recorded at fair value which approximated cost. Realized gains and losses on the sale of marketable securities were not material.

Note 5. Inventories

(Dollars in thousands)	December 31,	
	2000	1999
Raw materials	\$ 243,327	\$ 229,896
Work in process	21,212	7,423
Finished goods	170,773	177,950
	\$ 435,312	\$ 415,269

Note 6. Property, Plant and Equipment, net

(Dollars in thousands)	December 31,	
	2000	1999
Land	\$ 35,416	\$ 34,205
Buildings and improvements	345,070	291,244
Machinery, equipment and software	709,315	572,181
Construction in progress	51,500	51,290
	1,141,301	948,920
Accumulated depreciation	461,427	425,004
	\$ 679,874	\$ 523,916

Note 7. Intangible Assets, net

(Dollars in thousands)	December 31,	
	2000	1999
Goodwill	\$ 563,897	--

Trademarks and other	199,058	--

	762,955	--
Accumulated amortization	7,032	--

	\$ 755,923	--
	=====	=====

Note 8. Borrowings

At December 31, 2000, the Company had commercial paper outstanding of \$1,209.4 million. The average interest rate on this commercial paper was 7.4%. Commercial paper maturities did not extend beyond April 2, 2001. Commercial paper outstanding at the end of 1999 was \$63.2 million, with the increase in 2000 attributable primarily to the acquisition of BBA.

The Company maintained revolving credit facilities of \$1,300.0 million as a backstop for the commercial paper program. There were no amounts drawn under these facilities. The Company compensates the banks participating in these credit facilities in the form of fees, the amounts of which are not significant.

Of the total revolving credit facilities, \$300.0 million is available to be extended as long-term debt at the election of the Company. Accordingly, \$300.0 million of commercial paper outstanding has been classified as long-term debt at December 31, 2000. In addition, the Company has entered into a financing agreement with a major European financial institution that, in part, provides for \$100.0 million of long-term debt to be issued with maturities in 2005 and 2006. Proceeds from this financing agreement will be used to reduce outstanding commercial paper and accordingly, a corresponding amount of commercial paper

has been classified as noncurrent in the December 31, 2000 consolidated balance sheet. Interest on this debt will not exceed the applicable LIBOR base rate, plus 1.4%.

Short-term bank loans were outstanding in several foreign countries and averaged \$31.7 million in 2000, compared with \$58.0 million in 1999 and \$16.9 million in 1998. The highest levels were \$55.3 million in 2000, \$84.9 million in 1999 and \$29.6 million in 1998. This excludes \$970.0 million of short-term U.S. bank bridge financing used solely for the November 3, 2000 acquisition of BBA, and replaced by commercial paper before December 31, 2000. The 2000 weighted average interest rate of these foreign bank loans, based on balances outstanding at the end of each month, was 8% and the average rate on loans outstanding at December 31, 2000 was 8%. These rates compare with 9% and 8%, respectively, in 1999 and 8% and 7%, respectively, in 1998.

At December 31, 2000, excluding \$400.0 million of commercial paper outstanding classified as long-term debt, other long-term debt (all foreign) totalled \$17.4 million and consists primarily of a five-year loan due in 2005, at an annual interest rate of 1.7%. Additional long-term debt, with maturities in 2002, has been issued to satisfy financing needs in Europe at an annual interest rate of 7.3%.

Aggregate payments for the next five years of long-term debt outstanding at December 31, 2000 are \$305.0 million in 2002 and \$77.0 million in 2005. At December 31, 2000 and 1999, the estimated fair value of long-term debt, based on borrowing rates currently available to the Company with similar terms and maturities, approximated the recorded amount.

Cash payments for interest were \$19.6 million in 2000, \$4.6 million in 1999 and \$1.8 million in 1998. At December 31, 2000, the Company and its subsidiaries had unused lines of bank credit of approximately \$172.0 million in addition to those credit facilities serving as backstop to the Company's commercial paper program.

Note 9. Income Taxes

(Dollars in thousands)	2000	1999	1998
U.S. income (loss) before taxes	\$ (33,183)	\$ 19,061	\$ 54,745
Foreign income before taxes	217,310	224,404	256,323
Total income before taxes	\$ 184,127	\$ 243,465	\$311,068
	=====	=====	=====

The following table shows the components of current and deferred income tax expense by taxing jurisdiction, both domestic and foreign:

(Dollars in thousands)	2000	1999	1998
Current			
Federal	\$ (640)	\$ 5,064	\$ 4,830
State and local	381	204	578
Foreign	91,877	80,388	85,998
	-----	-----	-----
	91,618	85,656	91,406
	-----	-----	-----
Deferred			
Federal	(20,543)	(8,773)	13,350
State and local	(1,484)	546	1,847
Foreign	(8,469)	4,036	680
	-----	-----	-----
	(30,496)	(4,191)	15,877
	-----	-----	-----
Total income taxes	\$ 61,122	\$ 81,465	\$ 107,283
	=====	=====	=====

At December 31, 2000 and 1999, gross deferred tax assets were \$113.5 million and \$63.9 million, respectively; gross deferred tax liabilities were \$154.6 million and \$67.7 million, respectively. No valuation allowance was required for deferred tax assets. At December 31, 2000 and 1999, current deferred tax assets of \$62.1 million and \$29.0 million, respectively, were included in Prepaid and deferred charges. The principal components of deferred tax assets (liabilities) were:

(Dollars in thousands)	2000	1999
Employee and retiree benefits	\$ 52,300	\$ 34,300
Inventory	12,700	12,400
Tax credit carryforwards	13,200	--
Property, plant and equipment	(47,600)	(40,500)
Trademarks and other	(65,700)	--
Other, net	(6,000)	(10,000)
	-----	-----
	\$(41,100)	\$ (3,800)
	=====	=====

Of the tax credit carryforwards, \$5.9 million expire in 2005; the remaining \$7.3 million can be carried forward indefinitely.

A reconciliation between the U.S. federal income tax rate and the effective tax rate is:

	2000	1999	1998

Statutory tax rate	35.0%	35.0%	35.0%
Difference in effective tax rate on foreign earnings and remittances	(0.3)	(1.0)	(0.5)
State and local taxes	(0.4)	0.2	0.5
Other, net	(1.1)	(0.7)	(0.5)
	-----	-----	-----
Effective tax rate	33.2%	33.5%	34.5%
	=====	=====	=====

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International Flavors & Fragrances Inc.

Income taxes paid were \$81.0 million in 2000, \$74.8 million in 1999 and \$99.9 million in 1998.

