

SECURITIES AND EXCHANGE COMMISSION  
Washington, D. C. 20549

Form 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)  
OF THE SECURITIES EXCHANGE ACT OF 1934

For Quarter Ended August 31, 2001 Commission File Number 0-748  
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McCORMICK & COMPANY, INCORPORATED

-----  
(Exact name of registrant as specified in its charter)

MARYLAND

52-0408290

-----  
(State or other jurisdiction of  
incorporation or organization)

(I.R.S. Employer  
Identification No.)

18 LOVETON CIRCLE, P. O. BOX 6000, SPARKS, MD

21152-6000

-----  
(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code (410) 771-7301  
-----

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 (or for such shorter period that the  
registrant was required to file such reports), and (2) has been subject to  
filing requirements for the past 90 days. Yes X No  
--- ---

Indicate the number of shares outstanding of each of the issuer's classes of  
common stock, as of the latest practicable date.

Shares  
Outstanding  
September  
30, 2001 -  
-----

Common  
Stock  
7,925,616  
Common  
Stock Non-  
Voting  
61,231,565

PART I - FINANCIAL INFORMATION

ITEM 1 FINANCIAL STATEMENTS

McCORMICK & COMPANY, INCORPORATED  
CONDENSED CONSOLIDATED STATEMENT OF INCOME (UNAUDITED)  
(in thousands except per share amounts)

Three Months  
Ended Nine  
Months Ended  
August 31,

August 31, 2001	2000	2001	2000
-----			
---- Net sales			
\$ 570,710	\$		
495,866	\$		
1,671,354	\$		
1,443,993	Cost		
of goods sold			
341,765	323,011		
1,012,401			
936,824	-----		
-----			
-----			
Gross profit			
228,945	172,855		
658,953	507,169		
Selling,			
general and			
administrative			
expense	172,506		
121,707	508,005		
378,058	Special		
charges	0	57	0
1,023	-----		
-----			
-----			
Operating			
income	56,439		
51,091	150,948		
128,088			
Interest			
expense	12,699		
9,089	40,770		
24,808	Other		
(income)/expense			
(1,370)	19		
(2,270)	105	---	
-----			
-----			
Income before			
income taxes	.		
45,110	41,983		
112,448	103,175		
Income taxes			
14,931	14,950		
37,220	36,788	-	
-----			
-----			
- Net income			
from			
consolidated			
operations			
30,179	27,033		
75,228	66,387		
Income from			
unconsolidated			
operations			
4,639	4,232		
13,899	13,497		
Minority			
interest	(506)		
0	(1,593)	0	---
-----			
-----			
Net income \$			
34,312	\$ 31,265		
\$ 87,534	\$		
79,884			
=====			
=====			
=====			
=====			
Earnings per			
common share -			
basic \$ 0.50	\$		

0.46	\$	1.27	\$
		1.16	
=====			
=====			
=====			
=====			
Earnings per			
common share -			
assuming			
dilution	\$	0.49	
\$	0.45	\$	1.25
		\$	1.15
=====			
=====			
=====			
=====			
Cash dividends			
declared per			
common share	\$	0.20	\$
	0.60	\$	0.19
		\$	0.57
=====			
=====			
=====			
=====			

See notes to condensed consolidated financial statements.

(2)

McCORMICK & COMPANY, INCORPORATED  
CONDENSED CONSOLIDATED BALANCE SHEET  
(in thousands)

	August 31, 2001	August 31, Nov. 30, 2000
	-----	-----
	-----	-----
	-----	-----
	-----	-----
(Unaudited)		
(Unaudited)		
ASSETS		
Current		
Assets Cash		
and cash		
equivalents	\$ 32,134	\$ 35,922
	23,890	
Accounts		
receivable,		
net	271,405	186,456
		303,340
Inventories		
Raw		
materials		
and supplies	123,439	109,004
		120,556
Finished		
products and		
work-in		
process	171,649	165,166
	153,483	-----
	-----	-----
	-----	-----
	295,088	274,170

274,039  
Other  
current  
assets  
21,246  
17,373  
18,806 -----  
-----  
-----

----- Total  
current  
assets  
619,873  
513,921  
620,075 -----  
-----  
-----

-----  
Property,  
plant and  
equipment  
862,433  
757,449  
780,000  
Less:  
Accumulated  
depreciation  
(453,747)  
(402,602)  
(407,001) --  
-----  
-----

-----  
Total  
property,  
plant and  
equipment,  
net 408,686  
354,847  
372,999 -----  
-----  
-----

-----  
Intangible  
assets, net  
467,288  
136,942  
453,038  
Prepaid  
allowances  
103,697  
114,216  
96,072 Other  
assets  
130,574  
490,613  
117,756 -----  
-----  
-----

Total assets  
\$ 1,730,118  
\$ 1,610,539  
\$ 1,659,940  
=====

=====

LIABILITIES  
AND  
SHAREHOLDERS'  
EQUITY  
Current  
Liabilities  
Short-term  
borrowings \$  
326,286 \$  
602,820 \$  
473,132  
Current  
portion of  
long-term

debt 2,592  
4,012 78,829  
Trade  
accounts  
payable  
160,500  
141,718  
185,256  
Other  
accrued  
liabilities  
248,618  
179,867  
289,939 ----  
-----  
-----

Total  
current  
liabilities  
737,996  
928,417  
1,027,156 --  
-----  
-----

Long-term  
debt 454,212  
233,334  
160,192  
Other long-  
term  
liabilities  
112,611  
101,289  
113,249 ----  
-----  
-----

Total  
liabilities  
1,304,819  
1,263,040  
1,300,597 --  
-----  
-----

Shareholders'  
Equity  
Common stock  
59,110  
50,481  
49,824  
Common stock  
non-voting  
140,936  
124,270  
125,522  
Retained  
earnings  
300,114  
220,379  
263,262  
Accumulated  
other  
comprehensive  
income  
(74,861)  
(47,631)  
(79,265) ---  
-----  
-----

Total  
shareholders'  
equity  
425,299  
347,499  
359,343 ----  
-----  
-----

-----  
 Total  
 liabilities  
 and  
 shareholders'  
 equity \$  
 1,730,118 \$  
 1,610,539 \$  
 1,659,940  
 =====  
 =====  
 =====

See notes to condensed consolidated financial statements.

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McCORMICK & COMPANY, INCORPORATED  
 CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)  
 (in thousands)

	Nine Months Ended August 31, 2001	2000
-----		
Cash flows from operating activities	Net income \$	
	87,534	\$
	79,884	
Adjustments to reconcile net income to net cash provided by operating activities	Depreciation and amortization	
	54,857	42,753
	Special charges --	
	1,023	Income from unconsolidated operations
	(13,899)	
	(13,497)	
Changes in operating assets and liabilities	(77,427)	
	(62,181)	
Other	(8,941)	
	720	-----
-----	Net cash provided by operating activities	
	42,124	48,702
-----	-----	
-----	Cash flows from investing activities	
	Capital expenditures	
	(80,111)	
	(35,556)	
Acquisitions of businesses	--	(384,624)
	Other	999
	(2,434)	-----

```

-----
- Net cash
  used in
  investing
  activities
  (79,112)
(422,614) ---
-----
--- Cash
flows from
financing
activities
Short-term
borrowings,
net (146,837)
506,609 Long-
term debt
borrowings
297,806 0
Long-term
debt
repayments
(79,832)
(8,034)
Common stock
issued 26,183
4,438 Common
stock
acquired by
purchase
(10,877)
(66,397)
Dividends
paid (41,294)
(39,274) ----
-----
-- Net cash
provided by
financing
activities
45,149
397,342 -----
-----
- Effect of
exchange rate
changes on
cash and cash
equivalents
83 531
Increase in
cash and cash
equivalents
8,244 23,961
Cash and cash
equivalents
at beginning
of period
23,890 11,961
-----
----- Cash
and cash
equivalents
at end of
period $
32,134 $
35,922
=====
=====

```

See notes to condensed consolidated financial statements.

## 1. ACCOUNTING POLICIES

### BASIS OF PRESENTATION

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with the instructions to Form 10-Q and do not include all the information and notes required by generally accepted accounting principles for complete financial statements. In the opinion of management, the accompanying condensed consolidated financial statements contain all adjustments necessary to present fairly the financial position and the results of operations for the interim periods.

The results of consolidated operations for the three and nine month periods ended August 31, 2001 are not necessarily indicative of the results to be expected for the full year. Historically, the Company's consolidated sales and net income are lower in the first half of the fiscal year and increase in the second half.

For further information, refer to the consolidated financial statements and notes included in the Company's Annual Report on Form 10-K for the year ended November 30, 2000.

### ACCOUNTING AND DISCLOSURE CHANGES

In December 1999, the Securities and Exchange Commission (SEC) released Staff Accounting Bulletin (SAB) No. 101, "Revenue Recognition in Financial Statements." The effective date of this bulletin has been deferred by the SEC until the fourth quarter of fiscal years beginning after December 15, 1999, and accordingly will be adopted by the Company in the fiscal year ending November 30, 2001. The Company is currently evaluating the impact of SAB 101, however no significant adjustment is anticipated.

The Emerging Issues Task Force (EITF) issued EITF 00-10, which will require the Company to reclassify certain shipping and handling costs billed to customers as sales. EITF 00-10 is required to be implemented for the fiscal year ending November 30, 2001. These reclassifications will not impact net income, and are not expected to be significant.

The Emerging Issues Task Force (EITF) issued EITF 00-14 and EITF 00-25, which will require the Company to reclassify certain marketing expenses as a reduction of sales. EITF 00-14 and EITF 00-25 are required to be adopted in fiscal quarters beginning after December 15, 2001. The estimated effects of these reclassifications on 2001 would be to decrease sales 6-7%, with a corresponding decrease in selling, general and administrative expense. These reclassifications would accordingly decrease gross margin as a percentage of sales and increase operating profit as a percentage of sales. These reclassifications will not impact net income.

In June 2001, the Financial Accounting Standards Board (FASB) issued

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Statements of Financial Accounting Standards (SFAS) No. 141, "Business Combinations," and No. 142, "Goodwill and Other Intangible Assets." SFAS No. 141 applies to all business combinations with a closing date after June 30, 2001. This Statement eliminates the pooling-of-interests method of accounting, and further clarifies the criteria for recognition of intangible assets separately from goodwill. Under SFAS No. 142, goodwill and indefinite lived intangible assets will no longer be amortized but will be subject to annual impairment tests in accordance with the new standard. Separable intangible assets that have finite lives will continue to be amortized over their useful lives. The Company anticipates adopting SFAS No. 142 beginning December 1, 2001. Although the Company is still reviewing the provisions of these Statements, it is management's preliminary assessment that goodwill impairment will not result upon adoption. The Company has recorded \$9.7 million of goodwill amortization expense for the nine months ended August 31, 2001.

