
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of The
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): November 19, 2009

THE HAIN CELESTIAL GROUP, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

0-22818
(Commission
File Number)

22-3240619
(I.R.S. Employer
Identification No.)

58 South Service Road, Melville, NY 11747
(Address of principal executive offices)

Registrant's telephone number, including area code: (631) 730-2200

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

Executive Incentive Plan

On November 19, 2009 the stockholders of The Hain Celestial Group, Inc. (the “Company”) approved The Hain Celestial Group, Inc. 2010-2014 Executive Incentive Plan (the “Executive Incentive Plan”), which was previously adopted by the Board of Directors (the “Board”), subject to approval by the stockholders. The Executive Incentive Plan is intended to provide certain employees with incentive compensation based upon the performance of the Company in order to enhance shareholder value. The Chairman, President and Chief Executive Officer; Executive Vice President and Chief Financial Officer; Executive Vice President and Chief Executive Officer – Hain Celestial United States; Vice President and Chief Accounting Officer; and Senior Vice President – Corporate Relations, who were named executive officers in the Company’s 2009 Proxy Statement (the “Named Executive Officers”), as well as other key employees who are selected by the Committee, are eligible to participate under the Executive Incentive Plan.

The Executive Incentive Plan has been designed to provide performance-based compensation that is exempt from the \$1 million deduction limit on executive compensation under Section 162(m) of the Internal Revenue Code of 1986, as amended (the “Code”). The Executive Incentive Plan provides for annual incentive awards covering each fiscal year of the Company and long-term incentive awards covering a period of at least two fiscal years of the Company. The awards under the Executive Incentive Plan may be in the form of cash, stock, restricted stock, stock units or other forms of stock-based awards, or any combination thereof, provided that any such stock-based awards will be issued pursuant to and be subject to the terms and conditions of the Company’s Amended and Restated 2002 Long Term Incentive and Stock Award Plan, or any successor plan. All payments under the Executive Incentive Plan are based upon the attainment of certain performance measures established by the Committee. Within the first 90 days of the fiscal year or long-term performance period, as applicable, the Committee is required to establish the terms and conditions for the payment of awards, including the eligible participants, the performance measures (and any required adjustments), the length of the performance period and the formula for calculating the amount of the awards for each participant. The maximum payment that can be made to any one participant under the annual award portion of the Executive Incentive Plan is \$4,000,000, which maximum has been established by the Board by taking into account expected increases in compensation and inflation over the five-year term of the Executive Incentive Plan. The maximum payment that may be made to a participant for each long-term performance period established by the Committee may not exceed \$8,000,000, which maximum has been established by the Board, taking into account the same factors. The Committee may reduce, but not increase, the amount of an award in its sole discretion and to take into account any factors as the Committee deems appropriate.

A participant must generally remain employed through the end of the applicable performance period to receive any award under the Executive Incentive Plan, except that a participant may be entitled to a prorated portion of the award in the event of involuntary termination without cause, death, disability or retirement, provided that the performance measures have been achieved. In addition, in the event of a change in control during the applicable performance period, a participant will be eligible for a prorated award, provided that the performance measures have been achieved. A change in control is defined in the Plan generally as one of the following events:

- The acquisition by a person of beneficial ownership of more than 50% of the total voting power of the outstanding stock of the Company;
- A majority of our Board is replaced during any 12-month period by directors whose appointment or election is not endorsed by two-thirds of the members of the Board prior to the date of the appointment or election;

- A reorganization, merger or consolidation, or sale or other disposition of all or substantially all of the assets of the Company unless (i) all or substantially all, of our stockholders prior to such event beneficially own more than 50% of the voting stock of the surviving entity in substantially the same proportions as their prior ownership, (ii) no person (other than the Company or the surviving entity) beneficially owns 50% or more of the combined voting power of the outstanding stock of the surviving entity and (iii) at least a majority of the members of the board of directors of the surviving entity were members of our Board; or
- Stockholders approve (i) sale or disposition of all or substantially all of the assets of the Company (other than to a subsidiary) or (ii) a complete liquidation or dissolution of the Company.

However, if a participant is a party to an employment agreement or change in control agreement with the Company, “change in control” shall have the meaning set forth in such agreement.

The foregoing does not constitute a complete summary of the terms of the Executive Incentive Plan, and reference is made to the complete text of the Executive Incentive Plan, which is attached hereto as Exhibit 10.1.

Amended and Restated 2002 Long Term Incentive and Stock Award Plan

On November 19, 2009 the stockholders of the Company approved the amendment of The Hain Celestial Group, Inc. Amended and Restated 2002 Long Term Incentive and Stock Award Plan (the “2002 Plan”), which was previously adopted by the Board, subject to approval by the stockholders.

The 2002 Plan was amended to:

- increase the maximum number of shares authorized for issuance under the 2002 Plan by 2,100,000 shares, to a total of 8,550,000 shares;
- reflect that the independent members of the Board of Directors have the authority to grant awards under the 2002 Plan, except that the Compensation Committee shall have the authority to approve new hire grants on a quarterly basis;
- revise the menu of performance measures to conform to the Executive Incentive Plan;
- include a clawback provision with respect to accounting restatements included in the Company’s filings on Forms 10-K and 10-Q caused by the misconduct of a plan participant; and
- allow for gifts of non-qualified stock options to family members of a plan participant.

The purpose of the 2002 Plan is to provide a means to attract, retain, and motivate employees in order to achieve our long-term growth and profitability objectives, provide competitive levels of compensation, link compensation to corporate performance and align the interests of our employees with the interests of our stockholders.

Under the 2002 Plan, the grants of awards will be made by those directors who are non-employee directors within the meaning of Rule 16b-3 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”) and outside directors within the meaning of Section 162(m) of the Code, provided that the Committee shall have the authority to grant awards on a quarterly basis to new hires. The awards may be in the form of stock options, stock appreciation rights, restricted stock and restricted stock units, performance shares and performance units and dividend equivalents.

The 2002 Plan may be amended, suspended or terminated by the Board at any time, in whole or in part. The Board may seek the approval of any amendment or modification by the Company’s stockholders to the extent it deems necessary or advisable in its discretion for purposes of compliance with Section 162(m) or Section 422 of the Code, the listing requirements of the applicable exchange or securities market or for any other purpose. The 2002 Plan is effective as of December 1, 2005. Unless earlier terminated, the 2002 Plan will terminate as to future awards on December 1, 2015.

The foregoing does not constitute a complete summary of the terms of the 2002 Plan, and reference is made to the complete text of the 2002 Plan, which is attached hereto as Exhibit 10.2.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
10.1	The Hain Celestial Group, Inc. 2010-2014 Executive Incentive Plan
10.2	The Hain Celestial Group, Inc. Amended and Restated 2002 Long Term Incentive and Stock Award Plan

SIGNATURES

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

Date: **November 25, 2009**

THE HAIN CELESTIAL GROUP, INC.
(Registrant)

By: _____ /s/ IRA J. LAMEL
Name: **Ira J. Lamel**
Title: **Executive Vice President and Chief Financial Officer**

THE HAIN CELESTIAL GROUP, INC.

2010-2014

EXECUTIVE INCENTIVE PLAN

I. INTRODUCTION

1.1. *Purpose.* The purpose of this Plan is to recruit and retain highly qualified executives and other employees, to provide incentives to such individuals to attain the goals of The Hain Celestial Group, Inc. (the "Company") and its Affiliates (as defined below) and to provide incentive compensation based on the performance of the Company in order to enhance stockholder value. The Plan is designed to ensure that awards payable hereunder are deductible under Section 162(m) of the Internal Revenue Code of 1986, as amended, and the regulations and interpretations promulgated thereunder (the "Code").

1.2. *Description.* This Plan is the means by which the Committee shall determine and implement incentive awards for participating employees hereunder.