Undistributed earnings of foreign subsidiaries for which no deferred taxes have been provided approximated \$673.0 million at December 31, 2000. Any additional U.S. taxes payable on these foreign earnings, if remitted, would be substantially offset by credits for foreign taxes already paid.

Note 10. Shareholders' Equity

Net charges to capital in excess of par value resulted from the exercise of stock options and the return of restricted stock. Transactions in treasury shares resulted in net charges to capital in excess of par value of \$1.0 million, \$2.0 million and \$1.4 million in 1998, 1999 and 2000, respectively.

The following table shows treasury shares acquired and, as appropriate, the use of treasury shares for stock plans:

(Dollars in thousands)	Number of Shares	Amount
Balance January 1, 1998	6,630,911	\$ 271,897
Acquisitions	3,222,900	134,448
Used for stock plans	(138,036)	(5,743)
Balance December 31, 1998	9,715,775	400,602
Acquisitions	1,268,633	46,473
Used for stock plans	(144,493)	(5,948)
Return of restricted stock	100,000	3,981
Balance December 31, 1999	10,939,915	445,108
Acquisitions	7,475,178	201,251
Used for stock plans	(79,297)	(3,124)
Balance December 31, 2000	18,335,796	\$ 643,235

Under an employment contract dated January 1, 1997, the Company awarded 250,000 restricted shares of the Company's common stock. Under that contract, the restrictions would expire, subject to performance goals, over a five-year period; compensation expense was recognized over the restricted period. As a result of the termination of that contract, those shares for which restrictions would have lapsed in 2000-2001 were forfeited and have been returned to treasury stock. The amount shown for common stock used for stock plans in 2000 includes 4,000 shares issued as annual compensation awards to non-employee directors of the Company.

Changes in the cumulative translation adjustment, included in other comprehensive income, were (in thousands):

Balance January 1, 1998	\$(36,851)
Translation adjustments	27,721
Balance December 31, 1998	(9,130)
Translation adjustments	(48,005)
Balance December 31, 1999	(57,135)
Translation adjustments	(20,443)
Balance December 31, 2000	\$(77,578)

On February 13, 1990, the Company adopted a shareholder protection rights agreement (the "Rights Agreement") and declared a dividend of one right on each share of common stock outstanding on February 28, 1990 or issued thereafter.

Under the Rights Agreement, as amended, until a person or group acquired 20% or more of the Company's common stock or commenced a tender offer that would result in such person's or group's owning 20% or more, the rights would be evidenced by the common stock certificates, would automatically trade with the common stock and would not be exercisable.

Thereafter, or if the Company were involved in a merger or sold more than 50% of its assets or earning power, each right entitled its holder to purchase a certain number of shares for a specified exercise price. Also, under certain circumstances, the Company's Board of Directors had the option to redeem or exchange one share of common stock for each right. The Rights Agreement expired on February 20, 2000. On March 9, 2000, the Company adopted a new shareholder rights protection agreement (the "New Rights Agreement"), the provisions of which are essentially identical to those of the Rights Agreement. The New Rights Agreement will expire in March 2010.

Dividends paid per share were \$1.29, \$1.52 and \$1.48 in 2000, 1999 and 1998, respectively.

Note 11. Stock Options

The Company has various stock option plans under which the Company's officers, directors and key employees may be granted options to purchase the Company's common stock at 100% of the market price on the day the option is granted.

Except for options granted to two senior executives and certain other options granted to foreign employees, which may be exercised immediately, options granted generally become exercisable no earlier than two years after the

date of grant and expire ten years after the date of grant. Options granted in November 2000, however, constituting approximately half of options outstanding,

generally become exercisable in four equal installments as corresponding market price targets for the Company's Common Stock of \$22.50, \$27.00, \$31.50 and \$36.00 are attained, and expire seven years after the date of grant or sooner if certain price levels (which differ among individuals) are achieved.

During 2000, options to purchase common stock were granted at exercise prices ranging from \$17.94 to \$34.56 per share. At December 31, 2000, the price range for shares under option was \$17.94 to \$49.88; options for 3,267,956 shares were exercisable at that date. During 2000, 75,297 shares of common stock under option were exercised at prices ranging from \$19.30 to \$36.21.

Stock option transactions were:

	Shares of Common Stock		Weighted Average Exercise Price
	Available for Option	Under Option	
Balance January 1, 1998	3,050,329	3,630,674	\$ 41.67
Granted	(941,000)	941,000	48.93
Exercised	--	(138,036)	33.10
Terminated	397,719	(397,719)	46.26
Balance December 31, 1998	2,507,048	4,035,919	43.21
Granted	(846,000)	846,000	38.99
Exercised	--	(144,493)	30.89
Terminated	157,252	(157,252)	45.36
Lapsed	(160,296)	--	--
Balance December 31, 1999	1,658,004	4,580,174	42.69
Granted	(5,761,502)	5,761,502	24.13
Exercised	--	(75,297)	21.46
Terminated	661,422	(661,422)	43.85
Lapsed	(54,500)	--	--
Increase under 2000 plans	9,450,000	--	--
Balance December 31, 2000	5,953,424	9,604,957	\$ 31.55

The following table summarizes information concerning currently outstanding and exercisable options:

	Range of Exercise Prices	
	\$10-\$30	\$30-\$50
Number outstanding	3,655,752	5,949,205
Weighted average remaining contractual life, in years	9.6	7.0
Weighted average exercise price	\$ 18.41	\$ 39.62
Number exercisable	107,250	3,160,706
Weighted average exercise price	\$ 27.97	\$ 41.00

The Company applies Accounting Principles Board Opinion No. 25, Accounting for Stock Issued to Employees, and related interpretations in accounting for its plans. Had compensation cost for the Company's stock option plans been determined based upon the fair value at the grant date, consistent with the methodology prescribed under Statement of Financial Accounting Standards No. 123, Accounting for Stock-Based Compensation, the Company's net income and basic earnings per share would have been reduced by approximately \$12.0 million (\$.12 per share) in 2000, \$5.4 million (\$.05 per share) in 1999 and \$4.7 million (\$.04 per share) in 1998. These pro forma amounts may not be representative of future disclosures because the estimated fair value of stock options is amortized to expense over the vesting period, and additional options may be granted in future years.

Using the Black-Scholes option valuation model, the estimated fair values of options granted during 2000, 1999 and 1998 were \$5.50, \$7.65 and \$9.74, respectively. The Black-Scholes model was developed for use in estimating the fair value of traded options which have no vesting restrictions. In addition, such models require the use of subjective assumptions, including expected stock price volatility. In management's opinion, such valuation models do not necessarily provide a reliable single measure of the fair value of its employee stock options.

