

CYTEC INDUSTRIES INC/DE/
Form DEF 14A
March 11, 2011

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the Securities

Exchange Act of 1934 (Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

CYTEC INDUSTRIES INC.

(Name of Registrant as Specified In Its Charter)

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(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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2) Form, Schedule or Registration Statement No.:

3) Filing Party:

4) Date Filed:

CYTEC INDUSTRIES INC.
5 GARRET MOUNTAIN PLAZA
WOODLAND PARK, NJ 07424

Notice of Annual Meeting

of Common Stockholders to be held

April 21, 2011

March 11, 2011

To Our Stockholders:

We will hold our Annual Meeting of Common Stockholders at the Marriott at Glenpointe Hotel, Teaneck, New Jersey on Thursday, April 21, 2011, at 1:00 p.m. The purpose of the meeting is (i) to elect three directors; (ii) to ratify the appointment of KPMG LLP as our independent registered public accounting firm for 2011; (iii) to approve an amendment to our Amended and Restated 1993 Stock Award and Incentive Plan; (iv) to approve, by non-binding vote, the compensation of our named executive officers; (v) to recommend, by non-binding vote, the frequency of executive compensation votes; and (vi) to transact any other business that properly comes before the meeting.

You must have been a holder of our common stock at the close of business on February 25, 2011, to be entitled to notice of and to vote at the meeting or at any postponement or adjournment.

Because stockholders cannot take any action at the meeting unless a majority of the outstanding shares of common stock is represented, it is important that you attend the meeting in person or are represented by proxy at the meeting.

If you cannot attend the meeting, please promptly submit your proxy by telephone, Internet or by signing and dating the enclosed proxy card and mailing it in the enclosed envelope, which requires no postage if mailed in the United States.

By Order of the Board of Directors,

R. Smith

Secretary

CYTEC INDUSTRIES INC.
5 GARRET MOUNTAIN PLAZA
WOODLAND PARK, NJ 07424

Proxy Statement for

Annual Meeting of Common Stockholders

to be held April 21, 2011

March 11, 2011

This proxy statement contains information relating to our Annual Meeting of Common Stockholders, which will be held on Thursday, April 21, 2011, beginning at 1:00 p.m., at the Marriott at Glenpointe Hotel, Teaneck, New Jersey 07666, and at any postponement or adjournment of that meeting. We are first sending this Proxy Statement and the enclosed form of proxy to stockholders on or about March 11, 2011. For purposes of this Proxy Statement, unless the context indicates otherwise, the use of the words we, us, our, Company and Cytec shall refer to Cytec Industries Inc.

Important Notice Regarding the Availability of Proxy Materials for the Stockholder Meeting to be Held on April 21, 2011: The Proxy Statement is available at www.proxyvote.com.

ABOUT THE MEETING AND THIS PROXY STATEMENT

What is the purpose of the meeting?

At the annual meeting, stockholders will vote (i) to elect three directors; (ii) to ratify the appointment of KPMG LLP as our independent registered public accounting firm for 2011; (iii) to approve an amendment to our Amended and Restated 1993 Stock Award and Incentive Plan; (iv) to approve, by non-binding vote, the compensation of our named executive officers; and (v) to recommend, by non-binding vote, the frequency of future advisory votes on executive compensation. In addition, our management will be present to report on our Company and respond to questions from stockholders.

Why am I being asked to review materials on-line?

Under rules adopted by the U.S. Securities and Exchange Commission, we are now furnishing proxy materials to our stockholders on the Internet, rather than mailing printed copies of those materials to each stockholder. If you received a Notice of Internet Availability of Proxy Materials by mail, you will not receive a printed copy of the proxy materials unless you requested one. Instead, the Notice of Internet Availability of Proxy Materials will instruct you as to how you may access and review the proxy materials on the Internet. If you received a Notice of Internet Availability of Proxy Materials by mail and would like to receive a printed copy of our proxy materials, please follow the instructions included in the Notice of Internet Availability of Proxy Materials. We anticipate that the Notice of Internet Availability of Proxy Materials will be mailed to stockholders on or about March 11, 2011.

Who is entitled to vote?

Only stockholders of record at the close of business on the record date, February 25, 2011, are entitled to receive notice of the annual meeting and to vote the shares of our common stock that they held on that date at the meeting, or any postponement or adjournment of the meeting. Each outstanding share entitles its holder to cast one vote on each matter to be voted upon.

Who may attend the meeting?

All stockholders as of the record date, or their duly appointed proxies, may attend the meeting. Please note that if you hold shares in street name (that is, through a broker or other nominee), you will need to bring a copy of a brokerage statement reflecting your stock ownership as of the record date and check in at the registration desk at the meeting to obtain an admission ticket.

What is a quorum?

The presence at the meeting, in person or by proxy, of the holders of a majority of our shares of common stock outstanding on the record date will constitute a quorum. A quorum is necessary for business to be conducted at the meeting. As of the record date, 49,454,268 shares of our common stock were outstanding. Proxies received, but marked as abstentions and broker non-votes, will be included in the calculation of the number of shares considered to be present at the meeting.

How do I vote?

The accompanying proxy is solicited by our Board of Directors. You may vote by Internet or telephone by following the instructions on the enclosed proxy card or you may complete and properly sign the accompanying proxy card and return it to us. If voted by any of these methods, your vote will be cast as you direct. Do not return the proxy card if you vote by Internet or telephone. Even if you plan to attend the meeting, it is desirable that you vote in advance of the meeting.

May I change my vote after I return my proxy card?

Yes. Even after you have submitted your proxy, you may change your vote at any time before the proxy is exercised by filing with our Secretary either a notice of revocation or a duly executed proxy card bearing a later date. A vote by Internet or telephone may be revoked by executing a later-dated proxy card, by subsequently voting by Internet or telephone, or by attending the annual meeting and voting in person.

How do I vote my Savings Plan shares?

If you participate in our Employee Savings and Profit Sharing Plan, Employee Savings Plan or Employee Stock Purchase Plan, shares of our common stock equivalent to the value of the common stock interest credited to your account under the respective plan will be voted automatically by the trustee in accordance with your proxy, if the proxy is received by April 18, 2011. Otherwise, the share equivalents credited to your account will be voted by the trustee in the same proportion that it votes share equivalents for which it receives timely instructions from all participants in the respective plan.

What are Our Board's recommendations?

Our Board of Directors recommends that you vote (i) to elect the nominated slate of directors; (ii) to ratify the appointment of KPMG LLP to audit our 2011 consolidated financial statements; (iii) to approve an amendment to our Amended and Restated 1993 Stock Award and Incentive Plan; (iv) to approve, by non-binding vote, the compensation of our named executive officers; and (v) to recommend, by non-binding vote, annual future advisory votes on executive compensation. Unless you give other instructions on your proxy card, the persons named as proxy holders on the proxy card will vote in accordance with this recommendation. The proxy holders will vote in accordance with their own discretion with respect to any other matter that properly comes before the meeting.

CORPORATE GOVERNANCE

Our Board of Directors seeks to ensure that our business is managed in the best long-term interests of our stockholders. Our business is conducted by our employees under the direction of our Chief Executive Officer (CEO) and our other officers and managers. Our Board of Directors provides oversight to the CEO and other officers and managers as it reviews and approves our major business and financial strategies. Our Board also approves significant capital projects and commitments, acquisitions, divestitures and long-term financings. Our Board is responsible for hiring and assessing the performance of the CEO and determining his compensation and, through the Compensation and Management Development Committee, the compensation of our other officers. Our Board regularly reviews succession planning strategy and plans for the CEO and other senior officers. Our Board believes that it is critical that we operate in compliance with all applicable laws and to the highest ethical standard. Our Board believes that the long-term interests of our stockholders are advanced by appropriately addressing concerns of other stakeholders affected by our actions, including our employees and the communities in which we operate.

A summary of certain important corporate governance practices follows:

Director Independence

A majority of our directors must be independent directors under the New York Stock Exchange (NYSE) Listed Company Rules. The NYSE Rules provide that no director can qualify as independent unless the Board affirmatively determines that the director has no material relationship with the listed company (either directly or as a partner, material stockholder or officer of an organization that has a relationship with us). In addition to the NYSE Rules regarding independence, our Board has adopted the following standards in determining whether a director has a material relationship with us:

- the individual may not have been an employee of ours or any of our affiliates within the preceding five years;
- the individual may not have within the previous five years been affiliated with or employed by an entity that has served as our auditor within the last five years;
- the individual may not have been part of an interlocking directorate in which one of our executive officers serves on the compensation committee of another corporation that employs such person;
- no immediate family member of the individual may fall within any of the preceding three categories; and
- the individual may not have received any compensation from us within the past year other than for serving as a director.

Based on these independence standards and all of the relevant facts and circumstances, our Board determined that all of our directors are independent with the exception of Shane Fleming, our Chairman, President and CEO.

Standards and Qualifications for Directors

Our Board has established the following standards for individuals to serve on our Board of Directors:

- Directors should possess the highest personal and professional ethics, integrity and values, and be committed to representing the long-term interests of the stockholders;
- Directors must be willing to devote sufficient time to carrying out their duties and responsibilities effectively;
- Directors are required to inform our Chairman of the Board of any significant change in their personal circumstances, including a change in their principal job responsibilities or acceptance of another directorship; and
- Directors are not eligible for re-election as a director on or after their 72nd birthday unless the other directors meeting in executive session approve an exception.

Our Governance Committee also considers the diversity of skills and experiences a new nominee would bring to the Board. The Committee believes it is desirable that each of the following backgrounds be represented by at least one independent director: an audit committee financial expert; a CEO or former CEO; experience in the chemical or other manufacturing industries; experience in safety, health and environmental issues, experience in technology issues; experience in industrial marketing issues; experience in global business operations; and experience in legal, regulatory and governmental affairs. The Governance Committee assesses the overall composition of the Board of Directors on an annual basis against these criteria to determine whether any new directors should be recruited, and if so, the particular skills and experiences that might be desirable. The primary consideration in determining whether an existing director should be nominated for an additional term is whether that individual has been making an effective contribution to the Board of Directors during the preceding year. Based on their contributions to the effectiveness of the Board during the preceding year, the Governance

Committee and the Board concluded that each of the directors whose term is expiring at the 2011 annual meeting of stockholders should be nominated to serve for an additional term.

