FMC CORP
Form DEF 14A
March 17, 2017
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 ss.240.14a-12

FMC CORPORATION

(Name of Registrant as Specified In Its Charter)

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(1) Amount Previously Paid:

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FMC Corporation

March 17, 2017

Dear Stockholder:

It is my pleasure to invite you to attend the Company's 2017 Annual Meeting of Stockholders. The meeting will be held on Tuesday, April 25, 2017, at 2:00 p.m. local time at the FMC Tower at Cira Centre South, 2929 Walnut Street, 24th Floor, Philadelphia, Pennsylvania. The Notice of Annual Meeting and Proxy Statement accompanying this letter describe the business to be conducted at the meeting.

During the meeting, I will report to you on the Company's earnings, results and other achievements during 2016 and on our outlook for 2017. We welcome this opportunity to have a dialogue with our stockholders and look forward to your comments and questions.

Your vote is important. **Please vote your proxy promptly so your shares can be represented.** Please see your proxy card for specific instructions on how to vote.

If you plan to attend the meeting, please send written notification to the Company's Investor Relations Department, FMC Tower at Cira Centre South, 2929 Walnut Street, Philadelphia, Pennsylvania 19104, so that your name can be put on an admission list held at the registration desk at the entrance to the meeting. If your shares are held by a bank, broker or other intermediary and you plan to attend, you must enclose with your notification evidence of your ownership, such as a letter from the bank, broker or intermediary confirming your ownership or a bank or brokerage firm account statement. If you wish to vote at the meeting, please refer to the section of this proxy statement entitled "How to Vote" for specific instructions.

I look forward to seeing you on April 25th.

Sincerely,

Pierre Brondeau

President, Chief Executive Officer and Chairman of the Board

Notice of Annual Meeting of Stockholders

Tuesday, April 25, 2017

2:00 p.m.

FMC Tower at Cira Centre South, 2929 Walnut Street, 24th Floor, Philadelphia, Pennsylvania

Dear Stockholder:

You are invited to the Annual Meeting of Stockholders of FMC Corporation. We will hold the meeting at the time and place noted above. At the meeting, we will ask you to:

1. Elect eleven directors, each for a term of one year.
2. Ratify the appointment of KPMG LLP as our independent registered public accounting firm for 2017.
3. Hold an advisory (non-binding) vote on executive compensation.
4. Hold an advisory (non-binding) vote on the frequency of executive compensation voting.
5. Approve an Amendment to the FMC Corporation Incentive Compensation and Stock Plan.
6. Consider and act upon any other business properly brought before the meeting.

THE BOARD RECOMMENDS A VOTE FOR ITS NOMINEES FOR DIRECTOR AND FOR PROPOSALS 2, 3 AND 5. THE BOARD RECOMMENDS A VOTE IN FAVOR OF A FREQUENCY OF ONE YEAR IN PROPOSAL 4.

Your vote is important. To be sure your vote counts and assure a quorum, please vote, sign, date and return the enclosed proxy card whether or not you plan to attend the meeting; or if you prefer, please follow the instructions on the enclosed proxy card for voting by Internet or by telephone whether or not you plan to attend the meeting in person.

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE STOCKHOLDER MEETING TO BE HELD ON APRIL 25, 2017:

The proxy statement and the annual report to security holders are available at *www.fmc.com*

March 17, 2017

By order of the Board of Directors,

Andrea E. Utecht

Executive Vice President, General Counsel and Secretary

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I. INFORMATION ABOUT VOTING

Solicitation of Proxies

The Board of Directors of FMC Corporation (the "Company" or "FMC") is soliciting proxies for use at the Company's 2017 Annual Meeting of Stockholders and any postponements or adjournments of that meeting (as so postponed or adjourned, the "2017 Annual Meeting" or the "Annual Meeting"). The Company first mailed this proxy statement, the accompanying form of proxy and the Company's Annual Report for 2016 on or about March 17, 2017.

Agenda Items

The agenda for the Annual Meeting is to:

1. Elect eleven directors;
2. Ratify the appointment of KPMG LLP as the Company's independent registered public accounting firm for 2017;
3. Hold an advisory (non-binding) vote on executive compensation;
4. Hold an advisory (non-binding) vote on the frequency of executive compensation voting;
5. Approval of Amendment and Restatement of the FMC Corporation Incentive Compensation and Stock Plan; and
6. Conduct other business properly brought before the meeting.

Who Can Vote

You can vote at the Annual Meeting if you are a holder of the Company's common stock, par value of $0.10 per share ("Common Stock"), on the record date. The record date is the close of business on February 28, 2017. You will have one vote for each share of Common Stock. As of February 28, 2017, there were 133,826,580 shares of Common Stock outstanding.

How to Vote

You may vote in one of four ways:

- You can vote by signing and returning the enclosed proxy card. If you do, the individuals named on the card will vote your shares in the way you indicate;
- You can vote by Internet;
- You can vote by telephone; or
- You can cast your vote at the Annual Meeting.

If you plan to cast your vote at the meeting, please send written notification to the Company's Investor Relations Department, FMC Tower at Cira Centre South, 2929 Walnut Street, Philadelphia, PA, 19104, so that your name can be put on an admission list held at the registration desk at the entrance to the meeting. In addition, if you hold your shares through a broker, bank or other intermediary and you wish to vote at the Annual Meeting, you must obtain a legal proxy from them authorizing you to vote at the Annual Meeting. We will be unable to accept a vote from you at the Annual Meeting without that authorization. If you are a registered stockholder and wish to vote at the Annual Meeting, in addition to the above attendance notification, you must provide proper identification as the stockholder of record at the registration desk, but no additional authorization will be required in order to cast your vote.

Use of Proxies

Unless you tell us on the proxy card to vote differently, we plan to vote signed and returned proxies FOR the Board nominees for director, FOR Proposals 2, 3 and 5, and FOR a frequency of one year for Proposal 4, and in the discretion of the proxy holders as to any other matters that may properly come before the Annual Meeting.

Quorum Requirement

We need a quorum of stockholders to hold a valid Annual Meeting. A quorum will be present if the holders of at least a majority of the outstanding Common Stock entitled to vote at the meeting either attend the Annual Meeting in person or are represented by proxy at the Annual Meeting. Abstentions, broker non-votes (described below) and votes withheld are counted as present for the purpose of establishing a quorum.

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Vote Required for Action

Directors are elected by a majority of the votes cast in an uncontested election. Because the number of nominees properly nominated for the Annual Meeting is the same as the number of directors to be elected at the Annual Meeting, the election of directors is an uncontested election. As a result, any nominee who receives a majority of the votes cast with respect to his or her election at the Annual Meeting will be elected to the Board (or re-elected, in the case of any nominee who is an incumbent director). Incumbent nominees have tendered a contingent resignation which would become effective if (i) the nominee does not receive a majority of the votes cast with respect to his or her election at the Annual Meeting and (ii) the Board of Directors accepts such resignation. Adoption of Proposals 2 through 5 require the affirmative vote of the majority of shares present in person or represented by proxy and entitled to vote at the meeting.

Abstentions or Lack of Instructions to Banks, Brokers, or Employee Benefit Plan Trustees

Abstentions will not be counted as votes cast for the election of directors, and thus will have no effect on the election of directors. With respect to Proposals 2 through 5, abstentions will have the effect of a vote against such proposals.

A broker non-vote occurs when a bank, broker or other nominee holding shares on behalf of a stockholder does not receive voting instructions from the beneficial owner with respect to a non-routine matter to be voted on at the Annual Meeting by a specified date before the Annual Meeting. Banks, brokers and other nominees may vote undirected shares on matters deemed routine in accordance with New York Stock Exchange rules, but they may not vote undirected shares on matters deemed non-routine in accordance with such rules. For this purpose, the ratification of the appointment of the independent registered public accounting firm is considered a routine matter, but the election of directors, the advisory vote regarding executive compensation, the advisory vote regarding the frequency of executive compensation voting, and the approval of the Amendment to the FMC Corporation Incentive Compensation and Stock Plan are considered non-routine matters. In the event of a broker non-vote in the election of directors or with respect to Proposals 2 through 5 at the Annual Meeting, the broker non-vote will not have any effect on the outcome inasmuch as broker non-votes are not counted as votes cast or as shares present and entitled to be voted with respect to any matter on which the broker has expressly not voted.

If you are entitled to vote shares held under an employee benefit plan and you either do not direct the trustee by April 21, 2017 how to vote your shares, or if you vote on some but not all matters that come before the Annual Meeting, the trustee will, in the case of shares held in the FMC Corporation Savings and Investment Plan, vote your undirected shares in proportion to the votes received from other participants, and in the case of the Company’s other employee plans, vote your shares in the trustee’s discretion, except to the extent that the plan or applicable law provides otherwise.

Revoking a Proxy

You may revoke your proxy at any time before it is exercised. You can revoke a proxy by:

- Sending a written notice to the Corporate Secretary of FMC;
- Delivering a properly executed, later-dated proxy;
- Attending the Annual Meeting and voting in person, provided that you comply with the conditions set forth in the section of this proxy statement above entitled “How to Vote”; or
- If your shares are held through an employee benefit plan, your revocation must be received by the trustee by April 21, 2017.

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II. THE PROPOSALS TO BE VOTED ON

Proposal 1 Election of Directors

Nominees for Director

The Board of Directors consists of 11 directors, each of whom is elected to serve for a term of one year, expiring at the subsequent annual meeting of stockholders. The nominees for director this year are Pierre Brondeau, Eduardo E. Cordeiro, G. Peter D'Aloia, C. Scott Greer, K'Lynne Johnson, Dirk A. Kempthorne, Paul J. Norris, Robert C. Pallash, William H. Powell, and Vincent R. Volpe, Jr., each of whom is an incumbent director, and Margareth Øvrum, who was appointed to the Board of Directors in 2016. If elected, these directors' next term will expire at the 2018 Annual Meeting. Information about the nominees is contained in the section of this proxy statement entitled "Board of Directors".

The Board of Directors expects that all of the nominees will be able and willing to serve as directors. If any nominee becomes unavailable, the proxies may be voted for another person nominated by the Board of Directors to fill the vacancy, or the size of the Board of Directors may be reduced.

The Board of Directors recommends a vote FOR the election of Pierre Brondeau, Eduardo E. Cordeiro, G. Peter D'Aloia, C. Scott Greer, K'Lynne Johnson, Dirk A. Kempthorne, Paul J. Norris, Margareth Øvrum, Robert C. Pallash, William H. Powell and Vincent R. Volpe, Jr. to the Board of Directors as described above.

Proposal 2 Ratification of Appointment of Independent Registered Public Accounting Firm

The Audit Committee of the Board of Directors is directly responsible for the appointment, compensation, retention and oversight of the independent external audit firm retained to audit the Company's financial statements. The Audit Committee has approved KPMG LLP ("KPMG") continuing to serve as the Company's independent registered public accounting firm for 2017.

The Audit Committee periodically reviews the performance of the independent external audit firm. In conjunction with the mandated rotation of KPMG's lead engagement partner, the Audit Committee and its chairperson also evaluate and approve the selection of KPMG's new lead engagement partner.

The Audit Committee is responsible for the audit fee negotiations associated with the Company's retention of KPMG. For the years 2015 and 2016, KPMG's fees, all of which were approved by the Audit Committee, were as follows:

($000)	**2016**	**2015**
Audit Fees(1)	7,658	7,884
Audit Related Fees(2)	232	921
Tax Fees(3)	755	752
All Other Fees(4)	536	455
TOTAL	**9,181**	**10,012**

(1) Fees for professional services performed by KPMG for the integrated audit of the Company's annual consolidated financial statements included in the Company's Form 10-K filing and review of financial statements included in the Company's Form 10-Q filings. The amount also includes other services that are normally provided by KPMG in connection with statutory and regulatory filings or engagements and, for 2015, audit services related to the acquisition of Cheminova A/S.

(2) Fees for services performed by KPMG that are reasonably related to the performance of the audit or review of the Company's financial statements. This includes employee benefit and compensation plan audits, as well as audit related services in connection with attestations by KPMG that are required by statute or regulation.

(3) Fees for professional services performed by KPMG with respect to tax compliance, tax advice and tax planning. This includes preparation of original and amended tax returns for the Company and its consolidated subsidiaries, refund claims, payment planning, and tax audit assistance.

(4) Fees for other permissible work performed by KPMG that does not fall within the categories set forth above. For the years listed above, this work consists of tax filings for individual employees involved in the Company's expatriate program.

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Pre-Approval of Independent Registered Public Accounting Firm Services

The Committee has adopted a Pre-Approval Policy with respect to audit and non-audit services performed by its independent registered public accounting firm. The following is a summary of the Policy.

Prior to the commencement of services for a given year, the Audit Committee will grant pre-approvals of expected services and estimated fees, as presented by the independent registered public accounting firm. The independent registered public accounting firm will routinely update the Committee during the year in which the services are performed as to the actual services provided and related fees pursuant to the Pre-Approval Policy.

Unexpected services or services for which the fees to be incurred would exceed pre-approved amounts, will require specific approval before the services may be rendered. Requests or applications to provide such services that require specific approval by the Audit Committee will be submitted to the Chairman of the Audit Committee and to the Company's Chief Financial Officer or his designee by the independent registered public accounting firm.

The request or application must include a statement as to whether, in the view of both the independent registered public accounting firm and the Chief Financial Officer or his designee, such request or application is consistent with the rules of the Securities and Exchange Commission ("SEC") regarding auditor independence. Authority to grant approval for such services has been delegated to the Chairman of the Audit Committee, provided that any such approval would then be reviewed by the full Committee at the next regularly scheduled meeting.

The Audit Committee has determined that the independence of KPMG has not been adversely impacted as a result of the non-audit services performed by such accounting firm.

We expect a representative of KPMG to attend the Annual Meeting. The representative will have an opportunity to make a statement if he or she desires and also will be available to respond to appropriate questions.

The Board of Directors recommends a vote FOR ratification of the appointment of KPMG LLP as the Company's independent registered public accounting firm for 2017.

Proposal 3 Advisory (Non-Binding) Vote on Executive Compensation

In accordance with the requirements of Section 14A of the Securities Exchange Act of 1934 (the “Exchange Act”) and the related rules of the SEC, our Board of Directors is submitting a “Say on Pay” proposal to our stockholders for consideration. This proposal provides our stockholders the opportunity to cast a non-binding advisory vote on the executive compensation paid to the Company’s executive officers named in this proxy statement (“named executive officers” or “NEOs”).

This advisory vote on executive compensation is non-binding on the Board, will not overrule any decision by the Board and does not compel the Board to take any action. However, the Board and the Compensation and Organization Committee may consider the outcome of the vote when considering future executive compensation decisions. Specifically, to the extent there is any significant vote against the named executive officer compensation as disclosed in this proxy statement, the Board will consider our stockholders’ concerns and the Compensation and Organization Committee will evaluate whether any actions are necessary to address those concerns.

The Board and the Compensation and Organization Committee believe that the Company’s executive compensation programs and policies and the compensation decisions for 2017 described in this proxy statement (i) support the Company’s business objectives, (ii) link the interests of the executive officers and stockholders, (iii) align NEO pay with individual and the Company’s performance, without encouraging excessive risk-taking that could have a material adverse effect on the Company, (iv) provide NEOs with a competitive level of compensation and (v) promote retention of the NEOs and other senior leaders. In 2016, 45.73% of the shares voting approved the executive compensation discussed and disclosed in the Compensation Discussion and Analysis, the Summary Compensation Table and other related tabular and narrative disclosures contained in the 2016 Proxy Statement.

For the reasons discussed above (and further amplified in the compensation disclosures made in this proxy statement), the Board recommends that stockholders vote in favor of the following resolution:

RESOLVED that the stockholders approve, on an advisory basis, the compensation of the Company’s named executive officers, as disclosed pursuant to the compensation disclosure rules of the Securities and Exchange Commission (which disclosure includes the Compensation Discussion and Analysis, the Summary Compensation Table and other related tabular and narrative disclosures set forth in this proxy statement).

The Board of Directors recommends a vote FOR the above resolution.

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Proposal 4 Advisory (Non-Binding) Vote on the Frequency of Executive Compensation Voting

In accordance with the requirements of the Exchange Act and the related rules of the SEC, our stockholders have the opportunity to indicate how frequently we should seek an advisory vote on the compensation of our named executive officers, as disclosed pursuant to the SEC's compensation disclosure rules. By voting on this Proposal 4, stockholders may indicate whether they would prefer an advisory vote on named executive officer compensation every one, two or three calendar years.

Our stockholders voted on a similar proposal in 2011 with the majority voting to hold the say-on-pay vote every year. We continue to believe that say-on-pay votes should be conducted every year so that our stockholders may annually express their views on our executive compensation program.

Accordingly, the Board recommends that stockholders vote in favor of the following resolution:

RESOLVED that the Company hold a stockholder advisory vote to approve the compensation of the Company's named executive officers, as disclosed pursuant to the compensation disclosure rules of the Securities and Exchange Commission, with a frequency of once every one year, two years or three years, whichever receives the affirmative vote of the majority of the shares present in person or represented by proxy and entitled to vote at the meeting.

You may cast your vote on your preferred voting frequency by choosing the option of one year, two years, three years, or abstain from voting. Because this vote is advisory and not binding on the Board or the Company in any way, the Board may decide that it is in the best interests of our stockholders and the Company to hold an advisory vote on executive compensation more or less frequently than the option approved by our stockholders.

The Board of Directors unanimously recommends a vote FOR an advisory vote on executive compensation once every calendar year.

Proposal 5 Approval of Amendment and Restatement of the FMC Corporation Incentive Compensation and Stock Plan

At its meeting held on February 28, 2017, the Board of Directors adopted a resolution approving an amendment and restatement of the FMC Corporation Incentive Compensation and Stock Plan (the "Plan") and directing that such amendment and restatement be submitted to the stockholders for their approval at the Annual Meeting. As a successor to prior plans dating back to 1995, the Plan provides for the grant of cash and equity-based awards to closely link the long-term financial rewards of the recipient with increases in Company stockholder value. The Board continues to believe that stock-based incentives are important factors in attracting, retaining and rewarding officers, employees, directors and consultants and closely aligning their financial interests with those of the Company's stockholders. The Board believes that the capacity added by the proposed amendment and restatement will enhance the Company's ability to attract and retain effective and capable officers, employees, directors and consultants who will add to the continued growth and success of the Company.

The proposed amendment and restatement of the Plan ("Restatement"), summarized below, will make 1,250,000 additional shares available for issuance while implementing a number of best practices that protect stockholder interest.

Summary of Modifications to Plan

Conservative Request for Additional Shares

The Restatement seeks to make an additional 1,250,000 shares available for issuance under the Plan, bringing the total number of available shares to approximately 5,584,000. We anticipate that this will be sufficient to cover all grants made over the next three to four years, which are necessary in order to attract and retain talented executives. Once the increased share reserve is exhausted, we will again need to seek stockholder approval to authorize more shares. Requesting stockholder approval for only a limited number of shares at a given time means that stockholders will have the chance to weigh in regularly on our incentive compensation program.

Prohibition on Liberal Share Recycling

The Plan no longer allows liberal share recycling. By prohibiting liberal share recycling, stockholders will have a better sense of the size of the awards we are issuing and how many shares we have left in the share pool at any given time.

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Fungible Share Pool

Previously, the Plan limited the number of shares that could be granted as full-value awards and those that could be granted as stock options or stock appreciation rights (“SARs”). The Restatement introduces a fungible share pool with no such restrictions to give the Committee greater flexibility in determining the right mix of equity awards to incentivize participants. However, to the extent the Committee uses the share pool to grant more valuable awards, the share pool will be depleted quicker. Each full value share grant will reduce the share pool by two shares, while each option grant will reduce the pool by one share.

Expanded Performance Metrics and More Robust Annual Award Limits

Section 162(m) of the Internal Revenue Code of 1986, as amended (the “Code”) limits the extent to which a public company’s compensation to executives is deductible, with an exception for qualified “performance-based compensation”. In order to designate awards as qualified performance-based compensation, the Company must establish performance metrics and impose annual award limits. We have expanded the performance metrics that can be used for this purpose, as discussed in the section of this proxy statement entitled “Approval of Amendment and Restatement of the FMC Corporation Incentive Compensation and Stock Plan—Summary of Plan Provisions—Performance Metrics”.

In addition, we have clarified in the Restatement annual caps for awards that may qualify as performance-based compensation. First, a participant may not receive stock options and SARs covering more than 500,000 shares of Common Stock in any year. Second, a participant may not receive awards of restricted stock units (“RSUs”) or restricted stock with respect to more than 500,000 shares of Common Stock in any year. Third, a participant may not be paid more than eleven million dollars in any year in respect of management incentive awards.

Additional Award Limits for Non-Employee Directors

The Restatement caps awards granted to non-employee directors (in their capacity as such) at $500,000 annually, based on the grant-date fair value of the awards, as measured for accounting purposes. This limit on non-employee director awards excludes awards made to a non-executive chairman of the Board in that capacity.

Minimum Vesting Requirements

The Committee historically imposed a minimum vesting period of at least twelve months on most awards through individual award agreements, in order to promote the retention of executives and directors. In line with best practices, the Restatement hardwires a minimum vesting requirement into the Plan so that awards granted will vest no sooner than twelve months following grant. Nonetheless, in order to maintain the flexibility to make special or one-time grants with shorter vesting periods in limited instances, the Committee retains the right to waive minimum vesting requirements with respect to a small percentage of awards (five percent of shares available for issuance and five percent of shares that again became available for issuance in the event of an award's forfeiture, cancellation or expiration).