1.3. *Term.* This Plan shall be effective as of July 1, 2009 and shall provide for awards that may be granted through and including the 2014 fiscal year of the Company, unless earlier terminated pursuant to Section 7.1.

II. DEFINITIONS

As used in this Plan, the following terms shall have the following meanings:

"Affiliate" means (a) an entity that directly or through one or more intermediaries is controlled by the Company, and (b) any entity in which the Company has a significant equity interest, as determined by the Company.

"Annual Incentive Award" means the award payable with respect to a fiscal year of the Company determined in accordance with Article V hereof.

"Award" means an Annual Incentive Award or Long-Term Incentive Award under the Plan, whether in the form of cash, stock, restricted stock, stock units or other forms of stock-based awards, or any combination thereof, provided that any such stock-based awards shall be issued pursuant to and be subject to the terms and conditions of the Stock Plan.

"Base Compensation" means the base rate of salary payable to a Participant as most recently reflected on the books and records of the Company, prior to any reduction under a salary reduction agreement pursuant to section 401(k) or section 125 of the Code, but shall not include (without limitation) cost of living allowances, fees, retainers, bonuses, commissions, incentive awards, prizes, employee benefits, fringe benefits, expense allowance or similar payments or assignment premiums for expatriates and third country nationals.

“Board” means the Board of Directors of the Company.

“Cause” means a Participant’s continued gross neglect or material failure in the performance of the Participant’s duties and obligations to the Company or willful and malicious misconduct on the Participant’s part in connection with the performance of the Participant’s duties, including, but not limited to, criminal acts, acts of malfeasance, dishonesty, or willful neglect in the performance of the Participant’s duties or other acts that adversely affect the business of the Company;

provided, however, that if a Participant is party to an employment agreement or change in control agreement with the Company, “Cause” shall have the meaning set forth in such agreement.

“Change in Control” means any of the following:

- (a) the acquisition by any person of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Securities Exchange Act of 1934, as amended (the “Exchange Act”) of 50% or more of the combined voting power of the then outstanding securities of the Company entitled to vote generally in the election of directors (“Voting Stock”); provided, however, that for purposes of this clause (a), the following acquisitions shall not constitute a Change in Control: (i) any issuance of Voting Stock of the Company directly from the Company that is approved by the Incumbent Board (as defined below), (ii) any acquisition by the Company of Voting Stock of the Company or (iii) any acquisition of Voting Stock of the Company by any person pursuant to a Business Combination (as defined below) that complies with clauses (i), (ii) and (iii) of clause (c) below; or
- (b) during any period of one year beginning on or after the date hereof, individuals who, as of the date hereof, constitute the Board (the “Incumbent Board”), cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a member of the Board (a “Director”) subsequent to the date hereof whose election, or nomination for election by the Company’s stockholders, was approved by a vote of at least two-thirds of the Directors then comprising the Incumbent Board (either by a specific vote or by approval of the proxy statement of the Company in which such person is named as a nominee for director, without objection to such nomination) shall be deemed to have been a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of Directors or other actual or threatened solicitation of proxies or consents by or on behalf of a person other than the Board; or
- (c) consummation of a reorganization, merger or consolidation, a sale or other disposition of all or substantially all of the assets of the Company (each, a “Business Combination”), unless, in each case, immediately following such

Business Combination, (i) all or substantially all of the individuals and entities who were the beneficial owners of Voting Stock of the Company immediately prior to such Business Combination beneficially own, directly or indirectly, more than 50% of the combined voting power of the then outstanding shares of Voting Stock of the entity resulting from such Business Combination (including, without limitation, an entity which as a result of such transaction owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries) in substantially the same proportions relative to each other as their ownership, immediately prior to such Business Combination, (ii) no person (other than the Company or such entity resulting from such Business Combination) beneficially owns, directly or indirectly, 50% or more of the combined voting power of the then outstanding shares of Voting Stock of the entity resulting from such Business Combination and (iii) at least a majority of the members of the board of directors of the entity resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement or of the action of the Board providing for such Business Combination; or

- (d) the stockholders of the Company approve (a) the sale or disposition by the Company (other than to a subsidiary of the Company) of all or substantially all of the assets of the Company, or (b) a complete liquidation of the Company

provided, however, that if a Participant is party to an employment agreement or change in control agreement with the Company, "Change in Control" shall have the meaning set forth in such agreement.

"Committee" means the Compensation Committee of the Board or subcommittee thereof consisting of two or more members of the Board, each of whom shall be an "outside director" within the meaning of Section 162(m) of the Code.

"Long-Term Incentive Award" means the award payable to a participant with respect to a Long-Term Performance Period as determined pursuant to Article VI.

"Long-Term Performance Period" means a period specified by the Committee during which specified Performance Measure(s) must be attained in order for the Long-Term Incentive Award to be payable for that period. A Long-Term Performance Period shall be expressed in two or more fiscal years of the Company, as established by the Committee during the first ninety (90) days of the Long-Term Performance Period. Performance periods may be concurrent or consecutive.

"Participant" means an employee of the Company who is selected to participate in the Plan by the Committee pursuant to Article IV hereof.

"Performance Measures" means the criteria established by the Committee, on a consolidated basis, on the basis of a business unit or geographically based unit or relative to one or more peer group companies or indices, which can be expressed either in terms of specified levels

of, rates of change or relative changes in, one or more of the following measures: (a) share price; (b) earnings per share; (c) return to shareholders (including dividends); (d) return on equity; (e) revenues; (f) sales; (g) sales by category, brand, territory or geography; (h) unit growth; (i) customer growth; (j) EBITDA or EBIT; (k) operating income or operating profit; (l) net income; (m) gross margin; (n) operating margin; (o) return on capital or return on invested capital; (p) economic value added; (q) economic profit; (r) cash flows; (s) cash flow from operations; (t) market share; (u) inventory levels; (v) inventory days outstanding; (w) consumption; (x) size of line in total or by category or type; (y) consumer and strategic investments; (z) advertising, brand and product innovation; (aa) research and development; (bb) costs; (cc) managing commodity costs; (dd) capital expenditures; (ee) working capital; (ff) net fixed assets; (gg) accounts receivable; (hh) days sales outstanding; (ii) period overhead; (jj) expenses; (kk) productivity; (ll) market capitalization; (mm) customer satisfaction; (nn) pro forma net income; (oo) return on equity; (pp) return on designated assets; (qq) expenses; (rr) free cash flow; (ss) cash flow return on investment; (tt) net profit margin; (uu) cash conversion cycle; and (vv) service levels. Such criteria will be determined in accordance with generally accepted accounting principles to the extent applicable or be subject to any Performance Measure Adjustments may be specified by the Committee.

“Performance Measure Adjustments” means any of the following adjustments to the Performance Measures as may be specified by the Committee for (i) discontinued operations, categories, or segments; (ii) acquisitions and mergers; (iii) divestitures; (iv) cumulative effect of changes in accounting rules and methods; (v) material impairment or disposal losses; (vi) restructuring or productivity initiative costs; (vii) product recall or withdrawal; (viii) business losses from economic, political and legal changes; (ix) retained and uninsured losses from natural catastrophe; (x) extraordinary items; (xi) currency fluctuations (xii) stock dividend, split, combination or exchange of stock, (xiii) financing activities, or (xii) other unusual or nonrecurring events. Any Performance Measure Adjustments shall be determined in accordance with generally accepted accounting principles to the extent applicable.

“Plan” means this The Hain Celestial Group, Inc. 2010-2014 Executive Incentive Plan, as in effect and as amended from time to time.

“Stock Plan” means the Company’s Amended and Restated 2002 Long-Term Incentive and Stock Award Plan (or any successor stock incentive plan approved by the stockholders of the Company), as in effect and as amended from time to time.