### RECLASSIFICATIONS AND OTHER

In the fourth quarter of 2000, the Company reclassified goodwill amortization expense from other (income)/expense to selling, general and administrative expense. All prior period financial information has been reclassified to conform to the current presentation. Goodwill amortization expense for the third quarter of 2001 and 2000 was \$3.1 million and \$1.3 million, respectively. Goodwill amortization expense for the nine months ended August 31, 2001 and 2000 was \$9.7 million and \$3.8 million, respectively.



As of August 31, 2000 the purchase price of the Ducros acquisition had not been distributed, and was therefore included in other assets on the Condensed Consolidated Balance Sheet. In 2001, the purchase price allocation was finalized and goodwill has been included within intangible assets at August 31, 2001.

## 2. EARNINGS PER SHARE

The following table sets forth the reconciliation of shares outstanding:

Three months ended	Nine months ended	August 31, 2001	August 31, 2000
		2001	2000
		-----	-----
		-----	-----
		(in thousands)	
		Average shares outstanding	
		- basic	
		69,085	
		68,425	
		68,809	
		68,908	
		Effect of dilutive securities:	
		Stock options and employee stock purchase plan	
		1,360	
		622	1,170
		703	-----
		-----	---
		-----	-----
		Average shares outstanding	
		- assuming dilution	
		70,445	
		69,047	
		69,979	
		69,611	
		=====	
		=====	
		=====	
		=====	

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## 3. COMPREHENSIVE INCOME

The following table sets forth the components of comprehensive income:

Three Months Ended	Nine Months Ended	August 31, 2001	August 31, 2000
2001	2000	--	--
-----	-----		
		----	(in thousands)
		Net income \$	
		34,312	\$
		31,265	\$

87,534 \$  
79,884 Other  
comprehensive  
income:  
Foreign  
currency  
translation  
adjustments  
30,822  
(1,819)  
13,394  
(13,453)  
Derivative  
financial  
instruments  
(1,961)  
(3,514)  
(8,990) (34)

-----  
-----  
-----  
Comprehensive  
income \$  
63,173 \$  
25,932 \$  
91,938 \$  
66,397  
=====

4. BUSINESS SEGMENTS

The Company operates in three business segments: consumer, industrial and packaging. The consumer and industrial segments manufacture, market and distribute spices, herbs, seasonings, flavorings and other specialty food products throughout the world. The consumer segment sells consumer spices, herbs, extracts, proprietary seasoning blends, sauces and marinades to the consumer food market under a variety of brands, including the McCormick brand in the U.S., Ducros in continental Europe, Club House in Canada, and Schwartz in the U.K. The industrial segment sells to food processors, restaurant chains, distributors, warehouse clubs and institutional operations. The packaging segment manufactures and markets plastic packaging products for food, personal care and other industries, predominantly in the U.S. Tubes and bottles are also produced for the Company's food segments.

In each of its segments, the Company produces and sells many individual products that are similar in composition and nature. It is impractical to segregate and identify profits for each of these individual product lines.

The Company measures segment performance based on operating income. Intersegment sales are generally accounted for at current market value or cost plus markup. Because of manufacturing integration for certain products within the food segments, inventory cost, including the producing segment's overhead and depreciation, is transferred and recognized in the operating income of the receiving segment. Corporate and eliminations includes general corporate expenses, intercompany eliminations and other charges not directly attributable to the segments.

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Total  
Corporate &  
Consumer  
Industrial  
Food  
Packaging  
Eliminations  
Total -----  
-----  
-----  
-----  
----- (in  
millions)  
QUARTER ENDED

AUGUST 31,  
 2001 Net  
 sales \$261.6  
 \$263.3 \$  
 524.9 \$ 45.8  
 \$ -- \$ 570.7  
 Intersegment  
 sales -- 2.0  
 2.0 11.1  
 (13.1) --  
 Operating  
 income 28.4  
 30.3 58.7 4.7  
 (7.0) 56.4  
 Income from  
 unconsolidated  
 operations  
 4.2 0.4 4.6 -  
 - -- 4.6 NINE  
 MONTHS ENDED  
 AUGUST 31,  
 2001 Net  
 sales \$791.6  
 \$739.6  
 \$1,531.2  
 \$140.2 \$ --  
 \$1,671.4  
 Intersegment  
 sales -- 7.1  
 7.1 29.3  
 (36.4) --  
 Operating  
 income 82.0  
 73.9 155.9  
 15.8 (20.8)  
 150.9 Income  
 from  
 unconsolidated  
 operations  
 12.9 1.0 13.9  
 -- -- 13.9

Total  
 Corporate &  
 Consumer  
 Industrial  
 Food  
 Packaging  
 Eliminations  
 Total -----  
 - -----  
 -----  
 -- ----- (in  
 millions)

QUARTER ENDED  
 AUGUST 31,  
 2000 Net  
 sales \$201.9  
 \$248.6 \$  
 450.5 \$ 45.4  
 \$ -- \$ 495.9  
 Intersegment  
 sales -- 1.8  
 1.8 10.6  
 (12.4) --  
 Operating  
 income 29.7  
 23.3 53.0 4.8  
 (6.7) 51.1  
 Income from  
 unconsolidated  
 operations  
 3.8 0.4 4.2 -  
 - -- 4.2 NINE  
 MONTHS ENDED  
 AUGUST 31,  
 2000 Net  
 sales \$606.3

\$705.2		
\$1,311.5		
\$132.5	\$ --	
\$1,444.0		
Intersegment		
sales --	7.4	
7.4	28.8	
(36.2)	--	
Operating		
income	76.2	
59.1	135.3	
16.3	(23.5)	
128.1	Income	
from		
unconsolidated		
operations		
12.2	1.3	13.5
--	--	13.5

## 5. LONG-TERM DEBT

During the first quarter of 2001 the Company issued a total of \$300 million in medium-term notes under a \$375 million shelf registration statement filed with the Securities and Exchange Commission (SEC) in January 2001. The primary purpose of these notes was to finance the acquisition of Ducros, which was completed in August 2000, and replace substantially all of the existing commercial paper notes that were used to temporarily finance the acquisition. Medium-term notes in the amount of \$150 million were issued in January 2001 and mature in 2006, with interest paid semi-annually at the rate of 6.4%. Additional medium-term notes in the amount of \$150 million were issued in January 2001 and mature in 2008, with interest paid semi-annually at the rate of 6.8%.

In September 2000 the Company entered into forward starting interest rate swaps to manage the interest rate risk associated with the anticipated issuance of fixed-rate medium-term notes. These forward starting swaps were settled in the first quarter of 2001, concurrent with the issuance of the medium-term notes. The settlement costs on these swaps in the first quarter of 2001 included in other comprehensive income was \$14.7 million. The notes were issued at a discount of \$2.2 million and \$1.1 million of debt origination fees were incurred. The discount, swap settlement and debt issuance costs are being amortized over the life of the medium-term notes and included as a component of interest expense. With these costs considered, the effective interest rate on the medium-term notes is 7.62%.

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In July 2001 the Company retired \$75.0 million of 8.95% fixed-rate notes with commercial paper. The variable interest on the commercial paper is being hedged by interest rate swaps from 2001 through 2011. Net interest payments will be fixed at 6.35% over that period. The interest rate swap settles at six month intervals beginning in January, 2002.

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## ITEM 2 MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

### OVERVIEW

For the quarter ended August 31, 2001, the Company reported net income of \$34.3 million versus \$31.3 million for the comparable period last year. Diluted earnings per share were \$.49 for the third quarter of 2001 compared to \$.45 last year. For the nine months ended August 31, 2001, net income was \$87.5 million versus \$79.9 million for the comparable period last year. Diluted earnings per share were \$1.25 for the first nine months of 2001, compared to \$1.15 last year.

Earnings per share for the quarter ended August 31, 2001, increased to \$.49 from \$.45 in 2000. Results from Ducros for the quarter diluted earnings by \$.03 per share. In the third quarter, excluding dilution from the Ducros acquisition, earnings per share for 2001 were \$.52, an increase of \$.07 versus the prior year. This was achieved through \$.02 of higher operating income, \$.03 in reduced interest expense, \$.01 of other income and \$.01 from a lower effective tax rate.

### RESULTS OF OPERATIONS

Net sales for the quarter ended August 31, 2001 increased 15.1% over the comparable quarter of 2000. Excluding foreign exchange and the Ducros business, sales increased 3.8% over the comparable quarter of 2000.

For the nine months ended August 31, 2001, net sales increased 15.7% over the comparable period last year. Excluding foreign exchange and the Ducros business, sales grew 4.1% over the comparable period last year.

Three  
months  
ended Nine  
months  
ended  
August 31,  
August 31,  
2001 2000  
2001 2000  
-----  
-----

(in  
millions)  
NET SALES  
Consumer  
\$261.6  
\$201.9 \$  
791.6 \$  
606.3  
Industrial  
263.3  
248.6  
739.6  
705.2  
Packaging  
45.8 45.4  
140.2  
132.5 ----  
-----  
-----  
\$570.7  
\$495.9  
\$1,671.4  
\$1,444.0

Consumer sales rose 29.6% versus last year's third quarter and increased 3.7% excluding the impact of Ducros and foreign exchange. In local currency, consumer sales were up 3.7% in the Americas, due primarily to favorable sales volume and pricing. In Europe, sales in local currency were up 3.2% (excluding Ducros). This increase is mainly attributable to favorable product mix. In local currency, sales in Asia Pacific increased 5.9% due to higher volume in China and favorable product mix. For the nine months ended August 31, 2001, consumer sales increased \$185.3 million or 30.6%. Excluding the

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impact of Ducros and foreign exchange, sales increased 4.0% due primarily to volume growth and favorable product mix.

Industrial sales increased 5.9% versus last year's third quarter and increased 4.3% excluding the impact of Ducros and foreign exchange. In local currency, industrial sales increased 4.6% in the Americas primarily due to higher restaurant sales, strong snack seasoning sales, and increased sales to membership clubs in the food service business. In local currency, sales in Europe increased 2.7%(excluding Ducros) due to increased volume. Sales in Asia Pacific, in local currency, rose 4.1% primarily attributable to increased restaurant sales offset slightly by soft retail sales. For the nine months ended August 31, 2001, industrial sales increased \$34.4 million or 4.9%. Excluding the impact of Ducros and foreign exchange, sales increased 3.9% due to volume growth offset slightly by product mix.

The packaging business reported third party sales up slightly from \$45.4 million to \$45.8 million as compared to the third quarter last year. Sales for the nine months ended August 31, 2001, increased \$7.6 million or 5.8%. Strong tube and bottle sales in the first half of the year account for the increase year-to-date.

Gross profit margin for the third quarter was 40.1%, 5.2 percentage points above last year. In the industrial business, gross profit margin improvement was mainly due to a shift in product mix to higher margin, more value added products as well as cost reductions. In our consumer business gross profit margin improvement was due to a combination of the addition of the Ducros business, price increases in the U.S. business, cost reductions and lower pepper costs, partially offset by higher costs of other commodities. These factors also impacted the nine months ended August 31, 2001, improving the Company's gross profit margin to 39.4% from 35.1% in the comparable period last year.