Our Governance Committee typically uses the services of an executive search firm to help it to identify, evaluate and attract the best candidates for nomination as a director. Our Governance Committee will consider nominees recommended by stockholders who submit such recommendations in writing to our Secretary and include the candidate's name, biographical data and qualifications. Stockholders recommending nominees must disclose the stockholder's name and address, class and number of shares of our stock that are owned, the length of such ownership and any relationship between the stockholder and the nominee. Stockholders must also comply with such other procedural requirements as we may establish from time to time. The Governance Committee will review possible nominees for director suggested by stockholders generally in the same manner as those suggested by its retained search firm except that it will also consider the background of the stockholder making the recommendation, the stockholder's reasons for suggesting a candidate and the relations between the stockholder and the suggested candidate.

Principles of Corporate Governance/Committee Charters/Codes of Ethics

We have published on our website (www.cytec.com) our Principles of Corporate Governance, the charter of each of the Audit, Compensation and Management Development, Environmental, Health and Safety, Governance and Technology Committees of our Board, as well as our Code of Conduct that applies to our directors and all employees, our Code of Ethics for Financial Executives and our Code of Ethics for Senior Executives. Any waiver of, or amendments to, the codes of ethics for directors or executive officers, including the chief executive officer, the chief financial officer and the principal accounting officer, may be approved only by our Board and any such waivers or amendments will be disclosed promptly by us by posting such waivers or amendments on our website. Additionally, the Audit Committee is informed of any waivers of the Code of Conduct for any of our employees. Copies of each of the Principles of Corporate Governance, the Committee charters and the codes of ethics referred to above are also available free of charge by writing to our Secretary, Cytec Industries Inc., Five Garret Mountain Plaza, Woodland Park, New Jersey 07424.

Board Leadership Structure and Role in Risk Oversight

Shane Fleming has been our Chairman of the Board, President and CEO since January 1, 2009. Anthony G. Fernandes, Director and Chair of the Compensation and Management Development Committee, has been our Lead Director since April 2010. We anticipate he will serve in this role until April 2012 based on our policy of rotating this position every two years among the chairs of the Audit, Compensation and Governance Committees.

Our independent directors generally meet in executive session without our Chairman or management present at each regularly scheduled Board meeting. The Lead Director presides over these meetings to provide continuity and focus for these sessions. The Lead Director is responsible for (i) briefing the Chairman of the Board, as appropriate, following such executive sessions; (ii) presiding at meetings of the Board in the absence or at the request of the Chairman of the Board; (iii) acting as a liaison between the independent directors and the Chairman of the Board including with respect to matters to be covered at Board meetings; and (iv) calling additional meetings of the independent directors as appropriate in the judgment of the Lead Director. The Lead Director is also available, as necessary and appropriate, to communicate with important stockholders and may have such other responsibilities as may be designated by the Board.

The Company believes that combining the roles of Chairman of the Board, President and CEO in one person in combination with a Lead Director is currently the best governance structure for the Company because it promotes unified leadership, timely decision-making and effective management of Company resources, while also providing effective channels for board oversight and feedback from the Board and stockholders.

The Board of Directors reviews management's assessment of material enterprise risks on an annual basis. The assessment covers certain material strategic, operational, financial/economic, political and other risks,

the probability and potential impact of the risks as well and mitigating actions in place or planned. In addition,

the Board reviews a similar risk assessment specific to any capital or other significant project which requires Board approval.

Stockholder and Interested Party Communications with the Board of Directors

Stockholders and interested parties may communicate directly to our Board of Directors or all of the non-management directors as a group with regard to Cytec. Any such communication may be mailed to the Cytec Compliance Office, Cytec Industries Inc., Five Garret Mountain Plaza, Woodland Park, New Jersey 07424 or submitted in any other manner described on the Compliance Office page of our web site (www.cytec.com). All such communications shall be promptly reviewed by our Compliance Office and sent to the Board of Directors or all of the non-management directors as a group, as appropriate.

OUR BOARD OF DIRECTORS AND BOARD COMMITTEES

Our Board of Directors is divided into three classes, the terms of which expire at the annual meetings in the following years:

2011	2012	2013
Anthony G. Fernandes	Barry C. Johnson	Chris A. Davis
Jerry R. Satrum	Carol P. Lowe	Shane D. Fleming
Raymond P. Sharpe	Thomas W. Rabaut	Louis L. Hoynes, Jr.
		William P. Powell

The Board of Directors held seven meetings during 2010 and each director attended at least seventy-five percent of the Board and respective committee meetings held while she or he was a director. All directors attended the 2010 Annual Meeting of Stockholders.

Committees of the Board

To increase its effectiveness and efficiency, our Board of Directors has established five committees to which it has delegated substantial responsibilities. The duties and responsibilities of our Board Committees are set forth in charters which have been approved by our Board of Directors. The charters may be viewed on our website (www.Cytec.com). Set forth below is certain information about these Committees.

Audit Committee. Our Audit Committee is comprised of Ms. Davis (Chair), Ms. Lowe and Messrs. Powell and Satrum. The Audit Committee is empowered by the Board of Directors to, among other things, assist in the oversight of our: accounting and financial reporting processes and internal controls and the integrity of our financial statements; annual audit and our internal audit function; and compliance with legal and regulatory requirements as they may impact our financial statements. The Audit Committee also has direct responsibility for the appointment, compensation, retention and oversight of the work of our independent registered public accounting firm (the auditors).

Our Board has determined that each of the members of the Audit Committee is financially literate, has a basic understanding of finance and accounting, is able to read and understand fundamental financial statements, and is an audit committee financial expert, as defined in applicable Securities and Exchange Commission rules. Our Board has also determined that each member of the Audit Committee is an independent director, based on the NYSE listing rules, the exchange on which our shares of common stock are listed, the Securities and Exchange Commission's additional independence requirements for audit committee members, and our Principles of Corporate Governance.

The Audit Committee held seven meetings during 2010. The Audit Committee's report on its activities during 2010 appears later in this proxy statement under the caption Audit Committee Report.

Compensation and Management Development Committee. Our Compensation and Management Development Committee is comprised of Messrs. Fernandes (Chair), Hoynes, Rabaut and Satrum. Each of its members is an independent director based on the independence standards discussed

under the heading "Director Independence" and all of the relevant facts and circumstances. The Compensation Committee's purpose is to review and approve compensation arrangements for our officers other than our Chief Executive Officer (the "CEO") and to review and recommend for approval to our Board of Directors the compensation for the CEO. The Compensation Committee also approves the amount of equity awards to be awarded to our non-officers (including assistant officers) ("Non-Officers"). The Compensation Committee may delegate to our CEO the authority to allocate and award equity grants to Non-Officers up to an amount not to exceed the number approved by our Compensation Committee. This Committee also approves compensation plans for our officers, authorizes incentive compensation and equity-based plans, evaluates our CEO's and other officers' performances against established goals and objectives, makes related recommendations, reviews risks arising from the Company's compensation policies and practices, and reviews and, if appropriate, recommends for inclusion in our proxy statement the Compensation Discussion and Analysis section of the Company's proxy statement. This Committee also reviews succession plans for our CEO and other executive management positions. Our Compensation and Management Development Committee held three meetings during 2010.

· **Environmental, Health and Safety Committee.** Our Environmental, Health and Safety Committee is comprised of Ms. Lowe and Mr. Sharpe (Chair). This Committee reviews, monitors and, as it deems appropriate, advises our Board of Directors with respect to our policies and practices in the areas of occupational health and safety and environmental affairs. The Environmental, Health and Safety Committee held two meetings during 2010.

· **Governance Committee.** Our Governance Committee is comprised of Messrs. Fernandes, Hoynes, Johnson, and Powell (Chair). Each of its members is an independent director based on the independence standards discussed under the heading "Director Independence" and all of the relevant facts and circumstances. This Committee was responsible for developing and recommending to the Board our Principles of Corporate Governance and is responsible for periodically reviewing and recommending changes to such principles. This Committee makes recommendations to the Board on candidates for election to our Board. The Committee also recommends committee assignments for directors and periodically reviews and recommends changes in the compensation of our directors. Our Governance Committee held three meetings during 2010.

· **Technology Committee.** Our Technology Committee is comprised of Messrs. Johnson (Chair) and Sharpe. This Committee reviews and makes recommendations to our management regarding the strength and integrity of our research and new product development processes and disciplines and reviews the talent resource plans within our research and development organization. In addition, this Committee advises our Board of Directors on the Company's management of scientific and technology matters. The Technology Committee held three meetings during 2010.

AUDIT COMMITTEE REPORT

The Audit Committee's powers and responsibilities, and the qualifications required of each of its members, are set forth in the Audit Committee Charter (the "Charter"). The full text of the Audit Committee Charter may be viewed on the Company's website (www.cytec.com).

Responsibilities. This Committee meets periodically with Cytec's auditors, internal auditors and management, including with each in executive session. Management is solely responsible for the consolidated financial statements and the financial reporting process, including the system of internal controls. Management has represented to this Committee and the Board of Directors that the consolidated financial statements discussed below were prepared in accordance with accounting principles generally accepted in the United States of America appropriate in the circumstances and necessarily include some amounts based on management's estimates and judgments and that an evaluation was carried out under the supervision and with the participation of Cytec's Chief Executive Officer and Chief Financial Officer of the effectiveness of Cytec's internal control over financial reporting as of December 31, 2010. Cytec's auditors, KPMG LLP ("KPMG"), are responsible for expressing an opinion on the conformity of these financial statements, in all material respects, with accounting principles generally accepted in the United States of America and an opinion on the effectiveness of Cytec's internal control over financial reporting.