III. ADMINISTRATION

The administration and operation of the Plan shall be supervised by the Committee with respect to all matters. The Committee may delegate responsibility for the day-to-day administration and operation of the Plan to such employees of the Company as it shall designate from time to time; provided, however, the Committee may not delegate its responsibilities under Sections 5.1, 5.2, 5.3, 6.1, 6.2, 6.3 or 7.1(a) below. The Committee shall interpret and construe any and all provisions of the Plan and any determination made by the Committee under the Plan shall be final and conclusive. Neither the Board nor the Committee, nor any member of the Board or the Committee, nor any employee of the Company shall be

liable for any act, omission, interpretation, construction or determination made in connection with the Plan (other than acts of willful misconduct) and the members of the Board and the Committee and the employees of the Company shall be entitled to indemnification and reimbursement by the Company to the maximum extent permitted by law in respect of any claim, loss, damage or expense (including counsel's fees) arising from their acts, omissions and conduct in their official capacity with respect to the Plan. The Plan shall be interpreted in view of the intention that any grant of compensation pursuant to the Plan is intended to qualify as performance-based compensation within the meaning of Section 162(m) of the Code.

IV. PARTICIPATION

The Chief Executive Officer and each other employee of the Company who is at or above the level of Senior Vice President or who is considered a key employee and who the Committee selects for participation in the Plan, shall be eligible to receive Awards under the Plan.

V. ANNUAL INCENTIVE PROGRAM

5.1. *Establishment of Performance Measures, Etc.* Within the first ninety (90) days of each fiscal year of the Company, the Committee shall establish the terms and conditions for the payment of Annual Incentive Awards under the Plan, including, without limitation, (i) the eligible Participants under the Plan, (ii) the Performance Measure(s), including any Performance Measure Adjustments, and (iii) the formula for calculating the amount of such Awards (e.g., the specified level of the Performance Measure(s) and the percentage of each Participant's Base Compensation that is payable at each such specified level). Performance Measures may differ from Participant to Participant and from Award to Award.

5.2. *Determination of Annual Incentive Award.* The Annual Incentive Award for each Participant shall be determined by applying the formula approved by the Committee pursuant to Section 5.1. The Committee may reduce, but not increase, the Annual Incentive Award payable to a Participant in the Committee's sole discretion and to take into account any factors as the Committee deems appropriate, including the individual performance of a Participant. In no event shall the amount of the Annual Incentive Award payable to any Participant attributable to a fiscal year exceed \$4,000,000 (such amount having been established to take into account increases in Base Compensation and inflation during the five-year term of the Plan as set forth in Section 1.3).

5.3. *Certification of Achievement of Performance Measures.* The Committee shall certify in writing the level of achievement of the Performance Measure(s) as soon as practicable after the end of the fiscal year for which the determination is being made and prior to the payment of any Annual Incentive Award.

5.4. *Payment of Annual Incentive Award.*

(a) As soon as practicable after the expiration of each fiscal year of the Company, but no later than March 15 of the calendar year after the fiscal year ends, Participants

who remained actively employed until the last day of the fiscal year shall receive the Annual Incentive Award determined in accordance with this Article V, except as otherwise provided in this Section below.

(b) A Participant who is involuntarily terminated by the Company or an Affiliate without Cause on or after February 1st of the fiscal year or dies, becomes permanently disabled, or retires during the fiscal year shall be eligible for a prorated Annual Incentive Award for such fiscal year to be paid as soon as practicable after the expiration of the fiscal year but no later than March 15 of the calendar year after the fiscal year ends, provided that the performance goal(s) have been satisfied in accordance with this Article V. A Participant who is a U.S. employee will be considered to have retired if the Participant terminates employment after the earliest date upon which he or she is eligible for Social Security retirement benefits. A Participant who is located outside of the U.S. will be considered to have retired if the Participant terminates employment after the earliest date upon which he or she is eligible for the applicable government equivalent to U.S. Social Security retirement benefits.

(c) A Participant is not eligible for an Annual Incentive Award if he or she: (A) is involuntarily terminated by the Company for Cause prior to payment of the Annual Incentive Award; (B) is involuntarily terminated by the Company without Cause prior to February 1 of the fiscal year; or (C) voluntarily terminates employment (excluding death, retirement or permanent disability) at any time during the fiscal year.

(d) Notwithstanding the foregoing, in the event of a Change in Control during the fiscal year, a Participant who is involuntarily terminated by the Company without Cause during the fiscal year after the Change in Control shall be eligible during the fiscal year for a prorated Annual Incentive Award, provided that the performance goal(s) have been satisfied in accordance with this Article V. The Awards paid pursuant to this subsection (c) shall be paid promptly but not later than March 15 of the calendar year following the Change in Control.

VI. LONG-TERM INCENTIVE PROGRAM

6.1. *Establishment of Performance Measures, Etc.* Within the first ninety (90) days of the Long-Term Performance Period, the Committee shall establish the terms and conditions for the payment of Long-Term Incentive Awards under the Plan, including, without limitation, (i) the eligible Participants under the Plan, (ii) the Performance Measure(s), including any Performance Measure Adjustments, (iii) the duration of the Long-Term Performance Period, (iv) the formula for calculating the amount of such Awards (e.g., the specified level of the Performance Measure(s) and the percentage of each Participant's Base Compensation that is payable at each such specified level), (v) if a Participant's right to receive an Award following termination of a Participant's employment with the Company or upon retirement, death or disability shall be other than as set forth in Section 6.4(b), and (vi) if the formula for calculating the amount of such Awards that may be payable in connection with a Change in Control shall be other than as set forth in Section 6.4(c). Performance Measures may differ from Participant to Participant and from Award to Award.

6.2. *Determination of Long-Term Incentive Award.* The Long-Term Incentive Award for each Participant shall be determined by applying the formula approved by the Committee pursuant to Section 6.1. The Committee may reduce, but not increase, the Long-Term Incentive Award payable to a Participant in the Committee's sole discretion and to take into account any factors as the Committee deems appropriate, including the individual performance of a Participant. In no event shall the amount of the Long-Term Incentive Award payable to any Participant attributable to a Long-Term Performance Period exceed \$8,000,000 (such amount having been established to take into account increases in Base Compensation and inflation during the five-year term of the Plan as set forth in Section 1.3).

6.3. *Certification of Achievement of Performance Measures.* The Committee shall certify in writing the level of achievement of the Performance Measure(s) as soon as practicable after the end of the Long-Term Performance Period for which the determination is being made and prior to the payment of any Long-Term Incentive Award.

6.4. *Payment of Long-Term Incentive Award.*

(a) By no later than March 15 of the calendar year following the end of each Long-Term Performance Period, Participants who remained actively employed until the last day of the Long-Term Performance Period shall receive the Long-Term Incentive Award determined in accordance with this Article VI, except as otherwise provided in this Section below.

(b) Upon a Participant's involuntary termination of employment with the Company without Cause during the second half of a Long-Term Performance Period or upon retirement (as described in Section 5.4(b)), death or disability during a Long-Term Performance Period, such Participant shall be eligible for a prorated Long-Term Incentive Award for such Long-Term Performance Period unless otherwise specified by the Committee pursuant to Section 6.1(v) above, payable by no later than March 15 of the calendar year following the end of the Long-Term Performance Period, provided that the performance goal(s) have been satisfied in accordance with this Article VI.¹

(c) A Participant is not eligible for a Long-Term Incentive Award if he or she: (A) is involuntarily terminated by the Company for Cause prior to payment of the Long-

¹ Check with Legal Department prior to Committee action approving a pro rated award for a US taxpayer employed by a foreign Affiliate.

Term Incentive Award; (B) is involuntarily terminated by the Company without Cause during the first half of a Long-Term Performance Period; or (C) voluntarily terminates employment (excluding death, retirement or permanent disability) at any time during the Long-Term Performance Period.

