MINERALS TECHNOLOGIES INC
Form DEF 14A
April 03, 2018
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A
(Rule 14a-101)
INFORMATION REQUIRED IN PROXY STATEMENT
SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934
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 Materials Pursuant to § 240.14a-12

Minerals Technologies Inc.

(Name of Registrant as Specified in its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)
Payment of filing fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1)
Title of each class of securities to which transactions applies:

(2)
Aggregate number of securities to which transactions applies:

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Proposed maximum aggregate value of transaction:

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Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1)
Amount previously paid:

(2)
Form, schedule or registration statement no.:

(3)
Filing party:

(4)
Date filed:

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2018 Proxy Statement

Notice of Annual Meeting of Shareholders

Wednesday, May 16, 2018

9:00 a.m., local time

1 Highland Avenue, Conference Center,

Bethlehem, Pennsylvania 18017

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MINERALS TECHNOLOGIES INC.
622 THIRD AVENUE
NEW YORK, NEW YORK 10017-6707

Dear Fellow Shareholder:

You are cordially invited to attend the 2018 Annual Meeting of Shareholders of Minerals Technologies Inc. (the "Company," "MTI," "we," or "us"), which will be held on Wednesday, May 16, 2018, at 9:00 a.m., at 1 Highland Avenue, Conference Center, Bethlehem, Pennsylvania 18017.

At this year's meeting, you will be asked to consider and to vote upon the election of three directors. Your Board of Directors unanimously recommends that you vote FOR the nominees.

You will also be asked to ratify the appointment of KPMG LLP as our independent registered public accounting firm for the 2018 fiscal year. The Board continues to be satisfied with the services KPMG LLP has rendered to the Company and unanimously recommends that you vote FOR this proposal.

Lastly, you will also be asked to approve, on an advisory basis, the 2017 compensation of our named executive officers as described in this Proxy Statement. Your Board of Directors unanimously recommends that you vote FOR the advisory vote approving 2017 executive compensation.

The three items upon which you will be asked to vote are discussed more fully in the Proxy Statement. I urge you to read the Proxy Statement completely and carefully so that you can vote your interests on an informed basis.

It is anticipated that this Proxy Statement, the accompanying Proxy and the Company's 2017 Annual Report will first be available to shareholders on or about April 3, 2018 on the web site www.proxyvote.com and, if requested, a paper copy of this Proxy Statement, the accompanying Proxy and the Company's 2017 Annual Report will be mailed to the Company's shareholders. A Notice of Internet Availability of Proxy Materials (the "Notice") containing instructions on how to access this Proxy Statement, Proxy and the Company's 2017 Annual Report and vote through the Internet, or by telephone, will be mailed to our shareholders (other than those who previously requested electronic or paper delivery) on the same date as this Proxy Statement, the accompanying Proxy and the Company's 2017 Annual Report is first available to shareholders.

Your vote is important. Whether or not you plan to attend the meeting, we encourage you to read this Proxy Statement and submit your vote as soon as possible. For specific instructions on how to vote your shares, please refer to the instructions on the Notice you received in the mail, the section entitled "Questions and Answers About the Proxy Materials and the Annual Meeting" beginning on page 9 of this Proxy Statement, or if you requested to receive printed proxy materials, your enclosed proxy card. If you return a signed proxy without marking it, it will be voted in accordance with the Board of Directors' recommendations. You may, of course, attend the meeting and vote in person, even if you have previously submitted a proxy.

April 3, 2018

Sincerely,

Duane R. Dunham	Douglas T. Dietrich
Chairman of the Board	Chief Executive Officer

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NOTICE OF THE ANNUAL MEETING OF SHAREHOLDERS

MineralsTechnologiesInc.
NOTICE OF THE ANNUAL MEETING OF SHAREHOLDERS
May 16, 2018

The Annual Meeting of Shareholders of MINERALS TECHNOLOGIES INC., a Delaware corporation, will be held on Wednesday, May 16, 2018 at 9:00 a.m., at 1 Highland Avenue, Conference Center, Bethlehem, Pennsylvania 18017, to consider and take action on the following items:

1. the election of three directors;

2. a proposal to ratify the appointment of KPMG LLP as the independent registered public accounting firm of Minerals Technologies Inc. for the 2018 fiscal year;

3. an advisory vote to approve 2017 executive compensation; and

4. any other business that properly comes before the meeting, either at the scheduled time or after any adjournment.

Shareholders of record as of the close of business on March 20, 2018 are entitled to notice of and to vote at the meeting.

April 3, 2018
New York, New York
By Order of the Board of Directors,

Thomas J. Meek
Senior Vice President, General Counsel,
Human Resources, Secretary and Chief Compliance Officer

You are cordially invited to attend the meeting in person. Whether or not you plan to attend the meeting, we encourage you to read this Proxy Statement and submit your vote as soon as possible. For specific instructions on how to vote your shares, please refer to the instructions on the Notice you received in the mail, the section entitled “Questions and Answers About the Proxy Materials and the Annual Meeting” beginning on page 9 of this Proxy Statement, or if you requested to receive printed proxy materials, your enclosed proxy card. If you return a signed proxy without marking it, it will be voted in accordance with the Board of Directors’ recommendations. You may, of course, attend the meeting and vote in person, even if you have previously submitted a proxy.

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR
THE MINERALS TECHNOLOGIES INC. ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD ON MAY 16, 2018

The 2018 Proxy Statement and 2017 Annual Report to Shareholders are available at:
www.proxyvote.com

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PROXY SUMMARY

This summary highlights information contained elsewhere in this proxy statement. This summary does not contain all of the information that you should consider and you should read the entire proxy statement before voting. For more complete information regarding the Company's 2017 performance, please review the Company's Annual Report on Form 10-K for the year ended December 31, 2017.

Voting Matters

Our Board's Recommendation

Proposal	Issue	FOR
Item 1.	Election of Directors	
01	Elect John J. Carmola	
02	Elect Robert L. Clark	
03	Elect Marc E. Robinson	
Item 2.	Ratification of Approval of Auditors for 2018 Fiscal Year	
Item 3.	Advisory Vote to Approve 2017 Executive Compensation	

Our Company

Minerals Technologies Inc. is a resource- and technology-based company that develops, produces, and markets on a worldwide basis a broad range of specialty mineral, mineral-based and synthetic mineral products and supporting systems and services.

The Company has four reportable segments: Specialty Minerals, Performance Materials, Refractories and Energy Services.

- The Specialty Minerals segment produces and sells the synthetic mineral product precipitated calcium carbonate ("PCC") and processed mineral product quicklime ("lime"), and mines mineral ores then processes and sells natural mineral products, primarily limestone and talc. This segment's products are used principally in the paper, building materials, paint and coatings, glass, ceramic, polymer, food, automotive and pharmaceutical industries.

- The Performance Materials segment is a leading supplier of bentonite and bentonite-related products, chromite and leonardite. This segment also provides products for non-residential construction, environmental and infrastructure projects worldwide, serving customers engaged in a broad range of construction projects.

- The Refractories segment produces and markets monolithic and shaped refractory materials and specialty products, services and application and measurement equipment, and calcium metal and metallurgical wire products. Refractories segment products are primarily used in high-temperature applications in the steel, non-ferrous metal and glass industries.

- The Energy Services segment provides services to improve the production, costs, compliance, and environmental impact of activities performed in the oil and gas industry. This segment offers a range of services for off-shore filtration and well testing to the worldwide oil and gas industry.

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PROXY SUMMARY

2017 Company Performance Highlights

- The Company achieved record earnings for the eighth consecutive year with earnings of $4.59 per share, excluding special items, as compared with $4.47 per share in 2016. This represents 14% compound annual growth over the period.

- Combination of our Performance Materials and Construction Technologies businesses into one operating segment, leveraging talent across the business, reducing costs and increasing the speed of deployment of new products to market.

- Continued strengthening of our technology pipeline with focus on advancing technologies more rapidly through stage gate process. We have commercialized over 81 new products in the last five years.

- The company continued its geographic growth, with Asia sales up 8% and China sales up 12%.

- Signed two new Paper PCC satellite plants in Asia, in addition to an expansion of an existing facility, totaling 245,000 tons.

- Productivity improved 6 percent which resulted in savings of over $4 million.

- $110 million debt reduction for full year.

- Operating income was $263.2 million and was 15.7% of sales.

- Our cash flow from operations for the year was strong at $208 million. Cash flows provided from operations in 2017 were principally used for repayment of debt, to fund capital expenditures and pay the Company's dividend to common shareholders. We repaid $110 million of Term Loan debt in 2017 and $590 million since 2014. Our net leverage ratio at the end of 2017 was 2.2.

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- We continue to be a strong operating company with continued productivity improvement, employee engagement and significant cost savings.

- Our efforts to embed Operational Excellence and Lean principles into the Company began in 2007. In 2017 our employees held over 6,000 Total Kaizen events (Kaizen events are highly focused improvement workshops that address a particular process or area) and generated over 53,000 ideas of which approximately 70% were implemented.

- We continue to drive our safety performance toward world class levels and strive for our target of zero injuries.

For more information on the performance of our company in 2017, please refer to "Compensation Discussion and Analysis," beginning on page 36.

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PROXY SUMMARY
Board of Directors
In 2017, the Board was pleased to announce the elections of Carolyn K. Pittman and Franklin L. Feder to the Board of Directors. Ms. Pittman, Vice President – Finance and Controller for Huntington Ingalls Newport News Shipbuilding, brings to the Company a wealth of knowledge rooted in her background of audit, accounting, finance, and information technology. Mr. Feder, who most recently served as Regional Chief Executive Officer, Alcoa Latin America and Caribbean, is an accomplished business leader with a background in the mining and refining sectors, as well as experience in mergers and acquisitions and international markets. The elections of Ms. Pittman and Mr. Feder were informed by the Board's continued focus on its composition and its annual self-evaluation process, which sought in particular to enhance the Board's diversity and financial expertise in light of the resignation from the Board of Barbara R. Smith, who had been Chair of the Audit Committee. The Board believes that both are excellent additions.
The Board is comprised of nine Directors. Of them, eight are new Directors to the Board since 2010. The following table provides summary information regarding our Board. For more information, please refer to "Corporate Governance," beginning on page 12 and "Item 1, Election of Directors," beginning on page 29.

Name	Age	Director Since	Professional Background	Gender or Ethnic Diversity	Independent	Audit Committee	Compensation Committee	Corporate Governance and Nominating Committee
Joseph C. Breunig	56	2014	Consultant for private equity					
John J. Carmola	62	2013	Retired Former Segment President, Goodrich Corporation					
Robert L. Clark	54	2010	Provost and Senior Vice President for Research, University of Rochester					
Douglas T. Dietrich	49	2016	Chief Executive Officer, Minerals Technologies					
Duane R. Dunham*	76	2002	Retired President and Chief Operating Officer, Bethlehem Steel Corporation					
Franklin L. Feder	67	2017	Retired Regional Chief Executive Officer for Latin America & the Caribbean, Alcoa					
	54	2017						

Carolyn K. Pittman			Vice President-Finance and Controller, Huntington Ingalls Newport News Shipbuilding
Marc E. Robinson	57	2012	Senior Vice President, Enterprise Strategy, Aetna
Donald C. Winter	69	2014	Independent consultant and Professor of Engineering Practice, University of Michigan

* Chairman of the Board

Committee Chairman

Member

Corporate Governance Highlights

Our Board of Directors is committed to excellence in corporate governance. We know that our long-standing tradition of principled, ethical governance benefits our shareholders, as well as our customers, employees and communities, and we have developed and continue to maintain a governance profile that aligns with best practices. We believe that the high standards set by our governance structure have had and will continue to have a direct impact on the strength of our business. In 2017, we continued to extensively engage with our shareholders to determine how our corporate governance and compensation practices can be improved. At our 2017 Annual Meeting, our shareholders approved a proposal asking the Board to adopt a “proxy access” bylaw. As a result of this vote and of our shareholder engagement, in July 2017 we implemented a proxy access right for eligible shareholders holding 3% or more of our outstanding common stock for at least three years to nominate a number of directors to the Board equal to the greater of 20% of our Board or two directors.

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PROXY SUMMARY

Highlights of our corporate governance practices are set forth below. For more information, please refer to “Corporate Governance,” beginning on page 12.

- Proxy Access
- Majority Voting in Director Elections
- Independent Chairman of the Board
- Eight of nine Board members are independent (all directors other than the CEO)
- Board Refreshment (Two new independent directors in 2017 and eight new directors since 2010)
- Shareholder Engagement

Executive Compensation Highlights

The Company consistently delivers significant returns to its shareholders. In 2017, we achieved record earnings per share for the eighth year in a row and we generated strong cash flow from operations of $208 million. We believe these are key metrics of Company performance that correlate to shareholder value. In December 2016, the Board elected Douglas T. Dietrich as Chief Executive Officer. Under the compensation arrangements agreed with Mr. Dietrich at the time of his election, he received an annual base salary for 2017 of $800,000, had an initial target performance-based annual bonus for 2017 of $800,000, and was granted long-term incentive awards, consisting of Deferred Restricted Stock Units (DRSUs), options to purchase shares of Company common stock, and Performance Units under the Company’s long-term incentive plan, having an aggregate value of approximately $2,400,000.

The following illustrates the compensation of our Chief Executive Officer over the past three years. For reference, we also illustrate the Company’s earnings per share over the past three years.

*
2015 and 2016 CEO Total Compensation reflects compensation for the previous Chairman and Chief Executive Officer through September 2016. In addition, included in 2016 compensation is the incremental compensation of the Interim Co-Chief Executive Officers, Mr. Dietrich and Mr. Thomas J. Meek, earned for their services in such positions from September 2016 through December 2016. In December 2016, Mr. Dietrich was elected Chief Executive Officer. 2017 CEO Total Compensation reflects Mr. Dietrich’s compensation, as set forth in the Summary Compensation Table.

**
Excludes special items.

For more information on our executive compensation practices, please refer to “Compensation Discussion and Analysis,” beginning on page 36.

Corporate Responsibility and Sustainability

MTI’s values are rooted in sustainability. We manage our operations, our capital and our business opportunities in a sustainable manner, and we place the health and safety of people ahead of everything else. The company serves as a good steward of natural resources, and we employ sound environmental practices to protect the communities in which we operate.

For more information on our corporate responsibility and sustainability practices, please refer to “Corporate Responsibility and Sustainability,” on page 18.

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PROXY SUMMARY

Shareholder Engagement

We engage in an extensive, ongoing shareholder engagement effort that we began in 2012. This consists of discussing corporate governance and compensation matters with our shareholders before the annual meeting, as well as during proxy voting. We also engage with proxy advisory firms that represent the interests of various shareholders.

We continued this shareholder outreach program in 2017 – 2018, including contacting our top 50 shareholders, who at the time collectively held approximately 83% of our stock. We solicited our shareholders' views on whether they considered the disclosure in our proxy statement sufficient and understandable, whether they had any concerns with our executive compensation program, especially our program's design and the linkage between pay and performance, if there were any other environmental, social or corporate governance matters important to them that we should be made aware of, and whether there were any other ways we could enhance our corporate governance structure to be more effective in driving shareholder value. We also specifically requested feedback on whether our implementation of proxy access in 2017 reflected their preference. The shareholders that engaged with us responded positively with respect to our 2017 disclosure, and to the changes we have made to our executive compensation program and corporate governance over the past several years, including the adoption of proxy access and majority voting.

The following is a sampling of several of the comments we received from our shareholders through this engagement process that reflected the overall response:

"Your corporate governance is solid, and your core shareholder rights are in place, as you have majority voting, you have a diverse, experienced board that has been refreshed, and your responsiveness to shareholders was demonstrated by proxy access implementation last year."

"Your proxy is one of the better proxies I have seen. I like how you include shareholder comments, you include the total shareholder return in the proxy so I don't have to refer back to the 10K, and you include the Say on Pay vote from the prior year so I don't have to look that up. I also really like the "History of Performance Unit Payouts" chart and will recommend that other companies use that."

"You do a nice job walking through all of the material in your proxy in a clear and concise way."

"I was glad to see that proxy access was implemented, and I'm pleased with the 3, 3, 20, 20 thresholds."

"You have done a great job expanding margins from single digits to mid double digits."

"The safety metrics in your Sustainability Report are helpful."

"Your Sustainability Report has very specific information about environmental and safety data."