Principal assumptions used in applying the Black-Scholes model were as follows:

	2000	1999	1998
Risk-free interest rate	6.2%	5.7%	5.6%
Expected life, in years	5	5	5
Expected volatility	26.9%	22.5%	19.5%
Expected dividend yield	3.8%	3.8%	3.0%

Note 12. Segment Information

The Company manages its operations by major geographical area. Flavors and fragrances have similar economic and operational characteristics including research and development, the nature of the creative and production processes, the type of customers, and the methods by which products are distributed. Accounting policies used for segment reporting are the same as those described in Note 1. The Company evaluates the performance of its geographic areas based

on operating profit, excluding interest expense, other income and expense, certain unallocated expenses, amortization of goodwill and other intangibles, the effects of nonrecurring items and accounting changes, and

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income tax expense. Transfers between geographic areas are accounted for at prices which approximate arm's length market prices. The North America area includes the United States and Canada, and the EAME area includes Europe, Africa and the Middle East. Unallocated assets are principally cash, short-term investments, intangible assets and other corporate assets.

2000 (Dollars in thousands)	North America	EAME	Latin America	Asia-Pacific	Eliminations	Consolidated
Sales to unaffiliated customers	\$ 470,953	\$ 564,872	\$ 220,287	\$ 206,683	\$ --	\$ 1,462,795
Transfers between areas	55,610	116,519	1,936	50,527	(224,592)	--
Total sales	\$ 526,563	\$ 681,391	\$ 222,223	\$ 257,210	\$ (224,592)	\$ 1,462,795
Operating profit	\$ 48,503	\$ 162,410	\$ 39,063	\$ 39,999	\$ 1,762	\$ 291,737
Corporate and other unallocated expenses						(31,919)
Amortization of goodwill and other intangibles						(7,032)
Nonrecurring charges						(41,273)
Interest expense						(25,072)
Other income (expense), net						(2,314)
Income before taxes on income						\$ 184,127
Segment assets	\$ 600,007	\$ 621,999	\$ 175,161	\$ 228,901	\$ (31,737)	\$ 1,594,331
Unallocated assets						894,702
Total assets						\$ 2,489,033
1999 (Dollars in thousands)	North America	EAME	Latin America	Asia-Pacific	Eliminations	Consolidated
Sales to unaffiliated customers	\$ 476,496	\$ 574,835	\$ 212,770	\$ 175,398	\$ --	\$ 1,439,499
Transfers between areas	62,432	124,927	756	13,540	(201,655)	--
Total sales	\$ 538,928	\$ 699,762	\$ 213,526	\$ 188,938	\$ (201,655)	\$ 1,439,499
Operating profit	\$ 69,555	\$ 177,643	\$ 41,288	\$ 31,503	\$ 1,439	\$ 321,428
Corporate and other unallocated expenses						(40,152)
Nonrecurring charges						(32,948)
Interest expense						(5,154)
Other income (expense), net						291
Income before taxes on income						\$ 243,465
Segment assets	\$ 519,054	\$ 487,261	\$ 194,140	\$ 176,222	\$ (61,314)	\$ 1,315,363
Unallocated assets						86,132
Total assets						\$ 1,401,495
1998 (Dollars in thousands)	North America	EAME	Latin America	Asia-Pacific	Eliminations	Consolidated
Sales to unaffiliated customers	\$ 474,481	\$ 569,894	\$ 211,235	\$ 151,739	\$ --	\$ 1,407,349
Transfers between areas	58,355	114,258	841	14,626	(188,080)	--
Total sales	\$ 532,836	\$ 684,152	\$ 212,076	\$ 166,365	\$ (188,080)	\$ 1,407,349
Operating profit	\$ 88,727	\$ 172,392	\$ 47,005	\$ 26,954	\$ 170	\$ 335,248
Corporate and other unallocated expenses						(28,494)
Interest expense						(2,042)
Other income (expense), net						6,356
Income before taxes on income						\$ 311,068
Segment assets	\$ 463,289	\$ 509,006	\$ 164,434	\$ 166,915	\$ (50,008)	\$ 1,253,636
Unallocated assets						134,428
Total assets						\$ 1,388,064

(Dollars in thousands)	Capital Expenditures			Depreciation and Amortization		
	2000	1999	1998	2000	1999	1998
North America	\$ 30,586	\$ 57,306	\$ 46,114	\$ 26,691	\$ 16,811	\$ 16,774
EAME	14,824	21,227	29,424	21,389	25,274	21,026
Latin America	4,806	14,585	10,130	5,154	6,322	4,077
Asia-Pacific	7,500	7,595	4,399	5,975	5,353	4,651
Unallocated assets	2,980	3,122	1,623	10,135	2,609	2,478
Consolidated	\$ 60,696	\$103,835	\$ 91,690	\$ 69,344	\$ 56,369	\$ 49,006

EAME operating profit for 1999 includes charges totaling \$3.5 million relating to accelerated depreciation on assets to be disposed. In 1999, corporate and other unallocated expenses include approximately \$6.0 million in costs associated with the final settlement of certain employment contracts.

Sales of fragrance products were \$865.1 million, \$849.2 million and \$820.1 million in 2000, 1999 and 1998, respectively. Sales of flavor products were \$597.7 million, \$590.3 million and \$587.2 million in 2000, 1999 and 1998, respectively. Sales in the United States, based on the final country of destination of the Company's products, were \$435.1 million, \$434.6 million and \$432.0 million in 2000, 1999 and 1998, respectively. No other individual country of destination exceeded 8% of consolidated sales. Sales to the Company's largest customer in 2000, 1999 and 1998 accounted for 10%, 10% and 11% of worldwide net sales, respectively. Total long-lived assets consists of net property, plant and equipment and net intangible assets and amounted to \$1,435.8 million, \$523.9 million and \$498.8 million at December 31, 2000, 1999 and 1998, respectively; of the respective totals \$1,055.5 million, \$238.8 million and \$204.4 million were located in the United States. No other individual country had long-lived assets that exceeded 10% of total long-lived assets.

Net foreign exchange losses of \$1.9 million in 2000, and gains of \$.6 million in 1999 and \$.9 million in 1998 are included in other income.