Independence. This Committee pre-approves all services provided by KPMG and the related fee paid to them including audit and non-audit services, and considers the effect of such services and the related fees on KPMG's independence. Details regarding fees paid to KPMG during the years 2010 and 2009 are set forth in this proxy statement under the caption "Fees Paid to the Auditors." This Committee has concluded that the services provided by KPMG and the compensation therefor are compatible with maintaining KPMG's independence.

Recommendation. This Committee reviewed Cytec's audited consolidated financial statements at, and for the year ended, December 31, 2010, and discussed such consolidated financial statements with management and the auditors, and recommended to the Board of Directors that such consolidated financial statements be included in Cytec's Annual Report on Form 10-K for 2010. This recommendation was based on: this Committee's review of the audited consolidated financial statements; discussion of the consolidated financial statements with management; discussion with KPMG of the matters required to be discussed by Statement on Auditing Standards No. 61, as amended, and as adopted by the Public Company Accounting Oversight Board in Rule 3200T, discussion with KPMG regarding KPMG's independence as well as other matters including the written material disclosed below; receipt from KPMG of the written disclosures and letter required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent accountant's communications with the audit committee concerning independence; receipt from KPMG of the written disclosures and letter required by Public Company Accounting Oversight Board Auditing Standard No. 5 (*An Audit of Internal Control Over Financial Reporting That is Integrated with an Audit of Financial Statements*); receipt of the document entitled "KPMG-Our System of Quality Controls" and related addendum; and KPMG's confirmation that it would issue its opinions that (i) the consolidated financial statements present fairly, in all material respects, Cytec's financial position and the results of Cytec's operations and cash flows for the periods presented in conformity with accounting principles generally accepted in the United States of America; and (ii) Cytec has maintained effective internal controls over financial reporting as of December 31, 2010, in all material respects.

C.A. Davis, Chairperson

C. P. Lowe

W.P. Powell

J.R. Satrum

February 22, 2011

AGENDA ITEM 1

ELECTION OF DIRECTORS

In accordance with the recommendation of the Governance Committee, our Board of Directors has nominated Anthony G. Fernandes, Jerry R. Satrum and Raymond P. Sharpe for election as directors for three-year terms ending at the 2014 Annual Meeting of Common Stockholders until a successor is duly elected and qualified. Each nominee is currently serving as a director. Each nominee has consented to serve if elected. The nominees' biographies, as well as the biographies of the other directors, are set forth below.

Our Board of Directors recommends a vote for the election of each of these nominees as directors.

If at the time of the meeting any of the nominees is not available to serve as director, an event which our Board does not anticipate, the proxies will be voted for a substitute nominee or nominees designated by or at the direction of our Board, unless our Board has taken prior action to reduce the size of the Board.

Cytec's By-laws require that in order to be elected in an uncontested election, a director nominee must receive a majority of the votes cast with respect to such nominee (i.e., the number of shares voted for a director nominee must exceed the number of votes cast against that nominee). If a nominee who is currently serving as a director is not re-elected, Delaware law provides that the director would continue to serve on the Board as a holdover director. Under our By-laws, each director not elected by our stockholders shall tender his or her resignation to the Board. In that situation, our Governance Committee would make a recommendation to the Board about whether to accept or reject the resignation, or whether to take other action. Such action may include, among other things, reducing the total number of members that sit on our Board within the limitations set forth in our By-laws. The Board would act on the Governance Committee's recommendation and publicly disclose its decision and the rationale behind such decision within 90 days from the date that the election results were certified.

Board of Directors Membership

Set forth below is certain information concerning the nominees and our other directors whose terms of office will continue after the meeting.

Chris A. Davis, age 60, has been our director since April 2000. Ms. Davis has been a general partner of Forstmann Little & Co. (Forstmann) since November 2005 and was previously a Special Limited Partner since August 2001. Ms. Davis was Chairman of McLeodUSA (McLeodUSA), a telecommunication services provider, from August 2005 until January 2006 and was Chairman and Chief Executive Officer from April 2002 until August 2005. Prior to this, Ms. Davis was Chief Operating and Financial Officer of McLeodUSA from August 2001 until April 2002. Prior to her positions at McLeodUSA, Ms. Davis was Executive Vice President and Chief Financial and Administrative Officer of ONI Systems Corp. from May 2000. From July 1993 through April 2000, Ms. Davis was Executive Vice President and Chief Financial and Administrative Officer and a director of Gulfstream Aerospace Corp. and, upon General Dynamics Corporation's acquisition of Gulfstream in July 1999, a vice president of General Dynamics Corporation. Before joining Gulfstream in 1993, Ms. Davis held numerous financial positions during her 17 year career at General Electric Company. McLeodUSA filed for a prepackaged plan of reorganization under Chapter 11 of the Bankruptcy Code in October 2005 and emerged from bankruptcy protection in January 2006. Ms. Davis currently serves as a director of Rockwell Collins, Inc. and at times during the past five years also served as a director of Aviall, Inc., Wolverine Tube Inc. and McLeod USA.

Anthony G. Fernandes, age 65, has been our director since July 2002. Mr. Fernandes was Chairman, Chief Executive Officer and President of Philip Services Corporation, an industrial services and integrated metals recovery company, from 1999 to 2002. Prior to joining Philip Services, Mr. Fernandes worked at Atlantic Richfield Company for more than 30 years, including from 1994 to 1999 as Executive Vice President and director. In addition, from 1997 to 1998 he was chairman of ARCO Chemical Co., a publicly traded company owned 80% by Atlantic Richfield. Mr. Fernandes currently serves as a director of ABM Industries Inc., Baker Hughes Corporation, and Black and Veatch, and at times during the past five years, also served as a director of Tower Automotive LLC.

Shane D. Fleming, age 52, became our Chairman of the Board, President and Chief Executive Officer on January 1, 2009. Prior thereto, he was our President and Chief Operating Officer since June 2008. Mr. Fleming joined the Cytec predecessor company in 1983 in the Mining Chemicals group, and over the years held positions of increasing responsibility in the USA, Europe, Australia, and in the Asia Pacific region.

Louis L. Hoynes, Jr., age 75, has been our director since December 1994. Until September 2004, Mr. Hoynes was elected to the Board on an annual basis by the holder of our Series C Preferred Stock. After we redeemed the Series C Preferred Stock in September 2004, Mr. Hoynes' term automatically ended. Our Board then elected Mr. Hoynes to fill a vacancy on our Board. Mr. Hoynes was Executive Vice President and General Counsel of Wyeth until his retirement on July 1, 2003, having served in that capacity since 1990. Prior to that time he was a partner in the law firm of Willkie Farr & Gallagher.

Barry C. Johnson, age 67, has been our director since August 2003. Dr. Johnson is retired Dean, College of Engineering at Villanova University, having served in that position from August 2002 until March 2006. Previously, he served as Chief Technology Officer of Honeywell International Inc. from July 2000 to April 2002. Before that Dr. Johnson served as Corporate Vice President of Motorola, Inc. and Chief Technology Officer for that company's Semiconductor Product Sector. Dr. Johnson currently serves as a director of Rockwell Automation, Inc. and IDEXX Laboratories, Inc.

Carol P. Lowe, age 45, has been our director since October 2007. Ms. Lowe is Vice President of Carlisle Companies Incorporated, a global diversified manufacturing company, and through March 31, 2011, President of Trail King Industries Inc., a recently divested subsidiary of Carlisle. Ms. Lowe served as the Vice President and Chief Financial Officer of Carlisle from 2004 until November 2008 and its Treasurer from 2002 through 2004. Prior to joining Carlisle, Ms. Lowe spent eight years at National Gypsum Company where she held various accounting and treasury positions including Treasurer. Preceding that, she spent seven years with Ernst & Young. Ms. Lowe is a Certified Public Accountant.

William P. Powell, age 55, has been our director since our formation in December 1993. He is a founding member of 535 Partners LLC., a family office. Until March 2008, Mr. Powell was a Managing Director of Williams Street Advisors LLC, a merchant banking firm, having served in that capacity since May 2001. Mr. Powell recently formed 535 Partners LLC, a family office. Prior to Williams Street, he had been Managing Director, Corporate Finance, of UBS Warburg LLC and its predecessor, Dillon, Read & Co. Inc., since January 1991. Mr. Powell currently serves as a director of CONSOL Energy, Inc.

Thomas W. Rabaut, age 62, has been our director since February 2007. Mr. Rabaut currently serves as a senior advisor to the Carlyle Group, a private equity firm. Prior thereto, he was President and Chief Executive Officer of United Defense Industries Inc. and its predecessors from 1994 until June 2005 when it was acquired by BAE Systems PLC. Mr. Rabaut then served as President of the Land & Armaments Group of BAE Systems until his retirement in January 2007. Mr. Rabaut currently serves as a director of Kaman Corporation.

Jerry R. Satrum, age 66, has been our director since May 1996. Before his retirement from Georgia Gulf Corporation in 1998, he served as Georgia Gulf's Chief Executive Officer (1991-1998), President (1989-1997) and Vice President Finance and Treasurer (from its inception until 1989). At times during the past five years, Mr. Satrum served as a director of Georgia Gulf Corporation.

Raymond P. Sharpe, age 62, has been our director since April 2005. He has been President and CEO of Isola Group, a privately held manufacturer of base materials for printed circuit boards since June 2004. The principal investor in Isola Group is the Texas Pacific Group. For more than ten years prior thereto, he was CEO of the Cookson Electronics Division of Cookson Group PLC., London, UK. Mr. Sharpe served as Director of Cookson Group PLC from 1995 until 2004 and as a Director of SPS Technologies Inc., a manufacturer of aerospace components, from 1994 until 2004.

AGENDA ITEM 2

RATIFICATION OF THE APPOINTMENT

OF THE AUDITORS

RESOLVED, that the appointment by our Audit Committee of the firm of KPMG to audit our 2011 consolidated financial statements is hereby ratified.