(d) Notwithstanding the foregoing, in the event of a Change in Control during the Long-Term Performance Period, a Participant who is involuntarily terminated by the Company without Cause during the Long-Term Performance Period after the Change in Control shall be eligible during the Long-Term Performance Period for a prorated Long-Term Incentive Award, provided that the performance goal(s) have been satisfied unless otherwise specified by the Committee pursuant to Section 6.1(vi) above. The Awards paid pursuant to this subsection (c) shall be paid promptly but not later than March 15 of the calendar year following the Change in Control.

VII. GENERAL PROVISIONS

7.1. Amendment and Termination.

(a) The Committee may at any time amend, suspend, discontinue or terminate the Plan; provided, however, that no such amendment, suspension, discontinuance or termination shall adversely affect the rights of any Participant to any Award which has been certified by the Committee pursuant to Section 5.3 or Section 6.3. To the extent necessary or advisable under applicable law, including Section 162(m) of the Code, Plan amendments shall be subject to stockholder approval. All determinations concerning the interpretation and application of this Section 7.1 shall be made by the Committee.

(b) In the case of Participants employed outside the United States, the Company or its Affiliates may vary the provisions of this Plan as deemed appropriate to conform with, as required by, or made desirable by, local laws, practices and procedures.

7.2. Repayment. If the Company is required to prepare an accounting restatement to correct an accounting error included in a report on Form 10-Q or 10-K caused by the misconduct of a Participant, the Participant shall return to the Company, or forfeit if not paid, any Annual Incentive Award or Long-Term Incentive Award arising out of the misconduct for or during such restated period.

7.3. Designation of Beneficiary. In the event a Participant dies while entitled to a payment under the Plan, such payments shall be made to the beneficiary(ies) designated by the Participant in writing to the Company or, in the absence of such written designation, to the Participant's estate.

7.4. Rights Unsecured. The right of any Participant to receive an Award under the Plan shall constitute an unsecured claim against the general assets of the Company.

7.5. *Withholding Taxes.* The Company shall have the right to deduct from the payment of each Award any federal, state and local taxes required by such laws to be withheld with respect to any payment under the Plan.

7.6. *Miscellaneous.*

(a) *No Right of Continued Employment.* Nothing in this Plan shall be construed as conferring upon any Participant any right to continue in the employment of the Company or any of its subsidiaries or Affiliates.

(b) *No Limitation on Corporate Actions.* Nothing contained in the Plan shall be construed to prevent the Company or any Affiliate from taking any corporate action which is deemed by it to be appropriate or in its best interest, whether or not such action would have an adverse effect on the Plan or any awards made under the Plan. No employee, Participant or other person shall have any claim against the Company or any of its subsidiaries or Affiliates as a result of any such action.

(c) *Nonalienation of Benefits.* Except as expressly provided herein, no Participant or his or her beneficiaries shall have the power or right to transfer, anticipate, or otherwise encumber the Participant's interest under the Plan. The Company's obligations under this Plan are not assignable or transferable except to a corporation which acquires all or substantially all of the assets of the Company or any corporation into which the Company may be merged or consolidated. The provisions of the Plan shall inure to the benefit of each Participant and his or her beneficiaries, heirs, executors, administrators or successors in interest.

(d) *Section 162(m) and Section 409A of the Code.* To the extent that any Award under this Plan is intended to qualify as "performance-based compensation" within the meaning of Section 162(m) of the Code or is subject to Section 409A of the Code, any provision, application or interpretation of the Plan that is inconsistent with such Sections shall be disregarded with respect to such Award, as applicable.

(e) *Severability.* If any provision of this Plan is held unenforceable, the remainder of the Plan shall continue in full force and effect without regard to such unenforceable provision and shall be applied as though the unenforceable provision were not contained in the Plan.

(f) *Stock Subject to the Plan.* Awards that are made in the form of stock, restricted stock, stock units or other forms of stock-based awards shall be made from the aggregate number of shares authorized to be issued under the terms of the Stock Plan.

(g) *Governing Law.* The Plan shall be construed in accordance with and governed by the laws of the State of New York, without reference to the principles of conflict of laws.

(h) *Headings*. Headings are inserted in this Plan for convenience of reference only and are to be ignored in a construction of the provisions of the Plan.

7.7. *Stockholder Approval*. This Plan shall be conditioned on the receipt of approval of the Company's stockholders at the annual meeting of the stockholders held in 2009. In the event that such approval is not obtained, this Plan and all awards under the Plan shall be null and void *ab initio* and of no force and effect.

THE HAIN CELESTIAL GROUP, INC.
AMENDED AND RESTATED
2002 LONG TERM INCENTIVE AND STOCK AWARD PLAN

1. Purposes.

The purposes of the Amended and Restated 2002 Long Term Incentive and Stock Award Plan are to advance the interests of The Hain Celestial Group, Inc. and its stockholders by providing a means to attract, retain, and motivate employees, consultants and directors of the Company upon whose judgment, initiative and efforts the continued success, growth and development of the Company is dependent.

2. Definitions.

For purposes of the Plan, the following terms shall be defined as set forth below:

(a) “Affiliate” means any entity other than the Company and its Subsidiaries that is designated by the Board or the Committee as a participating employer under the Plan; provided, however, that the Company directly or indirectly owns at least 50% of the combined voting power of all classes of stock of such entity or at least 50% of the ownership interests in such entity.

(b) “Award” means any Option, SAR, Restricted Share, Restricted Share Unit, Performance Share, Performance Unit, Dividend Equivalent, or Other Share-Based Award granted to an Eligible Person under the Plan.

(c) “Award Agreement” means any written agreement, contract, or other instrument or document evidencing an Award.

(d) “Beneficiary” means the person, persons, trust or trusts which have been designated by an Eligible Person in his or her most recent written beneficiary designation filed with the Company to receive the benefits specified under this Plan upon the death of the Eligible Person, or, if there is no designated Beneficiary or surviving designated Beneficiary, then the person, persons, trust or trusts entitled by will or the laws of descent and distribution to receive such benefits.

(e) “Board” means the Board of Directors of the Company.

(f) “Code” means the Internal Revenue Code of 1986, as amended from time to time. References to any provision of the Code shall be deemed to include successor provisions thereto and regulations thereunder.

(g) “Committee” means the Compensation Committee of the Board, or such other Board committee (which may include the entire Board) as may be designated by

the Board to administer the Plan; provided, however, that, unless otherwise determined by the Board, the Committee shall consist of two or more directors of the Company, each of whom is a “non-employee director” within the meaning of Rule 16b-3 under the Exchange Act, to the extent applicable, and each of whom is an “outside director” within the meaning of Section 162(m) of the Code, to the extent applicable; provided, further, that the mere fact that the Committee shall fail to qualify under either of the foregoing requirements shall not invalidate any Award made by the Committee which Award is otherwise validly made under the Plan.

(h) “Company” means The Hain Celestial Group, Inc., a corporation organized under the laws of Delaware, or any successor corporation.

(i) “Director” means a member of the Board who is not an employee of the Company, a Subsidiary or an Affiliate.

(j) “Dividend Equivalent” means a right, granted under Section 5(g), to receive cash, Shares, or other property equal in value to dividends paid with respect to a specified number of Shares. Dividend Equivalents may be awarded on a free-standing basis or in connection with another Award, and may be paid currently or on a deferred basis.

(k) “Eligible Person” means (i) an employee of the Company, a Subsidiary or an Affiliate, including any director who is an employee, (ii) a consultant to the Company or (iii) a Director.

(l) “Exchange Act” means the Securities Exchange Act of 1934, as amended from time to time. References to any provision of the Exchange Act shall be deemed to include successor provisions thereto and regulations thereunder.