"An annually elected Board is best practice and we are seeing more companies going away from classified Boards. However, we recognize the efforts you have made in your Board, with thoughtful additions."

Consideration of Results of 2017 Shareholder Advisory Vote

At our 2017 Annual Meeting, our shareholders approved the 2016 compensation of our named executive officers with 84% of the shares voting on the matter at the meeting voting in favor. We believe that the significant margin of approval of our 2017 "Say-on-Pay" proposal resulted in large measure from our shareholder engagement effort.

As a result of the vast majority of shares favoring our "Say-on-Pay" proposal at our 2017 Annual Meeting, and the positive feedback we received during our 2017 – 2018 shareholder outreach program, we have substantially maintained our executive compensation policies. The Compensation Committee will continue to consider the views of our shareholders in connection with our executive compensation program and make improvements based upon evolving best practices, market compensation information and changing regulatory requirements.

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MINERALS TECHNOLOGIES INC.
622 THIRD AVENUE
NEW YORK, NEW YORK 10017-6707
April 3, 2018

PROXY STATEMENT

This proxy statement ("Proxy Statement") contains information related to the annual meeting of shareholders ("Annual Meeting") of the Company, to be held at 9:00 a.m. on Wednesday, May 16, 2018, at 1 Highland Avenue, Conference Center, Bethlehem, Pennsylvania 18017.

QUESTIONS AND ANSWERS ABOUT THE PROXY MATERIALS AND THE ANNUAL MEETING

1.
Why am I being sent these materials?

The Company has made these materials available to you on the internet, or, upon request, has delivered printed proxy materials to you, in connection with the solicitation of proxies for use at the Annual Meeting. If a quorum does not attend or is not represented by proxy, the meeting will have to be adjourned and rescheduled.

2.
Who is asking for my proxy?

The Board of Directors asks you to submit a proxy for your shares so that even if you do not attend the meeting, your shares will be counted as present at the meeting and voted as you direct.

3.
What is the agenda for the Annual Meeting?

At the Annual Meeting, shareholders will vote on three items: (i) the election of John J. Carmola, Robert L. Clark and Marc E. Robinson as members of the Board of Directors, (ii) the ratification of the appointment of KPMG LLP ("KPMG") as our independent registered public accounting firm and (iii) an advisory vote to approve 2017 executive compensation. Also, management will make a brief presentation about the business of the Company, and representatives of KPMG will make themselves available to respond to any questions from the floor.

The Board does not know of any other business that will be presented at the Annual Meeting. The form of proxy gives the proxies discretionary authority with respect to any other matters that come before the Annual Meeting and, if such matters arise, the individuals named in the proxy will vote according to their best judgment.

4.
How does the Board of Directors recommend I vote?

The Board unanimously recommends that you vote for the nominee for directors, John J. Carmola, Robert L. Clark and Marc E. Robinson, for ratification of the appointment of KPMG to continue as our auditors, and for the advisory vote approving 2017 executive compensation.

5.
Who can attend the Annual Meeting?

Any shareholder of the Company, employees, and other invitees may attend the Annual Meeting.

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QUESTIONS AND ANSWERS ABOUT THE PROXY MATERIALS AND THE ANNUAL MEETING

6.

Who can vote at the Annual Meeting?

Anyone who owned shares of our common stock at the close of business on March 20, 2018 (the "Record Date") may vote those shares at the Annual Meeting. Each share is entitled to one vote.

7.

What constitutes a quorum for the meeting?

According to the by-laws of the Company, a quorum for all meetings of shareholders consists of the holders of a majority of the shares of common stock issued and outstanding and entitled to vote, present in person or by proxy. On the Record Date there were 35,383,959 shares of common stock issued and outstanding, so at least 17,691,980 shares must be represented at the meeting for business to be conducted.

Shares of common stock represented by a properly signed and returned proxy are treated as present at the Annual Meeting for purposes of determining a quorum, whether the proxy is marked as casting a vote or abstaining.

Shares represented by "broker non-votes" are also treated as present for purposes of determining a quorum. Broker non-votes are shares held in record name by brokers or nominees, as to which the broker or nominee (i) has not received instructions from the beneficial owner or person entitled to vote, (ii) does not have discretionary voting power under applicable New York Stock Exchange rules or the document under which it serves as broker or nominee, and (iii) has indicated on the proxy card, or otherwise notified us, that it does not have authority to vote the shares on the matter.

If a quorum does not attend or is not represented, the Annual Meeting will have to be postponed.

8.

How many votes are required for each question to pass?

In 2016, our Board of Directors amended the Company's by-laws to provide for majority voting for directors. Directors are now elected by the vote of the majority of the votes cast in uncontested elections. All other questions are determined by a majority of the votes cast on the question, except as otherwise provided by law or by the Certificate of Incorporation.

9.

What is the effect of abstentions and broker non-votes?

Under New York Stock Exchange Rules, the proposal to ratify the appointment of independent auditors is considered a "discretionary" item. This means that brokerage firms may vote in their discretion on this matter on behalf of clients who have not furnished voting instructions at least 10 days before the date of the meeting. In contrast, the election of directors and the advisory vote to approve 2017 executive compensation are "non-discretionary" items. This means brokerage firms that have not received voting instructions from their clients on these proposals may not vote on them. These so-called "broker non-votes" will be included in the calculation of the number of votes considered to be present at the meeting for purposes of determining a quorum, but will not be considered in determining the number of votes necessary for approval and will have no effect on the outcome of the election of directors and the advisory vote to approve 2017 executive compensation. Similarly, abstentions will be included in the calculation of the number of votes considered to be present for purposes of determining a quorum, but will have no effect on the outcome of the election of directors, the ratification of the appointment of independent auditors and the advisory vote to approve 2017 executive compensation.

10.

Who will count the votes?

A representative from Broadridge Financial Solutions, Inc. will serve as inspector of election.
11.
Who are the Company's largest shareholders?

Blackrock Inc. owned 10.4%; Vanguard Group Inc. owned 8.6% and T. Rowe Price Associates, Inc. owned 6.3%. The percentages of ownership were calculated based on our outstanding shares of 35,427,389 as of January 31, 2018. No other person owned of record, or, to our knowledge, owned beneficially, more than 5% of the Company's common stock.

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QUESTIONS AND ANSWERS ABOUT THE PROXY MATERIALS AND THE ANNUAL MEETING

12.

How can I cast my vote?

You can vote by proxy over the internet by following the instructions provided in the Notice, or, if you requested to receive printed proxy materials, you can also vote by mail pursuant to the instructions provided on the proxy card. If you hold shares beneficially in street name, you may also vote by proxy over the internet by following the instructions provided in the Notice, or, if you requested to receive printed proxy materials, you can also vote by mail by following the voting instruction card provided to you by your broker, bank, trustee or nominee.

If you are an employee who participates in the Company's Savings and Investment Plan (the Company's 401(k) plan), to vote your shares in the Plan you must provide the trustee of the Plan with your voting instructions in advance of the meeting. You may do so by proxy over the internet by following the instructions provided in the Notice, or, if you requested to receive printed proxy materials, you can also vote by mail by following the voting instructions provided in the proxy card. You cannot vote your shares in person at the Annual Meeting; the trustee is the only one who can vote your shares at the Annual Meeting. The trustee will vote your shares as you instruct. If the trustee does not receive your instructions, your shares generally will be voted by the trustee in proportion to the way the other Plan participants voted. To allow sufficient time for voting by the trustee, your voting instructions must be received by 11:59 p.m. Eastern Daylight Time (EDT) on May 14, 2018.

13.

What if I submit a proxy but don't mark it to show my preferences?

If you return a properly signed proxy without marking it, it will be voted in accordance with the Board of Directors' recommendations on all proposals.

14.

What if I submit a proxy and then change my mind?

If you submit a proxy, you can revoke it at any time before it is voted by submitting a written revocation or a new proxy, or by voting in person at the Annual Meeting. However, if you have shares held through a brokerage firm, bank or other custodian, you can revoke an earlier proxy only by following the custodian's procedures. Employee Savings and Investment Plan participants can notify the Plan trustee in writing that prior voting instructions are revoked or are changed.

15.

Who is paying for this solicitation of proxies?

The Company pays the cost of this solicitation. In addition to soliciting proxies through the mail using this Proxy Statement, we may solicit proxies by telephone, facsimile, electronic mail and personal contact. These solicitations will be made by our regular employees without additional compensation. We have also engaged Morrow Sodali LLC, 470 West Ave., Stamford, CT 06902 to assist in this solicitation of proxies, and we have agreed to pay that firm $5,500 for its assistance, plus expenses.

16.

Where can I learn the outcome of the vote?

The Secretary will announce the preliminary voting results at the Annual Meeting, and we will publish the final results in a current report on Form 8-K which will be filed with the Securities and Exchange Commission as soon as practicable after the Annual Meeting.

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CORPORATE GOVERNANCE

CORPORATE GOVERNANCE

Our Board of Directors (the “Board”) oversees the activities of our management in the handling of the business and affairs of our company and assures that the long-term interests of the shareholders are being served. As part of the Board’s oversight responsibility, it monitors developments in the area of corporate governance. The Board has adopted a number of policies with respect to our corporate governance, including the following: (i) a set of guidelines setting forth the operation of our Board and related governance matters, entitled “Corporate Governance Guidelines”; (ii) a code of ethics for the Company’s Chief Executive Officer, Chief Financial Officer, and Chief Accounting Officer, entitled “Code of Ethics for Senior Financial Officers”; and (iii) a code of business conduct and ethics for directors, officers and employees of the Company entitled “Summary of Policies on Business Conduct.” The Board annually reviews and amends, as appropriate, our governance policies and procedures.

The Corporate Governance Guidelines, the Code of Ethics for Senior Financial Officers and the Summary of Policies on Business Conduct are posted on our website, www.mineralstech.com, under the links entitled “Our Company,” then “Corporate Responsibility,” and then “Policies and Charters,” and are available in print at no charge to any shareholder who requests them by writing to Secretary, Minerals Technologies Inc., 622 Third Avenue, New York, New York 10017-6707.

Our Board of Directors

Our Board is elected by our shareholders to oversee our business and affairs. The Board advises and counsels management regarding the long-term interests of the Company, our shareholders and other stakeholders regarding a broad range of subjects. The Board and its Committees also performs a number of specific functions, such as:

- Selecting, evaluating performance of, and compensating the Chief Executive Officer, overseeing Chief Executive Officer succession planning, and providing counsel and oversight on the selection, evaluation, development, and compensation of senior management;

- Reviewing, approving and monitoring fundamental financial and business strategies, including our annual plan and longer-term strategic plans, significant capital expenditures and uses of the Company’s funds, and other major corporate actions;

- Ensuring processes are in place for maintaining the integrity of the Company, the integrity of its financial statements, the integrity of its compliance with law, rules, regulations, and ethics, the integrity of its relationships with customers and suppliers, and the integrity of its relationships with other stakeholders;

- Assessing major risks facing the Company and reviewing options for their management and mitigation;

- Regularly reviewing the Company’s safety culture and performance, environmental compliance, and sustainability practices; and

- Regularly evaluating potential strategic alternatives relating to the Company and our business, including possible acquisitions, divestitures and business combinations.

Meetings and Attendance

The Board met six times in 2017. Each of the directors attended at least 75% of the meetings of the Board and committees on which he or she served in 2017. At each regular meeting of the Board, the independent (non-management) directors have an opportunity to meet in executive session outside the presence of Mr. Dietrich, the Company's sole non-independent (management) director or any other member of management.

Under our Corporate Governance Guidelines, all members of the Board are expected to attend the Annual Meeting of Shareholders. All of the members of the Board attended last year's Annual Meeting of Shareholders, with the exception of Ms. Barbara R. Smith who has since resigned from the Board.

Director Independence

The Board has adopted the following categorical standards to guide it in determining whether a member of the Board can be considered "independent" for purposes of Section 303A of the Listed Company Manual of the New York Stock Exchange: A director will not be independent if, within the preceding three years:

- the director was employed by the Company, or an immediate family member of the director was employed by the Company, as an executive officer;

- the director or an immediate family member of the director received more than $120,000 per year in direct compensation from the Company, other than director and committee fees and pensions or other forms of direct compensation for prior service (provided such compensation is not contingent in any way on continued service);

- the director was employed by or affiliated with the Company's independent registered public accounting firm or an immediate family member of the director was employed by or affiliated with the Company's independent registered public accounting firm in a professional capacity;

- the director or an immediate family member was employed as an executive officer of another company where any of the Company's present executives served on that company's compensation committee; and

- the director was an executive officer or an employee, or had an immediate family member who was an executive officer, of a company that made payments to, or received payments from, the Company for goods or services in an amount which, in any single fiscal year, exceeded the greater of $1,000,000 or 2% of the other company's consolidated gross revenues.

In the case of each director who qualifies as independent, the Board is aware of no relationships between the director and the Company and its senior management, other than the director's membership on the Board of the Company and on committees of the Board. As a result of its application of the categorical standards and the absence of other relationships, the Board has affirmatively determined (with each member abstaining from consideration of his or her own independence) that none of the non-employee members of the Board violates the categorical standards or otherwise has a relationship with the Company and, therefore, each is independent. Specifically, the Board has affirmatively determined that Mr. Joseph C. Breunig, Mr. John J. Carmola, Dr. Robert L. Clark, Mr. Duane R. Dunham, Mr. Franklin L. Feder, Ms. Carolyn K. Pittman, Mr. Marc E. Robinson, and Dr. Donald C. Winter, comprising all of the non-employee directors, are independent.

Board Leadership Structure

The Board continuously evaluates its leadership structure. In 2016, the Board elected Mr. Duane R. Dunham as Chairman of the Board. Mr. Dunham has been an independent Director of the Company since 2002. Upon his election as Chief Executive Officer, Mr. Dietrich was also elected to the Board. All directors, with the exception of Mr. Dietrich, are independent. In practice, the Board continues to act cooperatively. Mr. Dunham and Mr. Dietrich develop Board agendas in consultation with other Board members, who may request an item be added to the agenda. The Board expects the independent directors to work collaboratively to discharge their Board responsibilities, including in determining items to be raised in the executive session meetings of independent directors, and directors responsible for presiding over such meetings. The Company believes that this approach effectively encourages full participation by all Board members in relevant matters, while avoiding unnecessary hierarchy. It provides a well-functioning and effective balance between strong Company leadership and appropriate safeguards and oversight by independent directors. The Board believes that additional structure or formalities would not enhance the substantive corporate governance process and could restrict the access of individual Board members to management. The Board recognizes that there is no single, generally accepted approach to providing Board leadership. While the Corporate Governance Guidelines currently provide for the foregoing leadership structure, the Board reserves the right to adopt a different policy as circumstances warrant.

Board Size and Committees

It is the policy of the Company that the number of Directors should not exceed a number that can function efficiently as a body. The Board currently consists of nine members, eight of whom have been affirmatively determined to be independent. The Board currently has the following Committees: Audit, Compensation, and Corporate Governance and Nominating.

Each Committee consists entirely of independent, non-employee directors. The responsibilities of such Committees are more fully discussed below under "Committees of the Board." The Corporate Governance and Nominating Committee considers and makes recommendations to the Board concerning the appropriate size and needs of the Board and its Committees.

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CORPORATE GOVERNANCE

Identification and Evaluation of Directors

The Corporate Governance and Nominating Committee is charged with seeking individuals qualified to become directors and recommending candidates for all directorships to the full Board. The Committee considers director candidates to fill new positions created by expansion and vacancies that occur by resignation, by retirement or for any other reason.

While the Board has not established any minimum set of qualifications for membership on the Board, candidates are selected for, among other things, their integrity, independence, diversity, range of experience, leadership, the ability to exercise sound judgment, the needs of the Company and the range of talent and experience already represented on the Board. See "—Director Qualifications and Diversity Considerations" below for detailed information concerning directors' qualifications. The Committee considers director candidates suggested by members of the Committee, other directors, senior management and shareholders. Both new directors elected in 2017 were suggested by current directors. The Committee has the authority to use outside search consultants at its discretion. Final approval of a candidate is determined by the full Board.

Shareholders wishing to recommend a director candidate to the Committee for its consideration should write to the Committee, in care of Secretary, Minerals Technologies Inc., 622 Third Avenue, New York, New York 10017-6707. To receive meaningful consideration, a recommendation should include the candidate's name, biographical data, and a description of his or her qualifications in light of the criteria discussed below. Recommendations by shareholders that are made in accordance with these procedures will receive the same consideration by the Committee as other suggested nominees. Shareholders wishing to nominate a director directly at a meeting of shareholders should follow the procedures set forth in the Company's by-laws and described under "—Shareholder Proposals and Nominations," below.