Note 13. Retirement Benefits

The Company and most of its subsidiaries have pension and/or other retirement benefit plans covering substantially all employees. Pension benefits are generally based on years of service and on compensation during the final years of employment. Plan assets consist primarily of equity securities and corporate and government fixed income securities. Substantially all pension benefit costs are funded as accrued; however, such funding is limited, where applicable, to amounts deductible for income tax purposes. Certain other retirement benefits are provided by balance sheet accruals. Contributions to defined contribution plans are mainly determined as a percentage of profits.

In addition to pension benefits, certain health care and life insurance benefits are provided to qualifying United States employees upon retirement from the Company. Such coverage is provided through insurance plans with premiums based on benefits paid. The Company does not generally provide health care and life insurance coverage for retired employees of foreign subsidiaries; however, such benefits are provided in most foreign countries by government-sponsored plans, and the cost of these programs is not significant to the Company.

Pension expense included the following components:

(Dollars in thousands)	U.S. Plans			Non-U.S. Plans		
	2000	1999	1998	2000	1999	1998
Service cost for benefits earned	\$ 5,104	\$ 6,384	\$ 5,886	\$ 6,051	\$ 6,687	\$ 6,137
Interest cost on projected benefit obligation	14,151	12,832	11,690	9,471	9,084	10,116
Expected return on plan assets	(16,757)	(14,614)	(12,972)	(10,688)	(11,086)	(11,980)
Net amortization and deferrals	(1,414)	(15)	(98)	777	665	712
Defined benefit plans	1,084	4,587	4,506	5,611	5,350	4,985
Defined contribution and other retirement plans	2,386	2,386	2,386	3,173	2,357	2,121
Total pension expense	\$ 3,470	\$ 6,973	\$ 6,892	\$ 8,784	\$ 7,707	\$ 7,106

Notes to Consolidated Financial Statements
International Flavors & Fragrances Inc.

Expense recognized for postretirement benefits included the following components:

(Dollars in thousands)	2000	1999	1998
Service cost for benefits earned	\$1,500	\$1,832	\$1,505
Interest on benefit obligation	4,104	3,672	3,371
Net amortization and deferrals	13	33	28
Total postretirement benefit expense	\$5,617	\$5,537	\$4,904

Changes in pension and postretirement benefit obligations were:

(Dollars in thousands)	U.S. Pension Plans		Non-U.S. Pension Plans		Postretirement Benefits	
	2000	1999	2000	1999	2000	1999
Benefit obligation at beginning of year	\$ 174,235	\$ 188,095	\$ 173,756	\$ 184,910	\$ 50,345	\$ 55,933
Service cost for benefits earned	5,104	6,384	6,051	6,687	1,500	1,832
Interest cost on projected benefit obligation	14,151	12,832	9,471	9,084	4,104	3,672
Actuarial (gain) loss	15,230	(25,658)	(781)	(1,765)	16,501	(8,255)
Plan amendments	6,199	--	--	--	(2,132)	--
Plan participants' contributions	--	--	88	281	1	--
Benefits paid	(9,705)	(7,418)	(7,076)	(6,381)	(3,933)	(2,837)
Acquisitions	30,910	--	167,853	--	1,505	--
Special termination benefits	14,230	--	--	--	941	--
Curtailments	--	--	--	265	--	--
Translation adjustments	--	--	(15,671)	(19,325)	--	--
Benefit obligation at end of year	\$ 250,354	\$ 174,235	\$ 333,691	\$ 173,756	\$ 68,832	\$ 50,345

Changes in pension plan assets were:

(Dollars in thousands)	U.S. Plans		Non-U.S. Plans	
	2000	1999	2000	1999
Fair value of plan assets at beginning of year	\$ 267,484	\$ 236,468	\$ 164,912	\$ 164,803
Actual return on plan assets	(389)	37,593	13,695	19,005
Employer contributions	1,293	841	5,724	5,083
Plan participants' contributions	--	--	88	281
Acquisitions	28,692	--	185,236	--
Benefits paid	(9,705)	(7,418)	(7,076)	(6,381)
Translation adjustments	--	--	(15,233)	(17,879)
Fair value of plan assets at end of year	\$ 287,375	\$ 267,484	\$ 347,346	\$ 164,912

The funded status of pension and postretirement plans at December 31 was:

(Dollars in thousands)	U.S. Pension Plans		Non-U.S. Pension Plans		Postretirement Benefits	
	2000	1999	2000	1999	2000	1999
Plan assets in excess of (less than) projected benefit obligation	\$ 37,021	\$ 93,249	\$ 13,655	\$ (8,844)	\$(68,832)	\$(50,345)
Remaining balance of unrecognized net (asset) liability established at adoption of FAS 87	(1,571)	(2,214)	1,046	1,235	--	--
Unrecognized prior service cost	9,908	4,107	4,397	5,230	(1,984)	161
Unrecognized net (gain) loss	(60,707)	(94,252)	(2,032)	1,804	14,575	(1,927)
Net asset (liability)	\$(15,349)	\$ 890	\$ 17,066	\$ (575)	\$(56,241)	\$(52,111)

Pension assets and liabilities included in the Consolidated Balance Sheet at December 31 were:

(Dollars in thousands)	U.S. Plans		Non-U.S. Plans	
	2000	1999	2000	1999
Prepaid benefit cost	\$ 7,170	\$ 18,875	\$23,450	\$ 5,855
Accrued benefit liability	(22,519)	(17,985)	(6,384)	(6,430)

Principal weighted average actuarial assumptions used to determine the above pension data were:

	U.S. Plans		Non-U.S. Plans	
	2000	1999	2000	1999
Discount rate	7.5%	7.7%	6.2%	5.9%
Weighted average rate of compensation increase	4.5%	4.5%	3.1%	3.1%
Long-term rate of return on plan assets	9.0%	8.0%	8.3%	7.6%

Principal actuarial assumptions used to determine the above postretirement data were:

	2000	1999
Discount rate	7.5%	7.7%
Initial medical cost trend rate	8.0%	6.5%
Ultimate medical cost trend rate	5.0%	5.0%

Medical cost trend rate decreases to ultimate rate in year	2007	2003
	----	----

The effect of a 1% increase in the assumed medical rate of inflation would increase the accumulated postretirement benefit obligation, and the annual postretirement expense, by approximately \$10.4 million and \$1.1 million, respectively; a 1% decrease in the rate would decrease the obligation and expense by approximately \$8.3 million and \$0.9 million, respectively.