Our Audit Committee has selected KPMG as the auditors to perform the audit of our financial statements for 2011. KPMG has audited our consolidated financial statements since our inception in 1993. KPMG has offices or affiliates at or near most of the locations where we operate. KPMG is an independent registered public accounting firm.

Before making its recommendation for appointment, the Audit Committee carefully considered KPMG's qualifications. This consideration included a review of KPMG's performance in prior years, its independence, as well as its reputation for integrity and for competence in the fields of accounting and auditing. Our Audit Committee has expressed its satisfaction with KPMG.

Representatives of KPMG will attend the Annual Meeting and may make a statement if they desire to do so. They will also be available to respond to appropriate stockholder questions.

We are asking our stockholders to ratify the appointment of KPMG as our auditors as a matter of good corporate practice because ratification is not legally required. Even if the appointment is ratified, our Audit Committee in its discretion may select different auditors at any time during the year if it determines that such a change would be in the best interests of our Company and our stockholders.

The affirmative vote of a majority of the shares of our common stock represented in person or by proxy at the Annual Meeting is required to ratify the appointment of our auditors. Because abstentions are deemed to be shares present at the meeting, they will have the same effect as a vote against this matter. If Agenda Item 2 does not pass, the appointment of auditors will be reconsidered by our Audit Committee.

Our Board of Directors unanimously recommends that stockholders vote for the proposal to ratify the Audit Committee's appointment of KPMG as our independent registered public accounting firm for 2011.

FEES PAID TO THE AUDITORS

Pre-Approval Policies and Procedures. Our Audit Committee is required to pre-approve the audit and non-audit services performed by the auditors in order to assure that the provision of such services does not impair the auditors' independence. Our Audit Committee specifically pre-approves all audit fees, audit-related fees, tax service fees and all other fees. Our Audit Committee has delegated authority to the Chair of the Committee to approve any services not exceeding \$50,000 not specifically pre-approved by the Committee provided that disclosure of such services and fees is made to the Audit Committee at the next scheduled meeting following such approval. During the years ended December 31, 2010, and 2009, all services provided by the auditors received specific pre-approval.

In connection with the audit of the 2011 financial statements, we entered into an engagement letter with KPMG which sets forth the terms by which KPMG will perform its audit services. Under the terms of this letter, we agreed to arbitrate any disputes and that we are not entitled to punitive damages.

Audit Fees. The aggregate fees billed by KPMG for professional services rendered for the audit of our consolidated financial statements, and related internal control over financial reporting included in Form 10-K, review of the unaudited consolidated financial statements included in our Quarterly Reports on Form 10-Q, and for services that are normally provided by KPMG in connection with statutory and regulatory filings or engagements, including issuance of consents, for the years ended December 31, 2010, and 2009, were approximately 4.0 million and \$4.0 million, respectively.

Audit-Related Fees. There were no audit-related fees in 2010 or 2009.

Tax Fees. The aggregate fees billed by KPMG for tax services, primarily services regarding the preparation of certain of our international legal entities' income tax returns, for the years ended December 31, 2010, and 2009, were approximately \$1.0 million and \$0.8 million respectively.

All Other Fees. We did not utilize KPMG for any other services during the two years ended December 31, 2010.

As advised in the Audit Committee Report, our Audit Committee considered whether, and concluded that, provision of these services is compatible with maintaining KPMG's independence.

AGENDA ITEM 3

AMENDMENT TO

OUR AMENDED AND RESTATED 1993

STOCK AWARD AND INCENTIVE PLAN

RESOLVED: that the adoption by the Board of Directors of an Amendment to the Amended and Restated 1993 Stock Award and Incentive Plan is hereby ratified and approved.

At its meeting held January 27, 2011, acting on the recommendation of the Compensation and Management Development Committee (the Compensation Committee), the Board of Directors approved amendments to the 1993 Stock Award and Incentive Plan (as previously amended, the 1993 Plan) and the Amended and Restated 1993 Stock Award and Incentive Plan (the Amended Plan) which incorporates those amendments. The Amended Plan does not authorize an increase in the number of shares available for issuance.

The principal amendments to the Amended Plan are as follows:

- (1) Seven additional Performance Measures, Free Cash Flow, Net Working Capital, Total Shareholder Return, New Product Introduction, Vitality Index, Quality Index and Patent Index will be added as metrics that may be used to establish performance goals for awards under the Amended Plan so that such awards may qualify as performance based compensation under Section 162(m) of the Internal Revenue Code of 1986, as amended (the Code).
- (2) The definition of the Performance Measure Return on Invested Capital was revised to conform with how this term is widely used in the financial markets.
- (3) A new provision has been added to the Plan providing the Compensation Committee with the ability to adjust, modify or amend a Performance Measure, either in establishing the measure or in determining the degree to which any Performance Measure has been achieved, to the extent consistent with the principles set forth in Section 162(m) of the Code and the regulations promulgated thereunder. If approved, this provision would provide the Committee with the discretion to decrease, but not increase the amount of compensation that an executive officer may earn under the terms of an award.
- (4) The Change of Control provision will be modified so that it does not apply to any Awards made as part of the annual target bonus under the incentive compensation plan.

A description of the Amended Plan is set forth below under the caption Description of Amended Plan.

Reasons for the Amendments

The Company is seeking stockholder approval of the Amended Plan so that the Compensation Committee may make incentive compensation awards based on performance measures that the Compensation Committee believes are most appropriate to incentivize actions in the best interests of the Company and its stockholders under the Amended Plan and that any such awards to certain executive officers will qualify as a tax deductible expense under US law. Section 162(m) of the Code contains special rules regarding the federal income tax deductibility of compensation paid to the Company's principal executive officer and to certain other covered employees. The general rule is that annual compensation paid to any covered executive will be deductible only to extent that it does not exceed \$1,000,000. However, the Company can preserve the deductibility of certain compensation in excess of \$1,000,000 if such compensation qualifies as performance-based compensation by complying with certain conditions imposed by the Code Section 162(m) rules and if the material terms of such compensation are disclosed to and approved by the stockholders. The 1993 Plan was structured, and the Amended Plan continues to be structured, with the intention that the Compensation Committee will have the discretion to make awards that would qualify as performance-based compensation and be fully deductible in accordance with the stockholder approval requirements of Code Section 162(m).

Because the Compensation Committee either now uses or intends to use the following Performance Measures: Free Cash Flow, Net Working Capital, Total Shareholder Return, New Product Introduction, Vitality Index, Quality Index and Patent Index, we are seeking to add these Performance Measures to the

Amended Plan. The Patent Index, Vitality Index and Quality Index Performance Measures relate to the percent of our revenues from products under patent, the percent of our revenues from products introduced in the recent past and the degree to which gross profit margin is higher on products introduced in the recent past than those not recently introduced, respectively. The entire list of Performance Measures that may be used by the Compensation Committee is set forth in Exhibit A to this Proxy Statement. The Performance Measures currently used by the Compensation Committee are explained more fully under the captions Compensation Discussion and Analysis Total Direct Compensation Components Annual Incentive and Long Term Incentives (LTIs).

The Compensation Committee has also re-defined the Performance Measure Return on Invested Capital . This revised definition creates greater alignment between how our executives and the financial markets assess Cytec s performance.

Finally, the Amended Plan will clarify that the Change of Control provision does not apply to any Awards made as part of the annual target bonus under the incentive compensation plan.

If the Amended Plan is not approved, the 1993 Plan will remain in effect and the Company will continue to grant Awards under the 1993 Plan. Certain awards granted to officers may not be a deductible expense for the Company to the extent they result in compensation in excess of the limits set forth in Section 162(m).

The Board of Directors recommends that the stockholders approve the Amended Plan.

The affirmative vote of a majority of the shares represented in person or by proxy is required for approval of the Amended Plan. Because abstentions and broker non-votes are deemed to be shares present at the meeting, they will have the same effect as a vote against this matter.

Description of the Amended Plan

The principal features of the Amended Plan are set forth below. The complete text of the Amended Plan is set forth as Exhibit A to this Proxy Statement, and the following description is qualified by such reference.

The Amended Plan continues to provide for various types of awards (Awards) which may be granted to present and prospective employees (including officers), directors and independent contractors. Under present guidelines, approximately 125 employees are eligible to receive annual long-term awards. Awards may consist of stock options, stock appreciation rights, restricted stock (including performance stock), restricted stock units, deferred cash awards, deferred stock awards, including deferred stock awards in lieu of directors fees, and other stock-based or cash-based awards on an ongoing basis. The Amended Plan is not exclusive and the Board may adopt, or permit the adoption of, other compensation and benefit plans or arrangements.

At January 31, 2011, and after giving effect to the terms of the Amended Plan, there would have been 1,342,974 shares remaining available for future issuance under the Amended Plan. This number does not include approximately 4,121,298 million shares reserved for issuance pursuant to outstanding options SARs, restricted stock awards, performance stock awards or deferred stock awards. The total number of shares issuable under the Amended Plan from its inception in 1993 until its ultimate expiration is 17,900,000. The number of shares reserved for issuance is subject to equitable adjustment in the event of future stock splits, stock dividends, mergers, consolidations, recapitalizations, reorganizations or similar corporate transactions. There is no limitation on the amount of non-stock Awards which can be made.

The Amended Plan is administered by the Compensation Committee, which shall be comprised solely of directors who qualify as non-employee directors within the meaning of Rule 16b-3 under the Securities Exchange Act of 1934 and as outside directors within the meaning of Section 162(m) of the Code. The Compensation Committee generally has full authority to construe and interpret the Amended Plan and the terms, including size, of Awards and to determine the recipients of Awards. Under the Amended Plan, the Compensation Committee may delegate to the Executive Leadership Team of the Company or the Chief Executive Officer certain of its authority to make Awards, and establish the terms of Awards, in respect of persons who are not executive officers of the Company; and therefore, the term Compensation Committee as used herein includes the Executive Leadership Team when acting pursuant to such delegated authority.