Director Qualifications and Diversity Considerations

Directors are responsible for overseeing the Company's business and affairs consistent with their fiduciary duty to shareholders. This significant responsibility requires highly-skilled individuals with various qualities, attributes, skills and experiences. The Board and Corporate Governance and Nominating Committee require that each director be a recognized person of high integrity with a proven record of success in his or her field. Members of the Board should have a background and experience in areas important to the operations and strategy of the Company. Experience in technology, finance, manufacturing, marketing and the key global markets of the Company are among the most significant qualifications of a director. It is expected that candidates will have an appreciation of the responsibilities of a director of a company whose shares are listed on a national securities exchange. The Board and Committee also take into account the ability of a director to devote the time and effort necessary to fulfill his or her responsibilities to the Company.

The Committee considers the need for diversity on the Board as an important factor when identifying and evaluating potential director candidatesand believes that the composition of the Board should reflect sensitivity to the need for diversity as to geography, gender, ethnic background, profession, skills and business experience. While the Board does not have a specific written diversity policy, the Company is committed to inclusiveness with respect to diversity of ethnicity and gender. Accordingly, in performing its responsibilities to review director candidates and recommend candidates to the Board for election, the Committee is committed to ensuring that candidates with a diversity of ethnicity and gender are included in each pool of candidates from which Board nominees are chosen.

The Committee does not assign specific weights to particular criteria and no particular criterion is necessarily applicable to all prospective director candidates. The Board believes that its members provide a significant composite mix of experience, knowledge and abilities that contribute to a more effective decision-making process and allow the Board to effectively fulfill its responsibilities. The Board uses a skills matrix to assist it in considering the appropriate balance of experience, skills and attributes required of a director and to be represented on the Board as a whole. The skills matrix is based on the Company's strategic plan and is periodically reviewed. It consists of a list of skills and attributes to be represented collectively on the Board, such as leadership experience, international experience, financial expertise (as defined by the rules of the Securities and Exchange Commission ("SEC") and New York Stock

Exchange), industry experience, governmental experience, operational experience, risk management expertise and diversity of ethnic background and gender. Board candidates are evaluated against the skills matrix when the Committee determines whether to recommend candidates for initial election to the Board and when determining whether to recommend currently serving directors for reelection to the Board.

In 2017, the Board increased the size of the full Board to nine members and elected as new Board members Carolyn K. Pittman and Franklin L. Feder. The elections of Ms. Pittman and Mr. Feder were informed by the Board's continued focus on its composition and its annual self-evaluation process, which sought in particular to enhance the Board's diversity and financial expertise—both Ms. Pittman and Mr. Feder were determined to be audit committee financial experts under SEC rules—in light of the resignation from the Board of Barbara R. Smith, who had been Chair of the Audit Committee. Set forth below is a summary of the specific qualifications, attributes, skills and experience of our directors:

Joseph C. Breunig

- Industry and Technology Experience—Former Vice President, Chemicals at Axiall Corporation and Former Executive Vice President and Chief Operating Officer at BASF Corporation, the world's leading chemical company.

- Operational Experience—Extensive experience in engineering, management, marketing and operations.

John J. Carmola

- Relevant President Experience—Former Segment President at Goodrich Corporation and former President, Aerospace Customers and Business Development of United Technologies.

- Operational and Engineering Experience—Extensive experience in engineering, management, product delivery and operations.

Robert L. Clark

- Industry and Technology Experience—Extensive academic experience in the materials science field at the University of Rochester and Duke University.

- Research and Development Expertise—Extensive research and development experience through various roles, including his current position as Senior Vice President for Research, University of Rochester, and formerly Senior Associate Dean for Research, Pratt School of Engineering, Duke University and Vice President and Senior Research Scientist for Adaptive Technologies Incorporated.

- Intellectual Property Management Experience—Founder of the intellectual property company SparkIP.

- Process Manufacturing Expertise—Holds a Ph.D. in Mechanical Engineering from Virginia Polytechnic Institute and State University and research in this field.

- Government Contracting Expertise—Headed numerous research programs funded by government agencies, including the National Aeronautics and Space Administration and the National Science Foundation.

Douglas T. Dietrich

- Relevant Chief Executive Officer/President Experience—Chief Executive Officer of the Company effective 2016.

- Operational and Engineering Experience—Extensive experience in engineering, management, product delivery and operations.

- High Level of Financial Literacy—Extensive financial oversight experience in senior management roles with the Company, including as Chief Financial Officer from 2011 to 2016, and with Alcoa Inc.

- Industry and Technology Experience—Extensive experience in the industrial goods, mining and metals manufacturing field.

- Extensive International Experience—Experience from leadership positions with several international divisions of Alcoa Inc.

Duane R. Dunham

- Relevant Chief Executive Officer/President Experience—Former Chairman and Chief Executive Officer of Bethlehem Steel Corporation.

- Industry and Technology Experience—Extensive experience in the steel industry, one of the Company's most important market areas.

- Board Experience—Prior service on the Company's Board, as well as on the board of Bethlehem Steel Corporation.

- Operational Experience—Experience in manufacturing, management and operations, mining operations and reserves, marketing, labor relations, environmental, health and safety oversight, compensation, and human resources oversight with Bethlehem Steel Corporation.

Franklin L. Feder

- Extensive International Experience—Experience from leadership positions with Alcoa Inc., including as Regional Chief Executive Officer for Latin America & the Caribbean.

- High Level of Financial Literacy—Extensive financial oversight experience in senior management roles with Alcoa Inc.

- Board Experience—Service on the Company’s Board, as well as on the boards of a number of public and private companies in Brazil.

- Industry and Technology Experience—Extensive experience in the manufacturing field with Alcoa Inc.

Carolyn K. Pittman

- High Level of Financial Literacy—Extensive financial oversight experience in senior management roles with Huntington Ingalls Newport News Shipbuilding and Northrup Grumman.

- Operational Experience—Extensive experience in enterprise shared services, information technology, and audit roles with Northrup Grumman.

Marc E. Robinson

- High Level of Financial Literacy—Extensive experience in managing global and regional business units for Johnson & Johnson, Pfizer Inc. and Warner-Lambert Company.

- Industry and Technology Experience—Extensive strategic and operational experience in the consumer health care industry, with special focus in marketing, sales, research and development, finance, and human resources at Johnson & Johnson, Pfizer Inc. and Warner-Lambert Company.

- Operational Experience—Extensive experience in innovation, human capital development, mergers and acquisitions, licensing, and global marketing.

- Global Expertise—Extensive global experience managing large multi-functional businesses in emerging and developed markets in North America, Europe, Pacific, Asia, and Latin America.

Donald C. Winter

- Industry and Technology Experience—Extensive experience in the aerospace and defense industry as a systems engineer, program manager and corporate executive.

-

Engineering Expertise—Holds a doctorate in physics from the University of Michigan and elected as a member of the National Academy of Engineering.

- Operational and International Experience—President and CEO of TRW Systems (later Northrop Grumman Mission Systems) from 2010 to 2012, a business engaged in systems engineering, information technology and services addressing defense, intelligence, civil and commercial markets, with operations throughout the U.S., U.K., Northern and Eastern Europe, the Middle East and the Pacific Rim.

- Governmental Experience—Served as 74th Secretary of the Navy, where he led America's Navy and Marine Corps Team, from January 2006 to March 2009.

Board and Committee Self-Evaluation

The members of the Board and each Committee are required to conduct a self-evaluation of their performance. The evaluation process is organized by the Corporate Governance and Nominating Committee, occurs at least annually, and is re-evaluated each year to ensure it complies with current best practices. The evaluation is part of a detailed review of directors' qualifications for re-nomination.

Term Limits

The Board does not endorse arbitrary term limits on directors' service. However, it is the policy of the Company that each director shall submit his or her resignation from the Board not later than the date of his or her 72nd birthday. The Board will then determine whether to accept such resignation. The Board self-evaluation process is an important determinant for continuing service.

Director Stock Ownership Requirements

Under the Company’s Corporate Governance Guidelines, each director is required to own by the end of the first 36 months of service as a director and maintain throughout their service as a director:

- At least 400 shares of the Company’s common stock outright (excluding any stock units awarded by the Company and any unexercised stock options); and
- a number of shares equal to five times the then current annual cash retainer for directors (inclusive of any stock units, restricted stock or similar awards by the Company in connection with service as an employee or Director, and, if applicable, shares purchased with amounts invested in the MTI retirement plans, but excluding any unexercised stock options).

As of February 14, 2018, all of the Company’s directors who had served the 36 months for this requirement to apply met the requirement.

The Board’s Role in Risk Oversight

The Board has responsibility for risk oversight, including understanding critical risks in the Company’s business and strategy, evaluating the Company’s risk management processes, and seeing that such risk management processes are functioning adequately. It is management’s responsibility to manage risk and bring to the Board’s attention the most material risks to the Company. The Company’s management has several layers of risk oversight, including through the Company’s Strategic Risk Management Committee and Operating Risk Management Committee.

Management communicates routinely with the Board, Board Committees and individual directors on the significant risks identified and how they are being managed, including formal reports by the Strategic Risk Management Committee to the Board that are at least annual.

Risks are reviewed regularly by the Board as a whole at each Board meeting. The risk oversight focus areas reviewed by the Board as a whole include risks related to the Company’s capital structure, mergers and acquisitions, capital projects, and environmental, health and safety risks.

The Board also implements its risk oversight function through Committees, which provide reports regarding their activities to the Board at each meeting. The risk oversight focus areas of the committees are:

Audit Committee

- Regularly reviews the Company’s major financial risk exposures, including hedging, swaps and derivatives, and the steps management has taken to monitor and control such exposures.
- Assists in identifying, evaluating and implementing risk management controls and methodologies to address identified risks.
-

Corporate Governance and Nominating Committee

- Regularly reviews the risks associated with the Company’s governance practices, Board composition and refreshment (including independence of directors) and committee leadership.
- Assists in identifying, evaluating and implementing risk management controls and methodologies to address identified risks.

Compensation Committee

- Considers risks related to the attraction and retention of personnel.
- Considers risks relating to the design of compensation programs and arrangements applicable to both employees and executive officers, including the Company’s annual incentive and long-term incentive programs.
- Has concluded that the Company’s compensation policies and procedures

Regularly reviews risks relating to pension plan investments.

- Regularly reviews risks relating to cyber security.

are not reasonably likely to have a material adverse effect on the Company.

The Board's Role in Succession Planning

The Board regularly reviews plans for succession to the position of Chief Executive Officer as well as certain other senior management positions. To assist the Board, the Chief Executive Officer annually provides the Board with an assessment of senior managers and of their potential to succeed him or her. The Chief Executive Officer also provides the Board with an assessment of persons considered potential successors to certain senior management positions.

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CORPORATE GOVERNANCE

Corporate Responsibility and Sustainability

MTI's values are rooted in sustainability. We manage our operations, our capital and our business opportunities in a sustainable manner, and we place the health and safety of people ahead of everything else. The company serves as a good steward of natural resources, and we employ sound environmental practices to protect the communities in which we operate.

Additional details on MTI's sustainability initiatives and metrics can be found in the company's Corporate Responsibility & Sustainability Report on the company's website. This report is reviewed and approved by both the Chief Executive Officer and Chairman.

We also focus on continuous improvement in all facets of our business—processes, systems, products, services, people, cost reduction and productivity. As illustrated further below in our Global Corporate Governance diagram, Minerals Technologies has four culture-based lead teams dedicated to the environment, health and safety, operating performance and sustainable growth:

- Environmental, Health & Safety
- Operational Excellence
- Expense Reduction
- Technology and Innovation

These cross-functional lead teams are each headed by an executive officer of the company, appointed by the Chief Executive Officer. In addition to receiving detailed information on the company's financial and operating performance, financial position and capital allocation, succession planning, and risk assessment, among other subjects, the Board of Directors receives performance metrics and updates on a monthly basis from all four of the lead teams. The Board is also provided a comprehensive safety briefing each quarter at Board meetings, and receives the following safety information each month:

- Recordable injury rate
- Lost workday injury rate
- Injury details by business unit and geographic region
- Environmental releases
- Safety initiatives and policies

Shareholder Proposals and Nominations

The Company's by-laws describe the procedures that a shareholder must follow to nominate a candidate for director or to introduce an item of business at a meeting of shareholders. These procedures provide that, except as set forth in "Proxy Access" below, nominations for directors and items of business to be introduced at an annual meeting of shareholders must be submitted in writing to the Secretary of Minerals Technologies Inc. at 622 Third Avenue, New York, New York

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10017-6707. If intended to be considered at an annual meeting, the nomination or proposed item of business must be received not less than 70 days nor more than 90 days in advance of the first anniversary of the previous year's annual meeting. Therefore, for purposes of the 2019 annual meeting, any nomination or proposal must be received between February 15 and March 7, 2019. With respect to any other meeting of shareholders, the nomination or item of business must be received not later than the close of business on the tenth day following the date of our public announcement of the date of the meeting. Under the rules of the Securities and Exchange Commission ("SEC"), if a shareholder proposal intended to be presented at the 2019 annual meeting is to be included in the proxy statement and form of proxy relating to that meeting, we must receive the proposal at the address above no later than 120 days before the anniversary of the mailing date of the Company's proxy statement in connection with the 2018 annual meeting. Therefore, for purposes of the 2019 annual meeting, any such proposal must be received no later than December 4, 2018.

The nomination or item of business must contain:

- The name and address of the shareholder giving notice, as they appear in our books (and of the beneficial owner, if other than the shareholder, on whose behalf the proposal is made);
- the class and number of shares of stock owned of record or beneficially by the shareholder giving notice (and by the beneficial owner, if other than the shareholder, on whose behalf the proposal is made);
- a representation that the shareholder is a holder of record of stock entitled to vote at the meeting, and intends to appear at the meeting in person or by proxy to make the proposal; and
- a representation whether the shareholder (or beneficial owner, if any) intends, or is part of a group which intends, to deliver a proxy statement and form of proxy to holders of at least the percentage of outstanding stock required to elect the nominee or approve the proposal and/or otherwise solicit proxies from shareholders in support of the nomination or proposal.

Any notice regarding the introduction of an item of business at a meeting of shareholders must also include:

- A brief description of the business desired to be brought before the meeting;
- the reason for conducting the business at the meeting;
- any material interest in the item of business of the shareholder giving notice (and of the beneficial owner, if other than the shareholder, on whose behalf the proposal is made); and
- if the business includes a proposal to amend the by-laws, the language of the proposed amendment.

Any nomination of a candidate for director must also include:

- A signed consent of the nominee to serve as a director, and a written representation by the nominee that, if elected, he or she will comply with all of the Company's policies and guidelines applicable to the directors;

- the name, age, business address, residential address and principal occupation or employment of the nominee;

- the number of shares of the Company's common stock beneficially owned by the nominee; and

- any additional information that would be required under the rules of the SEC in a proxy statement soliciting proxies for the election of that nominee as a director.

Proxy Access

In addition to the shareholder nomination process outlined above, our by-laws provide that under certain circumstances, a shareholder or group of shareholder may include director candidates that they have nominated in our annual meeting proxy statement. These "proxy access" provisions of our by-laws provide, among other things, that a shareholder or group of up to twenty shareholders seeking to include director candidates in our annual meeting proxy statement must own 3% or more of our outstanding common stock continuously for at least the previous three years. The number of shareholder-nominated candidates appearing in any annual meeting proxy statement cannot exceed 20% of the number of directors then serving on the Board or two directors, whichever is greater. If 20% is not a whole number, the maximum number of shareholder-nominated candidates would be the closest whole number below 20%. Based on the current Board size of nine directors, the maximum number of proxy access candidates that we would be required to include in our proxy materials for an annual meeting is two. Nominees submitted under the proxy access procedures that are later withdrawn or are included in the proxy materials as Board-nominated candidates will be counted in determining whether the 20% maximum has been reached. If the number of shareholder-nominated candidates exceeds the maximum, each nominating shareholder or group of shareholders may select one nominee for inclusion in our proxy materials until the maximum number is reached. The order of selection would be determined by the amount (largest to smallest) of shares of our common stock held by each nominating shareholder or group of shareholders. The nominating shareholder or group of shareholders also must deliver the information required by our by-laws, and each nominee must meet the qualifications required by our by-laws. Requests to include shareholder-nominated candidates in our proxy materials for next year's annual meeting must be received by the Secretary of Minerals Technologies Inc. not earlier than the close of business on November 4, 2018 and not later than the close of business on December 4, 2018.