During 2000, the Company initiated two separate voluntary retirement incentive programs for United States-based employees meeting certain eligibility requirements. Those eligible employees who elected to take the incentive will receive additional credit, for pension purposes, in terms of age and service, as well as other benefits. Approximately 155 employees accepted enhanced retirement benefits under these two programs and these are reflected as special termination benefits above.

Note 14. Financial Instruments and Concentrations of Credit Risk

The Company uses forward exchange contracts to reduce its exposure to fluctuations in foreign currency exchange rates. These contracts, the counterparties to which are major international financial institutions, generally involve the exchange of one currency for a second currency at a future date, and have maturities which do not exceed six months. Gains and losses on such contracts are recognized in income as incurred, effectively offsetting the losses and gains on the foreign currency transactions that are hedged. At December 31, 2000 and 1999, the value of outstanding foreign currency exchange contracts was not material.

The Company has no significant concentrations of risk in financial instruments. Temporary cash investments are made in a well-diversified portfolio of high-quality, liquid obligations of government, corporate and financial institutions. There are also limited concentrations of credit risk with respect to trade receivables because of the large number of customers spread across many industries and geographic areas.

Note 15. Contingent Liabilities

There are various lawsuits and claims pending against the Company. Management believes that any liability resulting from those actions or claims will not have a material adverse effect on the Company's financial condition, results of operations or liquidity.

Note 16. Subsequent Event (Unaudited)

On February 20, 2001, the Company announced that its Board of Directors and management were evaluating the Company's business portfolio as part of an ongoing effort to refocus IFF on its core strategic areas. As a first step, the Board authorized management to divest a significant portion of the aroma chemicals business acquired as part of the BBA transaction. The BBA chemicals business had annual sales of approximately \$100.0 million for the year ended December 31, 2000. The Company has entered into preliminary discussions with potential third parties although no definitive agreement as to the terms or conditions of a sale had been finalized. IFF will also continue to evaluate its portfolio on an ongoing basis.

IFF intends to use the proceeds from the sale of the BBA aroma chemicals business and of any other non-core elements of its business to pay down debt.

Five-Year Summary
International Flavors & Fragrances Inc.

(Dollars in thousands except per share amounts)	2000	1999	1998	1997	1996
Consolidated Statement of Income Data					
Net sales	\$ 1,462,795	\$ 1,439,499	\$ 1,407,349	\$ 1,426,791	\$ 1,436,053
Cost of goods sold/(d)/	831,653	806,382	777,764	787,533	793,790
Research and development expenses	112,671	103,794	98,438	94,411	93,545
Selling and administrative expenses/(d)/	258,653	248,047	224,393	212,678	208,573
Amortization of goodwill and other intangibles	7,032	--	--	--	--
Nonrecurring charges/(a)/(b)/(c)/	41,273	32,948	--	--	49,707
Interest expense	25,072	5,154	2,042	2,420	2,740
Other (income) expense, net	2,314	(291)	(6,356)	(10,442)	(11,405)
	1,278,668	1,196,034	1,096,281	1,086,600	1,136,950
Income before taxes on income	184,127	243,465	311,068	340,191	299,103
Taxes on income	61,122	81,465	107,283	121,962	109,209
Net income	\$ 123,005	\$ 162,000	\$ 203,785	\$ 218,229	\$ 189,894
% of net sales	8.4	11.3	14.5	15.3	13.2
% of average shareholders' equity	16.5	18.0	20.9	21.0	17.3
Net income per share - basic	\$1.22	\$1.53	\$1.90	\$2.00	\$1.71
Net income per share - diluted	\$1.22	\$1.53	\$1.90	\$1.99	\$1.70
Average number of shares (thousands)	101,073	105,748	107,122	109,065	110,773
Consolidated Balance Sheet Data					
Cash and short-term investments	\$ 129,238	\$ 62,971	\$ 115,999	\$ 260,446	\$ 317,983
Receivables, net	364,314	303,418	283,480	268,534	269,308
Inventories	435,312	415,269	403,961	360,074	369,078
Property, plant and equipment, net	679,874	523,916	498,784	446,509	467,797
Intangible assets, net	755,923	--	--	--	--
Total assets	2,489,033	1,401,495	1,388,064	1,422,261	1,506,913
Bank loans and commercial paper	852,985	92,474	29,072	10,490	18,929
Long-term debt	417,402	3,832	4,341	5,114	8,289
Shareholders' equity	631,259	858,497	945,051	1,000,488	1,076,537
Other Data					
Current ratio	0.9	2.3	3.1	3.5	3.6
Gross additions to property, plant and equipment	\$ 60,696	\$ 103,835	\$ 91,690	\$ 59,284	\$ 80,782
Depreciation and amortization charged to income	69,344	56,369	49,006	50,278	47,764
Cash dividends declared	130,234	160,830	159,513	158,453	152,743
Per share	\$1.29	\$1.52	\$1.49	\$1.45	\$1.38
Number of shareholders of record at year-end	3,741	4,209	4,653	4,991	5,611
Number of employees at year-end	6,614	4,682	4,669	4,639	4,629

(a) Nonrecurring charges (\$26,765 after tax) in 2000 resulted from the Company's reorganization program as well as certain costs associated with the integration of BBA.

(b) Nonrecurring charges (\$21,910 after tax) in 1999 resulted from the Company's program to streamline its operations worldwide.

(c) Nonrecurring charges (\$31,315 after tax) in 1996 resulted from the Company's program to phase out and close certain aroma chemical operations.

(d) Captions reflect the classification of shipping and handling costs as a component of Cost of goods sold; prior to 2000, the Company had accounted for such costs as a component of Selling and administrative expenses. Prior year amounts have been reclassified from Selling expense to Cost of goods sold in accordance with guidance established by Emerging Issues Task Force Issue No. 00-10, "Accounting for Shipping and Handling Fees and Costs." Implementation had no effect on net income.

LIST OF SUBSIDIARIES OF INTERNATIONAL FLAVORS & FRAGRANCES INC.

Below is a list of the subsidiaries of the Company. Each subsidiary does business under the name identified below. All of the voting stock of each subsidiary is owned, either directly or indirectly, by the Company, except where noted and except, in certain instances for directors' qualifying shares.