(m) “Fair Market Value” means, with respect to Shares or other property, the fair market value of such Shares or other property determined by such methods or procedures as shall be established from time to time by the Granting Authority. If the Shares are listed on any established stock exchange or a national market system, the Fair Market Value of Shares shall mean the closing price on the date of the grant (or, if the Shares were not traded on that day, the next preceding day that the Shares are traded) on the principal exchange or market system on which the Shares are traded, as such prices are officially quoted on such exchange.

(n) “Granting Authority” means the Independent Members or the Committee that grants an Award as specified in Section 3, or each of them as required by the context.

(o) “ISO” means any Option intended to be and designated as an incentive stock option within the meaning of Section 422 of the Code.

(p) “Independent Members” means each Director, but no less than two, who is a “non-employee director” within the meaning of Rule 16b-3 under the Exchange Act and each of whom is an “outside director” within the meaning of Section 162(m) of the Code; provided that the mere fact that the Independent Members shall fail to qualify under either of the foregoing requirements shall not invalidate any Award made by the Independent Members which Award is otherwise validly made under the Plan.

(q) “NQSO” means any Option that is not an ISO.

(r) “Option” means a right, granted under Section 5(b), to purchase Shares.

(s) “Other Share-Based Award” means a right, granted under Section 5(h), that relates to or is valued by reference to Shares.

(t) “Participant” means an Eligible Person who has been granted an Award under the Plan.

(u) “Performance Share” means a performance share granted under Section 5(f).

(v) “Performance Unit” means a performance unit granted under Section 5(f).

(w) “Plan” means this Amended and Restated 2002 Long Term Incentive and Stock Award Plan.

(x) “Restricted Shares” means an Award of Shares under Section 5(d) that may be subject to certain restrictions and to a risk of forfeiture.

(y) “Restricted Share Unit” means a right, granted under Section 5(e), to receive Shares or cash at the end of a specified deferral period.

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

(aa) “SAR” or “Share Appreciation Right” means the right, granted under Section 5(c), to be paid an amount measured by the difference between the exercise price of the right and the Fair Market Value of Shares on the date of exercise of the right, with payment to be made in cash, Shares, or property as specified in the Award or determined by the Committee.

(bb) “Shares” means common stock, \$.01 par value per share, of the Company.

(cc) “Subsidiary” means any corporation (other than the Company) in an unbroken chain of corporations beginning with the Company if each of the corporations (other than the last corporation in the unbroken chain) owns shares possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in the chain.

3. Administration.

(a) *Granting Authority.* The Independent Members shall have the authority to make grants of Awards under the Plan, provided that the Committee shall have authority to make grants of Awards under the Plan on a quarterly basis to Eligible Persons newly hired or retained since the most recent grants awarded by the Independent Members. Each Granting Authority shall have full and final authority to take the following actions with respect to the Awards granted by it, in each case subject to and consistent with the provisions of the Plan:

(i) to select Eligible Persons to whom Awards may be granted;

(ii) to designate Affiliates;

(iii) to determine the type or types of Awards to be granted to each Eligible Person;

(iv) to determine the type and number of Awards to be granted, the number of Shares to which an Award may relate, the terms and conditions of any Award granted under the Plan (including, but not limited to, any exercise price, grant price, or purchase price, any restriction or condition, any schedule for lapse of restrictions or conditions relating to transferability or forfeiture, exercisability, or settlement of an Award, and waiver or accelerations thereof, and waivers of performance conditions relating to an Award, based in each case on such considerations as the Granting Authority shall determine), and all other matters to be determined in connection with an Award;

(v) to determine 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, Shares, other Awards, or other property, or an Award may be canceled, forfeited, exchanged, or surrendered;

(vi) to determine whether, to what extent, and under what circumstances cash, Shares, other Awards, or other property payable with respect to an Award will be deferred either automatically, at the election of the Granting Authority, or at the election of the Eligible Person;

(vii) to prescribe the form of each Award Agreement, which need not be identical for each Eligible Person;

(viii) to correct any defect or supply any omission or reconcile any inconsistency in the Plan and to construe and interpret the Plan and any Award, rules and regulations, Award Agreement, or other instrument hereunder;

(ix) to accelerate the exercisability or vesting of all or any portion of any Award or to extend the period during which an Award is exercisable;

(x) to determine whether uncertificated Shares may be used in satisfying Awards and otherwise in connection with the Plan; and

(xi) to make all other decisions and determinations as may be required under the terms of the Plan or as the Granting Authority may deem necessary or advisable for the administration of the Awards granted by it.

Subject to the foregoing authority expressly granted to the Independent Members with respect to Awards granted by them, the Committee shall have general authority and responsibility for the administration of the Plan, including the authority to adopt, amend, suspend, waive, and rescind such rules and regulations and appoint such agents as the Committee may deem necessary or advisable to administer the Plan.

(b) *Manner of Exercise of Authority.* Each Granting Authority shall have sole discretion in exercising its authority under the Plan. Any action of a Granting Authority with respect to grants made by it shall be final, conclusive, and binding on all persons, including the Company, Subsidiaries, Affiliates, Eligible Persons, any person claiming any rights under the Plan from or through any Eligible Person, and stockholders. The express grant of any specific power to a Granting Authority, and the taking of any action by the Granting Authority, shall not be construed as limiting any power or authority of a Granting Authority. A Granting Authority may delegate to other members of the Board or officers or managers of the Company or any Subsidiary or Affiliate the authority, subject to such terms as the Granting Authority shall determine, to perform administrative functions and, with respect to Awards granted to persons not subject to Section 16 of the Exchange Act, to perform such other functions as the Granting Authority may determine, to the extent permitted under Rule 16b-3 (if applicable) and applicable law.

(c) *Limitation of Liability.* Each member of the Granting Authority shall be entitled to, in good faith, rely or act upon any report or other information furnished to him or her by any officer or other employee of the Company or any Subsidiary or Affiliate, the Company's independent certified public accountants, or other professional retained by the Company to assist in the administration of the Plan. No member of the Granting Authority, and no officer or employee of the Company acting on behalf of the Granting Authority, shall be personally liable for any action, determination, or interpretation taken or made in good faith with respect to the Plan,

and all members of the Granting Authority and any officer or employee of the Company acting on their behalf shall, to the extent permitted by law, be fully indemnified and protected by the Company with respect to any such action, determination, or interpretation.

(d) *Limitation on Committee's Discretion.* Anything in this Plan to the contrary notwithstanding, in the case of any Award which is intended to qualify as "performance-based compensation" within the meaning of Section 162(m) (4)(C) of the Code, unless otherwise provided in an Award Agreement, there shall not be an increase in the amount of compensation payable under the Award to the extent such an increase would cause the Award to lose its qualification as such performance-based compensation.

4. Shares Subject to the Plan.

(a) Subject to adjustment as provided in Section 4(d) hereof, the total number of Shares reserved for issuance in connection with Awards under the Plan shall be 8,550,000. Each Share subject to an Award (other than an Option or SAR) shall count as 2.4 Shares for the purposes of the limit set forth in the preceding sentence. No Award may be granted if the number of Shares to which such Award relates, when added to the number of Shares previously issued under the Plan, exceeds the number of Shares reserved under the preceding sentence. If any Awards are forfeited, canceled, terminated, exchanged or surrendered or such Award is settled in cash or otherwise terminates without a distribution of Shares to the Participant, any Shares counted against the number of Shares reserved and available under the Plan with respect to such Award shall, to the extent of any such forfeiture, settlement, termination, cancellation, exchange or surrender, again be available for Awards under the Plan. Upon the exercise of any Award granted in tandem with any other Awards, such related Awards shall be canceled to the extent of the number of Shares as to which the Award is exercised.