Majority Voting

The Company's by-laws provide for majority voting for directors. Under the by-laws, in order for a director to be elected at the annual meeting in an uncontested election, a majority of the votes cast with respect to the director's election must be cast "for" the director. Any nominee for director who is an incumbent director and receives a greater number of votes "withheld" or "against" his or her election than votes "for" his or her election must, under the Company's Corporate Governance Guidelines, promptly tender his or her resignation to the Chairman of the Corporate Governance and Nominating Committee. The Committee must then recommend to the Board, within 90 days after the election, whether to accept or reject the resignation. Regardless of whether the Board accepts or rejects the tendered resignation, the Company must then promptly file a Current Report on Form 8-K with the SEC in which it publicly discloses and explains the Board's decision. In the event of a contested election of directors (an election of directors in which the number of candidates for election as directors exceeds the number of directors to be elected), directors will continue to be elected by the vote of a plurality of the shares represented in person or by proxy and entitled to vote on the election of directors.

Communications with Directors

Shareholders and any other interested parties may communicate by e-mail with the independent members of the Board at the following address: independent.directors@mineralstech.com. The independent members of the Board have access to all messages sent to this address; the messages are monitored by the office of the General Counsel of the Company. No message sent to this address will be deleted without the approval of the chair of the committee of the Board with primary responsibility for the principal subject matter of the message.

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COMMITTEES OF THE BOARD OF DIRECTORS
COMMITTEES OF THE BOARD OF DIRECTORS

The Board has established and approved formal written charters for an Audit Committee, a Compensation Committee, and a Corporate Governance and Nominating Committee. The full texts of the charters of these three committees are available on our website, www.mineralstech.com, by clicking on "Our Company," then "Corporate Responsibility," and then "Policies and Charters." The charters are also available in print at no charge to any shareholder who requests them by writing to Secretary, Minerals Technologies Inc., 622 Third Avenue, New York, New York 10017-6707.

The Audit Committee

The Audit Committee currently consists of Mr. Robinson (Chair), Mr. Carmola, Mr. Feder, Ms. Pittman and Dr. Winter, none of whom is an employee of the Company. The Board has determined that each member of the Audit Committee is independent and financially literate in accordance with the rules of the New York Stock Exchange, as well as being independent under the rules of the SEC. The Board has also determined that Mr. Feder and Ms. Pittman are "audit committee financial experts" for purposes of Section 407 of the Sarbanes-Oxley Act of 2002 and have "financial expertise" for purposes of the rules of the New York Stock Exchange. The Audit Committee met seven times in 2017.

The primary duties of the Audit Committee are:

- To assist the Board in its oversight of (i) the integrity of the Company's financial statements, (ii) the Company's compliance with legal and regulatory requirements, (iii) the qualifications and independence of the Company's independent registered public accounting firm, and (iv) the performance of the Company's internal audit function and independent registered public accounting firm;

- to appoint, compensate, and oversee the work of the independent registered public accounting firm employed by the Company (including resolution of disagreements between management and the auditors concerning financial reporting) for the purpose of preparing or issuing an audit report or related work. The independent registered public accounting firm shall report directly to the Committee;

- to prepare the report of the Committee required by the rules of the SEC to be included in the Company's annual proxy statement; and

- to discuss the Company's policies with respect to risk assessment and risk management, in executive sessions and with management, the internal auditors and the independent auditor, in particular with respect to the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures.

In addition to its regularly scheduled meetings, the Audit Committee is available either as a group or individually to discuss any matters that might affect the financial statements, internal controls or other financial aspects of the operations of the Company. The Chair of the Audit Committee may be reached at the following e-mail address: audit.chair@mineralstech.com.

The Compensation Committee

The Compensation Committee currently consists of Mr. Carmola (Chair), Mr. Breunig, Dr. Clark, Mr. Dunham and Mr. Feder, none of whom is an employee of the Company. The Board has determined that each of the members of the Compensation Committee is independent in accordance with the rules of the New York Stock Exchange. The Compensation Committee met four times in 2017.

The primary duties of the Compensation Committee are:

- To participate in the development of our compensation and benefits policies;
- to establish, and from time to time vary, the salaries and other compensation of the Company's Chief Executive Officer and other elected officers;
- to review and approve the Company's incentive structure to avoid encouraging excessive risk-taking through financial incentives as well as the relationship between compensation and the Company's risk management policies and practices; and
- to participate in top-level management succession planning.

See "Compensation Discussion and Analysis" and "Report of the Compensation Committee" below for further discussion of the Compensation Committee's activities in 2017.
The Chair of the Compensation Committee may be reached at the following e-mail address: compensation.chair@mineralstech.com.

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COMMITTEES OF THE BOARD OF DIRECTORS

Compensation Committee Interlocks and Insider Participation

There were no Compensation Committee interlocks or insider (employee) participation during 2017.

The Corporate Governance and Nominating Committee

The Corporate Governance and Nominating Committee currently consists of Dr. Clark (Chair), Mr. Breunig, Mr. Dunham, Mr. Robinson, Ms Pittman and Dr. Winter, none of whom is an employee of the Company. The Board has determined that each of the members of the Corporate Governance and Nominating Committee is independent in accordance with the rules of the New York Stock Exchange. The Corporate Governance and Nominating Committee met four times in 2017.

The primary duties of the Corporate Governance and Nominating Committee are:

- The identification of individuals qualified to become Board members and the recommendation to the Board of nominees for election to the Board at the next annual meeting of shareholders or whenever a vacancy shall occur on the Board;
- the establishment and operation of committees of the Board;
- the development and recommendation to the Board of corporate governance principles applicable to the Company; and
- the oversight of an annual review of the Board’s performance.

The Corporate Governance and Nominating Committee is charged with recommending candidates for all directorships to the full Board. The Corporate Governance and Nominating Committee monitors the composition of the Board to assure that it contains a reasonable balance of professional interests, business experience, financial experience, and independent directors. If the Committee determines that it is in the best interests of the Company to add new Board members, it will identify and evaluate candidates as discussed in more detail above under “Corporate Governance—Identification and Evaluation of Directors.” Candidates are considered by the Committee in light of the qualifications for directors set forth above under “Corporate Governance—Director Qualifications and Diversity Considerations.”

See “Report of the Corporate Governance and Nominating Committee,” below, for further discussion of the Corporate Governance and Nominating Committee’s activities in 2017. The Chair of the Corporate Governance and Nominating Committee may be reached at the following e-mail address: governance.chair@mineralstech.com.

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REPORT OF THE CORPORATE GOVERNANCE AND NOMINATING COMMITTEE

This report is an annual voluntary governance practice that highlights the Corporate Governance and Nominating Committee's activities during 2017. The Committee engaged in the following:

Governance Initiative. The Committee continued to spend considerable time reviewing and monitoring governance developments in 2017. The Committee reviewed the Company's policies on corporate governance, including the Corporate Governance Guidelines and the Company's Code of Business Conduct and Ethics, and charter of the Board's committees, including the charter of the Corporate Governance and Nominating Committee, to ensure that the Company's corporate governance practices meet applicable legal and regulatory requirements and emerging best governance practices and that the governance practices of the Board are transparent to shareholders and other interested parties. A substantial amount of time continued to be devoted to analyzing and understanding the advisory vote to approve executive compensation ("say-on-pay") requirement, other results from the Company's annual meeting of shareholders, the Company's outreach to shareholders, and specific feedback from shareholders. The Committee reviewed several shareholder proposals received by the Company, including a proposal that the Company implement proxy access. The Committee also reviewed the voting results of the 2017 Annual Meeting and, as a result, the Committee recommended, and the Board adopted, amendments to the Company's by-lawsto implement proxy access. The Committee also reviewed the reports and analyses of various proxy advisory services regarding areas of possible improvement in corporate governance practices as well as the changes in the proxy advisory services' policies and procedures. The Committee also continued to review the legal environment.

Director Qualifications. As part of its annual assessment process, the Committee reviewed and updated its assessment of the skills, experiences and competencies that the Board as a whole should possess. In connection, the Committee evaluated the diversity of the Board and the skills, experiences and competencies of each member of the Board based on their respective expertise, background and industry experience. This evaluation was then reviewed and discussed by the entire Board. It was determined by the Board based on the results of this evaluation that efforts should be made to enhance the Board's diversity and financial expertise, especially in light of the resignation from the Board of Barbara R. Smith, who had been Chair of the Audit Committee.

Director Search. As a result of the assessment of director qualifications described above, as well as a review by the Committee of the adequacy of succession plans for Board members, the Committee determined to recruit two new Board members in 2017. The Committee conducted a recruitment process, and as a result the Committee recruited and the Board elected Ms. Pittman and Mr. Feder as new directors in 2017. These efforts were made in accordance with the process set forth in the section "Corporate Governance—Identification and Evaluation of Directors" and given the considerations set forth above under "Corporate Governance—Director Qualifications and Diversity Considerations." The Committee also discussed the Committee assignments of new directors.

Annual Performance Assessment. The Committee reviewed the Board's current evaluation process and continued to update the evaluation tools to incorporate the best practices. The Board's annual evaluation of the effectiveness and contributions of the Board are conducted via an electronic Board Self Assessment Survey.

Continuing Education for Directors. The Committee reviewed and updated the orientation initiatives for new directors and the ongoing education programs.

Sustainability Report. The Committee also reviews and comments on the Company's annual Corporate Responsibility & Sustainability Report.

Robert L. Clark, Chair
Joseph C. Breunig
Duane R. Dunham
Marc E. Robinson
Carolyn K. Pittman
Donald C. Winter

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EXECUTIVE OFFICERS

EXECUTIVE OFFICERS

Set forth below are the names and ages of all executive officers of the Company indicating all positions and offices with the Company held by each such person, and each such person's principal occupations or employment during the past five years.

Name	Age	Position
Douglas T. Dietrich	49	Chief Executive Officer
Brett Argirakis	53	Vice President and Managing Director, Minteq International Inc.
Gary L. Castagna	56	Group President, Performance Materials
Michael A. Cipolla	60	Vice President, Corporate Controller and Chief Accounting Officer
Matthew E. Garth	44	Senior Vice President, Finance and Treasury, Chief Financial Officer
Jonathan J. Hastings	55	Senior Vice President, Corporate Development
Andrew M. Jones	59	Vice President and Managing Director, Energy Services
Douglas W. Mayger	60	Senior Vice President and Director—MTI Supply Chain
Thomas J. Meek	61	Senior Vice President, General Counsel, Human Resources, Secretary and Chief Compliance Officer
D.J. Monagle, III	55	Group President, Specialty Minerals and Refractories

- Douglas T. Dietrich was elected Chief Executive Officer effective December 13, 2016 having served previously as Senior Vice President, Finance and Treasury, Chief Financial Officer effective January 1, 2011. Prior to that, he was appointed Vice President, Corporate Development and Treasury effective August 2007. He had been Vice President, Alcoa Wheel Products since 2006 and President, Alcoa Latin America Extrusions and Global Rod and Bar Products since 2002.

- Brett Argirakis was elected Vice President and Managing Director, Minteq International in January 2016. Prior to that, he was Global Vice President & General Manager, Refractories. Prior to that, he was Director, Marketing, Minteq Europe. Prior to that, he served as Director of Sales and Field Operations for Minteq U.S. Mr. Argirakis joined the Company in 1987 and has held positions of increasing responsibility.

- Gary L. Castagna was named Group President, Performance Materials in March 2017. Prior to that, he was elected Senior Vice President and Managing Director, Performance Materials in May 2014. Prior to that, he was Executive Vice President of AMCOL and President of Performance Materials segment since May 2008. Prior to that, he had been the Senior Vice President, Chief Financial Officer and Treasurer of AMCOL since February 2001 and a consultant to AMCOL since June 2000. Prior to that, he was the Vice President of AMCOL and President of Chemdal International Corporation (former subsidiary of AMCOL) since August 1997.

- Michael A. Cipolla was elected Vice President, Corporate Controller and Chief Accounting Officer in July 2003. Prior to that, he served as Corporate Controller and Chief Accounting Officer of the Company since 1998. From 1992 to 1998 he served as Assistant Corporate Controller.

- Matthew E. Garth was elected Senior Vice President, Finance and Treasury, Chief Financial Officer effective January 18, 2017. Mr. Garth joins the Company from Arconic Inc. (formerly Alcoa Inc.), where most recently he had been Vice President, Financial Planning & Analysis and Investor Relations since 2015. Prior to his most recent position, he was Vice President, Finance & CFO Operations-Alcoa Global Packing from 2014 to 2015; Vice President, Finance- Alcoa Global Packing from 2011 to 2014; Vice President, Finance – Alcoa North American Rolled Products from 2010 to 2011; Director, Investor Relations Alcoa Inc. from 2009 to 2010; Director, Corporate Treasury Alcoa Inc. from 2007 to 2009.

- Jonathan J. Hastings was elected Senior Vice President, Corporate Development effective September 2012. Before that, he was Vice President, Corporate Development. Prior to that, he was Senior Director of Strategy and New Business Development—Coatings, Global at The Dow Chemical Company. Prior to that he held positions of increasing responsibility at Rohm and Haas, including Vice President & General Manager—Packaging and Building Materials—Europe.

- Andrew M. Jones was elected Vice President and Managing Director, Energy Services in October 2016. Prior to that, he was Vice President and Managing Director, Eastern Hemisphere, Energy Services since 2014. Prior to that, he was the Vice President of CETCO Oilfield Services West Africa since 2012. Prior to that, he was Managing Director of Africa Oilfield Services since 2009.

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EXECUTIVE OFFICERS

- Douglas W. Mayger was elected Senior Vice President and Director—MTI Supply Chain in November 2015. Prior to that, he was Senior Vice President, Performance Minerals and Supply Chain. Prior to that, he was Vice President and Managing Director, Performance Minerals, which encompasses the Processed Minerals product line and the Specialty PCC product line. Prior to that, he was General Manager—Carbonates West, Performance Minerals and Business Manager—Western Region. Before joining the Company as plant manager in Lucerne Valley in 2002, he served as Vice President of Operations for Aggregate Industries.

- Thomas J. Meek was elected Senior Vice President, General Counsel and Secretary, Chief Compliance Officer in October 2012. In December 2011, he was given the additional responsibility for Human Resources. Prior to that, he was Vice President, General Counsel and Secretary of the Company effective September 1, 2009. Prior to that, he served as Deputy General Counsel at Alcoa Inc. Before joining Alcoa Inc. in 1999, Mr. Meek worked with Koch Industries, Inc. of Wichita, Kansas, where he held numerous supervisory positions. His last position there was Interim General Counsel. From 1985 to 1990, Mr. Meek was an Associate/Partner in the Wichita, Kansas law firm of McDonald, Tinker, Skaer, Quinn & Herrington, P.A.

- D.J. Monagle III was named Group President, Specialty Minerals and Refractories in March 2017. Prior to that, he was Senior Vice President, Chief Operating Officer—Specialty Minerals Inc. and Minteq Group, effective February 2014. Prior to that, he was Senior Vice President and Managing Director, Paper PCC, effective October 2008. In November 2007, he was appointed Vice President and Managing Director—Performance Minerals. He joined the Company in January of 2003 and held positions of increasing responsibility including Vice President, Americas, Paper PCC and Global Marketing Director, Paper PCC. Before joining the Company, Mr. Monagle worked for the Paper Technology Group at Hercules between 1990 and 2003, where he held sales and marketing positions of increasing responsibility. Between 1985 and 1990, he served as an aviation officer in the U.S. Army's 11th Armored Cavalry Regiment, leaving the service as a troop commander with a rank of Captain.

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CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Policies and Procedures for Approval of Related Party Transactions

The Company recognizes that related party transactions can present potential or actual conflicts of interest and create the appearance that Company decisions are based on considerations other than the Company's best interests and those of our shareholders. Therefore, our Board has adopted a formal, written policy with respect to related party transactions.