Name of Subsidiary -----	Place of Incorporation -----
International Flavors & Fragrances I.F.F. (Nederland) B.V.	The Netherlands
Aromatics Holdings Limited	Ireland
IFF-Benicarlo, S.A.	Spain
International Flavours & Fragrances (China) Ltd.	China
Irish Flavours and Fragrances Limited	Ireland
International Flavours & Fragrances I.F.F. (Great Britain) Ltd.	England
International Flavors & Fragrances I.F.F. (Italia) S.r.l.	Italy
International Flavors & Fragrances I.F.F. (Deutschland) G.m.b.H.	Germany
International Flavors & Fragrances I.F.F. (Switzerland) A.G.	Switzerland
International Flavors & Fragrances I.F.F. (France) S.a.r.l.	France
International Flavors & Fragrances (Hong Kong) Ltd.	Hong Kong
International Flavors & Fragrances (Japan) Ltd.	Japan
International Flavors & Fragrances S.A.C.I.	Argentina
I.F.F. Essencias e Fragancias Ltda.	Brazil
International Flavours & Fragrances (Australia) Pty. Ltd.	Australia
P.T. Essence Indonesia	Indonesia
International Flavors & Fragrances (Mexico) S.A. de C.V.	Mexico
IFF Mexico Manufactura, S.A. de C.V.	Mexico
International Flavors & Fragrances I.F.F. (Espana) S.A.	Spain
International Flavors & Fragrances (Poland) Sp.z.o.o.	Poland
IFF Trading Company B.V.	The Netherlands
International Flavors & Fragrances (Hangzhou) Co. Ltd (1)	China
International Flavors & Fragrances I.F.F. (S.A.) (Pty) Ltd.	South Africa
The PAKS Corporation	New York
International Flavors & Fragrances I.F.F. (Canada) Ltd.	Canada
IFF FSC Inc.	U.S. Virgin Islands
Alva Insurance Ltd.	Bermuda
van Ameringen-Haebler, Inc.	New York

Name of Subsidiary -----	Place of Incorporation -----
International Flavors & Fragrances (Caribe) Inc.	Delaware
International Flavors & Fragrances de Venezuela, C.A.	Venezuela
Sabores y Fragancias S.A.	Colombia
IFF Sabores y Fragancias de Chile Ltda.	Chile
International Flavors & Fragrances I.F.F. (East Africa) Ltd.	Kenya
International Flavors & Fragrances I.F.F. (Sverige) A.B.	Sweden
International Flavors & Fragrances I.F.F. (Norge) A.S.	Norway
IFF (Near East) Flavors & Fragrances Company A.S.	Turkey
International Flavors & Fragrances IFF (Hungary) Kereskedelmi es Szolgaltato K.F.T.	Hungary
International Flavors & Fragrances I.F.F. (Israel) Ltd.	Israel
Misr Co. for Aromatic Products (MARF) S.A.E.	Egypt
International Flavors & Fragrances I.F.F. (Portugal) Lds.	Portugal
International Flavors & Fragrances (Zimbabwe) (Private) Ltd.	Zimbabwe
International Flavours & Fragrances (Mauritius) Ltd.	Mauritius
International Flavours & Fragrances (India) Private Limited	India
International Flavors & Fragrances (Philippines) Inc.	Philippines
International Flavors & Fragrances (Asia Pacific) Pte. Ltd.	Singapore
International Flavours & Fragrances (Thailand) Ltd.	Thailand
International Flavors & Fragrances (Korea) Inc.	Korea
Laboratoires Monique Remy S.a.r.l.	France
International Flavors & Fragrances (Nederland) Holding B.V.	The Netherlands
International Flavors & Fragrances Ardenne S.a.r.l.	Luxembourg
International Flavors & Fragrances (Luxembourg) S.a.r.l.	Luxembourg
International Flavors & Fragrances Global S.a.r.l.	Luxembourg
International Flavours & Fragrances (GB) Holdings Limited	United Kingdom
IFF International Inc.	New York
Bush Boake Allen Inc.	Virginia
Bush Boake Allen Canada Inc.	Canada
Bush Boake Allen (Chile) S.A.	Chile
Bush Boake Allen Industria E Commercial do Brasil Limitada	Brazil
Bush Boake Allen Colombia S.A.	Colombia
Bush Boake Allen Mexico, S.A. de C.V.	Mexico
Bush Boake Allen Controladora S.A. de C.V.	Mexico
Bush Boake Allen Servicios S.A. de C.V.	Mexico

Name of Subsidiary -----	Place of Incorporation -----
Bush Boake Allen (Nominees) Limited	England
Bush Boake Allen Holdings (U.K.) Limited	England
Bush Boake Allen Pension Investments Limited	England
Bush Boake Allen (Executive Pension Trustees) Limited	England
Bush Boake Allen (Pension Trustees) Limited	England
Bush Boake Allen (Works Pension Trustees) Limited	England
Bush Boake Allen Limited	England
W.J. Bush & Co., Inc.	Delaware
GMB Proteins Limited	England
Bush Boake Allen Australia Ltd.	Australia
Bush Boake Allen Espana S.A.	Spain
Bush Boake Allen Morimura Limited (2)	Japan
Bush Boake Allen (Guangzhou) Co. Ltd. (3)	China
Bush Boake Allen (Hong Kong) Limited	Hong Kong
A. Boake, Roberts And Company (Holding), Limited	England
Bush Boake Allen Esans ve Aromatik Urunler Sanayi AS (4)	Turkey
PT Bush Boake Allen Indonesia (5)	Indonesia
Bush Boake Allen (New Zealand) Limited	New Zealand
Bush Boake Allen Singapore Pte. Ltd.	Singapore
Bush Boake Allen (Malaysia) SDN. BHD. (Kuala Lumpur)	Malaysia
Bush Boake Allen Denmark ApS.	Denmark
Bush Boake Allen France	France
Bush Boake Allen Zimbabwe (Private) Limited	Zimbabwe
Bush Boake Allen (India) Limited (6)	India
Hindustan Flavours and Fragrances (International) Limited (7)	India
Bush Boake Allen (Jamaica) Limited (8)	Jamaica
Bush Boake Allen (SA) (Proprietary) Limited	South Africa
Bush Boake Allen (Thailand) Limited (9)	Thailand
Bush Boake Allen Deutschland GmbH	West Germany
Bush Boake Allen, Moscow, Ltd.	Russia
Bush Boake Allen Benelux B.V.	Netherlands
Bush Boake Allen Scandinavia Aktielbolag	Sweden
Bush Boake Allen (C.R.) s.r.o.	Czech Republic
Stafford Specialty Ingredients Limited	England
Bush Boake Allen Italia S.P.A.	Italy