(b) Notwithstanding anything to the contrary: (i) shares tendered in payment of the exercise price of an Option shall not be added to the maximum share limitations described in Section 4(a) above; (ii) shares withheld by the Company to satisfy the tax withholding obligation shall not be added to the maximum share limitations described in Section 4(a) above; and (iii) all shares covered by a SAR, to the extent that it is exercised and whether or not the Shares are actually issued to the Participant upon exercise of the right, shall be considered issued or transferred pursuant to the Plan.

(c) Subject to adjustment as provided in Section 4(d) hereof and notwithstanding anything to the contrary contained herein, the maximum number of Shares (i) with respect to which Options or SARs may be granted during a calendar year to any Eligible Person under this Plan shall be 1,000,000 Shares, and (ii) with respect to Performance Shares, Performance Units, Restricted Shares or Restricted Share Units intended to qualify as performance-based compensation within the meaning of Section 162(m)(4)(C) of the Code shall be the equivalent of 800,000 Shares during a calendar year to any Eligible Person under this Plan.

(d) In the event that the Committee shall determine that any dividend in Shares, recapitalization, Share split, reverse split, reorganization, merger, consolidation, spin-off, combination, repurchase, or share exchange, or other similar corporate transaction or event, affects the Shares such that an adjustment is appropriate in order to prevent dilution or enlargement of the rights of Eligible Persons under the Plan, then the Committee shall make such equitable changes or adjustments as it deems appropriate and, in such manner as it may deem equitable, adjust any or all of (i) the number and kind of shares which may thereafter be issued under the Plan, (ii) the number and kind of shares, other securities or other consideration issued or issuable in respect of outstanding Awards, and (iii) the exercise price, grant price, or purchase price relating to any Award; provided, however, in each case that, with respect to ISOs, such adjustment shall be made in accordance with Section 424(a) of the Code, unless the Committee determines otherwise. In addition, the Committee is authorized to make adjustments in the terms and conditions of, and the criteria and performance objectives, if any, included in, Awards in recognition of unusual or non-recurring events (including, without limitation, events described in the preceding sentence) affecting the Company or any Subsidiary or Affiliate or the financial statements of the Company or any Subsidiary or Affiliate, or in response to changes in applicable laws, regulations, or accounting principles; provided, however, that, unless otherwise provided in an Award Agreement, there shall be no increase in the amount of compensation payable under the Award to the extent such an increase would cause the Award to lose its qualification as performance-based compensation for purposes of Section 162(m)(4)(C) of the Code and the regulations thereunder.

(e) Any Shares distributed pursuant to an Award may consist, in whole or in part, of authorized and unissued Shares or treasury Shares including Shares acquired by purchase in the open market or in private transactions.

5. Specific Terms of Awards.

(a) *General.* Awards may be granted on the terms and conditions set forth in this Section 5. In addition, the Granting Authority may impose on any Award or the exercise thereof, at the date of grant or thereafter (subject to Section 7(d)), such additional terms and conditions, not inconsistent with the provisions of the Plan, as the Granting Authority shall determine, including terms regarding forfeiture of Awards or continued exercisability of Awards in the event of termination of service by the Eligible Person.

(b) *Options.* The Granting Authority is authorized to grant Options, which may be NQSOs or ISOs, to Eligible Persons on the following terms and conditions:

(i) *Exercise Price.* The exercise price per Share purchasable under an Option shall not be less than the Fair Market Value of the Shares on the date such Option is granted

(ii) *Option Term.* The term of each Option shall be a maximum of seven (7) years from the date of grant of the Option.

(iii) *Time and Method of Exercise.* The Granting Authority shall determine at the date of grant or thereafter the time or times at which an Option may be exercised in whole or in part (including, without limitation, upon achievement of performance criteria if deemed appropriate by the Granting Authority), the methods by which such exercise price may be paid or deemed to be paid (including, without limitation, broker-assisted exercise arrangements), the form of such payment (including, without limitation, cash, Shares, or other property), and the methods by which Shares will be delivered or deemed to be delivered to Eligible Persons.

(iv) *ISOs.* The terms of any ISO granted under the Plan shall comply in all respects with the provisions of Section 422 of the Code, including but not limited to the requirement that the ISO shall be granted within ten years from the earlier of the date of adoption or stockholder approval of the Plan. ISOs may only be granted to employees of the Company or a Subsidiary.

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

(i) *Right to Payment.* A SAR shall confer on the Eligible Person to whom it is granted a right to receive with respect to each Share subject thereto, upon exercise thereof, the excess of (1) the Fair Market Value of one Share on the date of exercise (or, if the Granting Authority shall so determine in the case of any such right, the Fair Market Value of one Share at any time during a specified period before or after the date of exercise) over (2) the exercise price per Share of the SAR on the date of grant of the SAR, which shall not be less than Fair Market Value (which in the case of a SAR granted in tandem with an Option, shall be equal to the exercise price of the underlying Option).

(ii) *SAR Term.* The term of each SAR shall be a maximum of seven (7) years from the date of grant of the SAR.

(iii) *Other Terms.* The Granting Authority shall determine, at the time of grant or thereafter, the time or times at which a SAR may be exercised in whole or in part, the method of exercise, method of settlement, form of consideration payable in settlement, method by which Shares will be delivered or deemed to be delivered to Eligible Persons, whether or not a

SAR shall be in tandem with any other Award, and any other terms and conditions of any SAR. Unless the Granting Authority determines otherwise, a SAR (1) granted in tandem with an NQSO may be granted at the time of grant of the related NQSO or at any time thereafter and (2) granted in tandem with an ISO may only be granted at the time of grant of the related ISO.

(d) *Restricted Shares*. The Granting Authority is authorized to grant Restricted Shares to Eligible Persons on the following terms and conditions:

(i) *Issuance and Restrictions*. Restricted Shares shall be subject to such restrictions on transferability and other restrictions, if any, as the Granting Authority may impose at the date of grant or thereafter, which restrictions may lapse separately or in combination at such times, under such circumstances (including, without limitation, upon achievement of performance criteria if deemed appropriate by the Granting Authority), in such installments, or otherwise, as the Granting Authority may determine. Except to the extent restricted under the Award Agreement relating to the Restricted Shares, an Eligible Person granted Restricted Shares shall have all of the rights of a stockholder including, without limitation, the right to vote Restricted Shares and the right to receive dividends thereon. If the lapse of restrictions is conditioned on the achievement of performance criteria, the Granting Authority shall select the criterion or criteria from the list of criteria set forth in Section 5(f)(i). The Granting Authority must certify in writing prior to the lapse of restrictions conditioned on achievement of performance criteria that such performance criteria were in fact satisfied.

(ii) *Forfeiture*. Except as otherwise determined by the Granting Authority, at the date of grant or thereafter, upon termination of service during the applicable restriction period, Restricted Shares and any accrued but unpaid dividends or Dividend Equivalents that are at that time subject to restrictions shall be forfeited; provided, however, that the Granting Authority may provide, by rule or regulation or in any Award Agreement, or may determine in any individual case, that restrictions or forfeiture conditions relating to Restricted Shares will be waived in whole or in part in the event of terminations resulting from specified causes, and the Granting Authority may in other cases waive in whole or in part the forfeiture of Restricted Shares.

(iii) *Certificates for Shares*. Restricted Shares granted under the Plan may be evidenced in such manner as the Granting Authority shall determine. If certificates representing Restricted Shares are registered in the name of the Eligible Person, such certificates shall bear an appropriate legend referring to the terms, conditions, and restrictions applicable to such Restricted Shares, and the Company shall retain physical possession of the certificate.