For the purpose of the policy, a "related party transaction" is a transaction in which the Company participates and in which any related party has a direct or indirect material interest, other than (1) transactions available to all employees or customers generally or (2) transactions involving less than $120,000 when aggregated with all similar transactions during the course of the fiscal year. Under the policy, a related party transaction may be entered into only (i) if the Corporate Governance and Nominating Committee approves or ratifies such transaction and if the transaction is on terms comparable to those that could be obtained in arm's-length dealings with an unrelated third party, or (ii) if the transaction has been approved by the disinterested members of the Board. Related party transactions may be approved or ratified only if the Corporate Governance and Nominating Committee or the disinterested members of the Board determine that, under all of the circumstances, the transaction is in the best interests of the Company.

2017 Related Party Transactions

Ms. Smith, a former director of the Company having resigned effective July 3, 2017, has been the President and Chief Executive Officer of Commercial Metals Company (CMC) since January 11, 2017 and September 1, 2017 respectively. Prior to that, Ms. Smith was Chief Operating Officer of Commercial Metals Company since January 18, 2016, and Senior Vice President and Chief Financial Officer of Commercial Metals Company since June 2011. The Company had a purchase and sales relationship with certain units of Commercial Metals Company that preexisted Ms. Smith's appointment to the Company's Board of Directors and her employment with Commercial Metals Company. The Company continued in 2017 to sell to Commercial Metals Company certain products, including magnesium oxide. This ongoing relationship was reviewed by the Corporate Governance and Nominating Committee under the Company's related party transaction policy and it was determined that Ms. Smith does not have a direct or indirect material interest in such sales because the annual sales to the Company are less than 1% of the consolidated gross revenues of each of the Company and Commercial Metals Company and such sales were made in the ordinary course of business of each company.

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SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table shows the ownership of Company common stock by (i) each shareholder known to the Company that beneficially owned more than 5% of Company common stock, (ii) each director and nominee, (iii) each of the named executive officers, and (iv) all directors and executive officers as a group. The percentages of beneficial ownership set forth below are calculated as of January 31, 2018 based on outstanding shares of 35,427,389.

Title of Class	Name and Address of Beneficial Owner(a)	Amount and Nature of Beneficial Ownership(b)	Percent of Class	Number of Share Equivalent Units Owned(c)
Common	Blackrock, Inc. 55 East 52nd Street New York, NY 10055	3,683,524(d)	10.4%	—
	Vanguard Group Inc. 100 Vanguard Blvd. Malvern, PA 19355	3,050,745(e)	8.6%	—
	T. Rowe Price Associates, Inc. 100 E. Pratt Street Baltimore, MD 21202	2,225,171(f)	6.3%	—
	D.T. Dietrich	178,365(g)	*	4,381
	M.E. Garth	3,550(h)	*	—
	G.L. Castagna	56,126(i)	*	—
	D.J. Monagle, III	190,810(j)	*	3,409
	T.J. Meek	172,641(k)	*	7,051
	J.C. Breunig	1,200	*	4,075
	J.J. Carmola	400	*	7,238
	R.L. Clark	400	*	14,653
	D.R. Dunham	1,700	*	26,253
	F.L. Feder	0	*	314
	M.E. Robinson	407	*	181
	C.K. Pittman	0	*	9,233
	D.C. Winter	400(l)	*	10,958
	Directors and Officers as a group (18 individuals)	862,661(m)	2.4%	100,578

*
Less than 1%.

(a)
The address of each director and officer is c/o Minerals Technologies Inc., 622 Third Avenue, New York, New York 10017-6707.

(b)
Sole voting and investment power, except as otherwise indicated. Does not include "Share Equivalent Units."

(c)

"Share Equivalent Units," which entitle the officer or director to a cash benefit equal to the number of units in his or her account multiplied by the closing price of our common stock on the business day prior to the date of payment, have been credited to Messrs. Dietrich, Monagle and Meek under the Nonfunded Deferred Compensation and Supplemental Savings Plan; and to Mr. Breunig, Mr. Carmola, Dr. Clark, Mr. Dunham, Mr. Feder, Mr. Robinson, Ms. Pittman and Dr. Winter under the Nonfunded Deferred Compensation and Unit Award Plan for Non-Employee Directors (See "Director Compensation" below.).

(d)
Based on a statement on Schedule 13G/A filed on January 19, 2018 with the SEC on behalf of Blackrock, Inc. representing ownership as of December 31, 2017. According to Blackrock Inc.'s Schedule 13G/A, various persons have the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of the Company's common stock, but no such person's interest in the Company's common stock is more than 5% of the Company's aggregate outstanding shares of common stock.

(e)
Based on a statement on Schedule 13G/A filed on February 9, 2018 with the SEC on behalf of investment adviser Vanguard Group Inc. representing ownership as of December 31, 2017.

(f)
Based on a statement on Schedule 13G/A filed on February 14, 2018 with the SEC on behalf of investment adviser T. Rowe Price Associates, Inc. representing ownership as of December 31, 2017.

(g)
115,906 of these shares are subject to options which are exercisable currently or within 60 days.

(h)
2,678 of these shares are subject to options which are exercisable currently or within 60 days.

(i)
27,734 of these shares are subject to options which are exercisable currently or within 60 days.

(j)
150,866 of these shares are subject to options which are exercisable currently or within 60 days.

(k)
119,864 of these shares are subject to options which are exercisable currently or within 60 days.

(l)
Shares held in joint tenancy with spouse.

(m)
565,821 of these shares are subject to options which are exercisable currently or within 60 days.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934 requires our directors, executive officers and any persons who own more than 10% of our common stock to file reports of ownership and changes in ownership with the SEC. Based solely on a review of our records and of copies furnished to us of reports under Section 16(a) of the Securities Exchange Act of 1934, or written representations that no such reports were required, we believe that all reports required to be filed by our directors, officers and greater than 10% shareholders were timely filed.

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ITEM 1—ELECTION OF DIRECTORS

ITEM 1—ELECTION OF DIRECTORS

The Board is divided into three classes. One class is elected each year for a three-year term. This year the Board has nominated Mr. John J. Carmola, Dr. Robert L. Clark and Mr. Marc E. Robinson, who are currently directors of the Company, to serve for a three-year term expiring at the Annual Meeting to be held in 2021.

We have no reason to believe that the nominees will be unable or unwilling to serve if elected. However, if any nominee should become unable for any reason or unwilling for good cause to serve, your proxy may be voted for another person nominated as a substitute by the Board, or the Board may reduce the number of Directors.

The Board believes that the combination of the various qualifications, skills and experiences of the 2018 Director nominees would contribute to an effective and well-functioning Board.

Item 1. Election of Directors

Board Recommendation

A vote FOR election of Mr. John J. Carmola, Dr. Robert L. Clark and Mr. Marc E. Robinson is unanimously recommended.

Director Nominees for Terms Expiring in 2021

John J. Carmola
Age: 62
Director Since: 2013
Committees: • Audit Committee
• Compensation Committee (Chairman)

Retired Former Segment President at Goodrich Corporation. Previously, President, Aerospace Customers and Business Development of United Technologies in 2012. From 1996 to 2012, held several positions of increasing responsibility at Goodrich, including Segment President for Actuation and Landing Systems and Segment President of Engine Systems and Group President for Engine/Safety/ Electronic Systems. From 1977 to 1996, held various engineering and general management positions at General Electric, including Manager of the M&I Engines Division’s Product Delivery Operation.

Robert L. Clark
Age: 54
Director Since: 2010
Committees: • Compensation Committee
• Corporate Governance and Nominating Committee (Chairman)

Provost and Senior Vice President for Research since July 2016. Senior Vice President for Research since 2013 and Professor and Dean of the Hajim School of Engineering and Applied Sciences, University of Rochester since September 2008. Dean of the Pratt School of Engineering at Duke University August 2007 to September 2008. Between 1992 and August 2007, held increasing positions of academic responsibility at Duke University from Assistant Professor to Senior Associate Dean of Pratt School of Engineering and Chair, Mechanical Engineering and Materials Science. Chair of Strategic Research Advisory Board at AIT Austrian Institute of Technology GmbH since 2013.

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ITEM 1—ELECTION OF DIRECTORS

Marc E. Robinson
Age: 57
Director Since: 2012
Committees: • Audit Committee (Chairman)
• Corporate Governance and Nominating Committee

Senior Vice President, Enterprise Strategy of Aetna since July 2017. Managing Director of PwC Strategy& from 2015 to 2017. Senior Executive Advisor of Booz & Company from 2011 to 2015. Company Group Chairman of Johnson & Johnson from 2007 to September 2011. Global President Consumer Healthcare Division of Pfizer from 2003 to 2006. North American President Consumer Healthcare Division of Pfizer from 2000–2002. Regional President, Australia and New Zealand of Warner-Lambert Company from 1999 to 2000. General Manager European Business Process Improvement of Warner-Lambert Company from 1996 to 1998. Marketing Assistant, Assistant Product Manager of General Mills from 1984 to 1986. Member of the Capsugel Scientific and Business Advisory Board from May 2012 to July 2017.

Directors Whose Terms Expire in 2019

Douglas T. Dietrich
Age: 49
Director Since: 2016
Committees: None

Chief Executive Officer of Minerals Technologies Inc. since December 2016. Served as Senior Vice President-Finance and Chief Financial Officer for Minerals Technologies Inc. since January 1, 2011 after serving three years as Vice President, Corporate Development and Treasury. Prior to joining Minerals Technologies Inc., Mr. Dietrich held positions of increasing leadership at Alcoa Inc., including Vice President, Alcoa Wheel Products—Automotive Wheels and President, Alcoa Latin America Extrusions.

Carolyn K. Pittman
Age: 54
Director Since: 2017
Committees: • Audit Committee
• Corporate Governance and Nominating Committee

Vice President-Finance and Controller, for Huntington Ingalls Newport News Shipbuilding. Joined Huntington Ingalls Newport News Shipbuilding in 2011, a spin-off sector of the Northrop Grumman Corporation. At Northrop Grumman, Ms. Pittman was vice president and chief financial officer, Enterprise Shared Services and Information Technology, from 2008 to 2011. She joined Northrop Grumman as a manager in 1995 and attained positions of increasing responsibility, including vice president, sector controller, vice president, internal audit, and chief audit executive. Ms. Pittman began her career with Ernst & Young LLC, where she held positions within audit and assurance services from 1985 to 1995.

Donald C. Winter
Age: 69
Director Since: 2014
Committees: • Audit Committee
• Corporate Governance and Nominating Committee

Independent consultant and a Professor of Engineering Practice at the University of Michigan, where he teaches graduate level courses on Systems Engineering, Safety and Reliability, and Maritime Policy. Dr. Winter served as the Chairman of the Board for the American Lightweight Materials Manufacturing Innovation Institute, a 501(c)3 chartered in Michigan, from 2014 to 2017. In 2016, Dr. Winter was appointed as Chairman of the Australian Naval Shipbuilding Advisory Board by the Prime Minister of Australia. Dr. Winter served as the 74th Secretary of the Navy from January 2006 to March 2009. Previously, Dr. Winter held multiple positions in the aerospace and defense industry as a systems engineer, program manager and corporate executive. From 2000 to 2005, he was President and CEO of TRW Systems (later Northrop Grumman Mission Systems), which he joined in 1972. In 2002, he was elected a member of the National Academy of Engineering.

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ITEM 1—ELECTION OF DIRECTORS

Directors Whose Terms Expire in 2020

Joseph C. Breunig
Age: 56
Director Since: 2014
Committees: • Corporate Governance and Nominating Committee
• Compensation Committee

Currently a consultant for private equity. Former Executive Vice President, Chemicals at Axiall Corporation from 2010 to 2016. Executive Vice President and Chief Operating Officer, BASF Corporation and President, Market and Business Development, North America, BASF SE, from 2005 to 2010. Increasing positions of responsibility since joining BASF Corporation in 1986 as a process engineer, including Global Marketing director, Fiber Products Division, from 1998 to 2000; director, Global Technology, Functional Polymers from 2000 to 2001; and Group Vice President, Functional Polymers from 2001 to 2005. He also serves on the board of directors of Incitec Pivot Limited, an Australian company, since June 2017.

Duane R. Dunham
Age: 76
Director Since: 2002
Chairman of the Board of Directors Since: 2016
Committees: • Corporate Governance and Nominating Committee
• Compensation Committee

Retired President and Chief Operating Officer of Bethlehem Steel Corporation since January 2002. Chairman and Chief Executive Officer of Bethlehem Steel from April 2000 to September 2001. President and Chief Operating Officer from 1999 to April 2000 and President of the Sparrows Point division from 1993 to 1999. Director of Bethlehem Steel Corporation from 1999 to 2002.

Franklin L. Feder
Age: 67
Director Since: 2017
Committees: • Compensation Committee
• Audit Committee

Retired Regional Chief Executive Officer for Latin America and Caribbean, Alcoa Inc., from 2004 to 2014. Prior to that, Mr. Feder was Vice President and Director—Corporate Development, Alcoa from 1999 to 2004 and Chief Financial Officer, Alcoa Latin America and Director—Planning from 1990 to 1999. Prior to joining Alcoa, Mr. Feder was Partner with the then Booz, Allen & Hamilton management consulting organization. He serves on the boards of directors of several Brazilian companies, including Companhia Brasileira de Aluminio, AES Tietê S.A., Unigel, S.A., and InterCement S.A. He also serves on the boards of directors of corporate social responsibility and environmental organizations in Brazil. He was also recently elected to the board of directors of PACCAR, Inc. effective April 30, 2018.

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ITEM 2—RATIFICATION OF APPOINTMENT OF AUDITORS

The Audit Committee of the Board has appointed KPMG to serve as our independent registered public accounting firm for the current fiscal year, subject to the approval of the shareholders. KPMG and its predecessors have audited the financial records of the businesses that comprise the Company since 1992. We consider the firm well qualified. We expect that representatives of KPMG will be present at the Annual Meeting of Shareholders. These representatives will have the opportunity to make a statement if they wish to do so, and will be available to respond to appropriate questions.

Item 2. Ratify Auditors

Board Recommendation

A vote FOR ratification of the appointment of KPMG LLP as our independent registered public accounting firm for the 2018 fiscal year is unanimously recommended.

REPORT OF THE AUDIT COMMITTEE

The Audit Committee assists the Board in fulfilling its responsibility for oversight of the quality and integrity of the accounting, auditing and reporting practices of the Company. As part of fulfilling its oversight responsibility, the Audit Committee reviewed and discussed with management the audited financial statements of the Company, including the audit of the effective operation of, and internal control over, financial reporting, for the fiscal year ended December 31, 2017. In addition, the Audit Committee discussed with the Company's independent registered public accounting firm the matters required to be discussed by Public Company Accounting Oversight Board Auditing Standard No. 1301, "Communications with Audit Committees."

The Audit Committee has discussed with KPMG the independent accountant's independence from the Company and has received from KPMG the written disclosures and the letter required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent accountant's communications with the Audit Committee concerning independence.

Principal Accounting Fees and Services

The Company incurred the following fees for services performed by KPMG in fiscal years 2017 and 2016:

	2017	2016
Audit Fees	$ 3,283,678	$ 3,317,827
Audit Related Fees	75,180	91,720
Tax Fees	99,617	23,598
All Other Fees	10,725	11,094
Total Fees	$ 3,469,200	$ 3,444,239

Audit Fees

Audit fees are fees the Company paid to KPMG for professional services for the audit of the Company's consolidated financial statements included in the Annual Report on Form 10-K, including fees associated with the audit of the effective operation of, and internal control over financial reporting, and review of financial statements included in Quarterly Reports on Form 10-Q, or for services that are normally provided by the independent registered public accounting firm in connection with statutory and regulatory filings or engagements.

Audit Related Fees

Audit related fees are billed by KPMG for assurance services that are reasonably related to the audit or review of the Company's financial statements, including due diligence and benefit plan audits.

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Tax Fees

Tax fees are fees billed by KPMG for tax compliance and tax advice.

All Other Fees

All other fees are fees billed by KPMG to the Company for any services not included in the first three categories.

Pre-Approval Policy

The Audit Committee established a policy that requires it to approve all services provided by its independent registered public accounting firm before the independent registered public accounting firm provides those services. The Audit Committee has pre-approved the engagement of the independent registered public accounting firm for audit services, audit-related services, tax services and all other fees within defined limits. All of the Audit Fees, Audit Related Fees, Tax Fees and All Other Fees paid to KPMG were approved by the Audit Committee in accordance with its pre-approval policy in fiscal year 2017.

The Audit Committee considered all these services in connection with KPMG's audits of the Company's financial statements, and the effective operation of, and internal control over, financial reporting for the fiscal years ended December 31, 2017 and 2016, and concluded that they were compatible with maintaining KPMG's independence from the Company in the applicable periods.