Selling, general and administrative expenses increased in the third quarter and nine months ended August 31, 2001, as compared to last year in both dollar terms and as a percentage of net sales. These increases were primarily due to the new Ducros business, including \$6.1 million in related goodwill amortization expense year to date, increased distribution expenses due to higher energy costs, and higher investment spending. In the first quarter of 2000, the Company booked a reserve in the amount of \$3.8 million for the AmeriServ bankruptcy. In 2001, investment spending included advertising in the third quarter, which was a shift from the first half of the year, as well as continued spending for the Beyond 2000 program in the third quarter and nine months ended August 31, 2001.

(11)

Three  
months  
ended Nine  
months  
ended  
August 31,  
August 31,  
2001 2000  
2001 2000  
---- ----  
---- ----

(in  
millions)

OPERATING  
INCOME

Consumer  
\$28.3  
\$29.7  
\$82.0  
\$76.2

Industrial  
30.3 23.3  
73.9 59.1  
Packaging  
4.8 4.8  
15.9 16.3

-----  
- - - - -

-----  
-----  
Combined  
segments

(1) \$63.4  
\$57.8  
\$171.8  
\$151.6

(1) Excludes impact of general corporate expenses included as Corporate & Eliminations. See Note 4 in the Notes to Condensed Consolidated Financial Statements.

Total operating income for the Company increased \$5.3 million or 10.5% and operating margin decreased to 9.9% from 10.3% for the quarter ended August 31, 2001, as compared to last year. In the consumer segment, operating income was \$28.3 million, 4.7% below last year's quarter. As a percent of net sales, operating income decreased to 10.8% from 14.7%. This quarter, the consumer segment was impacted by incremental advertising spending and expenses related to cost saving initiatives. Operating income for the quarter in the industrial segment was \$30.3 million, a 30.5% increase versus last year. As a percent of net sales, operating income increased to 11.5% from 9.4% in the third quarter of 2000. Margin improvement in the industrial business was particularly strong due to product mix in the food service and restaurant divisions, as well as cost reduction initiatives. Operating income, including inter-segment business, in the packaging division was \$4.8 million, even with last year's result. For the nine months ended August 31, 2001, operating income for the total Company







\$85-\$95 million due to incremental capital spending on certain recently identified projects that provide future cost reduction benefits or that support newly identified growth opportunities.

Cash flows from financing activities provided cash of \$45.1 million in the nine months ended August 31, 2001, compared to \$397.3 million in the same period last year. In the third quarter of 2000, the Company acquired Ducros which resulted in increased cash flows from short-term borrowings. In the first quarter of 2001, the Company finalized its medium-term note program for the Ducros acquisition, which replaced substantially all of the existing commercial paper notes used to finance the transaction. Last year, 2.1 million shares of common stock were repurchased under the Company's share repurchase program. This program was suspended due to the Ducros acquisition, therefore no shares were repurchased this year under the plan. In the nine months ended August 31, 2001, the activity in the Company's stock option plan resulted in an increase in common stock issued and accounted for the majority of the \$10.9 million of common stock acquired. In addition, during the third quarter of 2001, the Company retired \$75.0 million of 8.95% fixed rate notes with commercial paper. The variable rate on the commercial paper is being hedged by interest rate swaps from 2001 through 2011.

The Company's ratio of debt-to-total capital was 64.1% as of August 31, 2001, down from 70.7% at August 31, 2000 and 65.8% at November 30, 2000. The decrease was primarily due to both cash generated and earnings generated from operations since the Ducros acquisition.

Management believes that internally generated funds and its existing sources of liquidity are sufficient to meet current and anticipated financing requirements over the next 12 months.

The Company does not anticipate that the September 11, 2001 terrorist attacks against the United States will have any material effect on its results of operations.

#### FORWARD-LOOKING INFORMATION

Certain statements contained in this report, including those related to the stock repurchase program, the holding period and market risks associated with financial instruments, the impact of foreign exchange fluctuations and the adequacy of internally generated funds and existing sources of liquidity are "forward-looking statements" within the meaning of Section 21E of the Securities and Exchange Act of 1934. Forward-looking statements are based on management's current views and assumptions and involve risks and uncertainties that could significantly affect expected results. Operating results may be materially affected by external factors such as: actions of competitors, customer relationships, and final negotiation of third-

(14)

party contracts, the impact of stock market conditions on the stock repurchase program, fluctuations in the cost and availability of supply-chain resources and global economic conditions, including interest and currency rate fluctuations and inflation rates. The Company undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

#### ITEM 3 QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

For information regarding the Company's exposure to certain market risks, see Item 7A, Quantitative and Qualitative Disclosures About Market Risk, in the Company's Annual Report on Form 10-K for the year ended November 30, 2000. Except as described in the Management's Discussion and Analysis of Financial Condition and Results of Operations, there have been no significant changes in the Company's financial instrument portfolio or market risk exposures since year end.

#### PART II - OTHER INFORMATION

#### ITEM 6 EXHIBITS AND REPORTS ON FORM 8-K

- |     |                      |   |
|-----|----------------------|---|
| (a) | Exhibits             | See Exhibit Index at pages 16-18 of this Report on Form 10-Q. |
| (b) | Reports on Form 8-K. | None.   |

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 thereunto duly authorized.

MCCORMICK & COMPANY, INCORPORATED

Date: October 12, 2001  
-----

By: /s/ FRANCIS A. CONTINO  
-----

Francis A. Contino  
Executive Vice President & Chief  
Financial Officer

Date: October 12, 2001  
-----

By: /s/ KENNETH A. KELLY, JR.  
-----

Kenneth A. Kelly, Jr.  
Vice President & Controller

(15)

EXHIBIT INDEX

ITEM 601

EXHIBIT NUMBER  
REFERENCE OR  
PAGE (2) Plan  
of acquisition,  
reorganization,  
arrangement,  
liquidation or  
succession Not  
applicable. (3)  
Articles of  
Incorporation  
and By-Laws  
Restatement of  
Charter of  
McCormick &  
Company,  
Incorporated by  
reference from  
Registration  
Incorporated  
dated April 16,  
1990 Form S-8,  
Registration  
No. 33-39582 as  
filed with the  
Securities and  
Exchange  
Commission on  
March 25, 1991.  
Articles of  
Amendment to  
Charter of  
Incorporated by  
reference from  
Registration  
Form S-8  
McCormick &  
Company,  
Incorporated  
Registration  
Statement No.  
33-59842 as  
filed with the  
dated April 1,  
1992 Securities  
and Exchange  
Commission on  
March 19, 1993.  
By-laws of  
McCormick &  
Company,  
Incorporated by

reference from Registrant's Form 10-Q for Incorporated-Restated and the quarter ended May 31, 1996 as filed with the Securities Amended as of June 17, 1996. and Exchange Commission on July 12, 1996.

(4) Instruments defining the rights of With respect to rights of holders of equity securities, see security holders, including Exhibits

3(Restatement of Charter) and 4.1 (Summary of indentures.

Certain Exchange Rights). No instrument of Registrant with respect to long-term debt involves an amount of authorized securities which exceeds 10 percent of the total assets of the Registrant and its subsidiaries on a consolidated basis.

Registrant agrees to furnish a copy of any instrument upon request of the Securities and Exchange Commission.

(16)

(4.1) Summary of certain exchange rights.

Attached as Exhibit 4.1

(10) Material contracts.

(i) Registrant's supplemental pension plan for certain senior officers, as amended and restated effective June 19, 2001, is described in the McCormick Supplemental Executive Retirement Plan, a copy of which is attached to this report as Exhibit 10.1.

(ii) Mid-Term Incentive Program provided to a limited number of senior executives, a description of which is incorporated by reference from pages 19 and 20 of the Registrant's definitive Proxy Statement dated February 18, 1998, as filed with the

Commission on February 17, 1998, which pages are incorporated by reference.

- (iii) Stock Purchase Agreement among the Registrant, Eridania Beghin-Say and Compagnie Francaise de Sucrierie - CFS, dated August 31, 2000, which agreement is incorporated by reference from Registrant's Report on Form 8-K, as filed with the Securities and Exchange Commission on September 15, 2000, as amended on Form 8-K/A filed with the Securities and Exchange Commission on November 14, 2000.
- (iv) Directors' Non-Qualified Stock Option Plan provided to members of the Registrant's Board of Directors who are not also employees of the Registrant, is described in Registrant's S-8 Registration Statement No. 333-74963 as filed with the Securities and Exchange Commission on March 24, 1999, which statement is incorporated by reference.
- (v) Deferred Compensation Plan in which directors, officers and certain other management employees participate, a description of which is incorporated by reference from the Registrant's S-8 Registration Statement No. 333-93231 as filed with the Securities and Exchange Commission on December 12, 1999, which statement is incorporated by reference.
- (vi) Stock option plans, in which directors, officers and certain other management employees participate, are described in Registrant's S-8 Registration Statement No. 333-57590 as filed with the Securities and Exchange Commission on March 25, 2001, which statement is incorporated by reference.

(11) Statement re computation of per-share earnings. Not applicable.

(15) Letter re unaudited interim financial information. Not applicable.

(17)

(18) Letter re change in accounting principles. Not applicable.

(19) Report furnished to security holders. Not applicable.

(22) Published report regarding matters submitted to vote of securities holders. Not applicable.

(23) Consent of experts. Not applicable.

(24) Power of attorney. Not applicable.

(99) Additional exhibits.

(99.1) Financial data schedule. Submitted in electronic format only.

(18)

EXHIBIT 4.1

Summary of Certain Exchange Rights

Pursuant to a resolution of the Board of Directors of the Company, holders of the Common Stock may exchange their shares for Common Stock Non-Voting, such exchange to be made on a share-for-share basis.

EXHIBIT 10.1

THE MCCORMICK  
SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN

AMENDED AND RESTATED EFFECTIVE JUNE 19, 2001

THE MCCORMICK  
SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN

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THE MCCORMICK  
SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN

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THE MCCORMICK SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN

McCormick & Company, Incorporated, a corporation organized under the laws of the State of Maryland, having established a Supplemental Executive Retirement Plan for certain of its Employees and those of its subsidiary companies, hereby amends and restates such plan, effective June 19, 2001, as follows:

ARTICLE 1

DEFINITIONS

The words and phrases defined hereinafter shall have the following meaning:

SECTION 1.1. AFFILIATED GROUP. The Company and all subsidiary corporations which are participating employers under the Pension Plan.

SECTION 1.2. BOARD. The Board of Directors of the Company.

SECTION 1.3. CODE. The Internal Revenue Code of 1986, as amended, or as it may be amended from time to time.

SECTION 1.4. COMMITTEE. The Compensation Committee or the Executive Committee of the Board of Directors of the Company, as the case may be. The Compensation Committee of the Board reviews and approves the participation and benefits for the Chief Executive Officer, other members of the Executive Committee and any other executives listed in the Company's proxy as one of the five highest paid executives. The Executive Committee reviews and approves the participation and benefits for all other executives.

SECTION 1.5. COMPANY. McCormick & Company, Incorporated.