(iv) *Dividends*. Dividends paid on Restricted Shares shall be either paid at the dividend payment date, or deferred for payment to such date as determined by the Granting Authority, in cash or in unrestricted Shares having a Fair Market Value equal to the amount of such dividends. Shares distributed in connection with a Share split or dividend in Shares, and other property distributed as a dividend, shall be subject to restrictions and a risk of forfeiture to the same extent as the Restricted Shares with respect to which such Shares or other property has been distributed.

(e) *Restricted Share Units*. The Granting Authority is authorized to grant Restricted Share Units to Eligible Persons, subject to the following terms and conditions:

(i) *Award and Restrictions*. Delivery of Shares or cash, as the case may be, will occur upon expiration of the deferral period specified for Restricted Share Units by the Granting Authority (or, if permitted by the Granting Authority, as elected by the Eligible Person). In addition, Restricted Share Units shall be subject to such restrictions as the Granting Authority may impose, if any (including, without limitation, the achievement of performance criteria if deemed appropriate by the Granting Authority), at the date of grant or thereafter, which restrictions may lapse at the expiration of the deferral period or at earlier or later specified times, separately or in combination, in installments or otherwise, as the Granting Authority may determine. If the lapse of restrictions is conditioned on the achievement of performance criteria, the Granting Authority shall select the criterion or criteria from the list of criteria set forth in Section 5(f)(i). The Granting Authority must certify in writing prior to the lapse of restrictions conditioned on the achievement of performance criteria that such performance criteria were in fact satisfied.

(ii) *Forfeiture*. Except as otherwise determined by the Granting Authority at date of grant or thereafter, upon termination of service (as determined under criteria established by the Granting Authority) during the applicable deferral period or portion thereof to which forfeiture conditions apply (as provided in the Award Agreement evidencing the Restricted Share Units), or upon failure to satisfy any other conditions precedent to the delivery of Shares or cash to which such Restricted Share Units relate, all Restricted Share Units that are at that time subject to deferral or restriction shall be forfeited; provided, however, that the Granting Authority may provide, by rule or regulation or in any Award Agreement, or may determine in any individual case, that restrictions or forfeiture conditions relating to Restricted Share Units will be waived in whole or in part in the event of

termination resulting from specified causes, and the Granting Authority may in other cases waive in whole or in part the forfeiture of Restricted Share Units.

(f) *Performance Shares and Performance Units.* The Granting Authority is authorized to grant Performance Shares or Performance Units or both to Eligible Persons on the following terms and conditions:

(i) *Performance Period.* The Granting Authority shall determine a performance period (the "Performance Period") of one or more years and shall determine the performance objectives for grants of Performance Shares and Performance Units. Performance objectives may vary from Eligible Person to Eligible Person and shall be based upon one or more of the following performance criteria as the Granting Authority may deem appropriate: share price; earnings per share; return to shareholders (including dividends); return on equity; revenues; sales; sales by category, brand, territory or geography; unit growth; customer growth (including new customers and increased sales to existing customers); EBITDA or EBIT; operating income or operating profit; net income; gross margin; operating margin; return on capital or return on invested capital; economic value added; economic profit; cash flows; cash flow from operations; market share; inventory levels; inventory days outstanding; consumption; size of line in total or by category or type; consumer and strategic investments; advertising, brand and product innovation; research and development; costs; managing commodity costs; capital expenditures; working capital; net fixed assets; accounts receivable; days sales outstanding; period overhead; expenses; productivity; market capitalization; customer satisfaction; pro forma net income; return on equity; return on designated assets; expenses; free cash flow; cash flow return on investment; net profit margin; cash conversion cycle; and service levels. The performance objectives may be determined by reference to the performance of the Company, or of a Subsidiary or Affiliate, or of a division or unit of any of the foregoing. Performance Periods may overlap and Eligible Persons may participate simultaneously with respect to Performance Shares and Performance Units for which different Performance Periods are prescribed.

(ii) *Award Value.* At the beginning of a Performance Period, the Granting Authority shall determine for each Eligible Person or group of Eligible Persons with respect to that Performance Period the range of number of Shares, if any, in the case of Performance Shares, and the range of dollar values, if any, in the case of Performance Units, which may be fixed or may vary in accordance with such performance or other criteria specified by the Granting Authority, which shall be paid to an Eligible Person as an Award if the relevant measure of Company performance for the Performance Period is met. The Granting Authority must certify in writing that the applicable performance criteria were satisfied prior to payment under any Performance Shares or Performance Units.

(iii) *Significant Events*. If during the course of a Performance Period there shall occur significant events as determined by the Granting Authority which the Granting Authority expects to have a substantial effect on a performance objective during such period, the Granting Authority may revise such objective; provided, however, unless otherwise provided in an Award Agreement, there shall not be an increase in the amount of compensation payable under the Award to the extent such an increase would cause the Award to lose its qualification as performance-based compensation for purposes of Section 162(m)(4)(C) of the Code and the regulations thereunder.

(iv) *Forfeiture*. Except as otherwise determined by the Granting Authority, at the date of grant or thereafter, upon termination of service during the applicable Performance Period, Performance Shares and Performance Units for which the Performance Period was prescribed shall be forfeited; provided, however, that the Granting Authority may provide, by rule or regulation or in any Award Agreement, or may determine in an individual case, that restrictions or forfeiture conditions relating to Performance Shares and Performance Units will be waived in whole or in part in the event of terminations resulting from specified causes, and the Granting Authority may in other cases waive in whole or in part the forfeiture of Performance Shares and Performance Units.

(v) *Payment*. Each Performance Share or Performance Unit may be paid in whole Shares, or cash, or a combination of Shares and cash either as a lump sum payment or in installments, all as the Granting Authority shall determine, at the time of grant of the Performance Share or Performance Unit or otherwise, commencing as soon as practicable after the end of the relevant Performance Period. The Granting Authority must certify in writing prior to the payment of any Performance Share or Performance Unit that the performance objectives and any other material terms were in fact satisfied.

(g) *Dividend Equivalents*. The Granting Authority is authorized to grant Dividend Equivalents to Eligible Persons. The Granting Authority may provide, at the date of grant or thereafter, that Dividend Equivalents shall be paid or distributed when accrued or shall be deemed to have been reinvested in additional Shares, or other investment vehicles as the Granting Authority may specify; provided, however, that Dividend Equivalents (other than freestanding Dividend Equivalents) shall be subject to all conditions and restrictions of the underlying Awards to which they relate.

(h) *Other Share-Based Awards.* The Granting Authority is authorized, subject to limitations under applicable law, to grant to Eligible Persons 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, Shares, as deemed by the Granting Authority to be consistent with the purposes of the Plan, including, without limitation, unrestricted shares awarded purely as a “bonus” and not subject to any restrictions or conditions, other rights convertible or exchangeable into Shares, purchase rights for Shares, Awards with value and payment contingent upon performance of the Company or any other factors designated by the Granting Authority, and Awards valued by reference to the performance of specified Subsidiaries or Affiliates. The Granting Authority shall determine the terms and conditions of such Awards at date of grant or thereafter. Shares delivered pursuant to an Award in the nature of a purchase right granted under this Section 5(h) shall be purchased for such consideration, paid for at such times, by such methods, and in such forms, including, without limitation, cash, Shares, notes or other property, as the Granting Authority shall determine. Cash awards, as an element of or supplement to any other Award under the Plan, shall also be authorized pursuant to this Section 5(h).

6. Certain Provisions Applicable to Awards.

(a) *Stand-Alone, Additional, and Tandem.* Awards granted under the Plan may, in the discretion of the Granting Authority, be granted to Eligible Persons either alone or in addition to, in tandem with, any other Award granted under the Plan or any award granted under any other plan or agreement of the Company, any Subsidiary or Affiliate.