Based upon the review and discussions referred to above, the Audit Committee recommended to the Board that the Company's audited financial statements be included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2017, for filing with the SEC.

Marc E. Robinson, Chair
John J. Carmola
Franklin L. Feder
Carolyn K. Pittman
Donald C. Winter

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ITEM 3—ADVISORY VOTE TO APPROVE EXECUTIVE COMPENSATION

ITEM 3—ADVISORY VOTE TO APPROVE 2017 EXECUTIVE COMPENSATION

The Board of Directors is asking you to approve, on an advisory basis, the 2017 compensation of our named executive officers as described in the "Compensation Discussion and Analysis" and "Compensation of Executive Officers and Directors" sections of this Proxy Statement. This proposal is commonly known as "Say-on-Pay."

While this vote is advisory, and not binding on the Company, the Compensation Committee or the Board of Directors, it will provide information to us regarding investor sentiment about our executive compensation philosophy, policies and practices, which the Compensation Committee will be able to consider when determining executive compensation for the future. This vote is not intended to address any specific item of compensation, but rather the overall compensation of our named executive officers and the philosophy, policies and practices described in this Proxy Statement. You should read the "Compensation Discussion and Analysis," which discusses how our executive compensation policies and programs implement our executive compensation philosophy, and the "Compensation of Executive Officers and Directors" section which summarizes the 2017 compensation of our named executive officers.

In determining whether to approve this proposal, we believe you should consider how we link pay to performance, which is discussed in detail in the "Compensation Discussion and Analysis" section under "How We Tie Pay to Performance." In particular you should bear in mind:

- The Company has continued to deliver strong results as measured both by our financial performance and execution of our strategies of geographic expansion and new product innovation. The Company achieved record earnings for the eighth consecutive year with earnings of $4.59 per share in 2017 compared with $4.47 per share in 2016.

- In accordance with the compensation arrangements agreed with Douglas T. Dietrich at the time of his election as Chief Executive Officer in December 2016, he received an annual base salary for 2017 of $800,000, had an initial target performance-based annual bonus for 2017 of $800,000, and was granted long-term incentive awards in 2017, consisting of Deferred Restricted Stock Units (DRSUs), options to purchase shares of Company common stock, and Performance Units under the Company's long-term incentive plan, having an aggregate value of approximately $2,400,000. The following illustrates how Mr. Dietrich's 2017 compensation compares to our CEO compensation in prior years:

* 2015 and 2016 CEO Total Compensation reflects compensation for the previous Chairman and Chief Executive Officer through September 2016. In addition, included in 2016 compensation is the incremental compensation of the Interim Co-Chief Executive Officers, Mr. Dietrich and Mr. Thomas J. Meek, earned for their services in such positions from September 2016 through December 2016. In December 2016, Mr. Dietrich was elected Chief Executive Officer. 2017 CEO Total Compensation reflects Mr. Dietrich's compensation, as set forth in the Summary Compensation Table.

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In 2016, we continued to extensively engage with our shareholders to determine how our corporate governance and compensation practices can be improved. At our 2017 Annual Meeting of Shareholders, our shareholders approved a resolution recommending we adopt a proxy access by-law. As a result of this vote and of our shareholders engagement, we implemented a proxy access by-law in July 2017.

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ITEM 3—ADVISORY VOTE TO APPROVE EXECUTIVE COMPENSATION

Accordingly, the Board of Directors recommends approval of the following resolution:

RESOLVED, that shareholders of the Company approve, on an advisory basis, the compensation paid to the Company's named executive officers in 2017, as disclosed in the Company's Proxy Statement for the 2018 Annual Meeting of Shareholders pursuant to the compensation disclosure rules of the Securities and Exchange Commission (which disclosure includes the Compensation Discussion and Analysis, the compensation tables, and any related tables and disclosure).

Item 3. Advisory Vote to Approve Executive Compensation

Board Recommendation

A vote FOR the advisory vote approving 2017 executive compensation is unanimously recommended.

COMPENSATION DISCUSSION AND ANALYSIS

Introduction

This Compensation Discussion and Analysis provides you with a detailed description of our executive compensation philosophy and programs, the compensation decisions the Compensation Committee has made under those programs and the factors considered in making those decisions. Our compensation program for senior executives is governed by the Compensation Committee, which determines the compensation of all ten of the current executive officers of the Company. This discussion and analysis focuses on our named executive officers—our Chief Executive Officer, our Chief Financial Officer, and the three other most highly compensated executive officers who were serving as executive officers on December 31, 2017. The named executive officers for 2017 were:

Name	Title
Douglas T. Dietrich	Chief Executive Officer
Matthew E. Garth	Senior Vice President, Finance and Treasury, Chief Financial Officer
Gary L. Castagna	Group President, Performance Materials
D.J. Monagle III	Group President, Specialty Minerals and Refractories
Thomas J. Meek	Senior Vice President, General Counsel, Human Resources and Secretary, Chief Compliance Officer

How We Tie Pay to Performance

Our executive compensation program is designed to reward the achievement of the short-term and long-term objectives of the Company, to attract and retain world-class talent, and to relate compensation to the value created for its shareholders. We also believe that as an employee's level or responsibility increases, so should the proportion of performance-based compensation. As a result, our executive compensation programs closely tie pay to performance.

2017 Company Performance Highlights

MTI continues to be a strong operating company, financially disciplined, transparent in its communications, close to its customers, with an aligned management team and a very engaged workforce. In 2017, the Company delivered strong results as measured both by our financial performance and execution of our strategies of geographic expansion and new product innovation.

The following is a summary of our performance highlights for 2017, as well as the improvements we have made over the past ten years. In this Compensation Discussion and Analysis, as well as in the Proxy Summary, we refer to earnings per share and operating income excluding special items, which are non-GAAP financial measures. See Appendix A to this Proxy Statement for a reconciliation to our results as reported under GAAP.

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COMPENSATION DISCUSSION AND ANALYSIS

Financial Performance

- The Company achieved record earnings for the eighth consecutive year with earnings of $4.59 per share, excluding special items, as compared with $4.47 per share in 2016. This represents 14% compound annual growth over the period.

- Our consolidated operating income was $263 million in 2017.

- Operating margin increased from 12.2% of sales in 2013 to 15.7% of sales in 2017. This improvement was attributable to cost and expense control, productivity improvements and operational excellence as well as strong contributions from acquired businesses.

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- Our Minerals Businesses, which comprises the Specialty Minerals and Performance Materials segments, represented about 79% of MTI's sales and 82% of MTI's operating income in 2017. Operating income was 16.7% of sales in 2017.

- Our Service Businesses of Energy Services and Refractories reported sales of $356 million, a 1% decrease from the prior year. However, operating income for the Services businesses, excluding special items, increased 18% to $47 million.

- Our cash flow from operations for the year was strong at $208 million. We repaid $110 million of debt in 2017 and $590 million since 2014. Our net leverage ratio was 2.2 at the end of 2017.

Strategic Growth

- In 2017, the Company continued to advance the execution of its growth strategies of geographic expansion and new product innovation and development with a focus on operational excellence and productivity improvements. Our sales in China and Asia continue to grow, driven by increased penetration in China from our Metalcasting business. The Company announced two new Paper PCC plants in Asia, in addition to an expansion of an existing facility, totaling 245,000 tons.

- We combined our Performance Materials and Construction Technologies businesses into one operating segment, leveraging talent across the business, reducing costs and increasing the speed of deployment of new products to market.

- We continued to strengthen our technology pipeline and focused on advancing technologies more rapidly through the stage gate process. We have commercialized over 81 new products in the last five years.

- Our new product development pipeline provides some insight into the new technologies that we have commercialized as well as others we are working to bring to the marketplace. The Company has a very strong pipeline with 220 new ideas under development.

- M&A also represents a strategic growth initiative of the Company and we continue to strengthen our ability to grow through acquisition. Our M&A strategy is to extend existing business positions with geographic reach and strong technology positions to add to MTI's business portfolio with the following criteria:

  - Minerals-based businesses with technology differentiation

  - Businesses that provide additional growth venues

  - Businesses that provide opportunities for further diversification that would lead to a more balanced, less cyclical portfolio

Operational Excellence and Safety

- Our efforts to embed Operational Excellence and Lean principles into the Company began in 2007. In 2017 our employees held over 6,000 Total Kaizen events (Kaizen events are highly focused improvement workshops that address a particular process or area) and generated over 53,000 ideas of which approximately 70% were implemented.

- We continue to drive our safety performance toward world class levels and strive for our target of zero injuries.

Total Shareholder Return

For those who wish to consider total shareholder return when evaluating executive compensation, the graphs below compare Minerals Technologies Inc.'s cumulative 5-year total shareholder return on common stock with the cumulative total returns of the S&P 500 Index, the Dow Jones US Industrials Index, the S&P Midcap 400 Index, the Dow Jones US Basic Materials Index, and the S&P MidCap 400 Materials Sector. We also present a comparison of the Company's cumulative 3-year total shareholder return on common stock with the cumulative total return of the comparator group used for the Company's long-term incentive plan during this period (see page 54). These graphs track the performance of a $100 investment in our common stock and in each index (with the reinvestment of all dividends) over the covered periods.

Executive Compensation Practices

We highlight below certain executive compensation practices, both the practices we have implemented to incentivize performance and certain other practices that we have not implemented because we do not believe they would serve shareholders' long-term interests:

What We Do

- Pay for Performance – We tie pay to performance. The great majority of executive pay is not guaranteed. We set clear goals for corporate and business unit performance and differentiate based on individual achievement. The vast majority of our named executive officers' compensation is at-risk and variable depending on Company and individual performance.
- Use Objective Financial Metrics – A substantial majority (80%) of the awards granted under our Annual Incentive Plan are based on the achievement of corporate financial metrics that we believe are challenging in light of the economic condition in the markets we serve and the risks to achieve high performance.
- Link Long-Term Compensation to Stock Performance – The majority of our long-term awards are in the form of equity awards that vest over a three-year period. We believe that such awards directly link pay with the interests of shareholders. In addition, two of the three metrics in our cash-based long-term incentive plan are based on our stock performance.
- Use An Appropriate Peer Group – We annually evaluate the peer group we use to ensure that we use appropriate comparators for benchmarking our compensation program.
- Expect High Performance – We expect our executives to deliver sustained high performance year-over-year and over time to stay in their respective positions.
- Review Tally Sheets – We review tally sheets for our named executive officers prior to making annual executive compensation decisions.
- Have Appropriate Severance Arrangements – In 2016, we revised our officers' change-in-control arrangements to reduce the severance payable upon a change-in-control.
- Double Trigger for Vesting on Change in Control – Our equity compensation plan provides for accelerated vesting of awards after a change in control only if an employee is also terminated (a "double trigger").
- Clawback – We have a policy to recoup certain incentive and other compensation payments (a "clawback" policy) to ensure that our executives do not retain undeserved windfalls and to enhance our pay-for-performance initiatives.
- Minimal Perquisites – We provide only minimal perquisites that have a sound benefit to the Company's business.
- Stringent Stock Ownership Guidelines – We have adopted stringent stock ownership guidelines—six times base salary for our CEO, four times base salary for our CFO and Group Presidents, three times base salary for our other executives, and five times the annual cash retainer for directors.
- Retention Period on Exercised Stock Options and Vested DRSUs – Executives must hold for at least five years a minimum of 50% of after-tax value of appreciation of stock options upon exercise and retain at least 50% of stock received after-tax from Deferred Restricted Stock Units (DRSUs) upon vesting.
- Independent Compensation Consulting Firm – The Compensation Committee benefits from its utilization of an independent compensation consulting firm which provides no other services to the Company.

What We Don't Do

- We Do Not Pay Dividend Equivalents on Stock Options and Unvested DRSUs
- No Repricing Underwater Stock Options or Backdating Stock Options
- No Inclusion of the Value of Equity Awards in Pension or Severance Calculations
- No Excise Tax Gross-Up Payments Upon Change In Control
- No Hedging Transactions, Pledges of Stock Or Short Sales By Executives Permitted

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Compensation Discussion and Analysis

Relationship Between Company Performance and Chief Executive Officer Compensation for 2017

In December 2016, the Board elected Douglas T. Dietrich as Chief Executive Officer. We have structured our compensation program to strongly tie our executives' pay to performance. This is reflected in the compensation that was awarded to Mr. Dietrich. 80% of Mr. Dietrich's compensation was at-risk and variable depending on company and individual performance. The Compensation Committee believed 2017 compensation appropriately reflected the Company's strong financial and operational performance. As detailed below in this "Compensation Discussion & Analysis," there are five main elements of our executive compensation program:

- Base salary is the only portion that is not at-risk and not performance-based. Under the compensation arrangements agreed with Mr. Dietrich at the time of his election as Chief Executive Officer, he received an annual base salary for 2017 of $800,000.

- Annual incentive compensation is based on the Company's achievement with respect to two financial metrics we believe are the most important business metrics that lead to creation of shareholder value (Operating Income (OI) and Return on Capital (ROC)), representing 70% of the plan's bonus opportunity, and achievement of personal performance objectives, representing the remaining 30% of the plan's bonus opportunity. Our OI and ROC performance for the year was strong, leading to payment on this portion of the 2017 Annual Incentive Plan award opportunity at 120.8%. Mr. Dietrich's performance against his personal performance objectives was 118% of target. Accordingly, the total 2017 Annual Incentive Plan award paid for the year to Mr. Dietrich, based on Company and individual performance, was 120% of target.

- The majority of our long-term incentives are two forms of equity-based awards: stock options and DRSUs. These awards, which vest over three years, provide a direct link between pay and stockholder interests. We strongly believe that our equity-based awards are performance-based, as vesting only occurs if the executive continues to be employed by the Company on the vesting date. We have a high-performance culture. This means that we expect our executives to perform to high levels. As our history demonstrates, executives that do not meet such performance standards leave our Company and forfeit all of their unvested equity awards.

- The remaining long-term incentives are grants of Performance Units under our long-term incentive plan. The Performance Units pay out in cash based on three-year performance goals. Payouts are based on achievement relative to three goals: ROC, which is based on a three-year target in contrast to the one-year ROC target under our Annual Incentive Plan, and total shareholder return relative to a peer index and relative to the broader market. The Performance Units that vested on December 31, 2017 were granted in early 2015 and related to the 2015-2017 performance period. During this period, our total shareholder return was 63% of the peer index and approximately 81% of the broader market, and our ROC exceeded its target, which is based on the Company's cost of capital. This performance over the three-year performance period is reflected in pay-outs at a level of approximately 81% of target value per unit for units that vested at the end of 2017.

The table below shows payouts realized on Performance Units over the past ten years.

History of Performance Unit Payouts

Grant Date	Three Year Performance Period	Actual Payout as a Percentage of Payout at Target Performance
2015	2015 – 2017	81%

2014	2014 – 2016	154%
2013	2013 – 2015	190%
2012	2012 – 2014	266%
2011	2011 – 2013	220%
2010	2010 – 2012	150%
2009	2009 – 2011	78%
2008	2008 – 2010	40%
2007	2007 – 2009	0%
2006	2006 – 2008	0%

Shareholder Engagement

We engage in an extensive, ongoing shareholder engagement effort that we began in 2012. This consists of discussing corporate governance and compensation matters with our shareholders before the annual meeting, as well as during proxy voting. We also engage with proxy advisory firms that represent the interests of various shareholders.

We continued this shareholder outreach program in 2017 – 2018, including contacting our top 50 shareholders, who at the time collectively held approximately 83% of our stock. We solicited our shareholders' views on whether they considered the disclosure in our proxy statement sufficient and understandable, whether they had any concerns with our executive compensation program, especially our program's design and the linkage between pay and performance, if there were any other environmental, social or corporate governance matters important to them that we should be made aware of, and whether there were any other ways we could enhance our corporate governance structure to be more effective in driving shareholder value. We also specifically requested feedback on whether our implementation of proxy access in 2017 reflected their preference. The shareholders that engaged with us responded positively with respect to our 2017 disclosure, and to the changes we have made to our executive compensation program and corporate governance over the past several years, including the adoption of proxy access and majority voting.

The following is a sampling of several of the comments we received from our shareholders through this engagement process that reflected the overall response:

"Your corporate governance is solid, and your core shareholder rights are in place, as you have majority voting, you have a diverse, experienced board that has been refreshed, and your responsiveness to shareholders was demonstrated by proxy access implementation last year."