SECTION 1.6. DISABLED/DISABILITY. Totally and/or Totally and Permanently Disabled as defined in the Pension Plan.

SECTION 1.7. EMPLOYEE. A participant in the Pension Plan who is employed by one or more members of the Affiliated Group.

SECTION 1.8. ERISA. The Employee Retirement Income Security Act of 1974, as amended.

SECTION 1.9. PLAN. The McCormick Supplemental Executive Retirement Plan, as amended and restated as of June 19, 2001.

SECTION 1.10. PLAN YEAR. A 12-month period commencing December 1 and ending November 30 of the next calendar year.

SECTION 1.11. PENSION PLAN. The McCormick Pension Plan.

SECTION 1.12. TRUST. The McCormick Supplemental Executive Retirement Trust or such other trust as may be established by a member of the Affiliated Group to fund benefits under this Plan. The Plan, notwithstanding the creation of the Trust, is intended to be unfunded for purposes of the Code and Title I of ERISA.

## ARTICLE 2

### PURPOSE OF PLAN

SECTION 2.1. PURPOSE. This Plan is designed to provide supplemental retirement benefits to senior executives in management positions selected by the Committee. Benefits provided under the Plan are structured to facilitate an orderly transition within the ranks of senior management and to provide for an equitable retirement benefit for such individuals consistent with competitive conditions in the marketplace. Such benefits may be payable out of the Trust or such other trust as may be established by a member of the Affiliated Group, or may be payable from the general assets of the Company.

## ARTICLE 3

### ELIGIBILITY

SECTION 3.1. ELIGIBILITY. Any Employee shall be eligible for coverage under this Plan if such Employee is a senior executive in a management position selected to participate in the Plan by the Committee. In selecting an Employee for coverage under the Plan, the Committee shall specify whether the amount of the Employee's benefit under the Plan shall be the amount provided in Section 4.1(a), Section 4.1(b), Section 4.1(c), Section 4.1(d), or Section 4.1(e) of the Plan and such selection shall be evidenced by one of the individual contracts referenced in Section 7.2.

## ARTICLE 4

### BENEFITS

SECTION 4.1. AMOUNT OF BENEFIT. Each Employee eligible for coverage under the Plan who shall retire on or after the attainment of age 55 shall receive a monthly benefit payable for the life of the Employee. Except as otherwise provided in Section 4.4, the payment of benefits under the Plan shall be conditioned upon the Company's receipt of the Employee's application for retirement benefits under the Pension Plan. The monthly benefit payable under



the Plan shall be calculated as follows:

- (a) "Supplemental Retirement Plan" Benefit. For an Employee who has been selected by the Committee to receive benefits provided by this Section 4.1(a), the benefit shall be equal to the amount described in subparagraph (1) minus the amount described in subparagraph (2):
- (1) The benefit that would have been payable under the Pension Plan under the single life annuity form of payment, disregarding the limitations of Section 415 of the Code as implemented in Appendix I of the Pension Plan and the limitation of Section 401(a)(17) of the Code as it may be implemented in the Pension Plan, calculated as if he were retiring at an adjusted retirement age. This adjusted retirement age will be the Employee's actual attained age at retirement increased by one month for each month of service after age 55 during which the Employee participated in the Plan. However, the adjusted retirement age cannot be greater than 65. The Employee will continue to accrue credited service during any period of time he or she is Disabled. In the benefit calculation, credited service and average monthly earnings will be determined to the adjusted retirement age, assuming that the Employee's rate of pay in effect on his date of retirement had remained in effect until his adjusted retirement age. Furthermore, average monthly earnings shall include 90% of 1/12th of the average of the five highest annual bonuses payable to the Employee for any five of the ten calendar years immediately prior to his termination of employment; if the Employee is on Disability at the time of retirement under the Pension Plan, the annual bonuses considered shall be the five highest annual bonuses payable to the Employee for any five of the ten calendar years immediately prior to the Disability;
- (2) The benefit actually provided by the Pension Plan under the single life annuity form of payment.
- (b) "Executive Retirement Plan" Benefit. For an Employee who has been selected by the Committee to receive benefits provided by this Section 4.1(b), the benefit shall be equal to the amount described in subparagraph (1) minus the amount described in subparagraph (2):
- (1) The benefit that would have been payable under the Pension Plan under the single life annuity form of payment, disregarding the limitations of Section 415 of the Code as implemented in Appendix I of the Pension Plan and the limitation of Section 401(a)(17) of the Code as it may be implemented in the Pension Plan, if average monthly earnings had included 90% of 1/12th of the average of the five highest annual bonuses payable to the Employee for any five of the ten calendar years immediately prior to his termination of employment; if the Employee is on Disability at the time of retirement under the Pension Plan, the annual bonuses considered shall be the five highest annual bonuses payable to the Employee for any five of the ten calendar years immediately prior to the Disability;
- (2) The benefit actually provided by the Pension Plan under the single life annuity form of payment.
- (c) "Foreign Service Retirement" Benefit "A". For an Employee who has been selected by the Committee to receive benefits provided by this Section 4.1(c), and so long as such Employee (i) at the time of his or her retirement is working in the United States for the Company or a subsidiary or affiliate of the Company that participates in the Pension Plan, and (ii) has worked in the United States for at least three years at the Company or a subsidiary or affiliate of

the Company that participates in the Pension Plan, the benefit shall be equal to the amount described in subparagraph (1) minus the amounts described in subparagraphs (2) and (3):

- (1) The benefit that would have been payable under the Pension Plan under the single life annuity form of payment, including in such calculation all periods of service by the Employee with any subsidiary or affiliate of the Company located outside the United States, and disregarding the limitations of Section 415 of the Code as implemented in Appendix I of the Pension Plan and the limitation of Section 401(a)(17) of the Code as it may be implemented in the Pension Plan, if his

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benefit were calculated as if he were retiring at an adjusted retirement age. This adjusted retirement age will be the Employee's actual attained age at retirement increased by one month for each month of service after age 55 during which the Employee participated in the Plan. However, the adjusted retirement age cannot be greater than 65. The Employee will continue to accrue credited service during the period of time he or she is Disabled. In the benefit calculation, credited service and average monthly earnings will be determined to the adjusted retirement age, assuming that the Employee's rate of pay in effect on his date of retirement had remained in effect until the adjusted retirement age. Furthermore, average monthly earnings shall include 90% of 1/12th of the average of the five highest annual bonuses payable to the Employee for any five of the ten calendar years immediately prior to his termination of employment; if the Employee is on Disability at the time of retirement under the Pension Plan, the annual bonuses considered shall be the five highest annual bonuses payable to the Employee for any five of the ten calendar years immediately prior to the Disability;

- (2) The benefit actually provided by the Pension Plan under the single life annuity form of payment;
- (3) The benefit actually provided by any pension or retirement plan provided by a subsidiary or affiliate of the Company located outside the United States which formerly employed the Employee.

- (d) "Foreign Service Retirement" Benefit "B": For an Employee who has been selected by the Committee to receive benefits provided by this Section 4.1(d), and so long as such Employee (i) at the time of his or her retirement is working in the United States for the Company or a subsidiary or affiliate of the Company that participates in the Pension Plan, and (ii) has worked in the United States for at least three years at the Company or at a subsidiary or affiliate of the Company that participates in the Pension Plan, the benefit shall be equal to the amount described in subparagraph (1) minus the amounts described in subparagraphs (2) and (3):

- (1) The benefit that would have been payable under the Pension Plan under the single life annuity form of payment, including in such calculation all periods of service by the Employee with any subsidiary or affiliate of the Company located outside the United States, and disregarding the limitations of

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Section 415 of the Code as implemented in Appendix I of the Pension Plan and the limitation of Section 401(a)(17) of the Code as it may be implemented in the Pension Plan, if average monthly earnings had

included 90% of 1/12th of the average of the five highest annual bonuses payable to the Employee for any five of the ten calendar years immediately prior to termination of employment; if the Employee is on Disability at the time of retirement under the Pension Plan, the annual bonuses considered shall be the five highest annual bonuses payable to the Employee for any five of the ten calendar years immediately prior to the Disability;

- (2) The benefit actually provided by the Pension Plan under the single life annuity form of payment;
  - (3) The benefit actually provided by any pension or retirement plan provided by a subsidiary or affiliate of the Company located outside the United States which formerly employed the Employee.
- (e) Special Retirement Supplement. For an Employee who has been selected by the Committee to receive benefits provided by this Section 4.1(e), the benefit shall be equal to the amount described in subparagraph (1) minus the amount described in subparagraph (2):
- (1) The benefit that would have been payable under the Pension Plan under the single life annuity form of payment, disregarding the limitations of Section 415 of the Code as implemented in Appendix I of the Pension Plan and the limitation of Section 401(a)(17) of the Code as it may be implemented in the Pension Plan;
  - (2) The benefit actually provided by the Pension Plan under the single life annuity form of payment.
- (f) For purposes of calculating the Supplemental Retirement Plan Benefit, the Executive Retirement Plan Benefit, the Foreign Service Retirement Benefit "A", and the Foreign Service Retirement Benefit "B" under this Article 4, the term "annual bonus" shall not include any payment made to an Employee pursuant to the Company's Mid-Term Incentive Plan.

#### SECTION 4.2. FORM OF BENEFIT PAYMENTS.

- (a) Benefits described in Section 4.1 shall be payable monthly during the Employee's life.

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- (b) Notwithstanding the foregoing, the Committee, with the consent of the Employee, may change the manner and time of making the monthly distributions provided in Section 4.1 and may make such distributions in a lump sum or any other form of payment which is actuarially equivalent to the single life form of payment provided in Section 4.2(a). Actuarial equivalence shall be determined under this Plan by using the actuarial assumptions that are used for that purpose under the Pension Plan as in effect when such actuarial equivalence under this Plan is being determined. Any actuarially equivalent benefits calculated under this Section shall be based on the Employee's actual attained age at the time of the calculation. Further, the Committee in its sole discretion, may distribute the actuarial equivalent of benefits due hereunder over a period certain of up to five (5) years from the date they were otherwise to have commenced. The form of payment agreed to hereunder need not be the same as the form of payment used for distributions from the Pension Plan.
- (c) If the Committee shall find that any person to whom any payment is payable under this Agreement is unable to care for his affairs because of illness or accident, or is a minor, any payment due (unless a prior claim therefor shall have been made by a duly appointed guardian, committee or other legal representative) may be paid to the spouse, a child, a parent, or a brother or sister, or to any person

deemed by the Committee to have incurred expense for such person otherwise entitled to payment, in such manner and proportions as the Committee may determine. Any such payment shall be a complete discharge of the liabilities of the Company under this Plan.

SECTION 4.3. TIME OF BENEFIT PAYMENTS. Benefits described in Section 4.1 shall commence on the first day of the month following the retirement of the Employee on or after the Employee's attainment of age 55. If the Employee is on Disability at the time of retirement under the Pension Plan, the benefits described in Section 4.1 shall commence on the same date that Pension Plan payments commence.