The benefits or amounts that may be received by executive officers under the Amended Plan will, in accordance with past practice, be determined annually by the Compensation Committee based on individual and Company performance and are not now determinable. In 2010, the following amounts were awarded under the 1993 Plan:

	Options	Restricted Shares or Deferred Shares in lieu of Cash
S.D. Fleming	82,150	20,003
D.M. Drillock	27,925	3,286
F. Aranzana	19,450	2,429
R. Smith	19,350	2,286
W.G. Wood	16,250	1,650
All current Executive Officers as a group	202,950	34,112
All current Directors who are not Executive Officers	0	22,463
All employees who are not Executive Officers	266,115	38,781

These grants would not have been different if the amendments to the Amended Plan had been in effect with respect to 2010. See Director Compensation elsewhere in this Proxy Statement for a description of the terms of the annual grants of restricted stock made to each non-employee director and their terms.

Stock Options and SARs

Only nonqualified stock options may be granted under the Amended Plan. No one person may be granted options under the Amended Plan covering more than fifteen percent of the shares of Common Stock originally authorized under the Amended Plan.

The exercise price of an option and the grant price of a SAR may not be less than the fair market value of the Common Stock on the date of grant. The exercise price must be paid at the time of exercise, in cash, unless the Committee permits the purchase price to be paid by an exchange of previously-owned stock, or by combination of cash and stock, or in whole or in part by having shares withheld by the Company or sold by a broker-dealer. In the case of a SAR, no purchase price is applicable. Instead, on the date of exercise by the grantee, the grantee receives the excess of the then current market price of one share of our common stock over the grant price. This amount is paid in cash, or in the case of stock settled SARs, in shares of our common stock.

Options and SARs may be granted to nonemployee directors and independent contractors, as well as to employees and prospective employees. Options and SARs must be exercised, if at all and to the extent exercised, no later than ten years from the date of grant. In the event of termination of employment or independent contractor relationship, an option or SAR, to the extent not theretofore exercised, terminates except under certain circumstances as provided in the grant letter. Nothing in any option or SAR shall confer on any person any right to continue in the employ of the Company or any of its subsidiaries or affiliates or interfere in any way with the right of the Company or any subsidiary to terminate such employment at any time.

Change of Control

In the event of a change of control (as defined in the Amended Plan), unless specifically provided to the contrary in the Award Agreement or grant letter establishing the Award, (i) any Award, including non-employee directors Awards, carrying a right to exercise that was not previously exercisable and vested will become fully exercisable and vested, (ii) the restrictions, deferral limitations, payment conditions and forfeiture applicable to any other Award, including non-employee directors Awards, granted under the Amended Plan will lapse, and such Awards will be deemed fully vested, and (iii) any performance conditions imposed with respect to Awards (other than annual cash incentives) shall be deemed to be fully achieved.

Amendment

The Amended Plan may, at any time and from time to time, be altered, amended, suspended, or terminated by the Board of Directors, in whole or in part; provided, that, no amendment that requires stockholder approval in order for the Plan to continue to comply with Section 162(m) of the Code and no amendment changing the types of performance measures which may be utilized under the Plan, will be effective unless such amendment has received the requisite approval of stockholders. Amendments made by the Board of Directors could increase the cost of the Amended Plan, although no such amendment may be made to reprice options without stockholder approval. In addition, no amendment may be made that adversely affects any of the rights of a grantee under any Award theretofore granted, without such grantee's consent.

Certain Federal Income Tax Considerations

This summary is not intended to be exhaustive and does not address all matters which may be relevant to a particular participant based on his or her specific circumstances. The summary expressly does not discuss the income tax laws at any state, municipality, or non-U.S. taxing jurisdiction, or the gift, estate, excise (including the rules applicable to deferred compensation under Code Section 409A), or other tax laws other than federal income tax law. The following is not intended or written to be used, and cannot be used, for the purposes of avoiding taxpayer penalties. Because individual circumstances may vary, the Company advises all participants to consult their own tax advisors concerning the tax implications of awards granted under the Amended Plan.

Nonqualified Stock Options (NQSOs)

A grantee will not recognize any income, and the Company will not be entitled to a deduction, upon the grant of a NQSO. Except as noted below, upon the exercise of the NQSO the grantee will recognize ordinary income equal to the excess of the fair market value of the Common Stock acquired over the option price. The amount the participant recognizes as ordinary income in connection with an NQSO exercise is subject to withholding taxes and the Company is allowed a tax deduction equal to the amount of ordinary income recognized by the participant (subject to the discussion in Limitation on Deductions below). If an option is exercised within six months of the date of grant and the sale of Common Stock acquired on exercise could subject the holder to suit under Section 16(b) of the Exchange Act, then the recognition and determination of the amount of income, and the corresponding deduction by the Company, will be postponed until the earlier of six months after exercise or the first day on which the sale would not subject the holder to such suit. However, the holder may affirmatively elect under Section 83(b) of the Code, within thirty days after exercise, to be taxed as of the exercise date in the manner described above.

Except as stated in the next sentence, a holder's basis for Common Stock acquired upon exercise of a NQSO will be equal to the fair market value of such stock on the date that governs the determination of the holder's ordinary income, and the holding period for such stock will commence on the day after such date and, accordingly, will not include the period during which the NQSO was held. The number of shares acquired upon the non-cash exercise of a NQSO that is equal in number to the shares surrendered will have a basis equal to the basis of shares surrendered and the holding period for such shares will include the holding period for the shares surrendered.

Generally, upon a sale or other disposition of Common Stock acquired pursuant to the exercise of a NQSO, the holder will recognize capital gain or loss in an amount equal to the difference between the amount realized on such sale or other disposition and the holder's basis in such stock. Such gain or loss will be long-term capital gain or loss if the holding period for such stock is more than one year.

Exercise of Options with Shares

NQSOs. A holder who pays the option price upon exercise of a NQSO, in whole or in part, by delivering Common Stock already owned by him will recognize no gain or loss on the stock surrendered, but otherwise will be taxed according to the rules described above for NQSOs.

Limitation on Deductions

If a limited SAR is exercised, or if the termination of any restriction, limitation or condition, or acceleration of any vesting or exercise right with respect to any Award under the Plan is due to a change in control of the Company or similar event, payments with respect to such limited SAR or other Award may be nondeductible to the Company in whole or in part and may subject the holder to a nondeductible 20% federal excise tax on all or a portion of such payments (in addition to other taxes ordinarily payable).

CYTEC STOCK OWNERSHIP BY DIRECTORS AND EXECUTIVE OFFICERS

The following table sets forth, as of January 31, 2011, the total beneficial ownership of Cytec's Common Stock by Cytec's directors and the five executive officers named in the Summary Compensation table (see the Executive Compensation portion of this proxy statement):

Beneficial Stock Ownership of Directors and Executive Officers

Name	Record & Street Name Shares ⁽¹⁾	+ Savings Plan Shares ⁽²⁾	+ Deferred Stock Shares ⁽³⁾	+ Stock Option Shares ⁽⁴⁾	= Total Beneficial Ownership	Percent of Class
F. Aranzana	25		423	43,149	43,597	(5)
C.A. Davis	10,001		9,348	19,500	38,849	(5)
D.M. Drillock	21,540	23,487	13,906	140,308	199,241	0.4
A.G. Fernandes	10,468		11,779	15,000	37,247	(5)
S.D. Fleming	17,272	96,771	29,410	183,549	327,002	0.7
L.L. Hoynes, Jr	8,536		9,989	6,000	24,525	(5)
B.C. Johnson	7,274		3,534	10,500	21,308	(5)
C.P. Lowe	7,405		6,527		13,932	(5)
W.P. Powell	12,644		973	15,000	28,617	(5)
T.W. Rabaut	13,697		5,872		19,569	(5)
J.R. Satrum	34,511			19,500	54,011	0.1
R.P. Sharpe	9,035		9,786	6,000	24,821	(5)
R. Smith	15,168	13,951	16,962	145,533	191,614	0.4
W.G. Wood	4,093	3,152		57,816	65,061	0.1
All directors and officers as a group (17 persons)	201,455	150,120	132,727	933,677	1,417,979	2.9

- (1) Includes for Mr. Fernandes, shares held in family trusts or foundations. Also includes for each of Messrs. Hoynes and Sharpe, shares owned jointly with his wife. Excludes for Mr. Smith, 1,000 shares for which he disclaims beneficial ownership.
- (2) Represents the officers' proportionate share of our Common Stock held by the Cytec Employees' Savings & Profit Sharing Plan and the Cytec Supplemental Savings and Profit Sharing Plan at January 31, 2011. In the case of Mr. Smith and all directors and officers as a group, also includes shares held in an Individual Retirement Account.
- (3) Shares issuable under our 1993 Stock Award and Incentive Plan (the 1993 Plan) following termination of employment or, as to the directors, retirement from the Board of Directors.
- (4) Shares which may be acquired within 60 days through the exercise of stock options, regardless of whether the exercise price is below, at or above the current market price of our common stock.
- (5) Less than 0.1%.
None of the shares reflected in the stock ownership table have been pledged as security.

Section 16(a) Beneficial Ownership Reporting Compliance

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Based solely on our review of copies of 125 Forms 3, 4 and 5 received by us, we believe that with respect to 2010 all but one filing required under Section 16(a) of the Securities Exchange Act of 1934 were filed timely. Due to administrative error, one Form 4 relating to the exercise of stock options by Mr. Drillock was filed 8 days late.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS

Title of Class	Name and Address of Beneficial Owner	Amount and	Percent of Class ⁽¹⁾
		Nature of Beneficial Ownership	
Common Stock	BlackRock, Inc. 40 East 52nd Street New York, NY 1002	5,472,804 Shares ⁽³⁾	11.8
Common Stock	Vanguard Fiduciary Trust Company 500 Admiral Nelson Blvd. Malvern, PA 19355	2,711,208 Shares ⁽³⁾	5.5
Common Stock	TIAA-CREF Investment Management, LLC and Teachers Advisors, Inc. 730 Third Avenue New York, NY 10017	3,563,964 Shares ⁽⁴⁾	7.2

(1) Percent of class based on shares outstanding at December 31, 2010.