"Your proxy is one of the better proxies I have seen. I like how you include shareholder comments, you include the total shareholder return in the proxy so I don't have to refer back to the 10K, and you include the Say on Pay vote from the prior year so I don't have to look that up. I also really like the "History of Performance Unit Payouts" chart and will recommend that other companies use that."

"You do a nice job walking through all of the material in your proxy in a clear and concise way."

"I was glad to see that proxy access was implemented, and I'm pleased with the 3, 3, 20, 20 thresholds."

"You have done a great job expanding margins from single digits to mid double digits."

"The safety metrics in your Sustainability Report are helpful."

"Your Sustainability Report has very specific information about environmental and safety data."

"An annually elected Board is best practice and we are seeing more companies going away from classified Boards. However, we recognize the efforts you have made in your Board, with thoughtful additions."

Consideration of Results of 2017 Shareholder Advisory Vote

At our 2017 Annual Meeting, our shareholders approved the 2016 compensation of our named executive officers with 84% of the shares voting on the matter at the meeting voting in favor. We believe that the significant margin of approval of our 2017 "Say-on-Pay" proposal resulted in large measure from our shareholder engagement effort.

As a result of the vast majority of shares favoring our "Say-on-Pay" proposal at our 2017 Annual Meeting, and the positive feedback we received during our 2017 – 2018 shareholder outreach program, we have substantially maintained our executive compensation policies. The Compensation Committee will continue to consider the views of our shareholders in connection with our executive compensation program and make improvements based upon evolving best practices, market compensation information and changing regulatory requirements.

What We Pay and Why: Elements of Our Compensation Program for Named Executive Officers

We have structured the major portion of executive compensation as "total direct remuneration," consisting of base salary, annual incentive awards and long-term incentive awards. Long-term incentive awards consist of stock options, Deferred Restricted Stock Units ("DRSUs"), and Performance Units awarded under our long-term incentive plan. Additional elements supplement the total direct remuneration. As illustrated in the accompanying table, in 2017 the majority of total direct compensation to our named executive officers was performance-based and at-risk and was long-term in nature.

2017 Target Direct Remuneration Mix(1)

Name	Fixed	At-Risk	Short-Term	Long-Term	Cash	Equity
D.T. Dietrich	20%	80%	40%	60%	64%	36%
M.E. Garth	26%	74%	47%	53%	68%	32%
G.L. Castagna	26%	75%	45%	55%	67%	33%
D.J. Monagle, III	23%	77%	41%	59%	64%	36%
T.J. Meek	25%	75%	44%	56%	67%	33%

(1)
The only fixed component of total direct remuneration at the Company is base salary. All other elements of total direct remuneration are performance-based and at-risk (not guaranteed). The short-term components are base salary and annual incentives. The cash component includes base salary, annual incentives and Performance Units (which are denominated in and pay out in cash).

The table below summarizes the compensatory elements of our program and briefly explains their purpose. Following the table, we provide a detailed description of each element, why we pay it, and what decisions were made for individual payments and awards in 2017.

Element of Compensation Program	Description	How This Element Promotes Company Objectives/Positioning vs. Market
Annual Compensation:		
—Base Salary	Fixed annual compensation that is certain as to payment; provides continuous income to meet ongoing living costs.	Intended to be competitive with marketplace, to aid in recruitment and retention.
—Annual Incentives	Offers opportunity to earn performance-based compensation for achieving pre-set annual goals.	Motivate and reward achievement of corporate objectives.
Long-Term Compensation:		
—Stock Options	Stock options granted at fair market value on date of grant typically with ratable vesting over three years. This represents approximately 20% of target long-term incentive compensation for each individual.	More highly leveraged risk and reward alignment with shareholder value; vesting terms and holding requirements promote retention and a strong linkage to the long-term interests of shareholders.
—DRSUs	Full value grant of stock units typically with ratable vesting over three years. This represents approximately 40% of target	Intended to increase long-term equity ownership and to focus executives on providing shareholders with superior investment returns; vesting terms and

	long-term incentive compensation for each individual.	holding requirements promote retention and a strong linkage to the long-term interests of shareholders.
—Performance Units	Units pay out in cash based on three-year performance goals. This represents approximately 40% of target long-term incentive compensation for each individual.	Units earned based on performance metrics that are believed to be key to achieving success in the Company's strategies.

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Compensation Discussion and Analysis

Element of Compensation Program	Description	How This Element Promotes Company Objectives/Positioning vs. Market
Other Compensation Elements:		
—Retirement Income	Qualified and non-qualified defined benefit and qualified defined contribution plans intended to provide for replacement of annual compensation with pension or lump-sum payments upon retirement.	Fair and competitive program designed to provide basic retirement benefits and encourage long-term service.
—Deferred Compensation	Nonfunded deferred compensation plan that mirrors the Company's qualified defined contribution plan and allows for an annual election of deferrals of salary and bonus. Additionally, the program provides a second and separate election opportunity for the deferral of annual base salary and bonus for which these deferrals are credited with interest only.	Modest program that allows executives to have same level of benefits as other participants not subject to IRS limits.
—Severance Payments	Payments and benefits upon termination of an executive's employment in specified circumstances, including after a change in control.	Intended to provide assurance of financial security to attract lateral hires and to retain executives, especially in disruptive circumstances, such as a change in control and leadership transitions; encourages management to consider transactions that could benefit shareholders.
—Benefits	Health and welfare benefits.	Fair and competitive programs to provide family protection, facilitate recruitment and retention.
—Perquisites	Modest personal benefits limited to financial counseling.	Highly desired benefits which can represent cost-effective elements of compensation. We do not provide tax gross-ups for perquisites.

Base Salary

The Committee believes that the overall compensation to the named executive officers should include reasonable levels of fixed cash compensation in order to provide a level of assurance of compensation. Base salaries of our named executive officers are determined in accordance with their responsibilities, their tenure in position, performance and market data for the position, although no particular weight is assigned to any one factor. Each employee receives an annual performance rating early in the year. The performance rating of the Company's Chief Executive Officer is assigned by the Compensation Committee and approved by the Board. The performance ratings of other officers, including the named executive officers, are assigned by the Company's Chief Executive Officer, subject to review by the Compensation Committee. The named executive officers' performance ratings were assigned by Mr. Dietrich in early 2017. Based on the Company's performance, general business outlook, and industry compensation trends, we set guidelines for average percentage compensation adjustments to salary for all employees for the coming year.

The percentage increase received by a particular employee is determined on the basis of the employee's performance rating and current compensation level compared to similar marketplace positions.

The Committee determined that, upon his election to Chief Executive Officer in December 2016, Mr. Dietrich's base salary would be $800,000 for 2017.

Annual Incentives

We pay annual incentives through our Annual Incentive Plan. The 2017 Annual Incentive Plan is designed to reward participants for the achievement of pre-established Company-wide financial goals and individual contributions thereto, as well as to reward the achievement of individual performance goals, by providing cash awards that are paid if such goals are met. Target annual incentive payment amounts are calculated (as a rounded amount) from the officers' base salaries using the following formula:

Base Salary X Target Percentage of Base Salary = Target Annual Incentive Compensation

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The amount of incentive compensation actually earned by participants in the Annual Incentive Plan is determined by multiplying the target amount by a performance factor. The performance factor represents percentage achievement of weighted composite of corporate financial targets, personal performance objectives and, for those executives who are Business Unit heads, Business Unit financial targets. The overall performance factor for each element (corporate financial targets, Business Unit financial targets, and personal performance objectives) may individually range from a minimum of 25% to a maximum of 200%, for an overall maximum performance factor of 200%. Payout is equal to target incentive compensation if the performance factor for each element is achieved at 100%.

Summary of Payments

In January 2018, the Committee reviewed the results of the 2017 Annual Incentive Plan. Payments were determined based on the achievement of the performance factors described below. Individual performance ratings were submitted by the Chief Executive Officer for discussion and approval by the Committee. The performance factors actually achieved for 2017 and the resulting payments to the named executive officers under the 2017 Annual Incentive Plan were as follows:

Name	2017 Base Salary	Target Percentage of Base Salary	Target Annual Incentive Compensation	Maximum Annual Incentive Compensation	Performance Factor Achieved	2017 Incentive Compensation Earned
D.T. Dietrich	$ 800,000	100%	$ 800,000	$ 1,600,000	120.0%	$ 960,000
M.E. Garth	$ 450,000	75%	$ 337,500	$ 675,000	126.6%	$ 427,100
G.L. Castagna	$ 510,000	75%	$ 382,500	$ 765,000	116.9%	$ 447,000
D.J. Monagle, III	$ 515,000	75%	$ 386,300	$ 772,600	115.4%	$ 445,700
T.J. Meek	$ 513,000	75%	$ 384,800	$ 769,600	119.3%	$ 459,200

Calculating the Performance Factor

We maintain a strong link between performance and pay within our executive compensation program through emphasis on incentives and utilization of performance measures that we believe are key drivers of shareholder value creation. For the 2017 Annual Incentive Plan, we determined that two financial measures—Operating Income ("OI") and Return on Capital ("ROC")—are the most important business metrics that lead to creation of shareholder value, and therefore deserve significant focus. Performance of the Company with respect to these metrics was a significant factor in each executive's bonus opportunity. For executives who are Business Unit Heads (including Mr. Monagle and Mr. Castagna), performance with respect to these financial targets within the executive's Business Unit was also a significant factor in such executive's bonus opportunity. The remainder of each executive's bonus opportunity was based on personal performance objectives. Approximately half of the personal performance objectives were based on quantifiable financial components: expense management, improvements in working capital, and certain productivity metrics, for which specific targets were established. Accordingly, financial components (OI, ROC, and improvements in working capital, expense management, and productivity) represented approximately 80% of the plan's target metrics.

The table below summarizes the weightings for each element of the performance factor (corporate financial targets, Business Unit financial targets, and personal performance objectives) for each of our named executive officers, along with their achievement in 2017.

	Company Financial Targets		Business Unit Financial Targets		Personal Performance	
Name	Weighting	Achievement	Weighting	Achievement	Weighting	Achievement
D.T. Dietrich	70%	120.8%	—	—	30%	118.1%
M.E. Garth	70%	120.8%	—	—	30%	140.0%
G.L. Castagna	20%	120.8%	50%	118.3%	30%	111.8%

D.J. Monagle, III	50%	120.8%	20%	115.0%	30%	106.7%
T.J. Meek	70%	120.8%	—	—	30%	116.0%

Company Level Financial Targets

As discussed above, the Committee selected OI and ROC as the two financial measures used to determine Company performance. For each measure, a Company performance target range was determined by weighting the average of individual Business Unit performance target ranges for these measures. Business Unit performance target ranges in turn represent a weighted average of sub-Business Unit level target ranges. The actual Company performance for 2017 for each measure also represented a weighted average of individual Business Unit actual performance for the measure. As noted above, in 2017 we combined our Performance Materials and Construction Technologies businesses into one operating segment, although individual targets were set for each business at the beginning of 2017 and the two businesses' performance was determined separately. For purposes of determining the Company performance target ranges and actual 2017 performance, the Company's Business Units were weighted approximately 19% for Paper PCC, 14% for Refractories, 14% for Performance Minerals, 38% for Performance Materials, 10% for Construction Technologies, and 4% for Energy Services.

The following table sets forth, for each of the OI and ROC financial measures that we use to determine Company performance, the following:

- the performance target range for threshold and maximum performance, representing a weighted average composite of the Business Unit minimum (threshold) and maximum performance, respectively,
- the Company performance target if each of the Business Unit level performance factors were achieved at 100% of target, and
- actual 2017 performance, representing the weighted average composite performance of the Business Units.

	Threshold	Target	Maximum	Actual 2017 Performance
Operating Income	$151.2 million	$266.8 million	$314.4 million	$263.2 million
Return on Capital	5.3%	9.0%	10.5%	9.2%

In determining the performance targets and target ranges for OI and ROC, the Committee took into consideration the economic conditions and risks of our market segments and the business development activities and goals for each of the Business Units. The Committee strived to design performance target ranges for OI and ROC that were attainable by the executive officers but challenging taking into consideration the economic condition in the markets we serve and the risks to achieve high performance. The OI targets set for 2017 reflected increases from 2016 actual OI performance for all Business Units. The ROC targets set for 2017 were above the Company's cost of capital, with the exception of those set for the Refractories and Energy Services Business Units.

A performance factor was determined for each measure based on the actual 2017 performance. The Company performance factor for each of the OI and ROC measures represents the weighted average of Business Unit level performance factors. For each Business Unit, actual 2017 performance for each measure was weighted—OI was weighted at 60% and ROC at 40%—and the weighted average performance corresponds to a performance factor based on an individual payout matrix for such Business Unit. The performance factors for 2017 were determined to be as follows:

- Paper PCC Business Unit: 100.0%
- Refractories Business Unit: 160.6%
- Performance Minerals Business Unit: 89.9%
- Performance Materials Business Unit: 141.8%

- Construction Technologies Business Unit: 29.7%
- Energy Services Business Unit: 53.8%
- Overall Company: 120.8%.

Business Unit Level Financial Targets

As discussed above, Business Unit level financial targets for OI and ROC contributed to the weighted average composite Corporate financial targets. In addition, for the executives who are Business Unit heads, individual Business Unit OI and ROC were factors in determining the bonus opportunity under the 2017 Annual Incentive Plan. As noted above, Business Unit targets in turn represent a weighted average of sub-Business Unit level targets. Consistent with prior years, the Committee selected performance target ranges for each Business Unit's OI and ROC based upon recommendations of the Chief Executive Officer and after reviewing the Company's 2017 operating plan. The Committee also took into account the risks associated within each business unit as well as the economic conditions of the market each business unit serves. As described above, the Committee strived to design performance target ranges for OI and ROC that were attainable by the executive officers but challenging.

As with Company level financial targets, a performance factor was determined for each Business Unit level measure based on the actual 2017 performance. The Business Unit performance factors represent percentage achievement of sub-Business Unit level targets. Accordingly, the performance factor for a measure does not represent a straight-line relationship between the Business Unit level target performance ranges and the actual performance for such Business Unit. We do not publicly report the financial results at the Business Unit or sub-Business Unit levels.

Personal Performance Objectives

Personal performance objectives for executive officers during 2017, other than Mr. Dietrich, were set by Mr. Dietrich. Personal performance objectives for Mr. Dietrich were set and approved by the Compensation Committee with input from Mr. Dietrich.

The personal performance component provides rewards to executives in recognition of contributions in other key areas not captured in the OI and ROC financial metrics. Approximately half of the personal performance objectives were based on other quantifiable financial targets. Corporate staff executive officers had targets based upon expense control. Executive officers who are Business Unit Heads had targets based upon expense control, days of working capital reductions, productivity improvements, and sales growth initiatives, with different specific weightings applied to each element for each officer. Other personal performance objectives for executive officers other than the Chief Executive Officer include deployment of Lean operating principles and overall leadership, including with respect to the Company's safety culture. For each category of the personal performance objectives, there was a range of potential payouts with the ultimate payout amount based upon the detailed evaluation by the Committee as to the achievement of the objectives. The Committee structured the 2017 Annual Incentive Plan in this manner so that the executives would know what their reward, if any, would be for achieving the financial objectives, while using the personal performance objectives to provide the Committee with the opportunity to assess the value of contributions or achievements within the context of the degree of difficulty and probability of achieving the objectives. The following are the specific personal performance objectives under Annual Incentive Plan for each of our named executive officers, as well as their achievement of such objectives in 2017:

- Mr. Dietrich: The Compensation Committee reviewed Mr. Dietrich's personal goals and objectives and assessed his performance versus the objectives in similar areas as the other executive officers, including expense control, days of working capital reductions, productivity improvements, sales growth initiatives, as well as resource unit performance and leadership. Collectively, Mr. Dietrich's performance against his personal performance objectives was 118.1% of target.

- Mr. Garth: Mr. Dietrich and the Compensation Committee reviewed Mr. Garth's 2017 personal goals and objectives and assessed his performance versus the objectives in areas such as expense reduction, achievement of Hoshin Plans (Hoshin is a structured methodology for executing and achieving strategic goals and objectives) and overall leadership. For Mr. Garth, controllable expenses for his resource unit increased in 2017 by 3.7% from 2016 levels, and his target was an increase of 8%, which resulted in a payout of 200% for this component of the award. Collectively, Mr. Garth's performance against his personal performance objectives was 140.0% of target.