No Automatic Acceleration upon a Change in Control

The Restatement reflects the Company's current practice not to provide for automatic acceleration of vesting of awards on a change in control. Rather, we believe that it is important for the Committee to maintain flexibility as to the proper treatment of awards upon a change in control, so the Plan leaves this to the Committee's judgment. In practice, we have entered into agreements with our NEOs that generally provide that awards only vest on an accelerated basis upon a change in control if the NEO also experiences a severance event (so-called "double trigger" arrangements).

Express Prohibition on Option and SAR Repricing

The Restatement expressly prohibits the Company from cashing out underwater options or SARs without stockholder approval. Previously, the Plan had prohibited the Committee from repricing a stock option without stockholder approval by (a) reducing its exercise price after the grant date or (b) canceling the option and replacing it with an option with a lower exercise price. The Restatement extends both of these prohibitions to SARs. In addition, it prohibits the Committee from, without stockholder approval, making a cash payment to a participant in exchange for his or her agreement to cancel a stock option or SAR where the exercise price is greater than the current fair market value.

Summary of Plan Provisions

The principal provisions of the Plan are summarized below. This summary is qualified in its entirety by reference to the actual Plan as revised by the Restatement proposed in this proxy statement, a copy of which is attached to the electronic copy of this proxy statement filed with the Securities and Exchange Commission ("SEC") and may be accessed from the SEC's home page (www.sec.gov) or the Investor Relations link of FMC's website (www.fmc.com). In addition, a copy of the Plan may be obtained upon written request to: Corporate Secretary, FMC Corporation, FMC Tower at Cira Centre South, 2929 Walnut Street, Philadelphia, PA, 19104.

Administration

The Plan vests broad powers in a committee to administer and interpret the Plan. Currently, that committee is the Compensation and Organization Committee of the Board of Directors. Except when limited by the terms of the Plan, the Committee has the authority to, among other things: select the persons to be granted awards; determine the type, size and term of awards; determine the time when awards will be granted and any conditions for receiving awards; establish performance objectives and conditions for earning awards; determine

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whether such performance objectives and conditions have been met; amend the plan at any time; and determine when awards may be settled in cash, stock or a combination of the two. Under Delaware Law, the Committee may delegate to officers of the Company the authority to grant awards to employees who are not executive officers. In those cases, any references to the Committee will also include the delegated officers.

Under the Plan, the Committee has discretion in making adjustments to outstanding awards; provided, however, that without stockholder approval, the Committee is not permitted to increase the number of shares of Common Stock available for issuance under the Plan or to reprice a previously granted stock option or SAR whose exercise price is higher than the current fair market value of a share. The prohibition on repricing without stockholder approval includes: reducing the instrument's exercise price, replacing it with an instrument that has a lower exercise price or making a cash payment to the participant in exchange for his or her cancellation of the instrument.

Nevertheless, the Plan specifically provides the Committee with discretion to make equitable adjustments or substitutions with respect to the number, kind and price of shares subject to outstanding awards and to the number of shares available for issuance under the Plan in the event of certain corporate events or transactions, including, but not limited to, stock splits, mergers, consolidations, separations, including spin-offs or other distribution of stock or property of FMC, reorganization, or liquidation.

The Plan is not a tax-qualified deferred compensation plan under Section 401(a) of the Code and is not subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended.

Types of Awards

The Plan provides for the grant of five basic types of awards to key participants selected by the Committee: (i) stock options, (ii) restricted stock, (iii) RSUs, (iv) SARs, and (v) management incentive awards, which are payable in cash. The Committee may designate awards of restricted stock, RSUs or management incentive awards as qualified performance-based awards, which will vest only if the Committee certifies that pre-determined performance goals have been achieved. In addition, the Plan gives the Committee discretion to craft other types of awards as it deems appropriate.

Stock Options

The Plan allows for the grant of stock options, which may be "incentive stock options" within the meaning of Section 422 of the Code or nonqualified stock options. Stock options must have an exercise price of no less than 100 percent of the fair market value of a share of Common Stock on the date of grant. The option exercise price is payable in cash or, with the consent of the Committee, in the form of shares of Common Stock, through a net cashless exercise of the option (which involves the cancellation of a portion of the option to cover the cost of exercising the balance of the option), or through a loan made by a broker. If a participant neglects to exercise an in-the-money option by the end of the term, then immediately before the option expires, it will be automatically exercised through a net cashless exercise. An in-the-money option is an option with an exercise price that is lower than the then-fair market value of a share of Common Stock.

Restricted Stock

The Plan allows for the grant of shares of restricted stock. An award of restricted stock is a grant of outstanding shares of Common Stock which are subject to vesting conditions and transfer restrictions. Generally, shares of restricted stock that are not vested at the time of an employee's termination of employment will be forfeited.

Restricted Stock Units

The Plan allows for the grant of RSUs. RSUs represent a right to receive from the Company, following fulfillment of applicable vesting conditions, either a specified number of shares of Common Stock or a cash payment equal to the market value (at the time of the distribution) of a specified number of shares of Common Stock. Whether RSUs are payable in Common Stock and/or cash is determined by the Committee in its discretion. Generally, RSUs that are not vested at the time of an employee's termination of employment will be forfeited.

SARs

The Plan allows for the grant of SARs. A SAR represents the right to receive any appreciation in a share of Common Stock over a particular time period. These awards are intended to mirror the benefit the employee would have received if the Committee granted the employee a stock option.

Management Incentive Awards

The Plan allows for the grant of management incentive awards. Management incentive awards represent the right to receive a specified amount of cash upon the achievement of performance goals approved by the Committee. We grant these awards under our Annual Incentive program, described in more detail in the section in this proxy statement entitled "Compensation Discussion and Analysis—Components of Executive Compensation—Annual Incentive".

Eligibility

Key employees, directors and consultants of FMC and its divisions, subsidiaries and affiliates (including partnerships, joint ventures or other entities in which FMC has a substantial investment) are eligible to be granted awards under the Plan. As of February 28, 2017, approximately 200 people were eligible to participate in the Plan, including the Company's ten non-employee directors. The Committee selects participants from this pool of eligible individuals.

Expiration of Awards

Options and SARs typically expire ten years after grant, or earlier if the participant terminates employment before that time, unless otherwise provided in a participant's award agreement.

Vesting

The Committee determines the vesting conditions for awards. A time-based condition requires that the participant be employed or otherwise in the service of the Company for a certain amount of time in order for the award to vest. Equity awards granted under the Plan must have a minimum vesting period of twelve months. However,

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the Committee has discretion to vest a small number of equity awards sooner than twelve months: five percent of the shares available for issuance on April 25, 2017, and five percent of the shares that again became available for issuance in the event of an award's forfeiture, cancellation, or expiration. A performance-based condition requires that certain performance criteria be achieved in order for the award to vest. For a discussion of the performance-based vesting criteria the Committee may impose upon an award, see the section of this proxy statement entitled "Approval of Amendment and Restatement of the FMC Corporation Incentive Compensation and Stock Plan—Summary of Plan Provisions—Performance Metrics".

Shares of Stock Available for Issuance

As of February 28, 2017, 3,766,000 shares remained available for future awards under the Plan. The number of shares purchasable under all outstanding vested and unvested options granted under the Plan was 2,990,000. The number of shares underlying all outstanding RSUs under the Plan was 1,019,000, assuming all RSUs were settled at the highest return rate.

The Restatement seeks stockholder approval to authorize an additional 1,250,000 shares for issuance.

The Committee may utilize any of these shares toward the grant of any type of award under the Plan. If a stock option or SAR is granted, each share of stock underlying the award will deplete the available pool by one share. However, if any other type of award is granted, each share of stock underlying the award will deplete the available pool by two shares.

On February 28, 2017, the closing price per share of the Common Stock on the NYSE was $57.62.

Award Limits

In a particular calendar year, no participant may (a) receive stock option and SAR awards covering more than 500,000 shares of Common Stock, (b) receive RSU or restricted stock awards with respect to more than 500,000 shares of Common Stock, or (c) be paid more than eleven million dollars in respect of management incentive awards. No non-employee director may receive, in his or her capacity as a non-employee director, awards in any calendar year that exceed $500,000 in grant-date fair value, as measured for accounting purposes. This limit on non-employee director awards excludes awards made to a non-executive chairman of the Board in that capacity.

Performance Metrics

The following are performance metrics that the Committee may utilize in order to designate awards as qualified performance-based compensation: (i) the attainment of certain target levels of, or a specified percentage increase in, net sales, unit sales, revenues, market share, earnings, operating earnings, income before income taxes, net income, pretax income before allocation of corporate overhead and bonus, earnings before income tax, earnings before interest and taxes and earnings before interest, taxes, gross margins, depreciation and amortization, or a combination of any or all of the foregoing; (ii) the attainment of certain target levels of, or a percentage increase in, after-tax or pre-tax profits including that attributable to continuing and/or other operations; (iii) the attainment of certain target levels of, or a specified increase in, cash outflow or operational cash flow; (iv) the achievement of a certain level of, reduction of, or other specified objectives with regard to limiting the level of increase in, all or a portion of, the Company's bank debt or other long-term or short-term public or private debt or other similar financial obligations of the Company, which may be calculated net of such cash balances and/or other offsets and adjustments as may be established by the Committee; (v) the attainment of a specified level of, or specified percentage increase in, earnings per share or earnings per share from continuing operations; (vi) the attainment of certain target levels of, or a specified increase in, return on capital employed or return on invested capital or assets; (vii) the attainment of certain target levels of, or a percentage increase in, after-tax or pre-tax return on stockholders' equity or total shareholder return; (viii) the attainment of certain target levels of, or a specified increase in, economic value added targets based on a cash flow return on investment formula; (ix) the growth in the value of an investment in the shares of Common Stock assuming the reinvestment of dividends; (x) the attainment of a specified level of, or specified percentage rate of change in, all or certain costs, inventory, assets (specified or total) and/or working capital; and/ or (xi) the attainment of a specified level of, or specified percentage rate of change in, customer satisfaction, employee satisfaction, diversity, and/or retention.

These performance metrics may be measured on a consolidated basis, or only with respect to certain entities, divisions or operational units. In addition, they may be measured in absolute terms, relative to prior periods, and/or relative to the performance of other peer companies or indices selected by the Committee. If applicable, the performance metrics may be measured on an aggregate or per share basis.

The Committee may adjust these performance metrics to exclude the effects (either on a before or after-tax basis) of any one or more of: (i) "extraordinary items" (meaning all items determined to be extraordinary or unusual in nature or infrequent in occurrence or related to a corporate transaction (including a disposition or acquisition) or related to a change in accounting principles, all as determined in accordance with standards established by the Accounting Principles Board), (ii) business restructurings, discontinued operations, non-operating pension and post-retirement charges, changes in foreign currency exchange rates, changes in estimates of tax matters related to prior years, changes in the realizability of deferred tax assets, changes in laws or regulations, or (iii) to the extent consistent with any applicable requirements of Section 162(m) of the Code, such other items specified by the Committee. These adjustments may be applied on a consolidated basis, or only with respect to certain entities, divisions or operational units.

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Recycling of Shares

Liberal share recycling is prohibited under the Plan. If a stock option or SAR is exercised, the full number of shares subject to the exercise will count against the number of shares remaining available for issuance under the Plan and cannot be recycled back into the available pool of shares. This is the case even if the participant satisfied the option price of the stock through a net cashless exercise of the option (cancellation of a portion of the option to cover the cost of exercising the balance of the option) or by delivering shares to the Company. Similarly, even if the Company delivered a net number of shares to a participant upon exercise of a SAR, the full number of shares subject to that SAR will count against the number of shares remaining for issuance under the Plan. Shares withheld to satisfy tax withholding requirements, and shares repurchased on the open market by the Company using proceeds from the exercise of a stock option, will also count against the number of shares remaining for issuance under the Plan.

Share recycling is permitted in the limited circumstance when an award is forfeited, cancelled or has expired. The shares subject to such an award will become available again for issuance under the Plan. Each full value grant of such shares will reduce the share pool by two shares, while each option grant will reduce the pool by one share.

Federal Tax Consequences

Under the Code as currently in effect, a grant under the Plan of stock options, SARs, restricted stock or RSUs would have no federal income tax consequence at the time of grant. All amounts taxable as ordinary income to participants under the Plan in respect of awards are expected to be deductible by FMC as compensation at the same time the participant recognizes the ordinary income, subject to the limitations of Section 162(m) of the Code.

Options and SARs

Upon exercise of a nonqualified stock option, the excess of the fair market value of the stock at the date of exercise over the exercise price is taxable to a participant as ordinary income. Similarly, upon exercise of a SAR, the value of the shares or cash received is taxable to the participant as ordinary income. Upon exercise of an incentive stock option that a participant has held for at least two years after the date of grant and at least one year after the date of exercise, the participant will not have taxable income, except that alternative minimum tax may apply. When there is a disposition of the shares subject to the incentive stock option, the difference, if any, between the sale price of the shares and the exercise price of the option, is treated as long-term capital gain or loss. If the participant does not satisfy these holding period requirements, a "disqualifying disposition" occurs and the participant will recognize ordinary income in the year of the disposition in an amount equal to the excess of the fair market value of the shares at the time the option was exercised over the exercise price of the option. Any gain realized in excess of the fair market value at the time of exercise will be short or long-term capital gain, depending on whether the shares were sold more than one year after the option was exercised.

Restricted Stock

Unless the participant elects to recognize its value as income at the time of the grant, restricted stock is taxable to a participant as ordinary income when it becomes vested.

RSUs

When shares of Common Stock or cash with respect to RSU awards are delivered to the participant, the value of the shares or cash is taxable to the participant as ordinary income. Delivery of shares or cash to participants under RSUs occurs either upon vesting or upon conclusion of any applicable deferral period, such as upon retirement from (or other termination of service on) the Board of Directors in the case of RSUs granted to Board members.

Adjustments

The Committee may adjust the awards of any participant or performance measures. To the extent that the exercise of such discretion subjects FMC to the limitation on its tax deduction of a participant's compensation as set forth in Section 162(m) of the Code, the Committee believes that it is in the best interest of FMC and its stockholders to preserve the Committee's authority to so act and that, in any event, such limitation should not have a material effect on FMC's tax liability or earnings.

Change in Control

In the event of a change in control of the Company, there is no automatic acceleration of the vesting of awards granted under the Plan. To the extent a participant's award agreement does not provide for particular treatment upon a change in control, the Committee will have discretion as to how to treat the awards. The Committee may make substitutions, adjustments or settlements of outstanding awards in its discretion upon a change in control, subject to applicable law. The Committee may cancel any outstanding vested stock options or SARs that have not been exercised prior to the change in control, irrespective of the terms set forth elsewhere in the Restatement or in a participant's award agreement.

Upon a change in control, the Committee may terminate the award cycle early for any outstanding management incentive awards. The participant will receive the greater of (a) an amount equal to what he or she would have earned had the Company achieved target performance at the end of the full award cycle, pro-rated to reflect the portion of the award cycle that elapsed prior to the change in control, or (b) the amount that he or she otherwise would have earned based on the actual achievement of any performance goals prior to the change in control, unless the Committee determines otherwise.

Clawback

The awards are subject to recoupment by the Company if a participant engages in serious misconduct or if otherwise required by the Company's clawback policy.

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Equity Compensation Plan Information

The table below sets forth information with respect to compensation plans under which equity securities of the Company are authorized for issuance as of December 31, 2016. All of the equity compensation plans pursuant to which we are currently granting equity awards have been approved by stockholders:

Plan Category *(Shares in thousands, except per share data)*	**Number of securities to be issued upon exercise of outstanding options and restricted stock unit awards (A)(1)**	**Weighted-average exercise price of outstanding option awards (B)(2)**	**Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in Column (A))**
Equity Compensation Plans approved by stockholders	3,610	$ 45.34	4,334

(1) Includes 2,749,000 stock options and 653,000 restricted stock unit awards granted to employees and 208,000 restricted stock units held by directors.

(2) Taking into account all outstanding awards included in this table, the weighted-average exercise price of such stock options is $45.34 and the weighted-average term-to-expiration is 6.1 years.

New Plan Benefits

The future awards that participants may receive under the Plan are discretionary, and therefore, not determinable at this time. However, at least $130,000 of the annual compensation payable to the members of the Board of Directors is currently paid in the form of RSUs. The number of RSUs that will be granted to the directors will depend on the fair market value of the Common Stock on the date of grant as well as on the exact amount of a director’s annual retainer that he or she elects to receive in the form of RSUs. See the section of this proxy statement entitled “Information About the Board of Directors and Corporate Governance—Director Compensation”.

Required Vote

The affirmative vote of holders of a majority of FMC's Common Stock present at the Annual Meeting in person or by proxy and entitled to vote is required to approve the Restatement. Abstentions will count as votes cast against the Restatement, whereas broker non-votes will not be counted.

The Board of Directors unanimously recommends a vote FOR Approval of the Amendment and Restatement of the FMC Corporation Incentive and Stock Plan.

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III. BOARD OF DIRECTORS

Nominees for Director

New Term Expiring in 2018

Pierre Brondeau

Principal Occupation: President, CEO and Chairman, FMC Corporation

Age: 59

Director Since: 2010

Mr. Brondeau was elected Chairman of the Company in October 2010. Before joining the Company as President and Chief Executive Officer in January 2010, Mr. Brondeau served as President and Chief Executive Officer, Dow Advanced Materials Division, until his retirement in September 2009. Prior to Dow's acquisition of Rohm and Haas Company in April 2009, he was President and Chief Operating Officer of Rohm and Haas from May 2008. Mr. Brondeau held numerous executive positions during his tenure at Rohm and Haas from 1989 through May 2008. He is also a member of the Board of Directors of TE Connectivity. Mr. Brondeau's current role as President, CEO and Chairman of the Company and his former senior executive positions in the chemical industry make him an important contributor to the Board.

Eduardo E. Cordeiro

Principal Occupation: Executive Vice President, Chief Financial Officer, and President, Americas Region, of Cabot Corporation, a global specialty chemicals and performance materials company

Age: 49

Director Since: 2011

Mr. Cordeiro has served as Executive Vice President and Chief Financial Officer of Cabot Corporation since 2009. In 2014 he was also appointed President, Americas Region. He joined Cabot in 1998 and has held several corporate, business and executive management positions including General Manager of Cabot's Fumed Metal Oxides and Tantalum businesses and Vice President of Corporate Strategy. Prior to joining Cabot, Mr. Cordeiro was a consultant with The Boston Consulting Group and a founding partner of The Economics Resource Group. Mr. Cordeiro brings extensive strategy, finance and chemical industry experience to the Board. He has developed corporate strategy experience working for The Boston Consulting Group and more specifically chemical industry strategy experience leading Cabot's corporate strategy function for the last several years. He also brings deep financial experience having held multiple finance roles at Cabot over the last 15 years, including, most recently, the CFO position. Mr. Cordeiro also brings operational and chemical industry business experience to the Board having been General Manager for two of Cabot's core specialty chemical businesses.

G. Peter D'Aloia

Principal Occupation: Managing Director and member of the Board of Directors of Ascend Performance Materials Holdings, Inc., a producer of Nylon 66 and related chemicals

Age: 72

Director Since: 2002

Mr. D'Aloia has served as Managing Director and a member of the Board of Directors of Ascend Performance Materials Holdings, Inc. since June 1, 2009. From February 2000 until June 2008, Mr. D'Aloia served as Senior Vice President and Chief Financial Officer of Trane, Inc. (formerly American Standard Companies, Inc.). Prior to that, he was employed by Honeywell (formerly AlliedSignal Inc.), a diversified industrial company, most recently serving as Vice President-Strategic Planning and Business Development. He spent 28 years with AlliedSignal Inc. in diverse management positions, including Vice President-Taxes, Vice President and Treasurer, Vice President and Controller, and Vice President and Chief Financial Officer for the Engineered Materials sector. He is a member of the Boards of Directors of ITT Corporation and Wabco, Inc. Mr. D'Aloia's significant financial and business experience resulting from senior executive and financial roles in large manufacturing operations, and service as a director of other public companies, make him eminently qualified to be a director of the Company and to serve as a financial expert on the Audit Committee.

C. Scott Greer

Principal Occupation: Principal, Greer and Associates, a private investment management firm

Age: 66

Director Since: 2002

Since June 2006, Mr. Greer has been a principal in Greer and Associates, a private investment management firm. Until June 2005, he was Chairman, President and Chief Executive Officer of Flowserve Corporation, a manufacturer of industrial flow management equipment. He served as Chairman from April 2000 and as its President and Chief Executive Officer from January 2000. Mr. Greer joined Flowserve Corporation in 1999 as President and Chief Operating Officer. Prior to joining Flowserve, Mr. Greer was President of UT Automotive, a subsidiary of United Technologies Corporation, a supplier of automotive systems and components, from 1997 to 1999. He was President and a director of Echlin, Inc., an automotive parts supplier, from 1990 to 1997, and its Chief Operating Officer from 1994 to 1997. Mr. Greer served on the Board of Directors of Washington Group from 2002 to 2007. He was also a member of the Board of Directors of eMedicalFiles, Inc. Mr. Greer's experience in senior executive roles, including as Chairman and CEO of a publicly-traded global manufacturing operation, as well as his service as a director of other public companies, enable him to make a significant contribution as a director of the Company.