SECTION 4.4. BENEFICIARY IN THE EVENT OF DEATH. Upon the death of an Employee eligible for coverage under the Plan prior to termination of employment, the surviving spouse, if any, shall be paid a benefit for life equal to 50% of the benefit the Employee would have been entitled to under the Plan had he retired on the day before his death and had he begun receiving benefits under the 50% joint and survivor form of payment immediately before his death. If the Employee dies before age 55, the surviving spouse shall be paid a benefit commencing on the first of the month following the date on which the Employee would have become age 55 in an amount equal to 50% of the benefit the

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Employee would have been entitled to under the Plan if he had been age 55 on the day before his death, but based on his actual years of service as of his date of death. If death occurs after the Employee's retirement, the benefit will be based on the form of benefit selected prior to his retirement.

SECTION 4.5. SOURCE OF BENEFITS. Benefits payable under this Plan shall be paid out of the Trust, or out of the general assets of the Company. Nothing contained in this Plan and no action taken pursuant to the provisions of this Plan shall create or be construed to create a trust of any kind, or a fiduciary relationship between the Company and the Employee or any other person. Any funds which may be invested and any assets which may be held to provide benefits under this Plan shall continue for all purposes to be a part of the general funds and assets of the Company and no person other than the Company shall by virtue of the provisions of this Plan have any interest in such funds and assets. To the extent that any person acquires a right to receive payments from the Company under this Plan, such rights shall be no greater than the right of any unsecured general creditor of the Company.

SECTION 4.6. CONTRIBUTIONS. The Company shall make such contributions as are necessary to maintain the Plan on a sound basis. The Company shall contribute to the Trust for each Plan Year an amount which the Company determines is necessary to carry out the funding policy for the Plan. Contributions for a Plan Year, if required, shall be made as soon as practicable after the end of the Plan Year.

## ARTICLE 5

### VESTING

SECTION 5.1. NONFORFEITABILITY OF BENEFITS. The right of the Employee or any other person to the payment of benefits under this Plan shall be nonforfeitable (except as otherwise provided herein) as long as the terms and conditions herein are satisfied.

SECTION 5.2. EXCEPTIONS. Notwithstanding any provision of this Plan to the contrary:

- (a) If an Employee's employment with the Company ceases before age 55 other than as a result of death, a Constructive Discharge or a discharge by the Company without Cause, then no benefits will be paid to the Employee under this Plan.
- (b) If an Employee's employment with the Company is terminated before age 55 pursuant to a Constructive Discharge or a discharge by the Company without Cause, then for purposes of the Plan and

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the Employee's individual contract with the Company, as provided for in Section 7.2, regarding his benefits (collectively, the "Plan Documents"):

- (1) The requirement in the Plan Documents that the Employee must be at least age 55 on the date of termination of his employment with the Company shall not be applied to such Employee, and he or she shall vest immediately upon such termination of employment in the right to receive a monthly benefit payable for the life of the Employee, calculated as otherwise provided under the Plan Documents based upon the Employee's years of service and compensation as of the date of such termination, and commencing on the first day of the month following the Employee's attainment of age 55; provided, however, that the payment of benefits under the Plan Documents shall be conditioned upon the Company's receipt of the Employee's application for retirement benefits under the Pension Plan; and
  - (2) References in the Plan Documents to the Employee's "retirement" shall be deemed to mean his termination of employment.
- (c) For purposes of this Plan, "Cause" means any willful and continuous failure by the Employee to substantially perform his duties with the Company (unless the failure to perform is due to the Employee's Disability) or any willful misconduct or gross negligence by the Employee which results in material economic harm to the Company, or any conviction of the Employee of a felony. No act or failure to act shall be considered "willful" for purposes of this definition if the Employee reasonably believed in good faith that such act or failure to act was in, or not opposed to, the best interests of the Company. In the event of a willful and continuous failure by the Employee to substantially perform his duties, the Company shall notify the Employee in writing of such failure to perform and the Employee shall have a period of thirty (30) days after such notice to resume substantial performance of his duties.

For purposes of this Plan, an Employee is considered to have experienced a "Constructive Discharge" or to have been "Constructively Discharged" if he or she resigns employment as a result of, and within a period of thirty (30) days after the occurrence of, any of the following events:

- (1) Re-assignment of the Employee to a position which is at a lower level in the organizational structure than his previous

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position, as defined by any one or a combination of the following factors: reporting relationship, compensation compared to others in the organization, and authority, duties and responsibilities;

- (2) Diminution in the Employee's authority, duties or responsibilities, or the assignment of duties and responsibilities which are unsuitable for an individual having the position, experience and stature of the Employee;
- (3) Reduction in the Employee's total compensation (including salary, bonus, deferred compensation, stock options, profit sharing and retirement programs and other benefits);
- (4) Relocation of the Employee's principal workplace to a location which is more than 50 miles from the Employee's previous principal workplace; or
- (5) Any failure by the Company to require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to

assume expressly and agree to perform under the Plan Documents in the same manner and to the same extent that the Company would be required to perform thereunder with respect to the Employee if the transaction or event resulting in a successor had not taken place.

For purposes of subparagraphs (1), (2) or (3) of this Section 5.2(c), an isolated, insubstantial and inadvertent action shall be excluded unless the Company fails to remedy such action promptly after receipt of notice thereof given by the Employee.

#### ARTICLE 6

##### ADMINISTRATION

SECTION 6.1. DUTIES OF COMMITTEE. This Plan shall be administered by the Committee in accordance with its terms and purposes.

SECTION 6.2. FINALITY OF DECISIONS. The Committee shall have full power and authority to interpret, construe and administer this Plan and the Committee's determinations, and any actions taken hereunder, including any valuation of the amount, or designation of a recipient, or any payment to be made hereunder, shall be binding and conclusive on all persons for all purposes. No member of

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the Committee shall be liable to any person for any action taken or omitted in connection with the interpretation and administration of this Plan unless attributable to his own willful misconduct or lack of good faith.

#### ARTICLE 7

##### AMENDMENT AND TERMINATION

SECTION 7.1. AMENDMENT AND TERMINATION. While the Company intends to maintain this Plan for as long as necessary, the Company reserves the right to amend and/or terminate it at any time for whatever reasons it may deem appropriate, except that no such amendment shall alter, reduce or diminish any benefit previously granted to an Employee pursuant to Section 7.2 hereof.

SECTION 7.2. CONTRACTUAL OBLIGATION. Notwithstanding Section 7.1, the Company intends to assume a contractual commitment to pay the benefits described under this Plan and such commitment shall be evidenced by individual contracts entered into between the Company and each covered Employee for whom benefits accrue hereunder, which contracts are attached hereto as Exhibits I, II, III, IV and V.

#### ARTICLE 8

##### MISCELLANEOUS

SECTION 8.1. NO EMPLOYMENT RIGHTS. Nothing contained in this Plan shall be construed as a contract of employment between the Company or any corporation in the Affiliated Group and any Employee, or as a right of any Employee to be continued in employment or as a limitation of the right of the Company to discharge any Employee with or without cause.

SECTION 8.2. ASSIGNMENT. The benefits payable under this Plan may not be assigned, alienated, pledged, attached or garnished except by will or by the laws of descent and distribution, or except as required by law or judicial order.

SECTION 8.3. LAW APPLICABLE. This Plan shall be governed by the laws of the State of Maryland, except to the extent preempted by ERISA.

ATTEST: MCCORMICK & COMPANY, INCORPORATED

\_\_\_\_\_  
Robert W. Skelton  
Secretary

By: \_\_\_\_\_  
Karen D. Weatherholtz  
Senior Vice President - Human Relations

## EXHIBIT I

McCORMICK SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN  
AGREEMENT (TIER I)

THIS AGREEMENT is made as of the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, by and between McCORMICK & COMPANY, INCORPORATED, a corporation organized under the laws of the State of Maryland (the "Company") and \_\_\_\_\_ (the "Employee").

RECITALS:

The Board of Directors of the Company has determined that it is desirable and in the best interests of the Company to adopt a supplemental retirement plan to facilitate an orderly transition within the ranks of senior management and to provide for a more equitable retirement benefit for such individuals consistent with competitive conditions in the marketplace; and

The Board of Directors has approved and adopted such a plan known as the "McCormick Supplemental Executive Retirement Plan", as amended, (the "Plan") for certain senior executives designated by the Compensation or the Executive Committee of the Board of Directors (the "Committee"); and

The Board of Directors has authorized the officers of this Company to do any and all things necessary or desirable to put said Plan in effect; and

It is both desirable and necessary to include the Employee in said Plan.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants below set forth, the parties agree as follows:

1. In recognition of the Employee's past and future service, the Company shall provide a supplemental pension benefit to the Employee pursuant to the Plan and this Agreement in an amount determined in accordance with Section 4.1(a) of the Plan. Section 4.1(a) of the Plan provides that the supplemental pension benefit shall be equal to the amount described in subparagraph (1) minus the amount described in subparagraph (2) as follows:

"(1) The benefit that would have been payable under the Pension Plan under the single life annuity form of payment, disregarding the limitations of Section 415 of the Internal Revenue Code (the "Code") as implemented in Appendix I of the McCormick Pension Plan (the "Pension Plan") and the limitation of Section 401(a)(17) of the Code as it may be implemented in the Pension Plan, calculated as if he were retiring at an adjusted retirement

age. This adjusted retirement age will be the Employee's actual attained age at retirement increased by one month for each month of service after age 55 during which the Employee participated in the Plan. However, the adjusted retirement age cannot be greater than 65. The Employee will continue to accrue credited service during any time he or she is Disabled. In the benefit calculation, credited service and average monthly earnings will be determined to the adjusted retirement age, assuming that the Employee's rate of pay in effect on his date of retirement had remained in effect until his adjusted retirement age. Furthermore, average monthly earnings shall include 90% of 1/12th of the average of the five highest annual bonuses payable to the Employee for any five of the ten calendar years immediately prior to his termination of employment; if the Employee is on Disability at the time of retirement under the Pension Plan, the annual bonuses considered shall be the five highest annual bonuses payable to the Employee for any five of the ten calendar years immediately prior to his Disability;

- (2) The benefit actually provided by the Pension Plan under the single life annuity form of payment."

2. For purposes of calculating the benefit provided under this Agreement, the term "annual bonuses" in Section 1 above shall not include any payment made to an Employee pursuant to the Company's Mid-Term Incentive Plan.
3. In the event of the death of Employee prior to termination of employment, the surviving spouse, if any, shall be paid a benefit for life equal to 50% of the benefit the Employee would have been entitled to under the Plan had he retired on the day before his death and had he begun receiving benefits under the 50% joint and survivor form of payment immediately before his death. If the Employee dies before age 55, the surviving spouse shall be paid a benefit commencing on the first of the month following the date on which the Employee would have become age 55 in an amount equal to 50% of the benefit the Employee would have been entitled to under the Plan if he had been age 55 on the day before his death, but based on his actual years of service as of his date of death. If death occurs after the Employee's retirement, the benefit will be based on the form of benefit selected prior to his retirement.
4. Notwithstanding anything in this Agreement to the contrary, the Committee, with the consent of the Employee, may change the manner and time of making the monthly distributions provided in Section 1 of this Agreement and may make such distributions in a lump sum or any other form of payment which is actuarially equivalent to the single life annuity form of payment stipulated hereunder. Any such actuarially equivalent benefits shall be based on the Employee's actual attained age at the time of the calculation. Further, the Committee, in its sole discretion, may distribute the actuarially equivalent benefits due hereunder over a

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period certain of up to five (5) years from the date they were otherwise to have commenced. The form of payment agreed to hereunder need not be the same as the form of payment used for distributions from the Pension Plan.