(2) Per Schedule 13G, filed January 10, 2011, which reports beneficial ownership as of December 31, 2010 (i) sole power to vote or direct the vote as to 3,361,102 shares, and (ii) sole power to dispose or direct the disposition of 3,361,102 shares.

(3) Per Schedule 13G, filed February 4, 2011, which reports beneficial ownership as Trustee of the Cytec Employees Savings and Profit Sharing Plan as of December 31, 2010 (i) shared power to vote 2,711,208 shares, and (ii) shared power to dispose of 2,711,208 shares.

(4) Per Schedule 13G, filed February 11, 2011, which reports beneficial ownership for TIAA-CREF Investment Management, LLC as of December 31, 2010 (i) sole power to vote 2,938,957 shares, and (ii) sole power to dispose of 2,938,957 shares; and which reports beneficial ownership for Teachers Advisors, Inc. as of December 31, 2010 (i) sole power to vote 634,007 shares, and (ii) sole power to dispose of 624,007 shares.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Under our written Policy on Transactions with Related Person, any related party transaction which would be required to be reported in the Company's annual proxy statement under applicable laws and regulations must be approved in advance by the Governance Committee of our Board of Directors. In considering whether or not to approve such transaction, the Governance Committee shall consider the following factors: (i) is the proposed transaction in the ordinary course of business of the Company and the Related Person; (ii) are any alternate transactions available; (iii) is the transaction on terms at least as favorable to the Company as available from unrelated third parties; (iv) does the transaction pose any more risks to the Company than alternate transactions available from unrelated third parties; and (v) such other factors as the Governance Committee may consider relevant or important to its decision.

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There were no transactions during 2010, and there are no currently proposed transactions, involving more than \$120,000 in which Cytec was or is to be a participant and in which any executive officer or director has a direct or indirect material interest other than the compensation arrangements described in this proxy statement.

AGENDA ITEM 4

ADVISORY VOTE ON COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS

The Company seeks your advisory vote on our executive compensation programs giving you, the stockholder, the opportunity to express your approval or withhold approval of the compensation we pay our named executive officers.

Our compensation policies and procedures are designed to support our compensation philosophy and pay competitively, are independently administered, focused on pay for performance with the appropriate balance between risk and reward and strongly aligned with the long-term interests of our stockholders. As always, the Company and the Committee are committed to the ongoing review of the executive compensation programs and will take action to ensure that these programs continue to support our compensation philosophy and objectives. The Company asks that you support the compensation of our named executive officers as disclosed in the Compensation Discussion and Analysis section beginning on page 22 and the accompanying tables contained in this Proxy Statement. Because your vote is advisory, it will not be binding on the Board or the Company. However, the Board will review the voting results and take them into consideration when making future decisions regarding executive compensation.

The Board of Directors recommends a vote for the Company's compensation of our named executive officers as disclosed in the Compensation Discussion and Analysis section and the accompanying compensation tables contained in this Proxy Statement.

AGENDA ITEM 5

ADVISORY VOTE ON THE FREQUENCY OF FUTURE ADVISORY VOTES ON EXECUTIVE COMPENSATION

The Company would also like to seek your input with regard to the frequency of future stockholder advisory votes on our executive compensation programs. In particular, we are asking whether the advisory vote should occur every three years, every two years or every year. The Company asks that you support a frequency period of annually for future stockholder advisory votes on executive compensation.

A stockholder advisory vote on executive compensation is very important to the Company. We appreciate the past approval of our equity incentive plans by our stockholders, which have historically occurred from time to time. This has served both our Company and our stockholders well, creating direct alignment between executive compensation and financial performance results. Setting a one year period for holding this stockholder vote will enhance stockholder communication by providing a clear, simple means for the Company to obtain information on investor sentiment about our executive compensation philosophy. An annual advisory vote will be the most effective timeframe for the Company to respond to stockholders' feedback and permits the stockholders to annually express their view on the Company's executive compensation practice. The Company also believes an annual vote would align more closely with the Company's annual compensation cycle. Because your vote is advisory, it will not be binding on the Board or the Company. However, the Board will review the voting results and take them into consideration when making future decisions regarding future advisory votes on executive compensation.

The Board of Directors recommends a vote for a frequency of every year (as opposed to every two years or every three years) for future non-binding stockholder votes on compensation of our named executive officers.

EXECUTIVE COMPENSATION

COMPENSATION DISCUSSION AND ANALYSIS

This Compensation Discussion and Analysis (CD&A) provides an overview of our executive compensation programs including our philosophy, key program elements, and how executive compensation decisions were made for 2010 affecting our Chief Executive Officer (CEO), Chief Financial Officer and three other most highly paid executive officers. The commentary in the CD&A is intended to facilitate an understanding of the data found in the accompanying compensation tables.

We design our executive compensation programs to drive results, to recognize contributions to the success of the company, and to retain leadership talent. A number of performance factors are considered in determining an executive officer's compensation including individual performance, performance of the business unit or function under his or her leadership and the Company's overall performance. In demonstration of our pay-for-performance commitment to shareowners, employees and other stakeholders, 65% to 80% of our executive officers' compensation is dependent on specific performance goals or the increase of our stock price.

Compensation Program Objectives

Our executive compensation programs are designed to:

- **Pay for Performance** A significant portion of executive compensation is allocated in long and short-term incentive pay which is dependent on the achievement of pre-established goals that are critical to our long-term business strategies and short-term business priorities. Pay-for-performance encourages our executive officers to make prudent decisions based on these pre-established goals in relationship to dynamic market changes and its implications. Pay opportunity is higher for goals that are exceeded, and pay is at-risk for goals that are not achieved or partially achieved.

- **Align our Executives' Financial Interests with our Stockholders' Interests** By linking a significant portion of executive pay opportunity to the performance of the Company's stock price and emphasizing stock ownership through mandated requirements, we incent our executive officers to remain focused on the financial health of the Company and total stockholder return over the long-term.

- **Pay Competitively** Executive pay for all compensation programs is set within equitable market ranges based on competitive benchmarking, enabling the Company to retain highly competent, performance-oriented executives and to attract well-qualified industry talent. Providing competitive pay programs to our executive officers encourages sustained individual performance.

Business Performance

We experienced strong performance in 2010 even though we continued to face some difficult market conditions. We benefited from the cost saving actions we took in fiscal 2009 and the continued execution of our growth strategy and annual objectives, as well as the overall improvement in the global economic climate. Our total revenues in fiscal 2010, including revenues of our discontinued building blocks segment increased to \$3.3 billion, a 20% increase over 2009. Our fiscal 2010 adjusted earnings per share, as defined under the heading Total Direct Compensation Components below, was \$3.60, a 173% increase over the prior period. Our Return On Invested Capital (ROIC) also defined under the heading Total Direct Compensation Components below, increased to 7.7% in 2010 from 3.5% in 2009, and our cash balance at year end was \$383 million versus \$262 million at year end 2009. Based on our performance and outlook, in early 2011 we announced we would resume our stock buyback program and we also restored our quarterly dividend to its pre-financial crisis level of \$0.125 per share. Our total shareholder return over the last fiscal year was 45.9%.

We have a long-standing pay-for-performance philosophy. Our executive compensation programs have been designed to align with the Company's most important financial metrics and to payout appropriately for the level of performance achieved. This is most evident in the mix of pay vehicles, the percent of at-risk pay and the actual pay that is used to compensate our executives. As a result of our 2010 performance described above,

the annual performance incentive achievement was above target, resulting in a higher than target payout. Below target results were achieved over the three year performance period from 2008 to 2010, resulting in a below target payout for the three year performance award for the period ending December 31, 2010. Annual base salary is the only total direct compensation component that is not at-risk for our executives.

The Role of the Compensation and Management Development Committee

The Compensation and Management Development Committee of the Company's Board of Directors (referred to as Committee in this CD&A) is responsible for reviewing and approving all compensation arrangements and policies for all of our executive officers other than the CEO, and for reviewing and recommending to the independent Directors of the Board compensation arrangements for the CEO. The Committee meets at least three times annually. At a minimum, the Committee annually determines (a) the amount of salary adjustments, annual incentives and long-term incentives (LTIs) awarded to executive officers; (b) the criteria for achieving annual and LTI awards; and (c) whether the conditions for the payment of past awards have been met. It also evaluates its own performance annually. To the extent these matters relate to compensation of the CEO, they are also approved or ratified by the independent Directors of the Board. The Committee periodically reviews all of the components of our executive compensation programs to make sure they are in line with our business strategy, regulatory requirements, stockholder interest and that they remain competitive in light of changing standards and market conditions.

Each year the Committee retains an independent compensation consultant to provide expertise and guidance on executive compensation program design, market place trends, regulatory requirements and best practices. The independent consultant participates in Committee meetings and is accountable to the Committee. The consultant reviews and provides objective perspectives on all proposals regarding executive compensation presented to the Committee and identifies any issues or concerns.

As part of the 2010 annual executive compensation review, the Committee retained Towers Watson (Towers) as the Committee's independent executive compensation consultant. Towers has been the Committee's independent consultant since 2007. To assist the Committee with compensation decisions regarding fiscal year 2010, Towers provided the Committee with an analysis on executive compensation market trends, best practices, regulatory requirements, and industry long-term incentive compensation program design as well as a comprehensive competitive review of each of our executive officers' total direct compensation.