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K'Lynne Johnson

Principal Occupation: Former CEO and President of Elevance Renewable Sciences, Inc., a global specialty chemicals company

Age: 48

Director Since: 2013

Ms. Johnson was Executive Chairman of Elevance Renewable Sciences, Inc. from October 2015 until the end of February 2016. Prior to being named Executive Chairman, Ms. Johnson served for eight years as CEO and President. Elevance products and technologies are used in personal care products, detergents and cleaners, lubricants and additives, engineered polymers and other specialty chemicals markets. Previously, Ms. Johnson served as Senior Vice President of the Global Derivatives operating company within BP Innovene, one of the world's largest global petrochemical and refining companies. She has served in a variety of leadership and executive positions for 25 years at Amoco, BP Chemicals, Innovene and Elevance. Ms. Johnson brings both operational and chemical industry experience which are of great value to the Board.

Dirk A. Kempthorne

Principal Occupation: President and CEO, American Council of Life Insurers

Age: 65

Director Since: 2009

Governor Kempthorne was appointed to his current position with the American Council of Life Insurers in November 2010. Prior to that, he served as the 49th United States Secretary of the Interior from June 2006 until January 2009. From January 1999 until his appointment as Secretary of the Interior, Governor Kempthorne served as the Governor of Idaho. He was also a United States Senator representing the State of Idaho from 1993 to 1999 and was the Mayor of Boise, Idaho from 1986 to 1993. Governor Kempthorne has been Chairman of the National Governors Association, Chairman of the Western Governors Association and President of the Council of State Governments. He also served as a member of the Homeland Security Task Force. Governor Kempthorne is a member of the Board of Directors of Olympic Steel. His lengthy experience in government, both on the federal and state level, makes Governor Kempthorne well qualified to serve as a director of the Company, which interfaces with numerous regulatory agencies in several facets of its operations.

Paul J. Norris

Principal Occupation: Retired Chairman and Chief Executive Officer of W. R. Grace & Co., a manufacturer of specialty chemicals

Age: 69

Director Since: 2006

Until May 2005, Mr. Norris served as Chairman and Chief Executive Officer of W. R. Grace & Co., a manufacturer of specialty chemicals. Mr. Norris was actively engaged in W. R. Grace's businesses for the six years prior to his retirement as Chief Executive Officer. He resigned as a member of W. R. Grace's Board of Directors in February 2010. Mr. Norris joined W.R. Grace as President and CEO in November 1998 and became Chairman in January 1999. Prior to joining W.R. Grace, Mr. Norris was at AlliedSignal Inc. (now known as Honeywell) for nine years and served as Senior Vice President and President, Specialty Chemicals, from 1997 to 1998; President, AlliedSignal Polymers Division from 1994 to 1997; and President, AlliedSignal Chemicals & Catalysts (formerly Fluorine Products Division) from 1989 to 1994. From 1981 to 1989, Mr. Norris served in various executive capacities with Engelhard Corporation (now a part of BASF Corporation), including President of Catalysts and Chemicals, Senior Vice President and General Manager of Catalysts, and Vice President and Business Director for Petroleum Catalysts. Mr. Norris has previously served on the Board of Directors of Borden Chemicals, Inc., Ecolab, Inc. and Nalco Holding Company, and he served as the Non-Executive Chairman of the Board of Directors of Sealy Corporation. He also previously performed advisory services for Kohlberg Kravis Roberts & Co. As the former Chairman and CEO of a specialty chemical company and with over 30 years in the chemical industry, Mr. Norris has significant business experience relevant to the Company which makes him well qualified to serve as a director.

Margareth Øvrum

Principal Occupation: Executive Vice President, Technology, Projects & Drilling of Statoil ASA, an international oil and gas exploration and production company

Age: 58

Director Since: 2016

Ms. Øvrum has served as Executive Vice President of Statoil ASA since 2004. She has global responsibility for technology research, procurement, projects and drilling. Prior to her current position, she held numerous senior leadership positions within Statoil, including Executive Vice President, Technology and New Energy; Executive Vice President, Health and Safety; Senior Vice President, Operations Support; Vice President, Veslefrikk Field; and Platform Manager. Ms. Øvrum is a member of the Board of Directors of Atlas Copco AB and Alfa Laval AB. Ms. Øvrum's strong operations background with deep experience in process technology, safety, sustainability and environmental management, along with her wide international view and exceptional knowledge of European markets, make her well qualified to serve as a director of the Company.

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Robert C. Pallash

Principal Occupation: Retired President, Global Customer Group and Senior Vice President of Visteon Corporation, an automotive parts manufacturer

Age: 65

Director Since: 2008

Until December 2013, Mr. Pallash served as President, Global Customer Group and Senior Vice President of Visteon Corporation, an automotive parts manufacturer, since January 2008. From August 2005 to January 2008, Mr. Pallash was Senior Vice President, Asia Customer Group for Visteon. He joined Visteon in September 2001 as Vice President, Asia Pacific. Visteon filed for bankruptcy protection under Chapter 11 of the U.S. Bankruptcy Code in May 2009 and exited in October 2010. Prior to joining Visteon, Mr. Pallash served as President of TRW Automotive Japan from 1999. Until December 2013, Mr. Pallash served on the Board of Directors of Halla Climate Controls in South Korea, a majority-owned subsidiary of Visteon Corporation. Mr. Pallash's international experience, particularly in Asia where the Company seeks to grow its business, enables him to bring significant value as a member of the Board.

William H. Powell

Principal Occupation: Retired Chairman and Chief Executive Officer of National Starch and Chemical Company, a producer of specialty polymers, electronic and engineering materials, and specialty food ingredients

Age: 71

Director Since: 2011

Mr. Powell retired as Chairman and Chief Executive Officer of National Starch and Chemical Company in 2006. He joined National Starch in 1976 and held numerous management and executive positions in the company. When National Starch was a subsidiary of the UK chemical company ICI PLC, Mr. Powell was an Executive Vice President and a director of ICI PLC. Prior to joining National Starch, he was with Novamont Corporation and Air Products and Chemicals, Inc., and served as an officer in the United States Air Force. He currently serves as a non-executive director for Granite Construction Incorporated and PolyOne Corporation. Mr. Powell's deep background in the chemical industry, his global expansion and innovation systems experience, his extensive public company board service, and his role as a chief executive officer during periods of growth add great value to the Board of the Company.

Vincent R. Volpe, Jr.

Principal Occupation: Retired Chief Executive Officer and President of Dresser-Rand Group, Inc., an industrial equipment supplier

Age: 59

Director Since: 2007

In 2015 Mr. Volpe became Chairman, CEO and President and Principal of the LeHavre Athletic Club, France's oldest professional soccer team. Until September 2015, Mr. Volpe was the Chief Executive Officer, President and a director of Dresser-Rand Group, Inc., a leading supplier of rotating equipment solutions to the worldwide oil, gas, petrochemical and process industries. He had served in those positions since his election in September 2000. Previously he served as Chief Operating Officer of Dresser-Rand Group, Inc. from 1999 until September 2000. After joining Dresser-Rand in 1981, Mr. Volpe held several diverse management positions. He served as President, Turbo Products Division from 1997-1999; President-Europe from 1996-1997; Vice President and General Manager, Turbo Products Division-European Operations from 1993-1996; Executive Vice President, European Operations from 1992-93; and Vice President, Marketing and Engineering, Steam & Turbo Products-European Operations. Mr. Volpe is currently Vice Chairman of the Board of Directors of eCORP International, LLC, an energy and energy services company. He is also an advisor to the Board of Directors of Archbishop Walsh High School (Olean, NY). Based on his previous role as the CEO of a large manufacturing company and with his significant international experience, Mr. Volpe has the experience necessary to provide valuable oversight to the Company in the conduct of its business.

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IV. INFORMATION ABOUT THE BOARD OF DIRECTORS AND CORPORATE GOVERNANCE

Meetings

During 2016, the Board of Directors held five regular meetings and one telephonic meeting. All incumbent directors attended at least 75% of the total number of meetings of the Board and all Committees on which they served.

Committees and Independence of Directors

The Board of Directors has five standing Committees: an Audit Committee, a Compensation and Organization Committee, a Nominating and Corporate Governance Committee, an Executive Committee and a Sustainability Committee.

The Audit Committee, Compensation and Organization Committee, and Nominating and Corporate Governance Committee are all composed of non-employee directors, each of whom has been determined by the Board to be independent on the basis set forth below. With the exception of the Chief Executive Officer, Mr. Brondeau, no director or nominee is currently, or was within the past three years, employed by the Company, its subsidiaries or affiliates.

The Board has affirmatively determined that none of the non-employee directors has any material business, family or other relationship with the Company, its subsidiaries or affiliates other than as a director, and that they all qualify as independent. Specifically, the independent directors are Messrs. Cordeiro, D'Aloia, Greer, Kempthorne, Norris, Pallash, Powell and Volpe, Ms. Johnson and Ms. Øvrum. In order to be considered independent by the Board, a director or nominee must meet the requirements set forth in the SEC and New York Stock Exchange ("NYSE") rules regarding independence.

Mr. Cordeiro is an executive officer of Cabot Corporation, a business that has engaged in transactions with the Company in the past year. The Board has determined that none of these transactions, individually or in the aggregate, were material to the Company or the other entity, and that Mr. Cordeiro does not have a material interest in the transactions. Furthermore, the Board noted that that the transaction amounts fall below the thresholds established by the NYSE for determining independence. FMC's purchases from Cabot Corporation were $49,325.14 in 2016; there were no FMC sales to Cabot Corporation in 2016; and there were no sales or purchases in 2014 or 2015. On the basis of its evaluation, the Board has concluded that Mr. Cordeiro meets the independence standards applied by the Board.

Audit Committee

The Board of Directors has adopted a written charter that outlines the duties of the Audit Committee, including conducting an annual self-assessment. A current copy of the Charter is posted on the Company's website, as described in the section below entitled "Corporate Governance Documents". The principal duties of this Committee, among other things, include:

- Review the effectiveness and adequacy of the Company's internal controls
- Review the annual report, proxy statement and periodic SEC filings such as the Company's reports on Form 10K and 10Q, including Management's Discussion and Analysis, and ensure that the Company's financial reports fairly represent its operations
- Review the effectiveness, scope and performance of activities of the independent registered public accounting firm and the internal auditor function
- Review significant changes in accounting policies
- Select the independent registered public accounting firm and confirm its independence
- Review potentially significant litigation
- Review federal income tax issues
- Review the Company's policies with respect to risk assessment and risk management

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- Review with management the Company's earnings releases
- Monitor the Company's compliance with legal and regulatory requirements
- Pre-approve audit and non-audit services provided by the independent registered public accounting firm

Members: Mr. Cordeiro (Chair), Mr. D'Aloia, Mr. Norris, Mr. Pallash, and Mr. Volpe. The Board of Directors has determined that both Messrs. Cordeiro and D'Aloia meet the SEC requirements for an "audit committee financial expert" and all current members of the Committee are "financially literate" as required by the NYSE. The Board has also determined that no current Committee member sits on the audit committee of more than three public companies.

Number of Meetings in 2016: 6

Compensation and Organization Committee

The Board of Directors has adopted a written charter that outlines the duties of the Compensation and Organization Committee, including conducting an annual self-assessment. A current copy of the Charter is posted on the Company's website, as described in the section below entitled "Corporate Governance Documents".

The principal duties of this Committee are discussed more fully in the Compensation Discussion and Analysis, and include, among other things:

- Review and approve compensation policies and practices for senior executives
- Review and approve the peer groups used for benchmarking compensation levels and design practices as well as Total Shareholder Return ("TSR") performance
- Review as necessary the Company's compensation programs, policies and practices with respect to risk assessment
- Review performance and establish the total compensation for the Chief Executive Officer
- Review and approve major changes in the Company's employee benefit programs
- Approve Annual Incentive awards, performance-based cash awards and equity awards and grants made under the Company's Incentive Compensation and Stock Plan
- Review the Compensation Discussion and Analysis and based on such review, recommend to the Board of Directors that it be included in the annual proxy statement

- Review stockholder votes and other input on executive compensation practices and determine if any changes are necessary
- Review significant organizational changes and management succession planning
- Recommend to the Board of Directors candidates for officers of the Company
- Oversee evaluation of management performance and development
- Review stock ownership guidelines and clawback, hedging, and pledging policies

Members: Mr. Greer (Chair), Ms. Johnson, Mr. Norris and Mr. Powell.

Number of Meetings in 2016: 4

Nominating and Corporate Governance Committee

The Board of Directors has adopted a written charter that outlines the duties of the Nominating and Corporate Governance Committee, including conducting an annual self-assessment. A current copy of the Charter is posted on the Company's website, as described in the section below entitled "Corporate Governance Documents". The principal duties of this Committee, among other things, include:

- Review and recommend candidates for director
- Recommend Board of Directors meeting formats and processes
- Oversee corporate governance, including an annual review of governance principles
- Review and approve director compensation policies, including the determination of director compensation
- Oversee Board of Directors and Committee evaluation procedures
- Determine director independence
- Recommend whether to accept or reject a director resignation or take other action, where a director has failed to receive a majority of votes cast in an uncontested director election

Members: Mr. Volpe (Chair), Mr. Cordeiro, Mr. D'Aloia, Mr. Greer and Mr. Kempthorne.

Number of Meetings in 2016: 3

Executive Committee

The Executive Committee acts in place of the Board of Directors when the full Board of Directors is not in session.

Members: Mr. Brondeau (Chair), Mr. D'Aloia, Mr. Greer and Mr. Cordeiro (Alternate).

Number of Meetings in 2016: The Executive Committee did not meet in 2016.

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Sustainability Committee

The Board of Directors has adopted a written charter that outlines the duties of the Sustainability Committee, including conducting an annual self-assessment. A current copy of the Charter is posted on the Company's website, as described in the section below entitled "Corporate Governance Documents". The principal duties of this Committee, among other things, are to:

- Monitor the Company's Sustainability Program, including program development and advancement, goals and objectives, and progress toward achieving those objectives, as well as the following subprograms:
  - Employee occupational safety and health, and process safety programs
  - Environmental responsibility
  - Programs with regard to the American Chemistry Council's Responsible Care® initiative

Members: Mr. Kempthorne (Chair), Ms. Johnson, Ms. Øvrum, Mr. Pallash and Mr. Powell.

Number of Meetings in 2016: 2

Director Who Presides Over Executive Sessions

In accordance with the FMC Corporation Statement of Governance Principles, Policies and Procedures, the non-employee members of the Board of Directors meet in regularly scheduled executive sessions without management. The Lead Director, Mr. D'Aloia, presides over these sessions. See the section below entitled "Board Leadership Structure" for additional information regarding the role of the Lead Director. In addition, see the section below entitled "Communicating with the Board" for procedures for communicating with the Lead Director.

Director Compensation

Compensation Policy

The Company maintains the FMC Corporation Non-Employee Directors Compensation Policy to provide for the compensation described below. The Nominating and Corporate Governance Committee is responsible for reviewing and approving director compensation. Competitive market data on director pay levels and design practices are prepared by and reviewed with the Company's consultant, Aon Hewitt. The Non-Employee Directors Compensation Policy is not applicable to directors who are also employees of the Company. Accordingly, Mr. Brondeau received no additional compensation for his service as a director. For a description of the compensation paid to Mr. Brondeau for his service during 2016 as our CEO, see below under the heading "Executive Compensation".

Retainer and Fees

Currently, each non-employee director is paid an annual retainer of $100,000 or a pro-rata amount for any portion of a year served. The retainer is paid in quarterly installments in cash, or, at his/her election, the director may be compensated in additional restricted stock units. Restricted stock units paid in respect of the annual retainer are subject to forfeiture on a pro-rata basis if the director does not serve for the full year in respect of which the retainer is paid. The forfeiture condition is waived in the event of a change in control of the Company or if the director's service ceases due to his or her death or disability. Each director who chairs a Committee is paid an additional $10,000 per year except the Chairman of the Audit Committee and the Chairman of the Compensation and Organization Committee, each of whom is paid an additional $15,000 per year. Audit Committee members also receive an additional $5,000 annual retainer. The Lead Director is paid an additional $25,000 annual retainer. On May 1, 2017 the Audit Committee Chairman's fee will be raised to $20,000.

Annual Grant of Restricted Stock Units

Currently, each non-employee director also receives an annual grant of restricted stock units having a value of $130,000 on the date of grant. These restricted stock units vest at the Annual Meeting of Stockholders held in the year following the date of grant or, if sooner, upon a change in control of the Company. In addition, these restricted stock units will vest on a pro-rata basis if the director dies before the Annual Meeting at which the units would have otherwise vested.

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Payment of Vested Restricted Stock Units

A director is permitted to specify, prior to the year in which the restricted stock units are credited, the date upon which he or she wishes to receive payment in Common Stock of the fully vested restricted stock units. The directors' ability to sell any distributed shares remains subject to the restrictions of the Company's Director Stock Ownership Policy, which policy is described below.

Other Compensation

Non-employee directors receive dividend equivalent rights on all restricted stock units awarded as part of their annual retainers and on any vested restricted stock units awarded as an annual grant. Such dividend equivalent rights are credited in the form of additional restricted stock units equal in value to the cash dividends paid to stockholders. No other remuneration is paid to non-employee directors for services as a director of the Company. Non-employee directors do not participate in the Company's nonqualified deferred compensation plan or employee benefit plans, including, but not limited to, the qualified and nonqualified pension plans. The Company supports the charitable donations of directors under its matching gifts plan that provides a dollar-for-dollar match of gifts up to $15,000 per year to certain educational institutions, arts and cultural organizations, and conservation and civic organizations.

Director Stock Ownership Policy

The Company has established guidelines setting expectations for the ownership of Company stock by directors. The Director Stock Ownership Policy requires that directors hold a minimum of five times the value of the annual retainer, or $500,000. For this purpose, undistributed shares underlying restricted stock units (both vested and non-vested) are considered "held" by a director. Directors are not permitted to sell shares of Company stock, other than to satisfy tax liabilities triggered by Company equity grants, until they are within five years from mandatory retirement . If they have less than five years until mandatory retirement but at least four years, they may sell up to 20% of their shares of Company stock in excess of the $500,000 threshold (their "excess shares"). If they have less than four years until mandatory retirement but at least three years, they may sell up to 40% of the excess shares they then hold. If they have less than three years until mandatory retirement but at least two years, they may sell up to 60% of the excess shares they then hold. Finally, if they have less than two years until mandatory retirement, they may sell any excess shares they then hold. The policy ceases to apply to a director once he or she ceases to serve as a director, and exceptions may be granted by the disinterested members of the Nominating and Corporate Governance Committee on a case by case basis.

DIRECTOR COMPENSATION TABLE 2016

The table below shows the total compensation paid to each non-employee director who served on the Board during 2016.

Name (a)	Fees Earned or Paid in Cash ($) (b)	Stock Awards(1) ($) (c)	All Other Compensation(2) ($) (d)	Total ($) (e)
Eduardo E. Cordeiro	120,000	130,040	19,586	269,626
G. Peter D'Aloia	130,000	130,040	25,512	285,552
C. Scott Greer	115,000	130,040	5,105	250,145
K'Lynne Johnson	0	230,057	5,451	235,508
Dirk A. Kempthorne	10,000	230,057	23,185	263,242
Paul J. Norris	5,000	230,057	29,244	264,301
Margareth Øvrum	24,990	108,333	0	133,323
Robert C. Pallash	105,000	130,040	16,785	251,825
William H. Powell	100,000	130,040	14,965	245,005
Vincent R. Volpe, Jr.	15,000	230,057	18,559	263,616

(1) The amounts in Column (c) reflect the grant date fair value of directors' stock awards for 2016 computed in accordance with FASB ASC Topic 718. The grant date for all directors, with the exception of Ms. Øvrum, was May 1, 2016 and the number of shares granted was based on a closing price of $43.26 as of April 29, 2016. The grant date for Ms. Øvrum was July 1, 2016 (when she joined the Board) and the number of shares granted was based on a closing price of $46.06 as of that date. The aggregate number of restricted stock units outstanding at fiscal year-end for each non-employee director is as follows: Mr. Cordeiro, 9,808; Mr. D'Aloia, 20,092; Mr. Greer, 11,859; Ms. Johnson, 13,644; Mr. Kempthorne, 21,641; Mr. Norris, 49,977; Ms. Øvrum, 2,352; Mr. Pallash, 29,692; Mr. Powell, 14,715; and Mr. Volpe, 33,731.

(2) This total includes the value of dividend equivalent rights, as well as Company charitable donations under the matching gifts plan, which are limited to $15,000 per director per year. Such matching gifts included: for Mr. Cordeiro, $15,000; for Mr. D'Aloia, $15,000; for Mr. Kempthorne, $12,500; and for Mr. Powell, $8,000.

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Communicating with the Board

Stockholders and any interested parties may communicate with the Board of Directors, the Lead Director, or any individual member of the Board as follows: Communications must be in writing, sent care of the Corporate Secretary, FMC Corporation, FMC Tower at Cira Centre South, 2929 Walnut Street, Philadelphia, PA 19104. All communications with the Board, the Lead Director or any individual director will be delivered as addressed.