(b) *Substitute Awards in Transactions.* Nothing contained in the Plan shall be construed to limit the right of the Granting Authority to grant Awards under the Plan in connection with the acquisition, whether by purchase, merger, consolidation or other transaction, of the business or assets of any corporation or other entity. Without limiting the foregoing, the Granting Authority may grant Awards under the Plan to an employee or director of another corporation or other entity who becomes an Eligible Person by reason of any such transaction in substitution for awards previously granted by such corporation or entity to such employee or director. The terms and conditions of the substitute Awards may vary from the terms and conditions that would otherwise be required by the Plan solely to the extent the Granting Authority deems necessary for such purpose.

(c) *Term of Awards.* The term of each Award granted to an Eligible Person shall be for such period as may be determined by the Granting Authority; provided, however, that in no event shall the term of any Option or a SAR exceed a period of seven years from the date of its grant (or such shorter period as may be applicable under Section 422 of the Code).

(d) *Repricing Prohibited.* Subject to the anti-dilution adjustment provisions contained in Section 4(d) hereof, without the prior approval of the Company's stockholders, neither the Granting Authority nor the Board shall cause the cancellation, substitution or amendment of an Option that would have the effect of reducing the exercise price of an Option previously granted under the Plan, or otherwise approve any modification to an Option that would be treated as a "repricing" of such Option under any then applicable rules, regulations or listing requirements.

(e) *Form of Payment Under Awards.* Subject to the terms of the Plan and any applicable Award Agreement, payments to be made by the Company or a Subsidiary or Affiliate upon the grant, maturation, or exercise of an Award may be made in such forms as the Granting Authority shall determine at the date of grant or thereafter, including, without limitation, cash, Shares, notes or other property, and may be made in a single payment or transfer, in installments, or on a deferred basis. The Granting Authority may make rules relating to installment or deferred payments with respect to Awards, including the rate of interest to be credited with respect to such payments, subject to applicable law.

(f) *Nontransferability.* Awards shall not be transferable by an Eligible Person except (i) by will or the laws of descent and distribution (except pursuant to a Beneficiary designation) or (ii) with respect to NQSOs, by gift to a family member of the Participant to the extent permitted in the applicable Award Agreement and shall be exercisable during the lifetime of an Eligible Person only by such Eligible Person or his guardian or legal representative unless it has been transferred by gift to a family member of the Participant, in which case it shall be exercisable only by such transferee. For the purpose of this provision, a "family member" shall have the meaning set forth in the General Instructions to Form S-8 Registration Statement under the Securities Act of 1933, as amended. An Eligible Person's rights under the Plan may not be pledged, mortgaged, hypothecated, or otherwise encumbered, and shall not be subject to claims of the Eligible Person's creditors.

(g) *Repayment.* If the Company is required to prepare an accounting restatement to correct an accounting error included in a report on Form 10-Q or 10-K caused by the misconduct of a Participant, the Participant shall return to the Company, or forfeit if not paid, any Award arising out of the misconduct for or during such restated period.

(h) *Noncompetition.* The Granting Authority may, by way of the Award Agreements or otherwise, establish such other terms, conditions, restrictions and/or limitations, if any, of any Award, provided they are not inconsistent with the Plan, including, without limitation, the requirement that the Participant not engage in competition with the Company.

7. General Provisions.

(a) *Compliance with Legal and Trading Requirements.* The Plan, the granting and exercising of Awards thereunder, and the other obligations of the Company under the Plan and any Award Agreement, shall be subject to all applicable federal, state and foreign laws, rules and regulations, and to such approvals by any regulatory or governmental agency as may be required. The Company, in its discretion, may postpone the issuance or delivery of Shares under any Award until completion of such stock exchange or market system listing or registration or qualification of such Shares or other required action under any state or federal law, rule or regulation as the Company may consider appropriate, and may require any Participant to make such representations and furnish such information as it may consider appropriate in connection with the issuance or delivery of Shares in compliance with applicable laws, rules and regulations. No provisions of the Plan shall be interpreted or construed to obligate the Company to register any Shares under federal, state or foreign law. The Shares issued under the Plan may be subject to such other restrictions on transfer as determined by the Committee.

(b) *No Right to Continued Employment or Service.* Neither the Plan nor any action taken thereunder shall be construed as giving any employee, consultant, or director the right to be retained in the employ or service of the Company or any of its Subsidiaries or Affiliates, nor shall it interfere in any way with the right of the Company or any of its Subsidiaries or Affiliates to terminate any employee's, consultant's or director's employment or service at any time.

(c) *Taxes.* The Company or 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 Shares, or any payroll or other payment to an Eligible Person, amounts of withholding and other taxes due 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 Eligible Persons 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 Shares or other property and to make cash payments in respect thereof in satisfaction of an Eligible Person's tax obligations; provided, however, that the amount of tax withholding to be satisfied by withholding Shares shall be limited to the minimum amount of taxes, including employment taxes, required to be withheld under applicable Federal, state and local law.

(d) *Amendment.* The Board may at any time and from time to time and in any respect, amend or modify the Plan and any Award granted under the Plan. The Board may seek the approval of any amendment or modification by the Company's stockholders to the extent it deems necessary or advisable in its discretion for purposes of compliance with Section 162(m) or Section 422 of the Code, the listing requirements of the applicable exchange or securities market or for any other purpose. Except as may be required to comply with Section 409A of the Code, no amendment or modification of the Plan or any Award shall adversely affect any Award theretofore granted without the consent of the Eligible Person or the permitted transferee of the Award.

(e) *No Rights to Awards; No Stockholder Rights.* No Eligible Person or employee shall have any claim to be granted any Award under the Plan, and there is no obligation for uniformity of treatment of Eligible Persons and employees. No Award shall confer on any Eligible Person any of the rights of a stockholder of the Company unless and until Shares are duly issued or transferred to the Eligible Person in accordance with the terms of the Award.

(f) *Unfunded Status of Awards.* The Plan is intended to constitute an “unfunded” plan for incentive compensation. With respect to any payments not yet made to a Participant 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, however, that the Committee may authorize the creation of trusts or make other arrangements to meet the Company’s obligations under the Plan to deliver cash, Shares, other Awards, or other property pursuant to any Award, which 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.

(g) *Nonexclusivity of the Plan.* Neither the adoption of the Plan by the Board nor its submission to the stockholders of the Company for approval shall be construed as creating any limitations on the power of the Board to adopt such other incentive arrangements as it may deem desirable, including, without limitation, the granting of options and other awards otherwise than under the Plan, and such arrangements may be either applicable generally or only in specific cases.

(h) *Not Compensation for Benefit Plans.* No Award payable under this Plan shall be deemed salary or compensation for the purpose of computing benefits under any benefit plan or other arrangement of the Company for the benefit of its employees, consultants or directors unless the Company shall determine otherwise.

(i) *No Fractional Shares.* No fractional Shares 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) *Governing Law.* The validity, construction, and effect of the Plan, any rules and regulations relating to the Plan, and any Award Agreement shall be determined in accordance with the laws of New York without giving effect to principles of conflict of laws thereof.

(k) *Effective Date; Plan Termination.* The Plan shall become effective as of December 1, 2005 (the “Effective Date”). Notwithstanding the foregoing, the adoption of this Plan is expressly conditioned upon the approval of the stockholders of the Company. The Plan shall terminate as to future awards on the date which is ten (10) years after the Effective Date.

(l) *Titles and Headings.* The titles and headings of the sections in the Plan are for convenience of reference only. In the event of any conflict, the text of the Plan, rather than such titles or headings, shall control.

(m) *Section 409A.* It is intended that the Plan and Awards issued thereunder will comply with Section 409A of the Code (and any regulations and guidelines issued thereunder) to the extent the Awards are subject thereto, and the Plan and such Awards shall be interpreted on a basis consistent with such intent. The Plan and any Award Agreements issued thereunder may be amended in any respect deemed by the Board or the Committee to be necessary in order to preserve compliance with Section 409A of the Code.