Name of Subsidiary -----	Place of Incorporation -----
Bush Boake Allen Pakistan (Private) Limited (10)	Pakistan
Bush Boake Allen Philippines, Inc.	Philippines
Asian Investments, Inc.	Delaware
Fragrance Holdings Private Limited (11)	India
Essence Scientific Research Private Limited (12)	India
Jamaica Extracts Limited (13)	Jamaica
Thai Flavour & Fragrance Co. Limited (14)	Thailand
Bush Boake Allen Aromatica S. A.	Argentina
Bush Boake Allen Barbados Inc.	Barbados
Bush Boake Allen Enterprises Ltd.	England
Bush Boake Allen Sp. z.o.o.	Poland
Bush Boake Allen Holdings I B.V.	The Netherlands
Bush Boake Allen Holdings II B.V.	The Netherlands

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- (1) 90% of the voting stock of International Flavors & Fragrances (Hangzhou) Co. Ltd., is owned, directly or indirectly, by the Company.
 - (2) 65% of the voting stock of Bush Boake Allen Morimura Limited is owned, directly or indirectly, by the Company.
 - (3) 98% of the voting stock of Bush Boake Allen (Guangzhou) Co. Ltd. is owned, directly or indirectly, by the Company.
 - (4) 99.9% of the voting stock of Bush Boake Allen Esans ve Aromatik Urunler Sanayi AS is owned, directly or indirectly, by the Company.
 - (5) 60% of the voting stock of PT Bush Boake Allen Indonesia is owned, directly or indirectly, by the Company.
 - (6) 75% of the voting stock of Bush Boake Allen (India) Limited is owned, directly or indirectly, by the Company.
 - (7) 75% of the voting stock of Hindustan Flavours and Fragrances (International) Limited is owned, directly or indirectly, by the Company.
 - (8) 70% of the voting stock of Bush Boake Allen (Jamaica) Limited is owned, directly or indirectly, by the Company.
 - (9) 60% of the voting stock of Bush Boake Allen (Thailand) Limited is owned, directly or indirectly, by the Company.
 - (10) 50% of the voting stock of Bush Boake Allen Pakistan (Private) Limited is owned, directly or indirectly, by the Company.
 - (11) 100% of the voting stock of Fragrance Holdings Private Limited is owned, directly or indirectly, by the Company.
 - (12) 100% of the voting stock of Essence Scientific Research Private Limited is owned, directly or indirectly, by the Company.
 - (13) 58% of the voting stock of Jamaica Extracts Limited is owned, directly or indirectly, by the Company.
 - (14) 49% of the voting stock of Thai Flavour & Fragrance Co. Limited is owned, directly or indirectly, by the Company.

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the Registration Statements on Form S-3 (No. 333-46932, No. 333-59689, No. 33-66756 and No. 33-47856) and the Registration Statements on Form S-8 (No. 333-51436, No. 333-50752 and No. 33-54423) of International Flavors & Fragrances Inc. of our report dated January 29, 2001 relating to the Company's financial statements, which appears in the Annual Report to Shareholders, which report and consolidated financial statements are incorporated in this Annual Report on Form 10-K. We also consent to the incorporation by reference of our report dated January 29, 2001 relating to the financial statement schedule, which appears in this Form 10-K.

PricewaterhouseCoopers LLP

New York, New York
March 30, 2001

POWER OF ATTORNEY

The undersigned director and/or officer of International Flavors & Fragrances Inc., a New York corporation, which is about to file with the Securities and Exchange Commission, under the provisions of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, an Annual Report on Form 10-K for the Year Ended December 31, 2000, hereby constitutes and appoints Stephen A. Block and Douglas J. Wetmore his (her) attorneys, and each of them his (her) attorney with power to act without the other, with full power of substitution and resubstitution, for him (her) and in his (her) name, place and stead to sign in any and all capacities such Annual Report, and any and all amendments thereto, and to file the same with all exhibits thereto and other documents in connection therewith, granting unto said attorneys, and each of them, full power and authority to do so and to perform all and every act necessary to be done in connection therewith, as fully to all intents and purposes as he (she) might or could do if personally present, hereby ratifying the acts of his (her) said attorneys and each of them.

IN WITNESS WHEREOF, the undersigned has hereunto set his (her) hand this 13th day of March 2001.

/s/ Margaret Hayes Adame
_____(L.S.)
Margaret Hayes Adame

POWER OF ATTORNEY

The undersigned director and/or officer of International Flavors & Fragrances Inc., a New York corporation, which is about to file with the Securities and Exchange Commission, under the provisions of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, an Annual Report on Form 10-K for the Year Ended December 31, 2000, hereby constitutes and appoints Stephen A. Block and Douglas J. Wetmore his (her) attorneys, and each of them his (her) attorney with power to act without the other, with full power of substitution and resubstitution, for him (her) and in his (her) name, place and stead to sign in any and all capacities such Annual Report, and any and all amendments thereto, and to file the same with all exhibits thereto and other documents in connection therewith, granting unto said attorneys, and each of them, full power and authority to do so and to perform all and every act necessary to be done in connection therewith, as fully to all intents and purposes as he (she) might or could do if personally present, hereby ratifying the acts of his (her) said attorneys and each of them.

IN WITNESS WHEREOF, the undersigned has hereunto set his (her) hand this 13th day of March 2001.

/s/ Gunter Blobel
_____(L.S.)
Gunter Blobel

POWER OF ATTORNEY

The undersigned director and/or officer of International Flavors & Fragrances Inc., a New York corporation, which is about to file with the Securities and Exchange Commission, under the provisions of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, an Annual Report on Form 10-K for the Year Ended December 31, 2000, hereby constitutes and appoints Stephen A. Block and Douglas J. Wetmore his (her) attorneys, and each of them his (her) attorney with power to act without the other, with full power of substitution and resubstitution, for him (her) and in his (her) name, place and stead to sign in any and all capacities such Annual Report, and any and all amendments thereto, and to file the same with all exhibits thereto and other documents in connection therewith, granting unto said attorneys, and each of them, full power and authority to do so and to perform all and every act necessary to be done in connection therewith, as fully to all intents and purposes as he (she) might or could do if personally present, hereby ratifying the acts of his (her) said attorneys and each of them.

IN WITNESS WHEREOF, the undersigned has hereunto set his (her) hand this 13th day of March 2001.

/s/ J. Michael Cook

_____(L.S.)

J. Michael Cook

POWER OF ATTORNEY

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IN WITNESS WHEREOF, the undersigned has hereunto set his (her) hand this 13th day of March 2001.

/s/ Richard M. Furlaud
_____(L.S.)
Richard M. Furlaud

POWER OF ATTORNEY

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IN WITNESS WHEREOF, the undersigned has hereunto set his (her) hand this 13th day of March 2001.