5. Nothing contained in the Plan or in this Agreement, and no action taken pursuant to the provisions of the Plan or this Agreement, shall create or be construed to create a trust of any kind, or a fiduciary relationship between the Company and the Employee, his designated beneficiary or any other person. Any funds which may be invested and any assets which may be held to provide benefits under the Plan and this Agreement shall continue for all purposes to be a part of the general funds and assets of the Company and no person other than the Company shall by virtue of the provisions of this Agreement have any interest in such funds and assets. To the extent that any person acquires a right to receive payments from the Company under this Agreement, such rights shall be no greater than the right of any unsecured general creditor of the Company.
6. The right of the Employee or any other person to the payment of a supplemental pension benefit under this Agreement shall be nonforfeitable (except as otherwise provided in the Plan) as long as the terms and conditions of the Plan and this Agreement are satisfied. The payment of benefits shall commence upon the retirement of the Employee on or after the attainment of age 55. The payment of benefits is conditioned upon the Company's receipt of the Employee's application for retirement benefits under the Pension Plan.
7. The right of the Employee or any other person to the payment of a supplemental pension benefit or other benefits under the Plan and this Agreement shall not be assigned, transferred, pledged or encumbered except by will or by the laws of descent and distribution, or except as required by law or judicial order.
8. If the Committee shall find that any person to whom any payment is payable under the Plan and this Agreement is unable to care for his affairs because of illness or accident, or is a minor, any payment due (unless a prior claim therefor shall have been made by a duly appointed guardian, committee or other legal representative) may be paid to the spouse, a child, a parent, or a brother or sister, or to any person deemed by the Committee to have incurred expense for such person otherwise entitled to



payment, in such manner and proportions as the Committee may determine. Any such payment shall be a complete discharge of the liabilities of the Company under this Agreement.

- 9. The Committee shall have full power and authority to interpret, construe and administer this Agreement and the Committee's determinations, and any actions taken hereunder, including any valuation of the amount, or designation of a recipient, of any payment to be made hereunder, shall be binding and conclusive on all persons for all purposes. No member of the Committee shall be liable to any person for any action taken or omitted in connection with the interpretation

and administration of this Agreement unless attributable to his own willful misconduct or lack of good faith.

- 10. This Agreement shall not confer any rights or privileges on the Employee greater than those provided under the Plan. This Agreement is subject to the terms and provisions of the Plan and, in the event of any conflict between the provisions of the Plan and this Agreement, the provisions of the Plan shall govern.
- 11. This Agreement shall be binding upon and inure to the benefit of the Company, its successors and assigns and the Employee and his heirs, executors, administrators and legal representatives.
- 12. This Agreement shall be construed in accordance with and governed by the laws of the State of Maryland.
- 13. The terms used in this Agreement shall have the same definition as the identified terms used in the Plan.
- 14. (a) This Agreement supersedes any previous agreements between the parties regarding supplemental or executive retirement plan benefits and constitutes the entire agreement between the parties.  
(b) The date of enrollment of the Employee in the Plan is \_\_\_\_\_.

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed by its duly authorized officers, and the Employee has hereunto set his hand and seal, as of the date appearing on page one.

ATTEST: McCORMICK & COMPANY, INCORPORATED

\_\_\_\_\_  
Robert W. Skelton  
Secretary

By: \_\_\_\_\_  
Robert J. Lawless  
Chairman of the Board, President  
& Chief Executive Officer

\_\_\_\_\_(LS)

MCCORMICK SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN  
AGREEMENT (TIER II)

THIS AGREEMENT is made as of the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, by and between McCORMICK & COMPANY, INCORPORATED, a corporation organized under the laws of the State of Maryland (the "Company") and \_\_\_\_\_ (the "Employee").

RECITALS:

The Board of Directors of the Company has determined that it is desirable and in the best interests of the Company to adopt a supplemental retirement plan to facilitate an orderly transition within the ranks of senior management and to provide for a more equitable retirement benefit for such individuals consistent with competitive conditions in the marketplace; and

The Board of Directors has approved and adopted such a plan known as the "McCormick Supplemental Executive Retirement Plan", as amended, (the "Plan") for certain senior executives designated by the Compensation or the Executive Committee of the Board of Directors (the "Committee"); and

The Board of Directors has authorized the officers of this Company to do any and all things necessary or desirable to put said Plan in effect; and

It is both desirable and necessary to include the Employee in said Plan.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants below set forth, the parties agree as follows:

1. In recognition of the Employee's past and future service, the Company shall provide a supplemental pension benefit to the Employee pursuant to the Plan and this Agreement in an amount determined in accordance with Section 4.1(b) of the Plan. Section 4.1(b) of the Plan provides that the supplemental pension benefit shall be equal to the amount described in subparagraph (1) minus the amount described in subparagraph (2) as follows:

"(1) The benefit that would have been payable under the Pension Plan under the single life annuity form of payment, disregarding the limitations of Section 415 of the Internal Revenue Code (the "Code") as implemented in Appendix I of the McCormick Pension Plan (the "Pension Plan") and the limitation of Section 401(a)(17) of the Code as it may be implemented in the Pension Plan, if average monthly earnings had included 90% of 1/12th

of the average of the five highest annual bonuses payable to the Employee for any five of the ten calendar years immediately prior to his termination of employment; if the Employee is on Disability at the time of retirement under the Pension Plan, the annual bonuses considered shall be the five highest annual bonuses payable to the Employee for any five of the ten calendar years immediately prior to the Disability;

(2) The benefit actually provided by the Pension Plan under the single life annuity form of payment."

2. For purposes of calculating the benefit provided under this Agreement, the term "annual bonuses" in Section 1 above shall not include any payment made to an Employee pursuant to the Company's Mid-Term Incentive Plan.
3. In the event of the death of Employee prior to termination of employment, the surviving spouse, if any, shall be paid a benefit for life equal to 50% of the benefit the Employee would have been entitled to under the Plan had he retired on the day before his death and had he begun receiving benefits under the 50% joint and survivor form of payment immediately before his death. If the Employee dies before age 55, the surviving spouse shall be paid a benefit commencing on the first of the month following the date on which the Employee would have become age 55 in an amount equal to 50% of the benefit the Employee would have been entitled to under the Plan if he had been age 55 on the day before his death, but based on his actual years of service as of his date of death. If death occurs after the Employee's retirement, the benefit will be based on the form of benefit selected prior to his retirement.
4. Notwithstanding anything in this Agreement to the contrary, the Committee, with the consent of the Employee, may change the manner and time of making the monthly distributions provided in Section 1 of this Agreement and may make such distributions in a lump sum or any other form of payment

which is actuarially equivalent to the single life annuity form of payment stipulated hereunder. Any such actuarially equivalent benefits shall be based on the Employee's actual attained age at the time of the calculation. Further, the Committee, in its sole discretion, may distribute the actuarially equivalent benefits due hereunder over a period certain of up to five (5) years from the date they were otherwise to have commenced. The form of payment agreed to hereunder need not be the same as the form of payment used for distributions from the Pension Plan.

5. Nothing contained in the Plan or in this Agreement, and no action taken pursuant to the provisions of the Plan or this Agreement, shall create or be construed to create a trust of any kind, or a fiduciary relationship between the Company and the Employee, his designated beneficiary or any other person. Any funds which may be invested and any assets which may be held to provide benefits under the Plan and this Agreement shall continue for all purposes to be a part of the general funds

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and assets of the Company and no person other than the Company shall by virtue of the provisions of this Agreement have any interest in such funds and assets. To the extent that any person acquires a right to receive payments from the Company under this Agreement, such rights shall be no greater than the right of any unsecured general creditor of the Company.

6. The right of the Employee or any other person to the payment of a supplemental pension benefit under this Agreement shall be nonforfeitable (except as otherwise provided in the Plan) as long as the terms and conditions of the Plan and this Agreement are satisfied. The payment of benefits shall commence upon the retirement of the Employee on or after the attainment age of 55. The payment of benefits is conditioned upon the Company's receipt of the Employee's application for retirement benefits under the Pension Plan.
7. The right of the Employee or any other person to the payment of a supplemental pension benefit or other benefits under the Plan and this Agreement shall not be assigned, transferred, pledged or encumbered except by will or by the laws of descent and distribution, or except as required by law or judicial order.
8. If the Committee shall find that any person to whom any payment is payable under the Plan and this Agreement is unable to care for his affairs because of illness or accident, or is a minor, any payment due (unless a prior claim therefor shall have been made by a duly appointed guardian, committee or other legal representative) may be paid to the spouse, a child, a parent, or a brother or sister, or to any person deemed by the Committee to have incurred expense for such person otherwise entitled to payment, in such manner and proportions as the Committee may determine. Any such payment shall be a complete discharge of the liabilities of the Company under this Agreement.
9. The Committee shall have full power and authority to interpret, construe and administer this Agreement and the Committee's determinations, and any actions taken hereunder, including any valuation of the amount, or designation of a recipient, of any payment to be made hereunder, shall be binding and conclusive on all persons for all purposes. No member of the Committee shall be liable to any person for any action taken or omitted in connection with the interpretation and administration of this Agreement unless attributable to his own willful misconduct or lack of good faith.
10. This Agreement shall not confer any rights or privileges on the Employee greater than those provided under the Plan. This Agreement is subject to the terms and provisions of the Plan and, in the event of any conflict between the provisions of the Plan and this Agreement, the provisions of

the Plan shall govern.

- 11. This Agreement shall be binding upon and inure to the benefit of the Company, its successors and assigns and the Employee and his heirs, executors, administrators and legal representatives.
- 12. This Agreement shall be construed in accordance with and governed by the laws of the State of Maryland.
- 13. The terms used in this Agreement shall have the same definition as the identical terms used in the Plan.
- 14. (a) This Agreement supersedes any previous agreements between the parties regarding supplemental or executive retirement plan benefits and constitutes the entire agreement between the parties.  
  
(b) The date of enrollment of the Employee in the Plan is \_\_\_\_\_.

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed by its duly authorized officers, and the Employee has hereunto set his hand and seal, as of the date appearing on page one.