Director Nomination Process

The Nominating and Corporate Governance Committee and other members of the Board identify candidates for consideration by the Nominating and Corporate Governance Committee. An executive search firm may also be utilized to identify qualified candidates for consideration. The Nominating and Corporate Governance Committee evaluates candidates based on the qualifications for director described in its Charter. These qualifications shall include at a minimum, integrity and the ability to reach thoughtful, independent and logical judgments on difficult and complex issues. In addition, director candidates will be evaluated on the basis of their business experience, stature in their own fields of endeavor, diversity of perspectives they bring to the Board, and whether the candidate meets the independence standard described in the section above entitled "Committees and Independence of Directors". In seeking candidates who possess diversity of perspective, the Nominating and Corporate Governance Committee considers candidates whose diversity is based on race, gender, industry experience, type of position held, or other board experience. The Nominating and Corporate Governance Committee then presents qualified candidates to the full Board of Directors for consideration and selection. The Nominating and Corporate Governance Committee will consider nominees for election to the Board that are recommended by stockholders, applying the same criteria for candidates as discussed above, provided that a description of each nominee's qualifications for the directorship, experience and background, a written consent by a nominee to act as such, and other information specified in the By-Laws, accompany the stockholder's recommendation.

In addition to proposing a candidate for possible nomination by the Nominating and Corporate Governance Committee, any stockholder is entitled to directly nominate one or more candidates for election to the Board of Directors in accordance with the Company's By-Laws. Notice of a stockholder's intent to nominate one or more candidates for election as directors at the 2018 Annual Meeting must be delivered to the Company at the address set forth below, not later than January 25, 2018. All nominations, together with the additional information required by the Company's By-Laws, must be sent to the Corporate Secretary, FMC Corporation, FMC Tower at Cira Centre South, 2929 Walnut Street, Philadelphia, PA 19104. A copy of the Company's By-Laws may be obtained by writing to the Corporate Secretary at the same address. The Board reserves the right not to include such nominees in the proxy statement.

Stockholder-Nominated Director Candidates

In December 2016, our Board amended our by-laws to include a proxy access provision. The proxy access by-law allows a stockholder, or a group of up to 20 stockholders, owning 3% or more of our outstanding common stock continuously for at least three years, to nominate and include in our proxy materials director nominees constituting up to two individuals or 20% of the Board (whichever is greater), provided that the stockholder(s) and the nominee(s) satisfy the requirements specified in Article IV, Section 2 and 2A of our by-laws. Notice of any such nomination for the 2018 Annual Meeting must be received by the Corporate Secretary of the Company at FMC Tower at Cira Centre South, 2929 Walnut Street, Philadelphia, PA 19104, no earlier than October 18, 2017 nor later than November 17, 2017. However if the date of our 2018 Annual Meeting is more than 30 days before or more than 60 days after April 25, 2018 (the anniversary of the 2017 Annual Meeting) then notice by the stockholder must be received no earlier than the close of business on the 120th day prior to the 2018 Annual Meeting and not later than the close of business on the later of (i) the 90th day prior to the 2018 Annual Meeting and (ii) the tenth day following the day on which notice or prior public disclosure of the date of the 2018 Annual Meeting is given or made to stockholders.

Retirement/Resignation Policy for Directors

Pursuant to our Statement Of Governance Principles, Policies And Procedures, it is the policy of the Board that non-employee Directors will retire from the Board no later than the annual meeting following their 75th birthdays. The mandatory retirement age was increased from 72 in December 2016 in line with current trends. The Board believes that long-tenured directors can be beneficial because of their deep knowledge of the Company acquired through service, the continuity and stability they offer, and their grasp of the historical perspectives that can inform Company strategy. Notwithstanding this change in mandatory retirement age, the Board will continue to evaluate its members annually to ensure that the Board maintains the necessary skills, qualifications, experience and diversity, and the Board will continue to consider and implement changes to the composition of the Board as necessary in light of such evaluations.

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In addition, our Statement Of Governance Principles, Policies And Procedures also requires that a non-employee Director submit his or her resignation from the Board upon termination of his or her active service as an employee or a significant change in responsibilities. The Nominating and Corporate Governance Committee shall review the situation and make a recommendation to the Board as to whether to accept the resignation. In the case of any such required retirement or resignation, the Board may request that a director who would otherwise be due to retire or resign continue his or her service if (a) the policy would result in multiple director retirements in any 12-month period or (b) the Board deems such service to be in the best interest of our stockholders.

In accordance with our majority voting standard for the election of directors in uncontested elections, incumbent director nominees are required to tender a contingent resignation which would become effective if (i) the nominee does not receive a majority of the votes cast with respect to his or her election at any meeting of stockholders at which directors are being elected and (ii) the Board accepts such resignation.

Directors who are also executive officers of the Company are expected to retire from the Board simultaneous with retirement as an executive of the Company unless requested by the Board to continue as a Board member for an agreed period.

Attendance at Annual Meetings

The Company's policy is that all directors are expected to attend the Annual Meeting of Stockholders. All incumbent directors attended the 2016 Annual Meeting.

Stockholder Proposals for the 2018 Annual Meeting

Stockholders may make proposals to be considered at the 2018 Annual Meeting. In order to make a proposal for consideration at the 2018 Annual Meeting, a stockholder must deliver notice to the Company at the address set forth below, containing certain information specified in the By-Laws, not less than 60 or more than 90 days before the date of the meeting. However, if the Company provides public disclosure of the date of the 2018 Annual Meeting less than 70 days in advance of the meeting date, then the deadline for the stockholder's notice and other required information is 10 days after the date of the Company's notice or public disclosure of the date of the Annual Meeting.

In addition to being able to present proposals for consideration at the 2018 Annual Meeting, stockholders may also be able to have their proposals included in the Company's proxy statement and form of proxy for the 2018 Annual Meeting. In order to have a stockholder proposal included in the proxy statement and form of proxy, the proposal must be delivered to the Company at the address set forth below not later than November 17, 2017, and the stockholder must otherwise comply with applicable SEC requirements. If the stockholder complies with these requirements for inclusion of a proposal in the Company's proxy statement and form of proxy, the stockholder need not comply with the notice requirements described in the preceding paragraph.

A copy of the Company's By-Laws may be obtained by writing to the Corporate Secretary, and all notices referred to above must be sent to the Corporate Secretary, FMC Corporation, FMC Tower at Cira Centre South, 2929 Walnut Street, Philadelphia, PA 19104.

Corporate Governance Documents

The Company's website is located at *www.fmc.com*. The following corporate governance documents are posted on the Investor Relations page of the website:

- Audit Committee Charter
- Compensation and Organization Committee Charter
- FMC Statement of Governance Principles, Policies and Procedures (This document includes both the Nominating and Corporate Governance Committee Charter and the Company's Corporate Governance Principles.)
- Sustainability Committee Charter

Board Leadership Structure

Currently the positions of Chairman of the Board and Chief Executive Officer of the Company are combined. Our Corporate Governance principles provide that the Board should consider the issue of separation of the Chairman and Chief Executive Officer positions under the circumstances prevailing from time to time. When the positions are not separate, a Lead Director shall be appointed from among the independent directors. The Board has determined that the current Board structure, which combines the Chief Executive Officer and Chairman positions, and includes a Lead Director, best serves the interests of the Company and its stockholders. Combining the two roles allows for clear accountability, effective decision-making, alignment with corporate strategy, and continuity of leadership, while maintaining full engagement of the independent directors. As set forth in the Corporate Governance Principles, the responsibilities of the Lead Director under this structure include: serving as the liaison between the Chairman and the independent directors, advising on information sent to the Board, approving meeting agendas and schedules, calling meetings of the independent directors, and presiding at all meetings at which the Chairman is not present, including executive sessions. G. Peter D'Aloia was reappointed Lead Director in April 2016 for a term of two years.

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Board's Role in Overseeing the Risk Management Process

As part of the Company's risk management process, the Board regularly discusses with management the Company's major risk exposures, their potential financial impact on the Company, and the steps the Company takes to manage them. The Board also reviews the designation of the management person or entity responsible for managing such risks, and evaluates the steps being taken to mitigate the risks. The Board's monitoring role is carried out by either the full Board or a Committee that reports to the Board, depending on the risk in question. The Board has determined that a separate Risk Committee is not warranted at this time.

Code of Ethics and Business Conduct Policy

The Company has a Code of Ethics and Business Conduct Policy that applies to all directors, officers (including its Chief Executive Officer, Chief Financial Officer and Controller) and employees. It is posted on the Investor Relations page of the Company website at *www.fmc.com.* The Company intends to post any amendments to, or waivers from, the Policy required to be disclosed by either SEC or NYSE regulations on its website.

Compensation and Organization Committee Interlocks and Insider Participation

During the last fiscal year, Messrs. Greer, Norris, Powell and Ms. Johnson served as members of the Compensation and Organization Committee ("Committee"). All members of the Committee during 2016 were non-employee directors, each of whom has been determined by the Board to be independent on the basis described in the above section entitled "Committees and Independence of Directors". None of the current or former members listed above has been an officer or employee of the Company, and no executive officer of the Company has served on any board of directors or compensation committee of any other company for which any of the Company's directors served as an executive officer at any time during 2016.

Related Party Transactions Policy

The Board of Directors Statement of Policy with respect to Related Party Transactions sets forth the Company's position and procedures with respect to review, approval or ratification of related party transactions, including the types of transactions addressed by the Policy, and the corporate function responsible for applying the Policy and related procedures.

Under the Policy, “related parties” are defined to include executive officers and directors of the Company and their immediate family members, a stockholder owning in excess of 5% of the Company (or its controlled affiliates), and entities in which any of the foregoing have a substantial ownership interest or control. With respect to any transaction where a related party receives a benefit in excess of a de minimis amount of $5,000 (when aggregated with all similar transactions) the Policy requires that the transaction be pre-approved (or, if less than $120,000, ratified) by the Audit Committee and disclosed where required by SEC rules. The Policy also provides that any related party who is presented with a “corporate opportunity” within the Company’s line of business, must first offer that opportunity to the Company.

Notwithstanding the foregoing, in the case of an ordinary course of business transaction between the Company and an entity of which a director of the Company is an executive officer or significant stockholder of the entity, provided the director does not otherwise have a material interest in the transaction, the Policy provides a different standard for the review and approval of transactions that involve payments in any year to or from the Company in excess of either: (i) 1% of the Company’s annual consolidated revenue for the most recently completed fiscal year or (ii) the greater of $1 million or 1% of the other entity’s consolidated revenue for the most recently completed fiscal year. If the transaction does not exceed the above-mentioned thresholds (and the director does not have a material interest in the transaction), the transaction will be reviewed by the Nominating and Corporate Governance Committee as part of its review of director independence. If the director does have a material interest in the transaction, regardless of whether the above-mentioned thresholds are exceeded, the transaction must be approved or ratified by the Audit Committee in accordance with the preceding paragraph.

In the event of an ordinary course of business transaction that exceeds the above-mentioned thresholds where the director does not have a material interest, the transaction is not required to be pre-approved by the Audit Committee. Instead, the Audit Committee will review the transaction as soon as possible and will determine whether to either ratify or disallow the transaction. In the case of any such transaction associated with prospective directors, review and approval by the Audit Committee must occur prior to the director’s election. After approval or ratification, in each case the director will provide updated information at least annually on the aggregate payments involved in the transaction. This information will be reviewed by the Nominating and Corporate Governance Committee in connection with its review of directors’ independence. If the aggregate amounts involved in the transaction exceed the thresholds noted above, the Audit Committee shall be required again to review and ratify the transaction.

The Related Party Transactions Policy does not apply to transactions available to all employees generally and transactions involving solely matters of executive compensation.

There were no related party transactions to be approved or ratified by the Audit Committee under the Policy or disclosed pursuant to SEC rules. Notwithstanding the foregoing, please see information relating to non-material transactions within the past three years between the Company and the organization of which Mr. Cordeiro is an executive officer, in the above section entitled “Committees and Independence of Directors”.

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V. SECURITY OWNERSHIP OF FMC CORPORATION

Management Ownership

The following table shows, as of December 31, 2016, the number of shares of Common Stock beneficially owned by each current director or nominee for director, the executive officers named in the Summary Compensation Table, and all current directors, nominees for director and executive officers as a group. Each director or nominee and each executive officer named in the Summary Compensation Table (“NEOs”) beneficially owns less than one percent of the Common Stock.

Name	**Beneficial Ownership on December 31, 2016 FMC Common Stock**	**Percent of Class**
Pierre Brondeau(1)	670,045	*
Eduardo E. Cordeiro(2)	11,606	*
G. Peter D’Aloia(2)	94,896	*
Mark Douglas(1)	132,627	*
Paul Graves(1)	103,272	*
C. Scott Greer(2)	51,008	*
K’Lynne Johnson(2)	10,638	*
Dirk A. Kempthorne(2)	25,018	*
Eric Norris(1)	39,904	*
Paul J. Norris(2)	53,971	*
Margareth Øvrum(2)	0	*
Robert C. Pallash(2)	33,948	*
William H. Powell(2)	15,708	*
Andrea E. Utecht(1)	203,509	*
Vincent R. Volpe, Jr.(2)	45,651	*
All current directors, nominees and executive officers as a group—15 persons(1)(2)	1,491,801	1.1

* Less than one percent of class

(1) Shares “beneficially owned” include: (i) shares owned or controlled by the individual; (ii) shares held by the FMC Corporation Savings and Investment Plan for the account of the individual as of December 31, 2016; (iii) restricted stock units; and (iv) shares subject to options that are exercisable within 60 days of December 31, 2016. Item (iii) includes restricted stock units which the holder has no power to vote or dispose of, but in respect of which the holder is entitled to a cash payment equal to the amount of any dividends paid by the Company on its Common Stock. These units are: 113,235 for Mr. Brondeau, 51,910 for Mr. Graves, 56,073 for Mr. Douglas, 20,252 for Mr. Norris, 25,855 for Ms. Utecht, and 267,325 for all executive officers as a group. Item (iv) includes options to purchase 320,231 shares for Mr. Brondeau; options to purchase 22,498 shares for Mr. Graves; options to purchase 51,596 shares for Mr. Douglas; options to purchase 11,289 shares for Mr. Norris; options to purchase 78,385 shares for Ms. Utecht; and options to purchase 483,999 shares for all executive officers as a group. They do not include any of the performance-based restricted stock units that were granted to the NEOs in 2016 or the special performance-based restricted stock unit grant made to Mr. Brondeau in 2015, to which dividend equivalent rights are attached in both cases.

(2)

Includes vested restricted stock units credited to individual accounts of non-employee directors (see section above entitled “Director Compensation”). The number of restricted stock units credited to directors included in the table above is as follows: Mr. Cordeiro, 6,802; Mr. D’Aloia, 17,086; Mr. Greer, 8,853; Ms. Johnson, 10,638; Mr. Kempthorne, 18,635; Mr. Norris, 46,971; Ms. Øvrum, 0; Mr. Pallash, 26,956; Mr. Powell, 11,708; and Mr. Volpe, 30,725. Directors have no power to vote or dispose of shares represented by restricted stock units until the shares are distributed and, until such distribution, directors have only an unsecured claim against the Company. The holders of these restricted stock units will be credited with additional restricted stock units having a value equal to the amount of any dividends paid by the Company on its Common Stock.

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Other Security Ownership

Based on available information, the persons listed below beneficially own more than five percent of the Company's outstanding shares of Common Stock as of December 31, 2016:

Name and Address of Beneficial Owner	**Amount and Nature of Beneficial Ownership**		**Percent of Class**	
The Vanguard Group, Inc. 100 Vanguard Boulevard Malvern, PA 19355	12,910,294 shares	(1)	9.65	%
Glenview Capital Management, LLC and Larry Robbins 767 Fifth Avenue, 44th Floor New York, NY 10153	9,547,818 shares	(2)	7.14	%
BlackRock, Inc. 55 East 52nd Street New York, NY 10055	8,592,760 shares	(3)	6.42	%
Capital World Investors 333 South Hope Street Los Angeles, CA 90071	7,499,005 shares	(4)	5.60	%

(1) Based on a Schedule 13G/A filing dated February 13, 2017, as of December 31, 2016, The Vanguard Group, Inc. had sole voting power as to 211,646 of such shares, shared voting power as to 20,954 shares, sole dispositive power as to 12,678,951 shares and shared dispositive power as to 231,343 shares.

(2) Based on a Schedule 13G/A filing dated February 14, 2017, as of December 31, 2016, Glenview Capital Management, LLC and Larry Robbins had shared voting power and shared dispositive power as to all of the shares.

(3) Based on a Schedule 13G/A filing dated January 24, 2017, as of December 31, 2016, BlackRock, Inc. had sole voting power as to 7,438,632 of such shares and sole dispositive power as to all of the shares.

(4) Based on a Schedule 13G/A filing dated February 13, 2017, as of December 31, 2016, Capital World Investors had sole voting power and sole dispositive power as to all of the shares.

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VI. EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

The following Compensation Discussion & Analysis describes the philosophy, objectives and structure of our fiscal year 2016 executive compensation program. This section is intended to be read in conjunction with the tables which immediately follow, which provide further historical compensation information for our named executive officers ("NEOs") as identified below.

The NEOs in 2016 were:

Pierre Brondeau	President, Chief Executive Officer and Chairman of the Board
Paul Graves	Vice President and Chief Financial Officer
Mark Douglas	President, FMC Agricultural Solutions
Eric Norris	President, FMC Health and Nutrition
Andrea Utecht	Executive Vice President, General Counsel and Secretary

Quick CD&A Reference Guide

Executive Summary

Despite continued challenging Agricultural market conditions, FMC's 2016 performance was stronger than 2015, with adjusted earnings per share rising 14 percent year over year. The actions we have taken throughout 2015-2016 position FMC to deliver significant earnings growth in 2017 and our long-term fundamentals remain solid.

Our corporate performance, as well as our stock price performance, rebounded exceptionally. Highlights include:

- Consolidated revenue of $3,282 million
- Consolidated GAAP earnings per diluted share of $1.56
- Consolidated adjusted earnings per diluted share of $2.82
- Agricultural Solutions segment earnings of $400 million
- Health and Nutrition segment earnings of $191 million
- Lithium segment earnings of $70 million
- Our TSR for 2016 was 56.62%; not only was that a sharp turnaround from the prior year, it places us in the upper quartile of our peers

All of the aforementioned achievements are reflective of our culture, our people and our strategic business goals. Further, we believe our executive team has been properly motivated through our executive compensation program to focus on the achievement of these goals, both in the short term and long term. While we are proud of the achievement of many of our operational goals in 2016, we also realize that an intense focus on the long-term health and direction of the Company is essential. As such, our executive compensation program has been carefully constructed to properly motivate executives to create long-term, sustainable stockholder value, and to only reward executives for the achievement of various goals. In fact, we link a significant portion of compensation, including approximately 86% of our CEO's compensation, directly to key measures of our corporate performance – including adjusted earnings, cash outflows and share price performance (both absolute and relative).

How Our Pay Program Works

We believe that the design and structure of our pay program, and in particular our incentive plans, support FMC's business strategy and organizational objectives while successfully aligning executive focus and interest with that of stockholders. This section of our Compensation Discussion and Analysis demonstrates this. Our annual incentive plan reflects a balanced mix of income statement and balance sheet metrics, while our long-term performance awards are based on relative TSR performance to align with stockholder value. All elements have been carefully chosen and utilized; as you'll see, the value received and realizable for FMC executives is aligned with corporate performance.

Elements of Pay

Our compensation program is designed to reward executives for achievement of our Company's short-term and long-term strategic goals. In doing so, we have also constructed the pay program to attract and retain world-class talent and to align executive compensation pay opportunities with the interests of stockholders. The Committee has selected the following framework to achieve these objectives:

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Target Direct Compensation Mix

Consistent with our objectives as stated above, and our overarching focus on pay and performance alignment, as illustrated in the graphic below:

- The largest portion of compensation is variable, at-risk pay, in the form of annual and long-term incentives (including annual incentive, RSUs, options and performance-based RSUs)
- Our program provides a balance between long-term and short-term awards, consistent with our business strategy

Compensation Program Governance

Our Committee is responsible for oversight of the Company's compensation program and values. A significant part of this is aligning management interests with the Company's business strategies and goals, as well as the interest of our stockholders, while also mitigating excessive risk taking. To that end, FMC has committed to numerous governance practices and safeguards to ensure the compensation program does not misalign those interests.

What We Do	**What We Don't Do**
Use equity for long-term incentive awards	No highly leveraged incentive plans that encourage excessive risk taking
Determine long-term incentive award guidelines based on relative TSR	No excessive perquisites
Provide change in control benefits under double-trigger circumstances only	No guaranteed bonuses
Benchmark against peers whose profile, operations, and business markets share similarities with the Company	No discounted stock options
Require significant executive share ownership	No uncapped incentive award payments
Apply anti-pledging and anti-hedging policy for Company shares	No repricing or backdating of stock options
Provide a clawback policy designed to recoup incentive compensation paid to executive officers based on erroneously prepared financial statements	No immediate vesting of stock options or restricted stock units except for certain change-in-control with termination and retirement-eligible situations
Engage an independent advisor, who performs no other compensation consulting work for the Company	As of 2010, no new tax gross-ups under our executive officer pay program

Maintain an appropriate balance between short-term and long-term compensation which discourages short-term risk taking at the expense of long-term results

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Consideration of Results of the Advisory Vote on Executive Compensation

At the 2016 Annual Meeting of Stockholders, our advisory (non-binding) stockholder vote on executive compensation received less than majority support from voting stockholders, a marked material change from prior years when support levels were annually higher than 90%. The Compensation and Organization Committee considered this outcome and was disappointed with the decline in year-over-year results. While the Committee believed that the Company's current executive compensation program had been effective in implementing the Company's stated compensation philosophy and objectives, it was apparent that stockholders disagreed.