Compensation Program Philosophy

The Committee targets total direct compensation at a competitive level consisting of base salaries at 5% below the median of a competitive benchmark, annual incentives as a percentage of base salary at the median of a competitive benchmark, and long-term incentives at the 62.5 percentile of a competitive benchmark for each executive officer. The Committee believes this compensation philosophy limits fixed costs and emphasizes long-term financial results that will enhance the value of the Company's stock over time. The Committee believes this compensation structure and the performance metrics utilized in determining incentive payments are likely to result in our executives earning above median compensation over the longer term only when stockholders are also enjoying positive returns on their investments. We place more weight on both performance-based compensation and long-term compensation for those executive positions with the broadest scope, primarily our CEO.

Competitive Benchmarking

The Compensation Committee relies on competitive benchmarks to determine target pay, target annual incentive as a percentage of base pay and target long-term incentives for each executive officer. For the 2010 compensation cycle, based on the recommendation of the Committee's compensation consultant, benchmarks were developed using a Primary Comparator Group consisting of the chemical and aerospace companies in Towers' Executive Compensation Database and a Secondary Comparator Group consisting of the general industrial manufacturing companies in Towers' Executive Compensation Database. The chemical, aerospace and general

industrial manufacturing companies included in Towers database may vary from year to year. In each case, the benchmark data were size-adjusted based on revenue of the participating companies for each executive officer position. The companies included in the Primary and Secondary Comparator Groups for 2010 are listed in Exhibit B. Prior to the 2010 compensation cycle, the Committee relied on a blend of peer group data, and chemical industry and general manufacturing industry data made publicly available by Towers Perrin. In determining actual compensation for each executive officer, the Committee considers the benchmark compensation data as well as an individual officer's job scope, experience, value to the organization, sustained individual performance, and internal parity.

The Committee also established a Peer Group of 18 companies in the chemical and aerospace industries. The companies included in the Peer Group were determined by the Committee based on recommendations by management and the Committee's compensation consultant. The Committee uses the Peer Group companies primarily to benchmark compensation practices and policies. The Committee also considers compensation data from the peer group to the extent it is publicly available. The 18 companies included in the Peer Group are listed in Exhibit B.

Tally Sheets

In addition to reviewing competitive market data for 2010 compensation planning purposes, the Committee reviews comprehensive tally sheets developed for each executive officer. The tally sheets include total direct compensation elements (base salary, short- and long-term incentives), pay mix, realized gains on equity awards, unrealized current value of equity awards, perquisites, accumulated retirement benefits, deferred compensation values, wealth accumulation at year end, and hypothetical termination payments for the current year plus the two previous years. The Committee believes the use of tally sheets presents a comprehensive view of an executive's total compensation package, and provides a better understanding of our compensation programs and potential payouts as well as, the impact of future pay decisions.

Total Direct Compensation Components

Our executive total direct compensation program for 2010 had three basic components: (i) base salary, (ii) annual incentives, and (iii) long-term incentives consisting of performance stock with a three-year term, time-based restricted stock units with three-year vesting and stock options with a ten-year term. These components are discussed in more detail below. We also maintain benefit programs for our employees and our executive officers that we believe are competitive with those of our competitors. These are discussed in more detail under the heading Benefits below.

Each year, the CEO and the Vice President, Human Resources review with the Committee the competitive compensation data and information provided by an independent compensation consultant. Based on feedback from the Committee regarding the competitive compensation data and the CEO's view of each executive officer's performance, the CEO and Vice President, Human Resources recommend annual salary adjustments, annual incentive awards and annual grants of long-term incentives for each executive officer. The Committee reviews these recommendations along with the competitive benchmark data, and determines the final annual salary adjustments, annual incentive awards and annual grants of long-term incentive awards for all executive officers, other than the CEO. The Committee reviews competitive benchmark data for the CEO and the performance of the CEO with the independent Directors of the Board and makes recommendations on the CEO's salary and incentive awards. The independent directors discuss these recommendations, revise them if appropriate, and then determine the final salary adjustment, annual incentive award and annual grants of long-term incentive awards for the CEO. Except as described above, the CEO does not participate in this process. Salary adjustments and changes in the annual incentive awards and long-term incentive awards are the principal means used to ensure that each executive officer's compensation is based on his or her performance.

Base Salary: The target base salary is 5% below the median of a competitive benchmark with individual decisions based on job scope, experience, value to the organization, sustained individual performance and internal parity. The objective of base salary is to provide fixed compensation to executive officers for the

performance of their core job responsibilities and duties. All of our executive officers received an increase in base salary effective April 1, 2010.

Annual Incentive: The target annual incentive as a percentage of base salary is generally the median of a competitive benchmark. Individual targets are set based on job scope, experience, value to the organization, sustained individual performance and internal parity. Because our targets for base salaries are slightly below median, our target annual incentives are also slightly below median. The objectives of our annual incentive plan are to reinforce annual priorities and motivate executive officers to achieve the financial and operational performance goals that are important for the Company's performance in a specific year. The Committee sets the target performance goals for receiving an award typically in the beginning of the relevant performance period. The actual annual incentive award paid can range from 0 to 200% of the target amount based on achievement of these pre-established goals.

The 2010 annual incentive multiplier for corporate executive officers was based 50% on the achievement of the 2010 adjusted earnings per share (EPS) target, 20% on achieving the working capital target, and 30% on achievement of strategic non-financial corporate objectives. The annual incentive multiplier for the business unit executive officers was based 40% on achievement of the business unit earnings before interest and taxes (EBIT) target, 10% on achievement of the corporate adjusted EPS target, 20% on achieving the working capital target, 20% on achievement of strategic non-financial business unit objectives and 10% on achievement of the strategic non-financial corporate objectives.

At the end of each year, the Executive Leadership Team collectively assesses its performance in achieving the non-financial objectives for the performance year and recommends a percentage of target to be used on this component of the annual incentive calculation. The CEO presents this recommendation to the Committee which considers this recommendation, among other factors, in determining the achievement factor for non-financial objectives for all executive officers, including the CEO. The Committee also reviews the actual adjusted EPS against the adjusted EPS target for the year and the actual working capital improvement against the target for the year, which, together with the non-financial component, determines the combined full incentive amount. The payout amounts under the annual cash incentive plan and all other compensation for the CEO are subject to approval by the independent Directors of the Board. Adjusted EPS is a non-GAAP financial measure that is calculated by excluding special items such as restructurings, asset impairments and gains on sales of assets among other items, which are discussed as special items in our quarterly earnings releases. Working capital improvement is measured as the change in average number of days of working capital in the fourth quarter of 2010 from the average number of days of working capital in the fourth quarter of 2009. Working capital is defined as the number of days of trade receivables outstanding plus the number of days inventory supply on hand less the number of days of trade payables outstanding.

The Committee set the adjusted EPS par target based on the 2010 budget and the target for working capital improvement based on the level achieved in the fourth quarter of 2009. The Committee sets the non-financial objectives target based on the significance of the objectives in the overall achievement of important business priorities for the year after considering the CEO's recommendations in regard thereto.

In 2010, the Company's adjusted earnings per share of \$3.60 exceeded the par target of \$2.05 resulting in a maximum payout of 200% weighted at 50%. The Company's average working capital level in the fourth quarter of 2010 was 8 days better than the average level in the fourth quarter of 2009 resulting in a maximum payout of 200% weighted at 20% for a total achieved payout of 140% on the financial components of the annual incentive plan. The Committee determined that the executive officers achieved its pre-established corporate non-financial goals for an overall achievement score of 116.625% weighted at 30% for a total payout of 35% on the non-financial component of the annual incentive plan. The Summary Compensation Table on page 34 provides details on EBIT and non-financial performance associated with the business unit presidents. The Committee has the discretion to adjust the financial and non-financial targets under the annual incentive plan as it deems appropriate. The Committee did not use its discretion to adjust the achievement of the adjusted EPS or working capital improvement goals in determining the 2010 annual incentive amount payable. The annual

incentives for the 2010 performance period paid to the named executive officers consistent with these determinations are set forth in the Summary Compensation Table. The Committee approved the annual incentives paid to all executive officers other than the CEO and the independent Directors of the Board approved the annual incentive paid to the CEO.

Long-Term Incentives: The target annual grant of LTIs for each executive officer is at the 62.5 percentile of our competitive benchmarks for long-term incentive awards, with individual awards based on job scope, experience, value to the organization, sustained individual performance and internal parity. For the Company's non-U.S. executive officer located in Belgium, the Committee reviews local market cash compensation in relation to long-term incentive values in determining a competitive level of total direct compensation that is aligned with U.S. executive officer compensation. The objectives of our long-term incentive plan are to encourage long-term strategic decision making that is aligned with the best interests of our stockholders, focus the efforts of executive officers on multi-year results and long-term sustained performance, and to maintain a substantial portion of compensation in long-term vehicles.

For the past several years, LTIs have consisted of a combination of three-year performance cash or performance stock and ten-year stock appreciation rights or stock options (collectively, stock options). In 2010, the Committee added a time-based restricted stock unit component to the long-term incentive awards to better align executive and stockholder interests in a volatile market, enhance executive retention, and enable the Company to offer more competitive compensation packages. The Committee has determined an appropriate mix for executive officers of 55% of total LTI value in ten-year stock options, 15% of total LTI value in three-year time-based restricted stock units and 30% in three-year performance cash.

The payout on the performance cash or performance stock component of the long-term incentive award can range from 0 to 200% of target. Payout is based 50% on achievement of target adjusted EPS in the third year after the date of grant and 50% on achievement of target ROIC in the third year after the date of grant. ROIC measures the economic returns on invested capital, linking the executive to shareholder value creation. For the past several years, the target for adjusted EPS in the third year has been set at the amount that represents 10% compounded annual growth in adjusted EPS from the year immediately prior to the date of the grant. The target for ROIC in the third year has been based on assets and current liabilities at the prior year end adjusted for projected working capital changes and capital expenditures for the next three years and budgeted operating earnings in the year of the grant compounded by 10% annual growth for the following two years. The 2011 and 2012 performance targets were based on the then-current year budget compounded by 15% for the two remaining years. The higher growth factor was used because of depressed earnings in the base year. For the performance cash awards granted in 2010, the Committee added to the award payout results a plus/minus relative modifier percentage, subject to Committee discretion, based on the Company's performance of ROIC as compared to the relative ROIC performance of the Company's established peer group. The plus/minus relative modifier is applicable to the 2012 performance period for awards payable in January 2013.