ATTEST: McCORMICK & COMPANY, INCORPORATED

\_\_\_\_\_  
Robert W. Skelton  
Secretary

By: \_\_\_\_\_  
Robert J. Lawless  
Chairman of the Board, President  
& Chief Executive Officer

\_\_\_\_\_(LS)

EXHIBIT III

MCCORMICK SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN  
AGREEMENT (TIER I FN)

THIS AGREEMENT is made as of the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, by and between McCORMICK & COMPANY, INCORPORATED, a corporation organized under the laws of the State of Maryland (the "Company") and \_\_\_\_\_ (the "Employee").

RECITALS:

The Board of Directors of the Company has determined that it is desirable and in the best interests of the Company to adopt a supplemental retirement plan to facilitate an orderly transition within the ranks of senior management and to provide for a more equitable retirement benefit for such individuals consistent with competitive conditions in the marketplace; and

The Board of Directors has approved and adopted such a plan known as the "McCormick Supplemental Executive Retirement Plan", as amended, (the "Plan") for certain senior executives designated by the Compensation or the Executive Committee of the Board of Directors (the "Committee"); and

The Board of Directors has authorized the officers of this Company to do any and all things necessary or desirable to put said Plan in effect; and

It is both desirable and necessary to include the Employee in said Plan.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants below set forth, the parties agree as follows:

- 1 . In recognition of the Employee's past and future service, the Company shall provide a supplemental pension benefit to the Employee pursuant to the Plan and this Agreement in an amount determined in accordance with Section 4.1(c) of the Plan. The benefit provided under Section 4.1(c) of this Agreement shall be payable to the Employee only if the Employee (i) at the time of his or her retirement is working in the United States for the Company or a subsidiary or affiliate of the Company that participates in the Pension Plan, and (ii) has worked in the United States for at least three years at the Company or at a subsidiary or affiliate of the Company that participates in the Pension Plan. The benefit shall be equal to the amount described in subparagraph (1) minus the amounts described in subparagraphs (2) and (3):

"(1) The benefit that would have been payable under the McCormick Pension Plan (the "Pension Plan") under the single life annuity form of payment, including in such calculation all periods of service by the Employee with any subsidiary or affiliate of the Company located outside the United States, disregarding the limitations of Section 415 of the Internal Revenue Code (the "Code") as implemented in Appendix I of the Pension Plan and the limitation of Section 401(a)(17) of the Code as it may be implemented in the Pension Plan, if his benefit were calculated as if he were retiring at an adjusted retirement age. This adjusted retirement age will be the Employee's actual attained age at retirement increased by one month for each month of service after age 55 during which the Employee participated in the Plan. However, the adjusted retirement age cannot be greater than 65. The Employee will continue to accrue credited service during the period of time he or she is Disabled. In the benefit calculation, credited service and average monthly earnings will be determined to the adjusted retirement age, assuming that the Employee's rate of pay in effect on his date of retirement had remained in effect until the adjusted retirement age. Furthermore, average monthly earnings shall include 90% of 1/12th of the average of the five highest annual bonuses payable to the Employee for any five of the ten calendar years immediately prior to his termination of employment; if the Employee is on Disability at the time of retirement under the Pension Plan, the annual bonuses considered shall be the five highest annual bonuses payable to the Employee for any five of the ten calendar years immediately prior to the Disability;

(2) The benefit actually provided by the Pension Plan under the single life annuity form of payment;

(3) The benefit actually provided by any pension or retirement plan provided by a subsidiary or affiliate of the Company located outside the United States by which the executive was employed."

2. For purposes of calculating the benefit provided under this Agreement, the term "annual bonuses" in Section 1 above shall not include any payment made to an Employee pursuant to the Company's Mid-Term Incentive Plan.
3. In the event of the death of Employee prior to termination of employment, the surviving spouse, if any, shall be paid a benefit for life equal to 50% of the benefit the Employee would have been entitled to under the Plan had he retired on the day before his death and had he begun receiving benefits under the 50% joint and survivor form of payment immediately before his death. If the Employee dies before age 55, the surviving spouse shall be paid a benefit commencing on the first of the month following the date on which the Employee would have become age 55 in an amount equal to 50% of the benefit the Employee would have been entitled to under the Plan if he had been age 55 on the day before his death, but

based on his actual years of service as of his date of death. If death occurs after the Employee's retirement, the benefit will be based on the form of benefit selected prior to his retirement.

4. Notwithstanding anything in this Agreement to the contrary, the Committee, with the consent of the Employee, may change the manner and time of making the monthly distributions provided in Section 1 of this Agreement and may make such distributions in a lump sum or any other form of payment which is actuarially equivalent to the single life annuity form of payment stipulated hereunder. Any such actuarially equivalent benefits shall be based on the Employee's actual attained age at the time of the calculation. Further, the Committee, in its sole discretion, may distribute the actuarially equivalent benefits due hereunder over a period certain of up to five (5) years from the date they were otherwise to have commenced. The form of payment agreed to hereunder need not be the same as the form of payment used for distributions from the Pension Plan.
5. Nothing contained in the Plan or in this Agreement, and no action taken pursuant to the provisions of the Plan or this Agreement, shall create or be construed to create a trust of any kind, or a fiduciary relationship between the Company and the Employee, his designated beneficiary or any other person. Any funds which may be invested and any assets which may be held to provide benefits under the Plan and this Agreement shall continue for all purposes to be a part of the general funds and assets of the Company and no person other than the Company shall by virtue of the provisions of this Agreement have any interest in such funds and assets. To the extent that any person acquires a right to receive payments from the Company under this Agreement, such rights shall be no greater than the right of any unsecured general creditor of the Company.
6. The right of the Employee or any other person to the payment of a supplemental pension benefit under this Agreement shall be nonforfeitable (except as otherwise provided in the Plan) as long as the terms and conditions of the Plan and this Agreement are satisfied. The payment of benefits shall commence upon the retirement of the Employee on or after the attainment of age 55. The payment of benefits is conditioned upon the Company's receipt of the Employee's application for retirement benefits under the Pension Plan.
7. The right of the Employee or any other person to the payment of a supplemental pension benefit or other benefits under the Plan and this Agreement shall not be assigned, transferred, pledged or encumbered except by will or by the laws of descent and distribution, or except as required by law or judicial order.
8. If the Committee shall find that any person to whom any payment is payable under the Plan and this Agreement is unable to care for his affairs because of illness or accident, or is a minor, any payment due (unless a prior claim therefor shall have

been made by a duly appointed guardian, committee or other legal representative) may be paid to the spouse, a child, a parent, or a brother or sister, or to any person deemed by the Committee to have incurred expense for such person otherwise entitled to payment, in such manner and proportions as the Committee may determine. Any such payment shall be a complete discharge of the liabilities of the Company under this Agreement.

9. The Committee shall have full power and authority to interpret, construe and administer this Agreement and the Committee's determinations, and any actions taken hereunder, including any valuation of the amount, or designation of a recipient, of any payment to be made hereunder, shall be binding and conclusive on all persons for all purposes. No member of the Committee shall be liable to any person for any action taken or omitted in connection with the interpretation and administration of this

Agreement unless attributable to his own willful misconduct or lack of good faith.

- 10. This Agreement shall not confer any rights or privileges on the Employee greater than those provided under the Plan. This Agreement is subject to the terms and provisions of the Plan and, in the event of any conflict between the provisions of the Plan and this Agreement, the provisions of the Plan shall govern.
- 11. This Agreement shall be binding upon and inure to the benefit of the Company, its successors and assigns and the Employee and his heirs, executors, administrators and legal representatives.
- 12. This Agreement shall be construed in accordance with and governed by the laws of the State of Maryland.
- 13. The terms used in this Agreement shall have the same definition as the identical terms used in the Plan.
- 14. (a) This Agreement supersedes any previous agreements between the parties regarding supplemental or executive retirement plan benefits and constitutes the entire agreement between the parties.  
  
(b) The date of enrollment of the Employee in the Plan is \_\_\_\_\_.

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed by its duly authorized officers, and the Employee has hereunto set his hand and seal, as of the date

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appearing on page one.

ATTEST:

MCCORMICK & COMPANY, INCORPORATED

\_\_\_\_\_  
Robert W. Skelton  
Secretary

By: \_\_\_\_\_  
Robert J. Lawless  
Chairman of the Board, President  
& Chief Executive Officer

\_\_\_\_\_(LS)

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EXHIBIT IV

MCCORMICK SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN  
AGREEMENT (TIER II FN)

THIS AGREEMENT is made as of the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, by and between MCCORMICK & COMPANY, INCORPORATED, a corporation organized under the laws of the State of Maryland (the "Company") and \_\_\_\_\_ (the "Employee").

RECITALS:

The Board of Directors of the Company has determined that it is desirable and in the best interests of the Company to adopt a supplemental retirement plan to facilitate an orderly transition within the ranks of senior management and to provide for a more equitable retirement benefit for such individuals consistent with competitive conditions in the marketplace; and

The Board of Directors has approved and adopted such a plan known as the "McCormick Supplemental Executive Retirement Plan", as amended, (the "Plan")

for certain senior executives designated by the Compensation or the Executive Committee of the Board of Directors (the "Committee"); and

The Board of Directors has authorized the officers of this Company to do any and all things necessary or desirable to put said Plan in effect; and

It is both desirable and necessary to include the Employee in said Plan.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants below set forth, the parties agree as follows:

1. In recognition of the Employee's past and future service, the Company shall provide a supplemental pension benefit to the Employee pursuant to the Plan and this Agreement in an amount determined in accordance with Section 4.1(d) of the Plan. The benefit provided under Section 4.1(d) of this Agreement shall be payable to the Employee only if the Employee (i) at the time of his or her retirement is working in the United States for the Company or a subsidiary or affiliate of the Company that participates in the Pension Plan, and (ii) has worked in the United States for at least three years at the Company or at a subsidiary or affiliate of the Company that participates in the Pension Plan. The benefit shall be equal to the amount described in subparagraph (1) minus the amounts described in subparagraphs (2) and (3):
  - "(1) The benefit that would have been payable under the Pension Plan under the single life annuity form of payment, including in such calculation all periods of service by the Employee with any subsidiary or affiliate of the Company located outside the United States, but disregarding the limitations of Section 415 of the Internal Revenue Code (the "Code") as implemented in Appendix I of the McCormick Pension Plan (the "Pension Plan") and the limitation of Section 401(a)(17) of the Code as it may be implemented in the Pension Plan, if average monthly earnings had included 90% of 1/12th of the average of the five highest annual bonuses payable to the Employee for any five of the ten calendar years immediately prior to termination of employment; if the Employee is on Disability at the time of retirement under the Pension Plan, the annual bonuses considered shall be the five highest annual bonuses payable to the Employee for any five of the ten calendar years immediately prior to the Disability;
  - (2) The benefit actually provided by the Pension Plan under the single life annuity form of payment;
  - (3) The benefit actually provided by any pension or retirement plan provided by a subsidiary or affiliate of the Company located outside the United States by which the executive was employed."
2. For purposes of calculating the benefit provided under this Agreement, the term "annual bonuses" in Section 1 above shall not include any payment made to an Employee pursuant to the Company's Mid-Term Incentive Plan.
3. In the event of the death of Employee prior to termination of employment, the surviving spouse, if any, shall be paid a benefit for life equal to 50% of the benefit the Employee would have been entitled to under the Plan had he retired on the day before his death and had he begun receiving benefits under the 50% joint and survivor form of payment immediately before his death. If the Employee dies before age 55, the surviving spouse shall be paid a benefit commencing on the first of the month following the date on which the Employee would have become age 55 in an amount equal to 50% of the benefit the Employee would have been entitled to under the Plan if he had been age 55 on the day before his death, but based on his actual years of service as of his date of death. If death occurs after the Employee's retirement, the benefit will be based on the form of benefit selected prior to his retirement.
4. Notwithstanding anything in this Agreement to the contrary, the Committee, with the consent of the Employee, may change the manner and time of making the monthly distributions provided in



Section 1 of this Agreement and may make such distributions in a lump sum or any other form of payment which is actuarially equivalent to the single life annuity form of payment stipulated hereunder. Any such actuarially equivalent benefits shall be based on the Employee's actual

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attained age at the time of the calculation. Further, the Committee, in its sole discretion, may distribute the actuarially equivalent benefits due hereunder over a period certain of up to five (5) years from the date they were otherwise to have commenced. The form of payment agreed to hereunder need not be the same as the form of payment used for distributions from the Pension Plan.