To understand stockholder concerns related to the lower voting results in 2016, the Committee and certain members of management embarked on an expanded stockholder outreach effort. This effort included reaching out to stockholders representing approximately 80% of our outstanding shares, as well as to Institutional Shareholder Services, Inc. ("ISS") and Glass Lewis & Co. Over 50% of our stockholders responded to this outreach and either agreed to have discussions on our pay programs or noted general satisfaction with our practices and did not see a need for such a meeting. All of these meetings were led by at least one member of our Compensation Committee, and typically also included representatives from our Investor Relations and Human Resources teams. These discussions were helpful in driving a better understanding of investor expectations regarding the design and disclosure of our executive compensation programs. The following table illustrates some common themes from these discussions:

Perceived Stockholder Concerns in 2016

- The special one-time equity award granted in 2015 was a key driver of votes against Say on Pay
  - Of noted concern was the timing of the special equity award and the share price decrease
  - Explanation in the proxy about the rationale for the award itself, and the structure and size of the special equity award as well as the context was considered insufficient
  - Disfavored additional compensation for items they believe are already part of the CEO's job, such as additional compensation for acquisitions
- Overall CD&A disclosure levels were considered insufficient

Other Feedback

- Design of the regular ongoing compensation program and structure in general viewed as sound and sufficiently performance based
- Open to, and in some cases prefer, the inclusion of additional performance metrics in the long-term incentive program

Our Committee appreciated this feedback and took the opportunity to more fully discuss the special equity award granted to Mr. Brondeau in 2015. At the time the award was contemplated and ultimately made, the Committee felt it was an important step in recognizing his continued leadership subsequent to complete transformation of the Company's portfolio through several significant acquisitions and divestitures. It was the Committee's view that this grant was needed for retentive purposes and that any risk to stockholders associated with the size of the award was mitigated by the use of rigorous performance hurdles that ensure that value is only delivered to Mr. Brondeau if value is also provided to stockholders. The Committee now recognizes that this rationale and decision-making process were not fully articulated in our 2016 CD&A. In engagement meetings, stockholders were very receptive to this discussion and appreciated the candid insight into the process. The Committee has agreed to improve overall CD&A disclosure to provide more context behind the pay setting process, and final decisions that are ultimately made. Additionally, in light of comments about the Company's use of equity, the Committee is committed to monitoring its dilution and burn rate associated with equity compensation grants relative to peers to ensure that our use of equity is within acceptable industry and market norms.

As noted to stockholders during our recent engagement efforts, the CEO's 2015 grants were intentionally highly performance based at a mix of 50% stock options and 50% relative TSR. At the end of 2016, the stock options were underwater and the performance on relative TSR shares was below the threshold vesting level. As such, there is little to no current value to the award. However, the award continues to provide the opportunity for value in return for improved Company performance.

Objectives and Philosophy

The Company's executive compensation program is designed to attract, motivate and retain top talent, to pay for performance and to align the financial interests of the NEOs with those of the Company's stockholders. In designing compensation arrangements for NEOs, the Committee has considered the importance of:

- Balancing variable compensation components so that appropriate focus is put on achieving both short-term and long-term operating and strategic objectives;
- Motivating the NEOs to achieve desired financial and operational results using sound business judgment and without inappropriate risk taking; and
- Ensuring that the achievement of key financial goals and strategic objectives is financially rewarding for the NEO.

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The Company has historically used both industry surveys and analysis of proxy statements from peer companies (the "Market") prepared by the independent compensation consultant to assess market competitiveness of the components of its NEO compensation, including the appropriate mix of cash and equity, as well as NEO benefits and perquisites. Proxy statement data may not be available for all jobs that are direct comparisons to jobs held by the Company's NEOs. In such cases, the Company relies on the broader survey data to assess market competitiveness of the elements of executive compensation. The Company also believes that internal equity is an important and necessary consideration in valuing jobs. We believe it is critical to pay executives at a competitive level relative to our peer group in order to attract and retain the talent we need to deliver high performance. While competitive, size-adjusted positional benchmark data was prepared consistent with past practice, this benchmark data was inconsequential to the compensation awards for 2016. Individual pay decisions were made based on a variety of factors such as company, business unit and individual performance, scope of responsibility, critical needs and skills, leadership potential and succession planning.

The Committee believes that subjecting a significant percentage of total direct compensation ("TDC") to performance conditions helps focus the executive on achieving key objectives that are important to delivering the performance expected by stockholders. The Committee has determined, based on an assessment of the Company's executive compensation programs by its consultant, that its compensation policies and programs do not give rise to inappropriate risk taking or risks that are reasonably likely to have a material adverse effect on the Company.

Compensation Determination Process

Role of Compensation and Organization Committee and CEO

The Committee recognizes its responsibility to maintain a competitive executive compensation program that will ensure the Company's ability to attract, motivate and retain top talent while at the same time aligning the financial interests of the executives with stockholders. Pay for performance and market-based compensation are important elements of the Company's compensation philosophy. The Company considers several measures of corporate performance, job performance and labor market dynamics in the design and administration of the NEO compensation arrangements described later in this section.

The Committee establishes total compensation for the chairman, president and CEO annually at its February meeting. The Committee reviews and evaluates the performance of the CEO and develops base salary and incentive payment recommendations for the review and approval of the full Board of Directors. The CEO does not participate in Committee or Board discussions regarding his own compensation.

The Committee, with the input of the CEO, also establishes compensation for all the other NEOs. Specifically, the CEO evaluates the performance of the other NEOs annually and makes recommendations to the Committee each February regarding the compensation of those other NEOs. The CEO's input is particularly important in connection with base salary adjustments, the issuance of “Key Manager Awards” and the determination of Annual Performance Incentive (“API”) ratings as part of our Annual Incentive program. In each of these instances, the process starts with the CEO’s recommendation, and that recommendation is afforded great weight by the Committee. The CEO participates in Committee discussions regarding other NEOs’ compensation. The Committee views the CEO’s significant role in the compensation process for other NEOs, and the deference afforded to his recommendations, as appropriate in light of his greater familiarity with the day-to-day performance of his direct reports and the importance of incentive compensation in driving the execution of managerial initiatives developed and led by the CEO. That said, the Committee makes the ultimate determination regarding the compensation of each of the NEOs.

Role of Compensation Consultant

For the first seven months of 2016, Meridian Compensation Partners, LLC (“Meridian”) served as the Committee’s independent compensation consultant. Meridian’s advice was taken into consideration for all aspects of 2016 compensation as delineated in the Summary Compensation Table. In August 2016, the Committee engaged Aon Hewitt (“Aon”) for executive compensation advisory work going forward. Aon’s advice is being taken into account for compensation to be paid beginning in 2017 and thereafter.

For 2016, Meridian provided the Committee with advice and counsel on a broad range of executive compensation matters. The scope of their services included, but was not limited to, the following:

- Apprising the Committee of compensation-related trends and developments in the marketplace;
- Informing the Committee of regulatory developments relating to executive compensation practices;
- Advising the Committee on appropriate peer companies for compensation pay levels and design practices, as well as relative performance comparisons;
- Providing the Committee with an assessment of the market competitiveness of the Company’s executive compensation;
- Assessing the executive compensation structure to confirm that no design elements encourage excessive risk taking;
- Assessing the relationship between executive compensation and corporate performance; and
- Recommending changes to the executive compensation program to maintain competitiveness and ensure consistency with business strategies, good governance practices and alignment with stockholder interests.

FMC did not engage Meridian for any compensation consulting services other than executive compensation in 2016.

For 2016, in determining the independence of Meridian, the Committee considered independence in light of the six independence factors set forth in the SEC rules and NYSE listing standards. The committee has concluded that Meridian was independent, as no conflict of interest

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existed between Meridian and the Company. In its hiring of Aon, the Committee considered the same SEC independence factors and NYSE listing standards and concluded that the AON executive compensation team is independent. The Committee considered that no business or personal relationships exist between any members of the consultants' teams advising the Company on the one hand, and the Company, any members of the Committee or any executive officers on the other hand, other than in connection with the services provided. In addition, the total fees paid by the Company to the consultants for all services during fiscal year 2016 were far less than one percent of Aon's total revenue for the applicable fiscal year.

Peer Group

The Company relies on both industry surveys and analysis of proxy statements from peer companies (the "Market") prepared by its compensation consultant to assess the market competitiveness of the components of its NEO compensation and to validate the appropriateness of TDC, including the appropriate mix of cash and equity, as well as NEO benefits and perquisites. Proxy statement data may not be available for all jobs that are direct comparisons to jobs held by the Company's NEOs. In such cases, the Company relies more on the broader survey data to assess acceptable ranges for the elements of executive compensation. The Company also believes that internal equity is an important and necessary consideration in valuing jobs. The Company may, as a matter of policy, adjust individual components of TDC to align with its general executive pay philosophy as described in the preceding section. However the Company does not adjust components of TDC based on the amount of compensation earned by an NEO in any prior period.

Below are peer companies from which proxy data was used in the most recent executive compensation study. The peer group is reviewed periodically for appropriateness and comparability. Criteria used for selecting peer group companies include: similar industry representation, revenue and market capitalization in the range of one-third to five times FMC.

Airgas, Inc.	Huntsman Corporation
Air Products & Chemicals, Inc.	Ingredion Incorporated
Albermarle Corporation	International Flavors and Fragrances, Inc.
Ashland, Inc.	Olin Corporation
Celanese Corporation	PPG Industries, Inc.
Chemtura Corporation	Scott's Miracle-GRO Company
Cytec Industries Inc.	Syngenta AG
Eastman Chemical Company	The Mosaic Company
Ecolab Inc.	The Valspar Corporation
Grace, (W.R.) & Company	Westlake Chemical Corporation

	Market Cap ($mm)	**Revenue ($mm)**
20 Peers		

25th percentile	$5,974	$ 3,045
Median	$8,455	$ 5,354
75th percentile	$10,862	$ 9,710
FMC Corporation		
	$5,786	$ 3,277
Rank	24%	28%

Note: Statistics reflect FY 2015 data for revenue and April 2016 data for market cap.

Components of Executive Compensation

The NEO compensation program consists of three primary elements: base salary, an annual incentive and a long-term incentive. Each of these elements is commensurate with the level of responsibility and impact of our results for each executive.

Base Salary

Salary ranges for NEOs are established based on similar positions in other companies of comparable revenue, size and complexity included in the Market. Performance levels from "does not meet expectations" to "exceeds expectations" provide guidance for the administration of salaries.

Starting salaries are based on the employee's skills, experience, expertise and expected job performance. Subsequent salary adjustments for the NEOs (except the CEO) are based on job performance as assessed by the CEO who recommends the appropriate base salary to the Committee for their approval. The Committee itself determines any salary adjustment for the CEO. Base salary reviews are part of the broader compensation review that occurs at the February meeting of the Committee and focus on the performance of the NEOs in their respective major responsibility areas ("MRAs"). MRAs include but are not limited to, financial management, customer relations, strategic planning and business development, operational excellence, safety performance, staffing and talent management, performance management, and litigation management. For 2016, salary increases transitioned from anniversary hire date to a common salary increase date of April 1. Salary increases were prorated to account for NEOs who had more than 12 months since their last salary review (Jan-Mar 2015) and those whose review period was less than 12 months. The following table represents the change in base salary for the NEOs in 2016.

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NEO	2015 Base Salary	2016 Base Salary	% Change
Pierre Brondeau	$1,100,000	$1,166,440	6.0%
Paul Graves	$668,429	$681,798	2.0%
Mark Douglas	$573,681	$585,155	2.0%
Eric Norris	$397,200	$403,820	1.7%
Andrea Utecht	$476,744	$498,305	4.5%

Annual Incentive

The Incentive Compensation and Stock Plan ("ICSP") is a stockholder-approved plan designed to facilitate the delivery of both short-term and long-term incentives.

The Annual Incentive is a cash component of the ICSP that rewards NEOs for the achievement of key short-term objectives. It is designed to recognize and reward both individual and team achievement. The Committee reviews and approves the award design, performance measures and objectives. The Committee also reviews and approves the award results and payouts.

Annual Incentive opportunities were unchanged in 2016, and were as follows:

	Target	Maximum
	(as a % of base salary)	
Pierre Brondeau	120%	240 %
Paul Graves	60 %	120 %
Mark Douglas	70 %	140 %
Eric Norris	60 %	120 %
Andrea Utecht	60 %	120 %

The Annual Incentive is comprised of two components:

•Business Performance Incentive ("BPI")

•Annual Performance Incentive ("API")

The weighting of the BPI and API components was in each case 70% BPI and 30% API.

Business Performance Incentive ("BPI")

The BPI component is focused on two key corporate-wide financial measures, adjusted earnings and cash outflow, and two key business-unit measures, earnings before interest and taxes (EBIT) and working capital. For Messrs. Brondeau and Graves and Ms. Utecht, their 2016 BPI performance measures were weighted between adjusted earnings (70%) and cash outflow (30%). For Messrs. Douglas and Norris, their 2016 BPI performance measures included the two corporate financial measures, as well as business unit measures. For Mr. Douglas, the business unit measure was EBIT, and for Mr. Norris, the business unit measures were EBIT and working capital. The Committee selected these additional measures in order to incent management to focus on the profitable growth of their respective business units.

Metrics, targets and actual results for 2016 were as follows:

Name	BPI Components	**Target Performance**(1)	**Actual Results**(2)	Percent of Target	BPI Rating Component	Overall BPI Rating
Pierre Brondeau						
	Adjusted Earnings	320.0 m	383.1 m	70%	2.00	
	Cash Outflow	-395.0 m	-210.7 m	30%	2.00	2.00
Paul Graves						
	Adjusted Earnings	320.0 m	383.1 m	70%	2.00	
	Cash Outflow	-395.0 m	-210.7 m	30%	2.00	2.00
Mark Douglas						
Corporate	Adjusted Earnings	320.0 m	383.1 m	35%	2.00	
	Cash Outflow	-395.0 m	-210.7 m	15%	2.00	
FMC Agricultural Solutions	EBIT	350.0 m	401.4 m	50%	1.52	1.76
Eric Norris						
Corporate	Adjusted Earnings	320.0 m	383.1 m	35%	2.00	
	Cash Outflow	-395.0 m	-210.7 m	15%	2.00	
FMC Health & Nutrition	EBIT	200.0 m	192.9 m	35%	0.29	
	Working Capital	†	†	15%	0.83	1.225
Andrea Utecht						
	Adjusted Earnings	320.0 m	383.1 m	70%	2.00	
	Cash Outflow	-395.0 m	-210.7 m	30%	2.00	2.00

(1) The target performance signifies performance that will yield a BPI rating of 1.0.

(2) The levels of these BPI measures may differ from the amounts reported in our financial statements because the BPI measures are adjusted to exclude gains or losses attributable to (i) certain extraordinary and/or non-recurring events (such as business acquisitions or dispositions or business restructuring charges), and (ii) certain other items not reflective of operating performance (such as the impact of changes in currency exchange rates or changes in accounting principles). In 2016, however, these adjustments did not materially affect the amount of any NEO's Annual Incentive Award.

† This information is both confidential and competitively sensitive and is therefore not disclosed.

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Annual Performance Incentive ("API")

The API generally consists of a set of non-financial objectives specific to each NEO, but may include financial measures at the discretion of the CEO. The CEO's 2016 APIs, as approved by the Committee, included objectives relating to delivering profitable growth despite a challenging agricultural chemical market by leveraging the Cheminova acquisition and synergies, continued stabilization of the Health and Nutrition business by driving operational excellence and cost reduction and refining the strategy of underperforming product lines, continuing to work on operational excellence and cost reduction in the Lithium business and fully implementing the focused strategy on downstream applications, keeping control on capital spending, and safety.

Mr. Brondeau's principal accomplishments which formed the basis for his API rating set forth below include: completing the Cheminova integration ahead of schedule and exceeding targeted synergies, while growing Agricultural Solutions earnings by 10% in a market that was down by 10%, with strong cash generation; strong operational performance and cost control in Health and Nutrition with good performance in the core businesses of the segment; very strong operational and financial performance in lithium, with the downstream-focused strategy yielding results above expectations, solid progress towards putting in place a long term supply agreement for lithium carbonate, and critical manufacturing expansions in lithium hydroxide in place; a record low injury rate of .22 for the year, with an injury-free fourth quarter; and capital spending maintained below depreciation and amortization levels, despite accelerated capacity expansions.

In addition, the CEO established API measures and objectives unique to each NEO as set forth below.

Mr. Graves' 2016 APIs consisted of objectives relating to completing the reorganization of the finance organization and establishing succession plans for senior leaders in the function; leadership of the IR function; development, together with the CEO and business heads, of post-Cheminova strategy along with the appropriate capital structure for such strategy and operational needs; and driving improved cash generation across the Company. Mr. Graves' principal accomplishments which formed the basis for his API rating set forth in the table below include: migrating multiple regional finance processes into a newly established financial reporting and accounting group in Cork, Ireland, and commencing centralization of payroll and other pay-related processes there; consolidating internal controls and internal audit functions, and adding enterprise risk management to the function; leading multiple investor-focused events, including presentations and road shows; leading analysis of strategic alternatives for sourcing lithium carbonate in our lithium segment and helping to develop a strategy for Omega 3; developing a refinancing plan for various elements of capital structure; looking at redesign of various pension plans, leading to annuitization of one plan and restructuring of other plans; improving cash generation by reducing receivables and inventory levels in different businesses and focusing on monetization of non-productive assets; and allocating capital spending on highest return and critical areas, resulting in spending coming in under budget.

Mr. Douglas' APIs consisted of objectives relating to safety; completing the integration of Cheminova; certain strategic imperatives, including pricing recovery especially in Brazil, receivables reduction, portfolio rationalization, optimizing future manufacturing, expanding the plant health platform, and ensuring a robust R&D pipeline; initiatives around people, talent and succession planning. Mr. Douglas' principal accomplishments which formed the basis for his API rating set forth in the table below include: reducing the overall injury rate in half and reducing non-manufacturing injuries as well as focusing on improving safety at toll manufacturing operations; completing the Cheminova integration with two planned exceptions: India and manufacturing integration, while achieving targeted cost reductions; successfully executing on the strategic imperatives designated in his objectives, including completing the portfolio rationalization, achieving price recovery in Brazil, reducing receivables, progressing the pipeline of new active ingredients and launching two new biological formulations in 2016, expanding the plant health platform, and planning for the future manufacturing network; and significant achievements in diversity as well as strong progress on development and succession plans.

Mr. Norris' APIs consisted of objectives relating to safety, diversity, driving growth through improved sales effectiveness and applications, strengthening the leadership and capabilities of the R&D organization and increasing portfolio value, developing a strategy for growth through acquisition, and generating improved returns by driving manufacturing and process excellence. Mr. Norris' principal accomplishments which form the basis for his API rating set forth in the table below include: achieving nearly an injury free safety rate for the year, increased diversity representation in recruiting pipeline, restructuring of sales force to enhance key account management, while building better capability to develop commercial opportunities; developing improved systems, processes, and collaboration across the commercial group, including creation of regional management teams and strategies; eliminating marginal R&D projects and improving rigor of stage gate reviews, while fast-tracking two product launches for 2017 and developing several new consumer-based programs resulting from a correlation between market trends and the business's capabilities; and implementation of several manufacturing and process improvement projects resulting in cost benefits above target; as well as developing lower-cost third party supply options to improve competitive position.

Ms. Utecht's APIs consisted of objectives related to continuing integration of legal policies and procedures, including outside cost control and compliance into legacy Cheminova operations; developing a Vision 2020 strategic plan for the global law function; leading a Data Privacy Council to facilitate implementation of new data privacy requirements; managing legal costs to budget and improving law department efficiencies; and helping drive Company diversity and inclusion initiatives, as well as development and succession planning initiatives in the Law Department. Ms. Utecht's principal accomplishments which formed the basis for the rating set forth in the table below include: putting into place European regional counsel to implement and train on policies and monitor cost control within legacy Cheminova operations; increasing focus on compliance, including establishment of Chief Compliance Officer position and rolling out of new robust compliance program in Asia; establishing a Vision 2020 plan for the legal function, with strategic imperatives aligned with and designed to support the three business segments' strategies, as well as to improve operational efficiencies in the law department and control of legal costs; leading a working group in developing a detailed operational path towards compliance with new data privacy laws, especially in the EU; maintaining outside legal costs within budget; providing leadership support for diversity and inclusion initiatives; and establishing development programs within the legal function.

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The overall API rating for each NEO consists of a weighted average of the results of his or her rating on each of his or her individual API objectives, and the resulting weighted index yields an overall API rating between zero and 2.0. Based on the evaluators' determinations, as described above, in 2016, Mr. Brondeau achieved an overall API rating of 1.5; Mr. Graves achieved a 1.5; Mr. Douglas achieved a 1.5; Mr. Norris achieved a 1.2; and Ms. Utecht achieved a 1.5.

The weighting of the API and BPI components was in each case 70% BPI and 30% API. Target payouts vary by position as a percentage of base salary. Specifically, Mr. Brondeau had an Annual Incentive target of 120% of base salary; Mr. Graves, Mr. Norris and Ms. Utecht had Annual Incentive targets of 60% of base salary; and Mr. Douglas had an Annual Incentive target of 70% of base salary. By design, each NEO's maximum payment is limited to two times their Annual Incentive target.