The Committee believes that achievement of these goals is consistent with stockholder interests and the Committee's fundamental belief that companies with increasing EPS and increasing ROIC will have an appreciating stock price. The Committee believes that three years is an appropriate period of time over which to provide our executive officers incentives to improve the medium term performance of the Company. Shortly after year-end of the final year of the award, the Committee meets to review actual ROIC and adjusted EPS against the targets to determine the payout of the performance cash or performance stock in lieu of performance cash. For the 2010 performance period, the threshold target goal of \$4.39 was not achieved, resulting in a 0% payout for the EPS component of the 2010 performance plan. The achieved ROIC of 7.7% for the 2010 performance period was above the threshold target of 7.4%, resulting in a 35.7% payout for the ROIC performance component of the 2010 performance plan.

The exercise price of stock options is equal to the closing price of Cytec common stock on the date of the grant. The stock options vest in equal installments on the first three anniversaries of the date of the grant and expire on the tenth anniversary of the date of grant. The Committee believes that grants of stock options closely

align executives' interests with those of our stockholders because the stock options have value only if the price of the Cytec common stock increases.

The time-based restricted stock units will vest 100% after three years and are payable in shares of Cytec common stock.

Unvested performance awards and restricted stock units and unexercised stock options held by an executive officer who voluntarily terminates employment with the Company other than to retire are immediately terminated. Executive officers who retire typically retain a prorata portion of any unvested performance awards and restricted stock units they hold, which then continue to vest in accordance with their terms and the satisfaction of applicable performance conditions. Options issued to a retiree more than eight months prior to the retirement date will continue to vest according to the original schedule and are exercisable until one year after the last uncanceled grant fully vests.

The performance awards and the stock options were granted under the provision of our 1993 Stock Award and Incentive Plan (the "1993 Plan"). The Committee generally grants LTIs to executive officers only on the date of the first meeting of the Committee each year, although the Committee may from time-to-time also grant LTIs on the date an executive officer is hired or promoted. The first meeting of the Committee each year is typically held the day before the Company's earnings for the preceding year are released. LTIs granted to the CEO are subject to ratification by the independent Directors of the Board.

Risk Assessment

The Committee discussed and analyzed risks associated with the Company's compensation policies and practices for executive officers and all employees generally including, but not limited to, encouraging excessive risk, eligibility, effects on retention, balance of objectives, alignment with stockholders, affordability, possible unintended consequences and governance. The Committee also discussed this risk assessment with their independent consultant and did not identify any risks arising from these policies or practices reasonably likely to have a material adverse effect on the Company.

Recoupment of Compensation

The Committee has established a "claw-back" or recoupment policy, effective January 1, 2010, applicable to annual incentive compensation, performance awards, restricted stock or units and stock options granted after January 1, 2010. The policy allows the Board of Directors, if financial statements or any performance plan metric were required to be restated as a result of errors, omissions, or fraud, to recover from an executive officer (i) any portion of annual incentive or performance award payments that would not have been made based on the restated financial statements or performance plan metric, and (ii) any restricted stock or units or any gain realized on the exercise of stock options during the period starting with the date on which the inaccurate financial statements or performance plan metric are published.

Stock Ownership Requirements

We require our executive officers to attain and hold an ownership stake in our Company that is a specified multiple of his or her salary. The ownership requirements, expressed as a multiple of the annual base salary, are provided below:

Position	Current Guideline
Chief Executive Officer	6 x base salary
Chief Financial Officer	4 x base salary
Other Executive Officers	2.5 x base salary

Achievement of the required stock ownership is expected within five years of election to a position requiring an increase in target ownership. Stock ownership is determined net of any shares with respect to which the economic risk of ownership has been hedged. We include deferred stock awards, unvested time restricted

stock, and 1/3 of time restricted stock units for each full year following the grant date, as shares owned but do not include options, SARs or other unvested time restricted stock units or performance stock as shares owned.

Effective January 1, 2010, the Committee amended the Company's stock ownership requirement policy to require all executive officers not meeting their ownership guidelines to hold 100% of net shares from performance or time restricted stock payouts or stock option exercises until ownership requirements have been satisfied. The amendment includes an automatic deferral election, as allowable under the guidelines of IRC Section 409A, of unvested performance and time restricted stock or units until ownership requirements have been satisfied.

As of January 31, 2011, all of our executive officers who were in their current positions for at least five years met the Company's stock ownership guidelines. None of the officers have hedged their position in Company stock.

2011 Compensation Program Review

For the 2011 annual executive compensation review, the Committee retained Cogent Compensation Partners (Cogent) as the Committee's independent executive compensation consultant. Cogent, at the Committee's request, provided the Committee with a report on general executive compensation market trends, short-term and long-term incentive compensation program practice and design analysis and regulatory compliance updates. After reviewing and discussing the report, the Committee concluded that our executive compensation philosophy, policies and procedures were generally consistent with our objectives and competitive benchmarks. The Committee decided to make the following changes to our executive compensation programs effective for 2011 specifically for reasons as noted below:

- Replace the relative ROIC modifier on the three-year performance cash award with a relative total shareholder return (TSR) measure against our stated Peer Group of 18 chemical/aerospace companies. The relative TSR measure will be in addition to the EPS and ROIC measures of the three-year performance cash award (granted in January, 2011). The Committee believes adding a relative TSR measure will contribute to shareholder alignment, reduce overall award volatility and recognize Company performance relative to peer companies. The relative TSR will be measured as an average of the annual TSR over the three year award period. Payout ranges from 30% for threshold target achievement of above 4th quartile to 200% for first quartile achievement of performance against peers. There will be no payout for fourth quartile performance against peers.

- Recognizing a slowly recovering economy and our forecasted earnings growth, for the performance cash award granted in January, 2011 for the 2013 performance period, the Committee determined it will return to the EPS goal setting methodology used in years prior to 2009 by starting with actual 2010 adjusted EPS of \$3.60 and compounding growth over three years at an annual rate of 4% growth for threshold target payout achievement of 50%, 10% growth for target payout achievement and 14% for stretch target payout achievement of 200%. The Committee has also decided to equate our definition of ROIC with the Street convention as used in Reuters to create greater alignment between how the executives and the market are assessing Cytec's performance.

- With the intent to preserve the deductibility of compensation under 162(m) and subject to stockholder approval of an amendment to the 1993 Plan (see Amendment to our Amended and Restated 1993 Stock Award and Incentive Plan herein), the Committee has determined that all compensation granted in 2011 based on the achievement of objective performance criteria established under the Plan will qualify as performance-based compensation and will be eligible for deductibility under Section 162(m) of the Internal Revenue Code, to the extent possible. Once awards are granted, the Committee will have no discretion to increase the amount of compensation paid on the achievement of such performance goals, although the Committee will retain the discretion to decrease the amount of compensation an executive officer may earn under the terms of an award.

The 2011 weighting for the components of the annual incentive plan are 50% weight on achievement of target adjusted EPS, 20% weight on achievement of working capital days, and 30% weight on achievement of non-financial corporate objectives for the corporate executive officers. The weighting of the 2011 business unit annual incentive plans are 10% weight on achievement of target adjusted EPS, 40% weight on achievement of the business unit EBIT target, 20% weight on achievement of working capital days, 20% weight on achievement of non-financial business objectives and 10% weight on achievement of the non-financial corporate objectives for the business unit executive officers. For 2011, the targets for par payouts are \$3.38 adjusted EPS from continuing operations (i.e., without the earnings generated by the Building Block Chemicals business which is included in discontinued operations) and the working capital target for 2011 is to maintain the level that was achieved in fourth quarter 2009, which will be calculated on a pro forma basis as if the sale of the Building Block Chemicals business had occurred in the third quarter of 2009. The adjusted EPS target from continuing operations was set several months ago and is not necessarily indicative of the results the Company anticipates for the year. The adjusted EPS target for par payout is not, and should not be, construed as EPS guidance.

Benefits

With the exception of benefits available under the Executive Supplemental Employee Retirement Plan and the Executive Income Continuity Plan described below, our executive officers located in the U.S. and Belgium participate in the same employee benefit plans as all other similarly situated U.S. and Belgium salaried employees, respectively. All of the plans listed below are U.S. plans and only available to our U.S.-based executive officers except where noted.

Flexible Health & Welfare Benefits: We provide our U.S. employees, including our executive officers, with a cafeteria-style health and welfare benefit program, providing a comprehensive choice of coverage, including medical, dental, vision, life and accidental death and dismemberment insurance, disability insurance, long-term care coverage and health and dependent care spending accounts.

Group Insurance Hospitalization: We provide our Belgium employees, including our executive officer in Belgium, with a hospitalization benefit program which includes comprehensive hospitalization.

Retirement Income Plans: Our executive officers are entitled to receive benefits as applicable under (i) the Cytec Past Service Retirement Plan (the Past Service Plan), (ii) the Cytec Salaried and Non-bargaining Employees Retirement Plan (the Salaried Plan), (iii) the Cytec Supplemental Employees Retirement Plan (the Supplemental Plan), (iv) the Cytec Excess Retirement Plan (the Excess Plan), (v) the Cytec Executive Supplemental Employees Retirement Plan (the ESERP), (vi) the Cytec Employees Savings Plan (the Savings Plan), (vii) the Cytec Supplemental Savings Plan (the Supplemental Savings Plan), (viii) the Group Insurance Cadres Plan (Belgium), (ix) the AXA Supplemental Pension Plan (Belgium) and (x) the Allianz Supplemental Pension Plan (Belgium). The benefits available under each of these plans are described below.