5. Nothing contained in the Plan or in this Agreement, and no action taken pursuant to the provisions of the Plan or this Agreement, shall create or be construed to create a trust of any kind, or a fiduciary relationship between the Company and the Employee, his designated beneficiary or any other person. Any funds which may be invested and any assets which may be held to provide benefits under the Plan and this Agreement shall continue for all purposes to be a part of the general funds and assets of the Company and no person other than the Company shall by virtue of the provisions of this Agreement have any interest in such funds and assets. To the extent that any person acquires a right to receive payments from the Company under this Agreement, such rights shall be no greater than the right of any unsecured general creditor of the Company.
6. The right of the Employee or any other person to the payment of a supplemental pension benefit under this Agreement shall be nonforfeitable (except as otherwise provided in the Plan) as long as the terms and conditions of the Plan and this Agreement are satisfied. The payment of benefits shall commence upon the retirement of the Employee on or after the attainment of age 55. The payment of benefits is conditioned upon the Company's receipt of the Employee's application for retirement benefits under the Pension Plan.
7. The right of the Employee or any other person to the payment of a supplemental pension benefit or other benefits under the Plan and this Agreement shall not be assigned, transferred, pledged or encumbered except by will or by the laws of descent and distribution, or except as required by law or judicial order.
8. If the Committee shall find that any person to whom any payment is payable under the Plan and this Agreement is unable to care for his affairs because of illness or accident, or is a minor, any payment due (unless a prior claim therefor shall have been made by a duly appointed guardian, committee or other legal representative) may be paid to the spouse, a child, a parent, or a brother or sister, or to any person deemed by the Committee to have incurred expense for such person otherwise entitled to payment, in such manner and proportions as the Committee may determine. Any such payment shall be a complete discharge of the liabilities of the Company under this Agreement.
9. The Committee shall have full power and authority to interpret, construe and administer this Agreement and the Committee's determinations, and any actions taken hereunder, including any valuation of the amount, or designation of a recipient, of any payment to be made hereunder, shall be binding and conclusive

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on all persons for all purposes. No member of the Committee shall be liable to any person for any action taken or omitted in connection with the interpretation and administration of this Agreement unless attributable to his own willful misconduct or lack of good faith.

10. This Agreement shall not confer any rights or privileges on the Employee greater than those provided under the Plan. This Agreement is subject to the terms and provisions of the Plan and,

in the event of any conflict between the provisions of the Plan and this Agreement, the provisions of the Plan shall govern.

- 11. This Agreement shall be binding upon and inure to the benefit of the Company, its successors and assigns and the Employee and his heirs, executors, administrators and legal representatives.
- 12. This Agreement shall be construed in accordance with and governed by the laws of the State of Maryland.
- 13. The terms used in this Agreement shall have the same definition as the identical terms used in the Plan.
- 14. (a) This Agreement supersedes any previous agreements between the parties regarding supplemental or executive retirement plan benefits and constitutes the entire agreement between the parties.  
  
(b) The date of enrollment of the Employee in the Plan is \_\_\_\_\_.

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed by its duly authorized officers, and the Employee has hereunto set his hand and seal, as of the date appearing on page one.

ATTEST: McCORMICK & COMPANY, INCORPORATED

\_\_\_\_\_  
Robert W. Skelton  
Secretary

By: \_\_\_\_\_  
Robert J. Lawless  
Chairman of the Board, President  
& Chief Executive Officer

\_\_\_\_\_(LS)

EXHIBIT V

McCORMICK SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN  
AGREEMENT(TIER III)

THIS AGREEMENT is made as of the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, by and between McCORMICK & COMPANY, INCORPORATED, a corporation organized under the laws of the State of Maryland (the "Company") and \_\_\_\_\_ (the "Employee").

RECITALS:

The Board of Directors of the Company has determined that it is desirable and in the best interests of the Company to adopt a supplemental retirement plan to facilitate an orderly transition within the ranks of senior management and to provide for a more equitable retirement benefit for such individuals consistent with competitive conditions in the marketplace; and

The Board of Directors has approved and adopted such a plan known as the McCormick Supplemental Executive Retirement Plan, as amended, (the "Plan") for certain senior executives designated by the Compensation or the Executive Committee of the Board of Directors (the "Committee"); and

The Board of Directors has authorized the officers of this Company to do any and all things necessary or desirable to put said Plan in effect; and

It is both desirable and necessary to include the Employee in said Plan.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants below set forth, the parties agree as follows:

- 1. Inrecognition of the Employee's past and future service, the

Company shall provide a supplemental pension benefit to the Employee pursuant to the Plan and this Agreement in an amount determined in accordance with Section 4.1(e) of the Plan. Section 4.1(e) of the Plan provides that the supplemental pension benefit shall be equal to the amount described in subparagraph (1) minus the amount described in subparagraph (2) as follows:

"(1) The benefit that would have been payable under the Pension Plan under the single life annuity form of payment, disregarding the limitations of Section 415 of the Internal Revenue Code (the "Code") as implemented in Appendix I of the McCormick Pension Plan (the "Pension Plan") and the limitation of Section 401(a)(17) of the Code as it may be implemented in the Pension Plan;

(2) The benefit actually provided by the Pension Plan under the single life annuity form of payment."

3. In the event of the death of Employee prior to termination of employment, the surviving spouse, if any, shall be paid a benefit for life equal to 50% of the benefit the Employee would have been entitled to under the Plan had he retired on the day before his death and had he begun receiving benefits under the 50% joint and survivor form of payment immediately before his death. If the Employee dies before age 55, the surviving spouse shall be paid a benefit commencing on the first of the month following the date on which the Employee would have become age 55 in an amount equal to 50% of the benefit the Employee would have been entitled to under the Plan if he had been age 55 on the day before his death, but based on his actual years of service as of his date of death. If death occurs after the Employee's retirement, the benefit will be based on the form of benefit selected prior to his retirement.
4. Notwithstanding anything in this Agreement to the contrary, the Committee, with the consent of the Employee, may change the manner and time of making the monthly distributions provided in Section 1 of this Agreement and may make such distributions in a lump sum or any other form of payment which is actuarially equivalent to the single life annuity form of payment stipulated hereunder. Any such actuarially equivalent benefits shall be based on the Employee's actual attained age at the time of the calculation. Further, the Committee, in its sole discretion, may distribute the actuarially equivalent benefits due hereunder over a period certain of up to five (5) years from the date they were otherwise to have commenced. The form of payment agreed to hereunder need not be the same as the form of payment used for distributions from the Pension Plan.
5. Nothing contained in the Plan or in this Agreement, and no action taken pursuant to the provisions of the Plan or this Agreement, shall create or be construed to create a trust of any kind, or a fiduciary relationship between the Company and the Employee, his designated beneficiary or any other person. Any funds which may be invested and any assets which may be held to provide benefits under the Plan and this Agreement shall continue for all purposes to be a part of the general funds and assets of the Company and no person other than the Company shall by virtue of the provisions of this Agreement have any interest in such funds and assets. To the extent that any person acquires a right to receive payments from the Company under this Agreement, such rights shall be no greater than the right of any unsecured general creditor of the Company.
6. The right of the Employee or any other person to the payment of a supplemental pension benefit under this Agreement shall be nonforfeitable (except as otherwise provided in the Plan) as long as the terms and conditions of the Plan and this Agreement are satisfied. The payment of benefits shall commence upon the retirement of the Employee on or after the attainment age of 55. The payment of

Employee's application for retirement benefits under the Pension Plan.

7. The right of the Employee or any other person to the payment of a supplemental pension benefit or other benefits under the Plan and this Agreement shall not be assigned, transferred, pledged or encumbered except by will or by the laws of descent and distribution, or except as required by law or judicial order.
8. If the Committee shall find that any person to whom any payment is payable under the Plan and this Agreement is unable to care for his affairs because of illness or accident, or is a minor, any payment due (unless a prior claim therefor shall have been made by a duly appointed guardian, committee or other legal representative) may be paid to the spouse, a child, a parent, or a brother or sister, or to any person deemed by the Committee to have incurred expense for such person otherwise entitled to payment, in such manner and proportions as the Committee may determine. Any such payment shall be a complete discharge of the liabilities of the Company under this Agreement.
9. The Committee shall have full power and authority to interpret, construe and administer this Agreement and the Committee's determinations, and any actions taken hereunder, including any valuation of the amount, or designation of a recipient, of any payment to be made hereunder, shall be binding and conclusive on all persons for all purposes. No member of the Committee shall be liable to any person for any action taken or omitted in connection with the interpretation and administration of this Agreement unless attributable to his own willful misconduct or lack of good faith.
10. This Agreement shall not confer any rights or privileges on the Employee greater than those provided under the Plan. This Agreement is subject to the terms and provisions of the Plan and, in the event of any conflict between the provisions of the Plan and this Agreement, the provisions of the Plan shall govern.
11. This Agreement shall be binding upon and inure to the benefit of the Company, its successors and assigns and the Employee and his heirs, executors, administrators and legal representatives.
12. This Agreement shall be construed in accordance with and governed by the laws of the State of Maryland.
13. The terms used in this Agreement shall have the same definition as the identical terms used in the Plan.
14. (a) This Agreement supersedes any previous agreements between the parties regarding supplemental or executive retirement plan benefits and constitutes the entire agreement between the parties.

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(b) The date of enrollment of the Employee in the Plan is \_\_\_\_\_.

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed by its duly authorized officers, and the Employee has hereunto set his hand and seal, as of the date appearing on page one.

ATTEST:

MCCORMICK & COMPANY, INCORPORATED

\_\_\_\_\_  
Robert W. Skelton  
Secretary

By: \_\_\_\_\_  
Robert J. Lawless  
Chairman of the Board, President  
& Chief Executive Officer

\_\_\_\_\_(LS)