The actual Annual Incentive amounts earned in 2016 by the NEOs appear in footnote (2) to Column (g) of the Summary Compensation Table. Annual Incentive calculations are provided in the table below for each NEO in 2016.

2016 ACTUAL PERFORMANCE AND PAYOUTS TABLE

NEO	BPI % of Target	BPI Rating	API % of Target	API Rating	Target Incentive	2016 Actual Incentive
Pierre Brondeau	70 %	2.00	30 %	1.50	$1,379,796	$2,552,623
Paul Graves	70 %	2.00	30 %	1.50	$407,074	$753,100
Mark Douglas	70 %	1.76	30 %	1.50	$407,600	$685,602
Eric Norris	70 %	1.225	30 %	1.20	$241,299	$293,789
Andrea Utecht	70 %	2.00	30 %	1.50	$295,748	$547,160

Long-Term Incentives

In 2016, long-term incentives were granted to executives via three different vehicles: stock options, restricted stock unit awards and performance-based restricted stock unit awards.

The Committee believes that LTI awards should compensate NEOs, in a meaningful way, for delivering sustainable long-term value to stockholders. LTI awards for the NEOs, except for the CEO, are recommended by the CEO and approved by the Committee. The LTI award for the CEO is recommended by the Committee and approved by the full Board of Directors. All LTI awards are approved during the February meetings of the Committee and the Board.

In 2016, the Committee increased the percentage of LTI performance-based awards granted. The decision was the result of the feedback received via stockholder engagement throughout the year, as well as advice of our independent compensation consultant. For the CEO, the Committee determined to allocate 20% to RSUs, 30% to options and 50% to performance-based RSUs ("PSUs"). For other NEOs, this split was 30%/30%/40%, respectively.

2016 LTI Vehicle Mix

Given this new mix, annual LTI awards were granted in 2016 as follows:

NEO	RSUs ($)	Options ($)	PSUs ($)	Total ($)
Pierre Brondeau	$ 1,100,000	$ 1,650,000	$ 2,750,000	$ 5,500,000
Paul Graves	$ 293,260	$ 293,260	$ 391,014	$ 977,534
Mark Douglas	$ 246,820	$ 246,820	$ 329,093	$ 822,733
Eric Norris	$ 121,852	$ 121,852	$ 162,469	$ 406,172
Andrea Utecht	$ 196,083	$ 196,083	$ 261,444	$ 653,610

Stock Option Awards

In determining the number of options required to meet the compensation level approved for an NEO, the Company divides that portion of the Committee-approved LTI award value related to stock options by the fair value of the option based on a Black-Scholes pricing model calculation using a 30-day average stock price for the period immediately preceding the February meeting of the Committee.

The exercise price of all stock option awards to NEOs is equal to the closing price of the Company's stock on the date of the grant, and all options vest ratably over a three-year period.

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Restricted Stock Unit Awards

In determining the amount of restricted stock units required to meet the compensation level approved for an NEO, the Company divides that portion of the LTI award value related to restricted stock units for that year by a 30-day average stock price for the period immediately preceding the February meeting of the Committee.

Once the restriction expires, the shares, less any shares used to satisfy statutory tax withholding obligations, are issued to the NEO. Unvested restricted stock units are generally cancelled upon cessation of employment, except in certain circumstances.

Restricted stock unit awards generally vest over a three-year period.

Performance-Based Restricted Stock Unit Awards

For 2016, performance-based cash awards were replaced with a performance-based restricted stock unit award. The Committee believes that moving in this direction will further align pay with performance in the interest of the stockholders.

It should be noted that the change from performance-based cash to performance-based RSUs affects the presentation of LTI in the Summary Compensation Table below, because of differences in how cash and stock are required to be reported under SEC rules. Specifically, performance-based cash is reported only when and if earned, whereas performance-based RSUs are reported in the year of grant, based on their grant date (i.e. target) value, without regard to when or if the awards are ultimately earned. Because of this required difference in presentation, caution should be used in comparing 2016 compensation to prior years in the Summary Compensation Table below. In the absence of the change from performance-based cash to performance-based RSUs, 2016 compensation reported for each NEO would have been lower by an amount equal to the grant date fair value of the performance-based RSUs, as shown in the last column of the table below entitled “Grants of Plan-Based Awards Table 2016.”

These awards are based on relative TSR performance as measured over a three-year period against competitors listed below.

A. Schulman, Inc.	Koninklijke DSM N.V.
Akzo Nobel N.V.	Minerals Technologies, Inc.
Albermarle Corporation	Monsanto Company

American Vanguard Corporation	NewMarket Corporation
Ashland Global Holdings, Inc.	Novozymes A/S
BASF SE	Nufarm Limited
Celanese Corporation	Olin Corporation
Chemtura Corporation	PolyOne Corporation
Chr. Hansen Holding A/S	Sensient Technologies Corporation
Eastman Chemical Company	Syngenta AG
Ecolab, Inc.	Tate & Lyle plc
Ferro Corporation	The Scotts Miracle-Gro Company
Huntsman Corporation	Valhi, Inc.
Ingredion Incorporated	W. R. Grace & Co.
International Flavors & Fragrances, Inc.	Westlake Chemical Corporation

The Committee selected TSR to incent management to achieve long-term stockholder returns that are superior to the Company's peers. This helps to directly align management with stockholder interests. TSR performance is calculated as four point-to-point measurements from 2016-2018. TSR performance is calculated for each of the three calendar years, as well as for the three-year period as a whole. Each of these four measurement periods carries a weight of 25% in calculating the final number of shares due. When the performance measure has been met for a particular calendar year during the three-year period of the award, that portion of units is "banked", but is not considered "earned" and shares will not be delivered until the three-year period has concluded and the performance approved.

Any value earned by executives for these awards is based on the Company achieving a relative performance measure of TSR at or above the 35^{th} percentile (the threshold). For performance at the 35^{th} percentile a payment equal to 50% of target will be made (no payment is made for performance at less than the 35^{th} percentile). For performance at the 50^{th} percentile (the target) a payout of one times target is made, and for performance at the 80^{th} percentile or higher, a maximum payout of two times target is made. If the cumulative three-year TSR performance for the period is negative, that portion (25%) of the payout is capped at 100% (target).

For the measurement period, TSR for the calendar year 2016, performance rank was 83.30%, for a TSR rating of 2.00.

	TSR	Peer Group	**Target**			
Measurement Periods	Performance	Percentile	0.0	1.0	2.0	TSR Rating
1 Year TSR 2016	56.62%	83.30%	<35%	50%	80%	2.00

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Special Restricted Stock Unit Grants (Key Manager Awards)

The Key Manager Award ("KMA") is a restricted stock unit grant designed primarily as a recognition and retention program for outstanding management talent. While the Committee may also authorize the use of a KMA to attract key talent, most KMAs are issued in an effort to retain key management talent given industry and market pressures, as well as to promote strong internal succession planning. The value of the KMA is established at a level that would be meaningful to the executive based on his/her compensation. Typically, these awards are approved for an executive only once during a four-year period. KMAs are generally subject to vesting over four years with no acceleration upon retirement. However, the Committee may choose to vary the vesting period based on its retention goals for a particular KMA recipient. In determining the amount of restricted stock units required to deliver the value to be awarded, the Company divides such amount by the closing price of the Company's stock on the date of grant. In all other respects KMAs have the same characteristics as the restricted stock unit used as part of the LTI award, except that they remain subject to forfeiture upon retirement. KMAs are recommended by the CEO. The Committee may recommend a KMA for the CEO for approval by the full Board.

All NEOs, other than the CEO, were granted KMAs in 2016 as follows:

	KMAs (#)
Paul Graves	34,000
Mark Douglas	34,000
Eric Norris	14,000
Andrea Utecht	14,000

2014-2016 Performance-based Cash Awards

TSR performance for the cash award was calculated as a point-to-point measurement from 2014-2016. For performance at the 35th percentile (the threshold) a payment equal to 40% of target is made. (No payment is made for performance at less than the 35th percentile.) For performance at the 50th percentile (the target) a payout of one times target is made, and for performance at the 80th percentile or higher, a maximum payout of two times target is made.

Details concerning the calculation of the payment for the 2014-2016 award cycle are set forth below:

	TSR	Peer Group	**Target**			
Measurement Periods	Performance	Percentile	0.0	1.0	2.0	TSR Rating
3 Year TSR 2014 – 2016	-20.59 %	7.00 %	<35%	50%	80%	0.00

TSR performance for the 2014-2016 cycle did not meet the threshold. Therefore, no LTI cash awards were granted for this cycle. See footnote (2) to the Summary Compensation Table. The 2015-2017 award cycle is ongoing, and uses the same performance metric and scale.

Generally, LTI awards are subject to forfeiture until the vesting conditions are met. LTI awards require continued Company service for a three-year period (or a four-year period in the case of a Key Manager Award, as discussed above). However, participants who attain age 62 and complete 10 years of service, or who attain age 65 (without regard to length of service), will vest in LTI equity awards (except for Key Manager Awards, which are subject to forfeiture upon retirement) upon satisfying such age and service criteria (or immediately upon grant, if the grant is received after satisfaction of such criteria). Nevertheless, such participants are not entitled to receive the shares subject to a restricted stock unit award until it would have otherwise vested (except for an amount necessary to satisfy tax liabilities relating to the award).

Additional Compensation Policies and Practices

Executive Stock Ownership Policy

The Company has established guidelines setting expectations for the ownership of Company stock by executive officers. The ownership targets are as follows:

Position	**Required Salary Multiple**
CEO	6x base salary
CFO	3x base salary
President of Agricultural Solutions	3x base salary
All other NEOs	2x base salary

These ownership guidelines are reviewed against our peer company practices and, if necessary, adjusted every other year in conjunction with the formal market study of executive compensation. NEOs have a period of up to five years from the date of their election to meet the guidelines. In addition, the Company does not allow the exercise of options or sale of vested restricted stock in an amount greater than 50% of the grant if the ownership targets have not been met.

All NEOs are in compliance with current ownership guidelines.

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Anti-Hedging and Anti-Pledging Policies

The Company has adopted a policy which, with respect to Company stock, prohibits the directors and officers of the Company, as well as their immediate family members, from (i) engaging in any forms of hedging or monetization transactions, or (ii) pledging or creating a security interest, or (iii) any other transaction that would directly or indirectly reduce the risk of holding Company stock.

Clawback Policy

The Company has adopted a clawback policy designed to recoup incentive compensation paid to executive officers based on erroneously prepared financial statements. If an accounting restatement is required because of material non-compliance with any financial reporting requirement, all incentive compensation paid or credited to each current or former executive officer for the restated period (up to three years) will be recalculated based on restated results. To the extent the recalculated incentive compensation is less than the incentive compensation actually paid or credited to such executive officer for that period, the excess amount must be forfeited or returned to the Company. Alternatively, the Company is authorized to offset the forfeitable amount from compensation owed currently or in the future to such executive officer. The Compensation Committee is authorized to interpret this policy and make all determinations necessary for the policy’s operation.

Tax Deductibility of Executive Compensation

As part of its role, the Committee considers to what extent the Company can deduct any of its executive compensation under Section 162(m) of the Internal Revenue Code. Generally, a public company cannot deduct compensation in excess of $1 million paid in any year to a Company’s chief executive officer and the three other most highly compensated officers (other than the company’s chief financial officer). However, certain compensation, including qualified “performance-based compensation”, is not subject to this $1 million limitation. In designing our compensation programs and in making awards to our executive officers, the Committee is mindful of whether compensation will be deductible, but it retains the flexibility to award compensation that is not deductible in order to meet the objectives of our compensation philosophy.

Potential Benefits Related to Change in Control or NEO Termination

The Committee believes that the long-term interests of stockholders are best served by providing reasonable income protection for NEOs to address potential change in control situations in which they may otherwise be distracted by their potential loss of employment in the event of a successful transaction. The Company has entered into an executive severance agreement with each NEO that provides certain financial benefits in the event of a change in control. These are "double trigger" arrangements – i.e., severance benefits under these arrangements are only triggered by a qualifying event (see section of this proxy statement entitled "Potential Payments Upon Termination or Change in Control") that also results in the executive's termination of employment under certain specified circumstances within 24 months following the event. Likewise, unless the Board decides otherwise, the vesting of otherwise unvested LTI and KMA awards will accelerate only upon the occurrence of both a qualifying change in control event and such termination of employment. The Committee also determined that, beginning in 2010, the Company would not enter into any agreements to pay an additional cash amount to cover any excise or similar tax under Section 4999 of the IRC in respect of any of the benefits subject to such excise taxes for any individual newly eligible for a change-in-control agreement. Of the current NEOs, only Ms. Utecht would be eligible for an additional cash amount to cover such excise taxes, due to the grandfathered status of her existing agreement. In addition, the Committee has approved benefit guidelines applicable to the NEOs in the event of the termination of their employment unrelated to a change in control, which are intended to provide reasonable transition assistance. The details of all of the above-described benefits are set forth in the section of this proxy statement entitled "Potential Payments Upon Termination or Change in Control".

Pension Benefits

Only Mr. Norris and Ms. Utecht are eligible for retirement benefits under (i) a qualified defined benefit plan (the "Qualified Plan") available on a non-discriminatory basis to all employees hired before July 2007 who meet the service criteria; and (ii) a nonqualified defined benefit plan (the "Nonqualified Plan"), which is designed to restore the benefits that would have been earned under the Qualified Plan, absent the limits placed by the Internal Revenue Code. The details of these defined benefit plans are set forth in the Pension Benefits Table 2016 and the narrative that follows it.

Compensation and Organization Committee Report

This Compensation and Organization Committee Report shall not be deemed to be incorporated by reference into any filing made by the Company under the Securities Act of 1933 or the Exchange Act, notwithstanding any general statement contained in any such filing incorporating this proxy statement by reference, except to the extent the Company incorporates such Report by specific reference.

The Committee has reviewed and discussed the Compensation Discussion and Analysis with the management of the Company. Based on this review and these discussions, we have recommended to the Board of Directors that the Compensation Discussion and Analysis be included in the Company's Annual Report on Form 10-K and the Company's proxy statement.

The preceding report has been furnished by the following members of the Compensation and Organization Committee:

C. Scott Greer, *Chairman*

K'Lynne Johnson

Paul J. Norris

William H. Powell

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Executive Compensation Tables

SUMMARY COMPENSATION TABLE 2016

Name and Principal Position (a)	Year (b)	Salary ($) (c)	Bonus ($) (d)	Stock Awards[1][5] ($) (e)	Option Awards[1] ($) (f)	Non-Equity Incentive Plan Compensation[2] ($) (g)	Change In Pension Value[3] ($) (h)	All Other Compensation[4] ($) (i)	Total ($) (j)
PIERRE BRONDEAU	2016	1,149,830		4,085,842	1,738,172	2,552,623	N/A	589,910	10,116,37
President, Chief Executive Officer	2015	1,100,000		4,511,199	4,008,131	1,812,360	N/A	313,963	11,745,65
and Chairman of the Board	2014	1,040,000		1,441,899	1,431,987	779,064	N/A	424,195	5,117,145
PAUL GRAVES	2016	678,456		1,996,480	308,935	753,100	N/A	222,922	3,959,893
Executive Vice President and Chief	2015	649,147		340,575	345,174	516,072	N/A	128,704	1,979,672
Financial Officer	2014	624,180		309,807	307,663	260,658	N/A	216,284	1,718,592
MARK DOUGLAS	2016	582,286		1,881,577	260,009	685,602	N/A	180,619	3,590,093
President	2015	557,132		286,613	290,533	384,923	N/A	96,029	1,615,230
FMC Agricultural Solutions	2014	535,704		771,235	258,956	268,495	N/A	126,520	1,960,910
ERIC NORRIS	2016	402,165		824,816	128,365	293,789	321,569	42,094	2,012,798
President Health and Nutrition	2015	342,033		106,592	108,024	283,888	152,399	17,605	1,010,541
	2014	—		—	—	—	—	—	—
ANDREA UTECHT	2016	492,914		1,008,469	206,557	547,160	258,400	62,113	2,575,613
Executive Vice President, General	2015	478,213		227,705	230,807	366,997	92,408	47,623	1,443,753
Counsel and Secretary	2014	458,407		425,911	205,719	212,059	363,533	49,735	1,715,364

(1) The amounts in these columns reflect the grant date fair value of stock and option awards computed in accordance with FASB ASC Topic 718, excluding the effect of estimated forfeitures. See Note (14) to the Consolidated Financial Statements contained in the Company's report on Form 10K for the year ended December 31, 2016 for the assumptions used in the valuations that appear in these columns. The awards in column (e) are comprised of restricted stock units and performance-based restricted stock units. There were no forfeitures of equity awards by NEOs during 2016.

(2) For 2016, the totals listed in this column include amounts earned under the Incentive Compensation and Stock Plan as follows: (i) with respect to the Annual Incentive for 2016, for Mr. Brondeau, $2,552,623; for Mr. Graves, $753,100; for Mr. Douglas, $685,602; for Mr. Norris, $293,789; and for Ms. Utecht, $547,160; and (ii) with respect to the performance-based cash component of the 2014-2016 Long-Term Incentive Award, for Mr. Brondeau, $0; for Mr. Graves, $0; for Mr. Douglas, $0; for Mr. Norris, $0; and for Ms. Utecht, $0.

(3) For 2016, the amounts listed in this column are attributable to changes in the pension values under the Company's qualified and nonqualified defined benefit plans. Details of these defined benefit plans are set forth in the Pension Benefits Table 2016 and the narrative that follows.

(4) For 2016, the amounts stated in this column include: (i) with respect to the Company's matching contribution to the FMC Corporation Savings and Investment Plan, for Messrs. Brondeau, Graves and Douglas, $23,850; for Mr. Norris and Ms. Utecht, $10,600; (ii) with respect to the Company's matching contribution to the FMC Corporation Non-Qualified Savings and Investment Plan, for Mr. Brondeau $242,747; for Mr. Graves, $83,657; for Mr. Douglas, $63,199; for Mr. Norris, $16,842; and for Ms. Utecht, $23,797; (iii) with respect to the Company's core contributions to the Qualified and Nonqualified Savings and Investment Plans, for Mr. Brondeau, $13,250 for the Qualified Plan and $134,860 for the Nonqualified Plan; for Mr. Graves, $13,250 for the Qualified Plan and $46,476 for the Nonqualified Plan; and for Mr. Douglas, $13,250 for the Qualified Plan and $35,110 for the Nonqualified Plan; (iv) with respect to dividends paid on unvested restricted stock units, for Mr. Brondeau, $52,491; for Mr. Graves, $28,071; for Mr. Douglas, $30,862; for Mr. Norris, $10,709; and for Ms. Utecht, $14,835. The amounts in this column also include the aggregate incremental costs for the following: for Mr. Brondeau, financial planning $25,000, personal use of the Company airplane $85,935, a golf club membership, and reserved parking; for Mr. Graves, financial planning, executive long-term disability insurance, a golf club membership, and reserved parking; for Mr. Douglas, financial planning, a golf club membership and reserved parking; for Mr. Norris, financial planning; and for Ms. Utecht, financial planning, executive long-term disability insurance and reserved parking. The aggregate incremental cost for each of the foregoing perquisites and personal benefits that was quantified was calculated based on the full amount the Company paid for such benefit times the percentage of personal use not reimbursed to the Company.

(5) For 2016, the amounts listed in this column include: (i) performance-based restricted stock unit grants for Mr. Brondeau, 70,171 units; for Mr. Graves, 9,977 units; for Mr. Douglas, 8,397 units; for Mr. Norris, 4,146 units; and for Ms. Utecht, 6,671 units; (ii) special restricted stock unit grants (KMAs) for Mr. Graves, 34,000 units; for Mr. Douglas, 34,000 units; for Mr. Norris, 14,000 units; and for Ms. Utecht, 14,000 units; and (iii) annual restricted stock unit grants for Mr. Brondeau, 31,100 units; for Mr. Graves, 8,291 units; for Mr. Douglas, 6,978 units; for Mr. Norris, 3,445 units; and for Ms. Utecht, 5,544 units. Per SEC rules, the values of PRSUs are reported in this column based on their probable (target) outcomes at the grant date. However, the terms of the PRSUs permit additional shares to be earned based on above-target performance. In each case, the maximum numbers of shares that may be earned is equal to twice the target amount. The grant date value of the maximum number of shares that may be earned under the PRSUs was $5,846,648 for Mr. Brondeau, $831,284 for Mr. Graves, $699,638 for Mr. Douglas, $345,444 for Mr. Norris, and $555,828 for Ms. Utecht.

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The Summary Compensation Table lists all 2014, 2015 and 2016 compensation, as defined by the rules of the SEC, for the Chief Executive Officer, any individual who served as the Chief Financial Officer during any part of 2016, each of the three other most highly compensated executive officers, and any individual for whom disclosure would have been provided but for the fact that he or she was not serving as an executive officer at the end of the fiscal year. The base salary, Annual Incentives, and Long-Term Incentives (consisting of stock options, restricted stock units and performance-based restricted stock units), paid or awarded to these officers were determined by the Compensation and Organization Committee, as described in the Compensation Discussion and Analysis. The material terms of the Annual Incentive and Long-Term Incentive awards are described in the narrative to the Grants of Plan Based Awards Table. The material terms of the qualified and nonqualified defined benefit plans, which are the basis for the accruals reported in Column (h) of the Summary Compensation Table above, are described in the narrative to the Pension Benefits Table.