/s/ Peter A. Georgescu
_____(L.S.)
Peter A. Georgescu

POWER OF ATTORNEY

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IN WITNESS WHEREOF, the undersigned has hereunto set his (her) hand this 13th day of March 2001.

/s/ Richard A. Goldstein
_____(L.S.)
Richard A. Goldstein

POWER OF ATTORNEY

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IN WITNESS WHEREOF, the undersigned has hereunto set his (her) hand this 13th day of March 2001.

/s/ Carlos A. Lobbosco
_____(L.S.)
Carlos A. Lobbosco

POWER OF ATTORNEY

The undersigned director and/or officer of International Flavors & Fragrances Inc., a New York corporation, which is about to file with the Securities and Exchange Commission, under the provisions of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, an Annual Report on Form 10-K for the Year Ended December 31, 2000, hereby constitutes and appoints Stephen A. Block and Douglas J. Wetmore his (her) attorneys, and each of them his (her) attorney with power to act without the other, with full power of substitution and resubstitution, for him (her) and in his (her) name, place and stead to sign in any and all capacities such Annual Report, and any and all amendments thereto, and to file the same with all exhibits thereto and other documents in connection therewith, granting unto said attorneys, and each of them, full power and authority to do so and to perform all and every act necessary to be done in connection therewith, as fully to all intents and purposes as he (she) might or could do if personally present, hereby ratifying the acts of his (her) said attorneys and each of them.

IN WITNESS WHEREOF, the undersigned has hereunto set his (her) hand this 13th day of March 2001.

/s/ Arthur C. Martinez
_____(L.S.)
Arthur C. Martinez

POWER OF ATTORNEY

The undersigned director and/or officer of International Flavors & Fragrances Inc., a New York corporation, which is about to file with the Securities and Exchange Commission, under the provisions of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, an Annual Report on Form 10-K for the Year Ended December 31, 2000, hereby constitutes and appoints Stephen A. Block and Douglas J. Wetmore his (her) attorneys, and each of them his (her) attorney with power to act without the other, with full power of substitution and resubstitution, for him (her) and in his (her) name, place and stead to sign in any and all capacities such Annual Report, and any and all amendments thereto, and to file the same with all exhibits thereto and other documents in connection therewith, granting unto said attorneys, and each of them, full power and authority to do so and to perform all and every act necessary to be done in connection therewith, as fully to all intents and purposes as he (she) might or could do if personally present, hereby ratifying the acts of his (her) said attorneys and each of them.

IN WITNESS WHEREOF, the undersigned has hereunto set his (her) hand this 13th day of March 2001.

/s/ George Rowe, Jr.
_____(L.S.)
George Rowe, Jr.

POWER OF ATTORNEY

The undersigned director and/or officer of International Flavors & Fragrances Inc., a New York corporation, which is about to file with the Securities and Exchange Commission, under the provisions of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, an Annual Report on Form 10-K for the Year Ended December 31, 2000, hereby constitutes and appoints Stephen A. Block and Douglas J. Wetmore his (her) attorneys, and each of them his (her) attorney with power to act without the other, with full power of substitution and resubstitution, for him (her) and in his (her) name, place and stead to sign in any and all capacities such Annual Report, and any and all amendments thereto, and to file the same with all exhibits thereto and other documents in connection therewith, granting unto said attorneys, and each of them, full power and authority to do so and to perform all and every act necessary to be done in connection therewith, as fully to all intents and purposes as he (she) might or could do if personally present, hereby ratifying the acts of his (her) said attorneys and each of them.

IN WITNESS WHEREOF, the undersigned has hereunto set his (her) hand this 13th day of March 2001.

/s/ Henry P. van Ameringen
----- (L.S.)
Henry P. van Ameringen

POWER OF ATTORNEY

The undersigned director and/or officer of International Flavors & Fragrances Inc., a New York corporation, which is about to file with the Securities and Exchange Commission, under the provisions of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, an Annual Report on Form 10-K for the Year Ended December 31, 2000, hereby constitutes and appoints Stephen A. Block and Douglas J. Wetmore his (her) attorneys, and each of them his (her) attorney with power to act without the other, with full power of substitution and resubstitution, for him (her) and in his (her) name, place and stead to sign in any and all capacities such Annual Report, and any and all amendments thereto, and to file the same with all exhibits thereto and other documents in connection therewith, granting unto said attorneys, and each of them, full power and authority to do so and to perform all and every act necessary to be done in connection therewith, as fully to all intents and purposes as he (she) might or could do if personally present, hereby ratifying the acts of his (her) said attorneys and each of them.

IN WITNESS WHEREOF, the undersigned has hereunto set his (her) hand this 13th day of March 2001.

/s/ William D. Van Dyke, III
----- (L.S.)
William D. Van Dyke, III

POWER OF ATTORNEY

The undersigned director and/or officer of International Flavors & Fragrances Inc., a New York corporation, which is about to file with the Securities and Exchange Commission, under the provisions of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, an Annual Report on Form 10-K for the Year Ended December 31, 2000, hereby constitutes and appoints Stephen A. Block and Douglas J. Wetmore his (her) attorneys, and each of them his (her) attorney with power to act without the other, with full power of substitution and resubstitution, for him (her) and in his (her) name, place and stead to sign in any and all capacities such Annual Report, and any and all amendments thereto, and to file the same with all exhibits thereto and other documents in connection therewith, granting unto said attorneys, and each of them, full power and authority to do so and to perform all and every act necessary to be done in connection therewith, as fully to all intents and purposes as he (she) might or could do if personally present, hereby ratifying the acts of his (her) said attorneys and each of them.

IN WITNESS WHEREOF, the undersigned has hereunto set his (her) hand this 13th day of March 2001.

/s/ Douglas J. Wetmore
----- (L.S.)

Douglas J. Wetmore

This schedule contains summary financial information extracted from the Consolidated Balance Sheet & Consolidated Statement of Income and is qualified in its entirety by reference to such financial statements. Amounts in thousands of dollars, except per share amounts.

12-MOS	
	DEC-31-2000
	DEC-31-2000
	128,869
	369
	343,294
	11,074
	435,312
	1,018,940
	1,141,301
	461,427
	2,489,033
1,179,017	
	417,402
0	
	0
	14,470
	616,789
2,489,033	
	1,462,795
	1,462,795
	831,653
	1,200,618
	50,619
	2,359
	25,072
	184,127
	61,122
123,005	
	0
	0
	0
	123,005
	1.22
	1.22