GRANTS OF PLAN-BASED AWARDS TABLE 2016

		Estimated Future Payouts Under Non-Equity Incentive Plan Awards(1)			**Estimated Future Payouts Under Equity Incentive Plan Awards Number of Shares of Stock or Units(2)**			**All Other Stock Awards:**	**All Other Option Awards:**	**Exercise**
Name (a)	**Grant Date (b)**	**Threshold ($) (c)**	**Target ($) (d)**	**Maximum ($) (e)**	**Threshold (#) (f)**	**Target (#) (g)**	**Maximum (#) (h)**	**Number of Shares of Stock or Units (#) (i)**	**Number of Securities Underlying Options (#) (j)**	**or Base Price of Option Awards ($/Sh) (k)**
Pierre Brondeau	N/A	0	1,379,796	2,759,592						
	2/25/2016				35,086	70,171	140,342			
	2/25/2016							31,100		
	2/25/2016								203,533	37.38
Paul Graves	N/A	0	407,074	814,148						
	2/25/2016				4,989	9,977	19,954			
	2/25/2016							42,291		
	2/25/2016								36,175	37.38
Mark Douglas	N/A	0	407,600	815,200						
	2/25/2016				4,199	8,397	16,794			
	2/25/2016							40,978		
	2/25/2016								30,446	37.38
Eric Norris	N/A	0	241,299	482,598						
	2/25/2016				2,073	4,146	8,292			
	2/25/2016							17,445		

	2/25/2016								15,031	37.38
Andrea Utecht	N/A	0	295,748	591,496						
	2/25/2016				3,336	6,671	13,342			
	2/25/2016							19,544		
	2/25/2016								24,187	37.38

(1) The actual amount of the Annual Incentive paid to the NEO with respect to 2016 is stated in footnote (2) to Column (g) of the Summary Compensation Table. The annual incentive awards have possible payouts at any point from zero to the respective maximums shown; therefore, no threshold is given.

(2) For the performance-based restricted stock unit component for the 2016-2018 performance period, a zero payout for each measurement period is possible, with the first payout for a measurement period thereafter equal to .5 times the target; therefore the threshold shown represents that latter amount, although such amount is not a guaranteed amount. Please see the narrative in the Compensation Discussion and Analysis for further explanation of the awards and how they are calculated.

Each of the awards contained in the Grants of Plan-Based Awards Table above are granted under the Incentive Compensation and Stock Plan, which is administered by the Compensation and Organization Committee (the "Committee"), in accordance with principles set forth in the Compensation Discussion and Analysis. The Incentive Compensation and Stock Plan provides for annual, as well as long-term incentive awards.

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OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END TABLE 2016

	Option Awards					Stock Awards
Name (a)	**Number of Securities Underlying Unexercised Options Exercisable[1] (#) (b)**	**Number of Securities Underlying Unexercised Options Unexercisable[2] (#) (c)**	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#) (d)	Option Exercise Price ($) (e)	Option Expiration Date (f)	**Number of Shares or Units of Stock That Have Not Vested[3] (#) (g)**
Pierre Brondeau	72,992			28.64	2/18/2020	19,771
	68,424			40.89	2/17/2021	30,823
	73,524			47.60	2/16/2022	35,084
	57,574			59.47	2/18/2023	31,100
		47,717		72.93	2/17/2024	
		80,267		63.41	2/27/2025	
		82,137		63.41	2/27/2025	
		203,533		37.38	2/25/2026	
Paul Graves	12,246			59.47	2/18/2023	4,248
		10,252		72.93	2/17/2024	5,371
		13,986		63.41	2/27/2025	

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Note 8. Financial Instruments

The financial instruments recorded in our Co
Consolidated Balance Sheets include cash an
equivalents, trade accounts receivable, trade
payable, debt obligations and swap agreeme
to their short-term maturity, the carrying am
trade accounts receivable and trade accounts
approximate their fair market values. The fo
table summarizes the carrying amounts and e
fair values of our other financial instruments
30, 2018:

	Carrying Amount	Fair Valu
	(Dollars in thous	
Assets:		
Cash and cash equivalents	$181,220	$181
Liabilities:		
Bank debt	$1,617,851	$1,6
5½% Senior Notes	300,000	304,
4¾% Senior Notes	300,000	286,
3¼% Senior Notes	759,460	770,

Fair Value Measurements

GAAP defines fair value as the price that wo
received to sell an asset or paid to transfer a
in an orderly transaction between market par
at the measurement date (exit price). GAAP
classifies the inputs used to measure fair val
hierarchy consisting of three levels. Level 1
represent unadjusted quoted prices in active
for identical assets or liabilities. Level 2 inp
represent unadjusted quoted prices in active
for similar assets or liabilities, or unadjusted
prices for identical or similar assets or liabil
markets that are not active, or inputs other th

quoted prices that are observable for the asse
liability. Level 3 inputs represent unobserva
inputs for the asset or liability. Financial ass
liabilities are classified in their entirety base
lowest level of input that is significant to the
value measurement.

Financial Instruments Measured at Fair Valu

The financial assets and liabilities that were
measured on a recurring basis at June 30, 20
consisted of our cash and cash equivalents a
derivative instruments. We measured the fa
of cash and cash equivalents using Level 1
inputs. We measured the fair value of our d
instruments using the income approach. The
value of our derivative instruments reflects t
estimated amounts that we would pay or rec
based on the present value of the expected c
derived from market interest rates and prices
such, these derivative instruments were class
within Level 2.

Financial Instruments Not Measured at Fair

Our bank debt, 5½% Senior Notes, 4¾% Se
Notes and 3¼% Senior Notes were recorded
historical amounts in our Condensed Consol
Balance Sheets, as we have not elected to m
them at fair value. We measured the fair val
variable rate bank debt using the market app
based on Level 2 inputs. Fair values of the 5
Senior Notes, 4¾% Senior Notes and 3¼% S
Notes were estimated based on quoted mark
a Level 1 input.

Derivative Instruments and Hedging Activit

Our derivative financial instruments were re
the Condensed Consolidated Balance Sheets
fair values. Changes in fair values of deriva
recorded in each period in earnings or comp
income, depending on whether a derivative i
designated as part of a hedge transaction and
the type of hedge transaction.

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We utilize certain derivative financial instru
manage a portion of our interest rate and nat
cost exposures. We generally limit our use
derivative financial instruments to interest ra
natural gas swap agreements. We do not en

trading or other speculative uses of these fin
instruments. For a financial instrument to qu
hedge, we must be exposed to interest rate o
risk, and the financial instrument must reduc
exposure and be designated as a hedge. Fin
instruments qualifying for hedge accounting
maintain a high correlation between the hed
instrument and the item being hedged, both
inception and throughout the hedged period.

We utilize certain internal hedging strategie
minimize our foreign currency exchange rat
risk. Net investment hedges that qualify for
accounting result in the recognition of forei
currency gains or losses, net of tax, in accum
other comprehensive loss. We generally do
utilize external derivative financial instrume
manage our foreign currency exchange rate

Interest Rate Swap Agreements

We have entered into two U.S. dollar interes
swap agreements, each for $50.0 million no
principal amount, to manage a portion of ou
exposure to interest rate fluctuations. These
agreements have a fixed rate of 2.878 percen
become effective on March 29, 2019 and ma
March 24, 2023. The difference between am
be paid or received on our interest rate swap
agreements will be recorded in interest and
expense in our Condensed Consolidated Sta
of Income. These agreements are with finan
institutions which are expected to fully perf

under the terms thereof. The total fair value
interest rate swap agreements in effect at Jun
2018 was not significant.

Natural Gas Swap Agreements

We have entered into natural gas swap agree
with a major financial institution to manage
of our exposure to fluctuations in natural gas
The difference between amounts to be paid
received on our natural gas swap agreements
recorded in cost of goods sold in our Conden
Consolidated Statements of Income and was
significant for the three and six months ende
30, 2018. These agreements are with financi
institutions which are expected to fully perfo
under the terms thereof. The total fair value
natural gas swap agreements in effect at June
2018 was not significant.

Foreign Currency Exchange Rate Risk

In an effort to minimize foreign currency ex
rate risk, we have financed acquisitions of fo
operations primarily with borrowings denom
Euros and Canadian dollars. In addition, wh
available, we have borrowed funds in local c
or implemented certain internal hedging stra
minimize our foreign currency exchange rate
related to foreign operations. We have desig
the 3¼% Senior Notes, which are Euro deno
as net investment hedges. Foreign currency
related to our net investment hedges include
accumulated other comprehensive loss for th
and six months ended June 30, 2018 were $1
million and $9.6 million, respectively.

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Note 9. Commitments and Continge

A competition authority in Germany comme antitrust investigation in 2015 involving the association for metal packaging in Germany members, including our metal container and subsidiaries in Germany. At the end of April the European Commission commenced an a investigation involving the metal packaging in Europe including our metal container and subsidiaries, which should effectively close investigation in Germany. Given the early st cannot reasonably assess what actions may r from these investigations or estimate what c may incur as a result thereof.

We are a party to other legal proceedings, c disputes and claims arising in the ordinary c our business. We are not a party to, and non properties are subject to, any pending legal proceedings which could have a material ad effect on our business or financial condition

Note 10. Retirement Benefits

The components of the net periodic pension credit were as follows:

	Three Months Ended		Six Month
	June 30, 2018	June 30, 2017	June 30, 2018
	(Dollars in thousands)		
Service cost	$3,710	$3,267	$7,431
Interest cost	6,296	6,362	12,605
Expected return on plan assets	(17,122)	(15,713)	(34,245)

Amortization of prior service cost	34	80	69
Amortization of actuarial losses	1,787	1,854	3,573
Net periodic benefit credit	$(5,295)	$(4,150)	$(10,567)

The components of the net periodic other postretirement benefit credit were as follows

	Three Months Ended		Six Mont
	June 30, 2018	June 30, 2017	June 30, 2018
	(Dollars in thousands)		
Service cost	$32	$34	$63
Interest cost	162	176	325
Amortization of prior service credit	(650)	(854)	(1,299)
Amortization of actuarial gains	(119)	(136)	(238)
Net periodic benefit credit	$(575)	$(780)	$(1,149)

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Note 11. Income Taxes

Silgan and its subsidiaries file U.S. Federal i
tax returns, as well as income tax returns in
states and foreign jurisdictions. We have bee
accepted into the Compliance Assurance Pro
the 2017 and 2018 tax years which provides
review by the Internal Revenue Service of ta
relating to our tax return prior to filing. We
expect a material change to our unrecognize
benefits within the next twelve months.

In December 2017, the staff of the Securitie
Exchange Commission issued Staff Account
Bulletin No. 118, which provides guidance f
application of GAAP as it pertains to accour
income taxes and allows us to record provisi
amounts pertaining to the enacted legislation
United States commonly referred to as the T
and Jobs Act, or the 2017 Tax Act, during a
measurement period ending in December 20
the three and six months ended June 30, 201
not have any significant adjustments to our
provisional amounts. Additional work is nec
complete the analysis of open items, includi
deferred tax assets and liabilities and our his
foreign earnings. Any subsequent adjustmen
provisional amounts will be recorded in curr
expense in the fiscal quarter of 2018 during
the analysis is completed.

Note 12. Capital Stock and Treasury

On June 11, 2018, our stockholders approve
increase in the number of authorized shares
common stock from 200,000,000 to 400,000
Accordingly, on June 11, 2018 we filed a Ce
of Amendment to our Amended and Restate

Certificate of Incorporation increasing the to
number of shares of capital which we have a
to issue to 410,000,000 shares, consisting of
400,000,000 shares of common stock, par va
$0.01 per share, and 10,000,000 shares of pr
stock, par value of $0.01 per share.

On October 17, 2016, our Board of Director
authorized the repurchase by us of up to an a
of $300.0 million of our common stock by v
means from time to time through and includ
December 31, 2021, of which we had approx
$129.4 million remaining under this authoriz
the repurchase of our common stock at June
2018. We did not repurchase any shares of o
common stock under this authorization durin
months ended June 30, 2018.

During the first six months of 2018, we issu
339,972 treasury shares which had an avera
of $3.12 per share for restricted stock units t
vested during the period. In accordance wit
Silgan Holdings Inc. Amended and Restated
Stock Incentive Plan, we repurchased 107,42
of our common stock at an average cost of $
satisfy minimum employee withholding tax
requirements resulting from the vesting of su
restricted stock units.

We account for treasury shares using the firs
first-out (FIFO) cost method. As of June 30
64,494,600 shares of our common stock wer
treasury.

Note 13. Stock-Based Compensation

We currently have one stock-based compens
plan in effect under which we have issued op
and restricted stock units to our officers, oth
employees and outside directors. During the
months of 2018, 374,810 restricted stock un
granted to certain of our officers, other key
employees and outside directors. The fair va
these restricted stock units at the grant date v
million, which is being amortized ratably ov
respective vesting period from the grant date

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Note 14. Business Segment Informat

Reportable business segment information fo
three and six months ended June 30 was as f

	Metal Containers	Closures	Plasti Conta
	(Dollars in thousands)		
Three Months Ended June 30, 2018			
Net sales	$524,863	$378,762	$155
Depreciation and amortization[1]	20,423	18,758	8,854
Rationalization charges	258	—	234
Segment income	48,248	47,702	13,16
Three Months Ended June 30, 2017			
Net sales	$529,715	$349,087	$143
Depreciation and amortization[1]	19,124	17,000	8,572
Rationalization charges	2,239	349	450
Segment income[2]	49,432	33,827	6,666
Six Months Ended June 30, 2018			
Net sales	$1,010,818	$749,108	$311
Depreciation and amortization[1]	40,676	37,408	17,80

Rationalization charges	740	39	416
Segment income	85,341	95,927	24,24
Six Months Ended June 30, 2017			
Net sales	$995,951	$546,769	$284
Depreciation and amortization(1)	37,923	26,181	17,00
Rationalization charges	2,962	401	560
Segment income(2)	93,303	57,625	13,50

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(1) Depreciation and amortization excludes amortization of debt issuance costs of $0 and $1.0 million for the three months enc 30, 2018 and 2017, respectively, and $2.0 and $2.2 million for the six months endec 30, 2018 and 2017, respectively.

(2) Segment income for Metal Containers in $3.0 million charge for each of the three months ended June 30, 2017 related to th resolution of a past non-commercial lega Segment income for Corporate includes c attributed to announced acquisitions of $9 million and $23.0 million for the three an months ended June 30, 2017, respectively

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Total segment income is reconciled to incon
income taxes as follows:

	Three Months Ended		Six Month	
	June 30, 2018	June 30, 2017	June 30, 2018	
	(Dollars in thousands)			
Total segment income	$104,117	$75,233	$196,301	
Interest and other debt expense	32,415	33,582	62,894	
Income before income taxes	$71,702	$41,651	$133,407	

Sales and segment income of our metal cont
business and part of our closures business ar
dependent, in part, upon fruit and vegetable
harvests. The size and quality of these harv
varies from year to year, depending in large
the weather conditions in applicable
regions. Because of the seasonality of the h
we have historically experienced higher unit
volume in the third quarter of our fiscal year
generated a disproportionate amount of our
segment income during that quarter.

Item 2.
MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULT
OPERATIONS

Statements included in "Management's Disc Analysis of Financial Condition and Results Operations" and elsewhere in this Quarterly Form 10-Q that are not historical facts are "forward-looking statements" made pursuan harbor provisions of the Private Securities L Reform Act of 1995 and Securities Exchang 1934, as amended. Such forward-looking st are made based upon management's expecta beliefs concerning future events impacting u therefore involve a number of uncertainties a including, but not limited to, those describec Annual Report on Form 10-K for the fiscal y ended December 31, 2017 and in our other f with the Securities and Exchange Commissi result, the actual results of our operations or financial condition could differ materially fr expressed or implied in these forward-lookin statements.

General

We are a leading manufacturer of rigid pack consumer goods products. We currently pro steel and aluminum containers for human an food and general line products; metal and pl closures and dispensing systems for food, be health care, garden, personal care, home and products; and custom designed plastic conta personal care, food, health care, pharmaceut household and industrial chemical, pet care, agricultural, automotive and marine chemica products. We are a leading manufacturer of containers in North America and Europe, a l worldwide manufacturer of metal and plastic and dispensing systems and a leading manuf of plastic containers in North America for a of markets, including the personal care, food care, household and industrial chemical mar

Our objective is to increase shareholder valu efficiently deploying capital and managemen resources to grow our business, reduce opera

costs and build sustainable competitive posit
franchises, and to complete acquisitions that
attractive cash returns. We have grown our
and income from operations largely through
acquisitions but also through internal growth
continue to evaluate acquisition opportunitie
consumer goods packaging market. If acqui
opportunities are not identified over a longer
of time, we may use our cash flow to repay
repurchase shares of our common stock or in
dividends to our stockholders or for other pe
purposes.

RESULTS OF OPERATIONS

The following table sets forth certain unaudi
income statement data expressed as a percen
net sales for the periods presented:

	Three Months Ended		Six Mon Ended
	June 30, 2018	June 30, 2017	June 30, 2018
Net sales			
Metal containers	49.5 %	51.8 %	48.8 %
Closures	35.8	34.2	36.2
Plastic containers	14.7	14.0	15.0
Consolidated	100.0	100.0	100.0
Cost of goods sold	83.6	84.5	83.9
Gross profit	16.4	15.5	16.1
Selling, general and administrative expenses	7.4	8.6	7.5
Rationalization charges	0.1	0.3	0.1
Other pension and postretirement income	(0.9)	(0.8)	(1.0)
Income before interest and income taxes	9.8	7.4	9.5
Interest and other debt expense	3.1	3.3	3.0
Income before income taxes	6.7	4.1	6.5
Provision for income taxes	1.5	1.4	1.6
Net income	5.2 %	2.7 %	4.9 %

Summary unaudited results of operations fo
periods presented are provided below.

	Three Months Ended		Six Mo
	June 30, 2018	June 30, 2017	June 3(2018
	(Dollars in millions)		

Net sales			
Metal containers	$524.9	$529.7	$1,010
Closures	378.8	349.1	749.1
Plastic containers	155.4	143.0	311.5
Consolidated	$1,059.1	$1,021.8	$2,071
Segment income			
Metal containers [1]	$48.2	$49.4	$85.3
Closures [2]	47.7	33.8	96.0
Plastic containers [3]	13.2	6.7	24.2
Corporate [4]	(5.0)	(14.7)	(9.2
Consolidated	$104.1	$75.2	$196.3

(1) Includes rationalization charges of $0.3 m
and $2.2 million for the three months ended
2018 and 2017, respectively, and $0.8 millio
$2.9 million for the six months ended June 3
and 2017, respectively. Includes a $3.0 milli
charge related to the resolution of a past
non-commercial legal dispute for each of the
and six months ended June 30, 2017.

(2) Includes rationalization charges of $0.3 m
and $0.4 million for the three and six month
June 30, 2017, respectively.

(3) Includes rationalization charges of $0.2 m
and $0.5 million for the three months ended
2018 and 2017, respectively, and $0.4 millio
$0.6 million for the six months ending June
and 2017, respectively.

(4) Includes costs attributed to announced acq
of $9.8 million and $23.0 million for the thre
months ended June 30, 2017, respectively.

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Three Months Ended June 30, 2018 Compar
Three Months Ended June 30, 2017

Overview. Consolidated net sales were $1.0
in the second quarter of 2018, representing a
percent increase as compared to the second q
2017 primarily due to the pass through of hig
material costs in each of our businesses, the
favorable foreign currency translation, highe
volumes in the plastic container business and
favorable mix of products sold in the closure
business, partially offset by lower unit volum
metal container and closures businesses. Inc
before interest and income taxes for the seco
quarter of 2018 increased by $28.9 million, o
percent, as compared to the same period in 2
primarily as a result of the unfavorable impa
prior year period from the write-up of invent
SDS for purchase accounting, the inclusion i
prior year period of acquisition related costs
million, lower manufacturing costs in the me
plastic container businesses, a charge of $3.0
in the prior year period related to the resolut
past non-commercial legal dispute, lower
rationalization charges, a more favorable mi
products sold in the closures business, highe
volumes in the plastic container business, fo
currency transaction losses in the prior year
and the favorable impact from the lagged pa
through of lower resin costs in the closures b
These increases were partially offset by lowe
volumes in the metal container and closures
businesses and higher freight costs. Results f
second quarters of 2018 and 2017 included
rationalization charges of $0.5 million and $
million, respectively, and loss on early
extinguishment of debt of $2.5 million and $
million, respectively. Results for the second
of 2018 and 2017 also included other pensio
postretirement income of $9.6 million and $
million, respectively. Results for the second
of 2017 also included costs attributed to ann
acquisitions of $9.8 million. Net income for
second quarter of 2018 was $55.3 million as
compared to $27.9 million for the same perio
2017. Net income per diluted share for the s
quarter of 2018 was $0.50 as compared to $0
the same period in 2017.

Net Sales. The $37.3 million increase in consolidated net sales in the second quarter o as compared to the second quarter of 2017 w result of higher net sales in the closures and container businesses, partially offset by lowe sales in the metal container business.

Net sales for the metal container business de $4.8 million, or 0.9 percent, in the second qu 2018 as compared to the same period in 201 decrease was primarily the result of lower un volumes of approximately nine percent, part offset by the pass through of higher raw mat other manufacturing costs and the impact of favorable foreign currency translation of approximately $6.0 million. More than half o decrease in unit volumes was due to a season customer adjusting its inventory levels in the period. Volumes were also impacted by a de fruit and vegetable pack as a result of unfavo weather conditions worldwide, a customer p shutdown in the fruit market and the compet of a smaller, lower margin customer. These d in volume were partially offset by continued in certain other markets such as the pet food protein markets.

Net sales for the closures business increased million, or 8.5 percent, in the second quarter as compared to the same period in 2017. Th increase was primarily the result of the impa favorable foreign currency translation of approximately $13.0 million, the pass throug higher raw material costs and a more favora of products sold, partially offset by lower un volumes of approximately two percent princ a result of lower demand for single-serve be

Net sales for the plastic container business in $12.4 million, or 8.7 percent, in the second q 2018 as compared to the same period in 201 increase was principally due to the pass thro higher raw material costs, higher volumes of approximately four percent and the impact o favorable foreign currency translation of approximately $1.0 million.

Gross Profit. Gross profit margin increased percentage points to 16.4 percent in the seco quarter of 2018 as compared to the same per

2017 for the reasons discussed below in "Inc
before Interest and Income Taxes".

Selling, General and Administrative
Expenses. Selling, general and administrati
expenses as a percentage of consolidated ne
decreased 1.2 percentage points to 7.4 perce
second quarter of 2018 as compared to 8.6 p
for the same period in 2017. Selling, general
administrative expenses decreased $10.4 mi
$78.3 million for the second quarter of 2018
compared to $88.7 million for the same peri
2017. These decreases were primarily due to
inclusion in the prior year period of both $9.
of costs attributed to the acquisition of SDS
$3.0 million charge related to the resolution
non-commercial legal dispute.

Income before Interest and Income Taxes. I
before interest and income taxes for the seco
quarter of 2018 increased by $28.9 million,
percent, as compared to the second quarter o
and margins increased to 9.8 percent from 7
over the same periods. The increase in incon
interest and income taxes was primarily the
higher segment income in the closures and p
container businesses as well as acquisition r
costs of $9.8 million incurred in the prior ye
slightly offset by lower segment income in t
container business.

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Segment income of the metal container busi
the second quarter of 2018 decreased $1.2 m
2.4 percent, as compared to the same period
and segment income margin decreased sligh
percent from 9.3 percent over the same perio
decrease in segment income was primarily
attributable to lower unit volumes and highe
expense, partially offset by lower manufactu
costs, a charge of $3.0 million in the prior ye
related to the resolution of a past non-comm
legal dispute and lower rationalization charg
Rationalization charges were $0.3 million an
million in the second quarters of 2018 and 2
respectively.

Segment income of the closures business for
second quarter of 2018 increased $13.9 milli
41.1 percent, as compared to the same period
2017, and segment income margin increased
percent from 9.7 percent over the same perio
increase in segment income was primarily d
unfavorable impact in the prior year period f
write-up of inventory of SDS for purchase
accounting of $11.9 million, a more favorab
products sold as a result of strong volumes o
dispensing closures, foreign currency transac
losses in the prior year period and the favora
impact from the lagged pass through to custo
lower resin costs, partially offset by lower u
volumes. The increase in segment income m
was primarily due to the unfavorable impact
prior year period from the write-up of invent
SDS for purchase accounting.

Segment income of the plastic container bus
the second quarter of 2018 increased $6.5 m
97.0 percent, as compared to the same period
2017, and segment income margin increased
percent from 4.7 percent over the same perio
increase in segment income was primarily
attributable to higher volumes and lower
manufacturing costs.

Interest and Other Debt Expense. Interest an
debt expense before loss on early extinguish
debt for the second quarter of 2018 increased
million to $29.9 million as compared to $29
in the same period in 2017 primarily due to h

weighted average interest rates, partially off
lower average borrowings largely as a result
partial repayment of acquisition borrowings
Credit Agreement at the end of 2017. Loss o
extinguishment of debt of $2.5 million in the
quarter of 2018 was the result of the redemp
all remaining outstanding 5% Notes in April
and the completion of the First Amendment
Credit Agreement in May 2018. Loss on ear
extinguishment of debt of $4.4 million in the
quarter of 2017 was primarily a result of the
redemption of the 5% Notes in April 2017.

Provision for Income Taxes. The effective
were 22.8 percent and 33.0 percent for the se
quarters of 2018 and 2017, respectively. The
effective tax rate in the second quarter of 20
primarily benefitted from the 2017 Tax Act
timing of certain state tax rate changes in the
year quarter.

Six Months Ended June 30, 2018 Compared
Months Ended June, 2017

Overview. Consolidated net sales were $2.0
in the first six months of 2018, representing
percent increase as compared to the first six
of 2017 primarily a result of the acquisition
in April 2017, the pass through of higher rav
material costs in each of our businesses, the
favorable foreign currency translation and hi
volumes in the plastic container business, pa
offset by lower unit volumes in the metal co
business and legacy closures operations and
favorable mix of products sold in the metal c
business. Income before interest and income
the first six months of 2018 increased by $6
million, or 48.7 percent, as compared to the
period in 2017 primarily as a result of the in
the prior year of acquisition related costs of
million, the benefit from the acquisition of S
unfavorable impact in the prior year from th
write-up of inventory of SDS for purchase
accounting of $11.9 million, lower manufact
costs in each of our businesses, higher volur
plastic container business, a charge of $3.0 r
the prior year related to the resolution of a p
non-commercial legal dispute, lower rationa
charges, foreign currency transaction losses
prior year period and the favorable impact fr
lagged pass through of lower resin costs in t

closures business. These increases were part
offset by lower unit volumes in the metal co
business and legacy closures operations, the
unfavorable impact from the planned lower
inventory build in the current year period as
compared to the prior year period in the met
container business, a less favorable mix of p
sold in the metal container business and hig
freight costs. Results for the first six months
and 2017 included rationalization charges of
million and $3.9 million, respectively, and l
early extinguishment of debt of $2.5 million
million, respectively. Results for the first six
of 2018 and 2017 also included other pensio
postretirement income of $19.2 million and
million, respectively. Results for the first six
of 2017 also included costs attributed to ann
acquisitions of $23.0 million. Net income fo
six months of 2018 was $101.1 million as co
to $51.2 million for the same period in 2017
income per diluted share for the first six mo
2018 was $0.91 as compared to $0.46 for th
period in 2017.

Net Sales. The $244.2 million increase in
consolidated net sales in the first six months
as compared to the first six months of 2017
result of higher net sales in each of our busi

Net sales for the metal container business in
$14.9 million, or 1.5 percent, in the first six
of 2018 as compared to the same period in
2017. This increase was primarily the result
pass through of higher raw material and othe
manufacturing

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costs and the impact of favorable foreign cur
translation of approximately $15.0 million, p
offset by lower unit volumes of approximate
percent and a less favorable mix of products
The decrease in unit volumes was primarily
of a seasonal customer adjusting its inventor
in the second quarter of 2018, a customer pl
shutdown in the fruit market, lower unit volu
with certain customers who bought ahead in
fourth quarter of 2017 and a delay in the frui
vegetable pack as a result of unfavorable we
conditions worldwide, partially offset by co
growth in certain other markets such as the p
and protein markets.

Net sales for the closures business increased
million, or 37.0 percent, in the first six mont
2018 as compared to the same period in 201
increase was primarily the result of the acqu
SDS, the impact of favorable foreign curren
translation of approximately $24.0 million a
pass through of higher raw material costs, pa
offset by lower unit volumes of approximate
percent in the legacy closures operations pri
as a result of a decline in sales for the single
beverage market.

Net sales for the plastic container business i
$27.0 million, or 9.5 percent, in the first six
of 2018 as compared to the same period in 2
increase was primarily due to the pass throu
higher raw material costs, higher volumes o
approximately five percent and the impact o
favorable foreign currency translation of
approximately $2.0 million.

Gross Profit. Gross profit margin increased
percentage point to 16.1 percent in the first s
months of 2018 as compared to the same pe
2017 for the reasons discussed below in "In
before Interest and Income Taxes".

Selling, General and Administrative
Expenses. Selling, general and administrati
expenses as a percentage of consolidated ne
decreased 1.1 percentage points to 7.5 perce
first six months of 2018 as compared to 8.6
for the same period in 2017. Selling, genera

administrative expenses decreased $2.3 mill
$155.0 million for the first six months of 20
compared to $157.3 million for the same per
2017. These decreases were primarily due to
inclusion in the prior year period of $23.0 m
costs attributed to the acquisition of SDS an
million charge related to the resolution of a p
non-commercial legal dispute, partially offse
inclusion of SDS for the full period in 2018.

Income before Interest and Income Taxes. I
before interest and income taxes for the first
months of 2018 increased by $64.3 million,
percent, as compared to the first six months
and margins increased to 9.5 percent from 7
over the same periods. The increase in incom
interest and income taxes was primarily the r
higher segment income in the closures and p
container businesses as well as acquisition r
costs of $23.0 million incurred in the prior y
period, partially offset by a decrease in segm
income in the metal container business.

Segment income of the metal container busi
the first six months of 2018 decreased $8.0 r
or 8.6 percent, as compared to the same peri
2017, and segment income margin decreased
percent from 9.4 percent over the same perio
decrease in segment income was primarily
attributable to lower unit volumes, the unfav
impact from the planned lower seasonal inve
build in the current year period as compared
prior year period, a less favorable mix of pro
sold and higher freight costs, partially offset
$3.0 million charge in the prior year period r
the resolution of a past non-commercial lega
lower manufacturing costs and lower rationa
charges. Rationalization charges were $0.8 r
and $2.9 million in the first six months of 20
2017, respectively.

Segment income of the closures business for
six months of 2018 increased $38.4 million,
percent, as compared to the same period in 2
segment income margin increased to 12.8 pe
from 10.5 percent over the same periods. Th
increase in segment income was primarily du
inclusion of segment income from the SDS
operations for the full period in 2018, the un
impact in the prior year period of the write-u
inventory of SDS for purchase accounting of

million, lower manufacturing costs, foreign
transaction losses in the prior year period an
favorable impact from the lagged pass throu
lower resin costs, partially offset by lower u
volumes in the legacy closures operations.

Segment income of the plastic container bus
the first six months of 2018 increased $10.7
or 79.3 percent, as compared to the same pe
2017, and segment income margin increased
percent from 4.7 percent over the same peri
increase in segment income was primarily
attributable to higher volumes and lower
manufacturing costs.

Interest and Other Debt Expense. Interest an
debt expense before loss on early extinguish
debt for the first six months of 2018 increase
million to $60.4 million as compared to $49
in the same period in 2017 primarily due to
average outstanding borrowings principally
result of borrowings for the acquisition of S
higher weighted average interest rates. Loss
extinguishment of debt of $2.5 million in the
months of 2018 was primarily a result of the
redemption of all remaining outstanding 5%
April 2018 and the completion of the First
Amendment to the Credit Agreement in Ma
Loss on early extinguishment of debt of $7.
in the first six months of 2017 was a result o

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prepayment of outstanding U.S. term loans a
term loans under our previous senior secured
facility and the partial redemption of the 5%
April 2017.

Provision for Income Taxes.   The effective
were 24.2 percent and 32.1 percent for the fi
months of 2018 and 2017, respectively. The
tax rate in the first six months of 2018 benef
the 2017 Tax Act.

CAPITAL RESOURCES AND LIQUIDITY

Our principal sources of liquidity have been
from operating activities and borrowings und
debt instruments, including our senior secure
facility. Our liquidity requirements arise fro
obligations under the indebtedness incurred
connection with our acquisitions and the refi
of that indebtedness, capital investment in ne
existing equipment, the funding of our seaso
working capital needs and other general corp
uses.

On April 16, 2018, we redeemed all remaini
outstanding 5% Notes ($280.0 million aggre
principal amount) at a redemption price of 1
percent of their principal amount plus accrue
unpaid interest up to the redemption date. W
this redemption with revolving loan borrowi
under the Credit Agreement and cash on han

On May 30, 2018, we completed the First
Amendment to the Credit Agreement, which
the maturity dates by approximately fourteen
for term loans and the revolving loan facility
the Credit Agreement, lowers the margin on
borrowings under the Credit Agreement and
us with additional flexibility with regard to s
initiatives.

As a result of the redemption of the remainin
outstanding 5% Notes and the First Amendm
recorded a pre-tax charge for the loss on earl
extinguishment of debt of $2.5 million durin
second quarter of 2018.

You should also read Note 7 to our Condens
Consolidated Financial Statements for the th
six months ended June 30, 2018 included els
in this Quarterly Report.

For the six months ended June 30, 2018, we
borrowings of revolving loans of $716.3 mil
fund repayments of long-term debt of $284.
cash used in operations of $92.9 million, de
outstanding checks of $87.8 million, net cap
expenditures of $90.8 million, dividends pai
common stock of $22.4 million, repurchases
common stock of $3.0 million and debt issu
costs of $2.9 million and to increase cash an
equivalents (including the effect of exchang
changes of $4.2 million) by $127.7 million.

For the six months ended June 30, 2017, we
aggregate proceeds of $1,789.2 million from
loan borrowings under the Credit Agreemen
issuance of our 4¾% Senior Notes due 2025
3¼% Senior Notes due 2025 and net borrow
revolving loans of $433.4 million to fund th
acquisition of SDS for $1,022.1 million, rep
of long-term debt of $744.4 million, cash us
operations of $138.8 million, decreases in
outstanding checks of $79.0 million, net cap
expenditures of $80.8 million, dividends pai
common stock of $20.3 million, debt issuan
of $16.6 million and repurchases of our com
stock of $3.2 million and to increase cash an
equivalents by $117.4 million.

At June 30, 2018, we had $760.0 million of
loans outstanding under the Credit Agreeme
includes revolving loan borrowings used to
redemption of the remaining outstanding 5%
Notes. After taking into account outstandin
of credit, the available portion of revolving
under the Credit Agreement at June 30, 201
$410.5 million and Cdn $15.0 million.

Because we sell metal containers and closur
fruit and vegetable pack processing, we hav
seasonal sales. As is common in the industr
must utilize working capital to build invento
then carry accounts receivable for some cust
beyond the end of the packing season. Due
seasonal requirements, which generally peak
sometime in the summer or early fall, we ma
short-term indebtedness to finance our work

capital requirements. Our peak seasonal wo
capital requirements have historically averag
approximately $350 million. We fund seasor
working capital requirements through revolv
under the Credit Agreement, other foreign b
and cash on hand. We may use the available
of revolving loans under the Credit Agreeme
taking into account our seasonal needs and
outstanding letters of credit, for other genera
corporate purposes including acquisitions, c
expenditures, dividends, stock repurchases a
refinance or repurchase other debt.

We believe that cash generated from operati
funds from borrowings available under the C
Agreement and other foreign bank loans wil
sufficient to meet our expected operating ne
planned capital expenditures, debt service, t
obligations, pension benefit plan contributio
repurchases and common stock dividends fo
foreseeable future. We continue to

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evaluate acquisition opportunities in the con
goods packaging market and may incur addi
indebtedness, including indebtedness under
Credit Agreement, to finance any such acqu

We are in compliance with all financial and
covenants contained in our financing agreem
believe that we will continue to be in compl
during 2018 with all of these covenants.

Rationalization Charges

We continually evaluate cost reduction oppo
across each of our businesses, including
rationalizations of our existing facilities thro
closings and downsizings. We use a discipli
approach to identify opportunities that gener
attractive cash returns. Under our rationaliza
plans, we made cash payments of $1.3 milli
$2.1 million for the six months ended June 3
and 2017, respectively. Additional cash spen
under our rationalization plans of $3.3 milli
expected through 2023.

You should also read Note 4 to our Condens
Consolidated Financial Statements for the th
six months ended June 30, 2018 included els
in this Quarterly Report.

Recently Issued Accounting Pronouncement

In February 2016, the FASB issued an ASU
amends existing guidance for certain leases
lessees. This amendment will require an enti
recognize assets and liabilities on the balanc
for the rights and obligations created by lon
leases and to disclose additional quantitative
qualitative information about leasing arrang
In addition, this amendment clarifies the pre
requirements of the effects of leases in the st
of income and statement of cash flows. This
amendment will be effective for us on Janua
2019. Early adoption is permitted. This ame
required to be adopted using a modified retr
approach. We are currently evaluating the im
this amendment on our financial position, re
operations and cash flows.

Item 3. QUANTITATIVE AND QUALITA
DISCLOSURES ABOUT MARKET RISK

Market risks relating to our operations result
primarily from changes in interest rates and,
respect to our international metal container a
closures operations and our Canadian plastic
container operations, from foreign currency
rates. In the normal course of business, we a
risk related to commodity price changes for
such as natural gas. We employ established
and procedures to manage our exposure to th
risks. Interest rate, foreign currency and com
pricing transactions are used only to the exte
considered necessary to meet our objectives.
not utilize derivative financial instruments fo
or other speculative purposes.

Information regarding our interest rate risk,
currency exchange rate risk and commodity
risk has been disclosed in our Annual Repor
Form 10-K for the fiscal year ended Decemb
2017. Since such filing, other than the chang
discussed in Notes 7 and 8 to our Condensed
Consolidated Financial Statements for the th
six months ended June 30, 2018 included els
in this Quarterly Report, there has not been a
change to our interest rate risk, foreign curre
exchange rate risk or commodity pricing risk
our policies and procedures to manage our e
to these risks.

Item 4. CONTROLS AND PROCEDURES

As required by Rule 13a-15(e) of the Securit
Exchange Act of 1934, as amended, or the E
Act, we carried out an evaluation, under the
supervision and with the participation of
management, including our Chief Executive
and Chief Financial Officer, of the effectiven
our disclosure controls and procedures. Bas
that evaluation, as of the end of the period co
this Quarterly Report, our Chief Executive O
and Chief Financial Officer concluded that t
disclosure controls and procedures were effe
ensure that information required to be disclo
in the reports that we file or submit under th
Exchange Act is recorded, processed, summ
and reported, within the time periods specifi

Securities and Exchange Commission's rule
forms, and that our disclosure controls and
procedures include, without limitation, contr
procedures designed to ensure that informati
required to be disclosed by us in the reports
submit under the Exchange Act is accumula
communicated to our management, includin
Principal Executive Officer and the Principa
Financial Officer, or persons performing sim
functions, as appropriate to allow timely dec
regarding required disclosure.

There were no changes in our internal contro
financial reporting during the period coverec
Quarterly Report that have materially affecte
reasonably likely to materially affect, these i
controls.

On April 6, 2017, we acquired SDS. You sh
Note 3 to our Condensed Consolidated Finan
Statements for the three and six months ende
30, 2018 included elsewhere in this Quarterl
for further information. We are currently in t
process of integrating the internal controls a
procedures of SDS into our internal controls
financial reporting. As provided under the
Sarbanes-Oxley Act of 2002 and the applica
and regulations of the Securities and Exchan
Commission, we will include the internal co
and procedures of SDS in our annual assessm
the effectiveness of our internal control over
reporting for our 2018 fiscal year.

Part II. Other Information

Item 6. Exhibits

Exhibit Number	Description
3.1	Amended and Restated Certificat Incorporation of Silgan Holdings (incorporated by reference to Exh filed with our Current Report on 8-K, dated June 13, 2006, Comm File No. 000-22117).
3.2	Amendment to the Amended and Certificate of Incorporation of Sil Holdings Inc. to amend the stockl voting standard (incorporated by to Exhibit 3.1 filed with our Curr Report on Form 8-K, dated June Commission File No. 000-22117
3.3	Amendment to the Amended and Certificate of Incorporation of Sil Holdings Inc. to increase the num authorized shares of our common (incorporated by reference to Exh filed with our Current Report on 8-K, dated June 11, 2010, Comm File No. 000-22117).
3.4	Amendment to the Amended and Certificate of Incorporation of Sil Holdings Inc. to permit an increas size of the Board of Directors for of time, to increase the number of authorized shares of our common and to make an immaterial admin change (incorporated by referenc Exhibit 3.1 filed with our Current on Form 8-K, dated June 15, 201 Commission File No. 000-22117
12	Ratio of Earnings to Fixed Charg three and six months ended June and 2017.

31.1	Certification by the Chief Execut Officer pursuant to Section 302 o Sarbanes-Oxley Act.
31.2	Certification by the Chief Financi Officer pursuant to Section 302 o Sarbanes-Oxley Act.
32.1	Certification by the Chief Execut Officer pursuant to Section 906 o Sarbanes-Oxley Act.
32.2	Certification by the Chief Financi Officer pursuant to Section 906 o Sarbanes-Oxley Act.
101.INS	XBRL Instance Document.
101.SCH	XBRL Taxonomy Extension Sche Document.
101.CAL	XBRL Taxonomy Extension Calc Linkbase Document.
101.DEF	XBRL Taxonomy Extension Defi Linkbase Document.
101.LAB	XBRL Taxonomy Extension Lab Linkbase Document.
101.PRE	XBRL Taxonomy Extension Pres Linkbase Document.

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SIGNATURES

Pursuant to the requirements of the Securitie
Exchange Act of 1934, the Registrant has du
caused this Quarterly Report to be signed on
behalf by the undersigned thereunto duly au

SILGAN HOLDING

Dated: August 8, 2018	/s/ Robert B. Lewis Robert B. Lewis Executive Vice Presi Chief Financial Offic (Principal Financial a Accounting Officer)

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