- Mr. Castagna: Mr. Dietrich and the Compensation Committee reviewed Mr. Castagna's 2017 personal performance goals and objectives and assessed his performance versus the objectives in areas such as expense management, productivity, working capital days, sales growth initiatives and overall leadership. Mr. Castagna was given responsibility for the Construction Technology businesses during the first quarter of 2017, in addition to the Performance Materials Businesses, and accordingly his goals and objectives represented a weighted average of goals and objectives for such businesses, commencing after the first quarter. Controllable expenses for his Business Units increased in 2017 by 5.6% from 2016 levels, and his target was an increase of 5.8%, which resulted in a payout of 114.5% for this component of the award. Productivity improvements measured as Tons Produced per Manufacturing Hour improved 1.5% from 2016 levels and his target was an improvement of 3% which resulted in a payout of 85.8% for this component of the award. Working capital days decreased 3.6 days from 2016 levels and his target was reduction of 6.4 days, which resulted in a payout of 48.0% for this component of the award. Mr. Castagna was also measured on sales growth initiative targets, which resulted in a payout of 125% for this component of the award. Collectively, Mr. Castagna's performance against his personal objectives was 111.8% of target.

- Mr. Monagle: Mr. Dietrich and the Compensation Committee reviewed Mr. Monagle's 2017 personal performance goals and objectives and assessed his performance versus the objectives in areas such as expense management, productivity, working capital days, sales growth initiatives and overall leadership. As Mr. Monagle had responsibility for the Paper PCC, Performance Minerals and Refractories Business Units, his goals and objectives represented a weighted average of goals and objectives for such businesses. Controllable expenses for Mr. Monagle's Business Units decreased in 2017 by 1.4% from 2016 levels, and his target was an increase of 9.2%, which resulted in a payout of 186.4% for this component of the award. Productivity improvements measured as Tons Produced per Manufacturing Hour improved by 8.5% from 2016 levels and his target was an improvement of 3.2% which resulted in a payout of

159.1% for this component of the award. Working capital days decreased one day from 2016 levels and his target was reduction of 0.4 days, which resulted in a payout of 116.2% for this component of the award. Mr. Monagle was also measured on sales growth initiative targets, which were not achieved, resulting in a payout of 0% for this component of the award. Collectively, Mr. Monagle's performance against his personal objectives was 106.7% of target.

- Mr. Meek: Mr. Dietrich and the Compensation Committee reviewed Mr. Meek's 2017 personal goals and objectives and assessed his performance versus the objectives in areas such as expense reduction, achievement of Hoshin Plans and overall leadership. For Mr. Meek, controllable expenses for his resource units increased in 2016 by 5.3% from 2016 levels, and his target was a decrease of 6.7%, which resulted in a payout of 72.1% for this component of the award. Collectively, Mr. Meek's performance against his personal objectives was 116.0% of target.

Long-Term Incentives

Long-term incentives consist of stock options, DRSUs and Performance Units awarded under our long-term incentive compensation plan. Our compensation program uses equity-based awards (stock options and DRSUs), the ultimate value of which is contingent on our longer-term performance, in order to provide the named executive officers with a direct incentive to seek increased shareholder returns. Furthermore, as described below, we have established stock retention requirements for our executive officers that require the executives to retain a portion of the common stock of the Company that they receive pursuant to equity awards. We believe this further aligns the interests and actions of the Company's executive officers with the interests of the Company's shareholders. Performance Units, which pay cash based on the Company's performance over a three-year performance period, provide a cash incentive that is based on a longer-term performance evaluation than the 2017 Annual Incentive Plan.

Equity award opportunities and Performance Units awarded through our long-term incentive compensation plan provide the named executive officers with a direct incentive to seek increased shareholder returns and serve to further align the interests and actions of the Company's executive officers with the interests of the Company's shareholders. Compensation levels for each element are determined by the Committee independently and are not set based on the levels of other elements of compensation, except that the aggregate value of long-term incentive opportunities at target are generally set so that the sum of base salary, annual incentive at target and long-term incentives at target fall within the desired range of total direct remuneration. The Compensation Committee also takes into account other factors such as the responsibilities, performance, contributions and service of the executive, including compensation in relation to other employees and the executive's length of service in the particular position.

To determine the amounts of each type of long-term incentive provided to each executive officer, the Committee generally first determines the total long-term incentive award to be granted to an executive officer. Total long-term incentive value is determined as a multiple of an executive's base salary, based on market data supplied by Steven Hall & Partners, the Compensation Committee's independent compensation consultant. The applicable percentage of total long-term incentive awards ranged from 100% to 310% of base salary for the named executive officers. The Committee then establishes the split among the three long-term incentive vehicles. The Committee decided in 2017 that the total long-term incentive value would be split as follows: 20% in the form of stock options, 40% in DRSUs and 40% in Performance Units. This split was consistent with prior years and reflected a desire to base awards on performance and the general marketplace trend of decreasing the emphasis on stock options. Of the equity components, stock options are valued using the Black-Scholes option valuation method and DRSUs are valued using the average of the high and the low of the stock price on the date of the grant. Performance Units are cash vehicles linked to financial goals set by the Committee. They are valued at $100 per unit assuming target-level performance, with higher and lower per-unit values for above- and below-target performance. These values are then translated into specific amounts for each individual executive officer.

All of our long-term compensation awards are strongly linked to performance. The Performance Units awarded through our long-term incentive compensation plan are linked to measurements of return on capital and stock performance. The linkage to performance is indicated by the Units' history of zero payouts until our company's performance improved over the past several years. Realized payouts on Performance Units that have vested over the past ten years are set forth in the following table.

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Performance Unit Payout History

Grant Date	Three Year Performance Period	Actual Payout as a Percentage of Payout at Target Performance
2015	2015 – 2017	81%
2014	2014 – 2016	154%
2013	2013 – 2015	190%
2012	2012 – 2014	266%
2011	2011 – 2013	220%
2010	2010 – 2012	150%
2009	2009 – 2011	78%
2008	2008 – 2010	40%
2007	2007 – 2009	0%
2006	2006 – 2008	0%

Equity awards have a three-year vesting period. We strongly believe that our equity-based awards are performance-based, as vesting only occurs if the executive continues to be employed by the Company on the vesting date. We have a high-performance culture. This means that we expect our executives to perform to high levels. Our history is that executives that do not meet such performance standards leave our Company, as shown by the significant turnover of the positions in our executive management team in recent years. These officers have forfeited all of their unvested equity awards.

Stock Options. The Committee awarded the named executive officers in 2017 stock options with an exercise price of $78.025. The exercise price represents fair market value on the date of grant as defined in the 2015 Stock Award and Incentive Plan as the average of the high and the low stock price on the grant date. These options generally have a ten-year term and vest in equal installments on each of the first three anniversaries from the date of grant. To encourage the ownership of Company stock among officers, upon exercise, at least 50% of after-tax value of appreciation must be held in Company stock for at least five years.

DRSUs. DRSUs generally vest in equal installments on each of the first three anniversaries from the date of grant. As with stock options, to encourage the ownership of Company stock among officers, at least 50% of the shares received upon vesting of the DRSUs (after tax) must be held by the executives for five years.

Performance Units. Performance Units awarded under our long-term incentive compensation plan pay cash based on the Company's performance over a three-year performance period. Performance Units granted in 2017 vest at the end of a three-year performance period (2017–2019), provided the grantee remains employed by the Company at such time. The value of each Performance Unit is dependent on the following three components:

- The Company's ROC performance over the three-year performance period (which distinguishes this measure from the one-year ROC target under our Annual Incentive Plan) as compared to target ROC, which is set to exceed the Company's weighted average cost of capital.

- The Company's stock performance as compared to our Peer Company Index, based on total shareholder return for the period from January 1, 2017 to December 31, 2019. Commencing in 2013, we began using a Peer Company Index that is consistent with the comparator group of peer companies used for our overall compensation benchmarking, which is described in detail below under "—How We Make Compensation Decisions—Comparator Group Companies."

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The Company's stock performance as compared to the S&P MidCap 400 Index and the Russell 2000 Index, based on total shareholder return for the period from January 1, 2017 to December 31, 2019. For this purpose, the total shareholder return of the S&P MidCap 400 Index and the Russell 2000 Index are weighted equally.

The following sets out, for each of the three components, the minimum (threshold) performance below which such component will not have any payout, the target performance at which the component pays out at $100, and the maximum performance at which the component pays out at $300.

	Threshold	Target	Maximum
Return on Capital	7.0%	9.3%	11.1%
Company Stock Performance as a Percentage of S&P MidCap 400 Index and Russell 2000 Index	75%	100%	130%
Company Stock Performance as a Percentage of Peer Company Index	75%	110%	130%

Equal weighting is given to each of the three components. Thus, each of the three types of performance components contributes one-third of the final value of the Performance Unit. For each component, we calculate a payout level at the end of the performance period. The following tables set forth the payout levels for stated performance for each of the three components. Performance between the stated percentages is interpolated.

ROC Performance relative to target ROC (one-third of Unit Value)

ROC Performance	Component Achievement
<7.0% (minimum)	$ 0
7.8%	$ 75
9.3% (target)	$ 100
9.8%	$ 200
11.0% (maximum)	$ 300

Company Stock Comparison to the S&P MidCap 400 Index and the Russell 2000 Index (one-third of Unit Value)

Company TSR Performance as a % of Target	Component Achievement
<75% (minimum)	$ 0
75%	$ 75
100% (target)	$ 100
120%	$ 200
130+% (maximum)	$ 300

Company Stock Comparison to the Peer Company Index (one-third of Unit Value)

Company TSR Performance as a % of Target	Component Achievement
<75% (minimum)	$ 0
75%	$ 40
100%	$ 90
110% (target)	$ 100
120%	$ 200
130+% (maximum)	$ 300

After each of the component payout amounts are determined, the three component payout amounts are averaged together to determine an overall Performance Units payout amount. For example, if for a Performance Unit, one component performance metric is achieved at the target level (yielding $100 for such component), one is achieved at the threshold level (yielding $75 for such component), and one is achieved at the maximum level (yielding $300 for such component), the performances together will result in a final payout value for the Performance Unit of $158.33 (the average of $100, $75, and $300). Performance Units have an overall target value of $100 if each of the three components are achieved at target performance. The Performance Unit value is paid out in cash at the end of the performance period.

In January 2018, the Committee reviewed the results of Performance Units granted in 2015, which had a performance period that ended December 31, 2017. The Company’s performance during the performance period resulted in a payout on these Performance Units of $81.17 per unit. Payments to the named executive officers on such Performance Units were as follows: Mr. Dietrich, $389,616, Mr. Monagle, $395,460, Mr. Castagna, $263,803, and Mr. Meek, $331,011.

Retirement Programs

Our retirement programs for senior executives provide an opportunity for each participating executive, through long service to the Company, to receive a pension or other forms of retirement benefits. With the exception of Mr. Castagna and Mr.Garth, our named executive officers participate in the Company’s Retirement Plan and the Supplemental Retirement Plan which provide retirement benefits to employees and executives. Mr. Castagna, who was an executive of AMCOL prior to its acquisition by us on May 9, 2014, participates in the MTI Retirement Plan-PC&E, MTI Supplemental Retirement Plan-PC&E, and MTI Deferred Compensation Plan-PC&E. These plans are described more fully in the narrative following the Pension Benefits table below.

Although our retirement programs provide valuable benefits that help us attract and retain executive talent, we rely more heavily on other elements of our compensation program in the recruitment process and for retention.

Severance Policies

Severance protection is provided to our senior executives in employment agreements and severance agreements. This protection is designed to be fair and competitive and to aid in attracting and retaining experienced executives. When recruited from another company, the executive generally will seek to be protected in the event he or she is terminated without cause or we take actions giving the executive good reason to terminate employment. We believe that the protection we provide—including the level of severance payments and post-termination benefits—is appropriate and within the range of competitive practice.

Severance protection following a change in control, while potentially costly, provides a number of important benefits to the Company. First, it permits an executive to evaluate a potential change in control while relatively free of concern for the executive's own situation or the need to seek employment elsewhere. Second, change in control transactions take time to unfold, and a stable management team can help to preserve the Company's operations either to enhance the value delivered to a buyer in the transaction or, if no transaction is consummated, to ensure that the Company's business will continue without undue disruption. Finally, we believe that the change in control protections in place encourage management to consider on an ongoing basis whether a strategic transaction might be advantageous to our shareholders, even one that would vest control of the Company in a third party. We do not provide for excise tax gross up payments to executive officers in connection with a change in control. In 2016, we revised our officers' change-in-control arrangements to reduce the severance payable upon a change-in-control to three times the officer's base salary and target bonus, which we believe is in line with market practice. The Compensation Committee believes that the potential cost of executive change in control severance payments and benefits, as a percentage of the potential buyout price, would be well within the range of reasonable industry practice, and represents an appropriate cost relative to the benefits to the Company and its shareholders.

Deferred Compensation

The Company maintains the Supplemental Savings Plan in order to allow employees to defer amounts that cannot be deferred under the qualified Savings and Investment Plan (the Company's 401(k) plan) due to Internal Revenue Code limits. Contributions under the Supplemental Savings Plan are limited to the percentage limits that the employee would otherwise have been able to contribute on a before-tax basis to the Savings and Investment Plan. Additionally, the program provides a second and separate election opportunity for the deferral of annual base salary and bonus for which these deferrals are credited with interest only. Amounts placed in the Supplemental Savings Plan remain with the Company until payout, rather than invested through a third party as with other defined contribution programs.

Perquisites

We provide only minimal perquisites, such as financial counseling, that have a sound benefit to the Company's business.

How We Make Compensation Decisions

Objectives of Our Compensation Program for Named Executive Officers

The Compensation Committee believes that the compensation program for executive officers should reward the achievement of the short-term and long-term objectives of the Company, and that compensation should be related to the value created for its shareholders. Furthermore, the program should reflect competitive opportunities and best practices in the marketplace.

The following objectives serve as guiding principles for the Compensation Committee:

- Provide a market-based, competitive total compensation opportunity that allows the Company to attract, retain, motivate and reward highly skilled executives;

- establish a strong pay-for-performance culture based on the achievement of key business objectives and reinforced by incentive-based pay; and

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strengthen the linkage between executive and shareholder interests through the usage of equity awards and executive stock ownership.

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Compensation Discussion and Analysis

Comparator Group Companies

We intend that the levels of compensation available to executive officers who successfully enhance corporate value be competitive with the compensation offered by publicly held companies so that we can successfully attract and retain the high-quality executive talent critical to the long-term success of the Company. Furthermore, we seek to encourage outstanding performance through the opportunity to earn substantially more than target levels of pay for superior performance. To understand the competitive market for pay, we analyze the compensation programs at a comparator group of companies in setting compensation terms for our program.

We conduct a comparator group review on an annual basis, and in 2017 determined that the group remained appropriate. The Company's primary business competitors are foreign companies, privately held firms or subsidiaries of publicly-traded companies. Accordingly, compensation data for most of our primary business competitors is not publicly available. Therefore, based on information and analysis provided by the Committee's executive compensation consultants, Steven Hall & Partners, we identified the following group of comparator companies for reference in setting compensation. We selected these companies because they are primarily in the specialty chemical industry, they provide a broad measure of compensation in the market in which we compete for talent, and they are similar to the Company in the size and scope of their operations.

A. Schulman, Inc.	Harsco Corporation
Albermarle Corporation	Innophos Holdings, Inc.
Cabot Corporation	Koppers Holdings Inc.
Century Aluminum Company	Kraton Corp.
Compass Minerals International, Inc.	Kronos Worldwide, Inc.
Ferro Corporation	Olin Corporation
H.B. Fuller Company	Sensient Technologies Corp.

We do not rely exclusively on comparator group data in setting the terms of our compensation program. Consideration also is given to major compensation surveys of companies in the chemical industry, as well as companies in general industry. Survey information helps to confirm the validity and provide broader context to the comparator group data, as well as provide data for positions where comparator data is not available from public filings with the SEC. This survey data is developed independently by Steven Hall & Partners and provided to the Compensation Committee.

Setting Total Direct Remuneration

Total direct remuneration—consisting of salary, annual incentive awards and long-term incentive awards—provides the major portion of each named executive officer's remuneration. In setting each named executive officer's total direct remuneration opportunity, the Compensation Committee takes into account other factors such as the responsibilities, performance, contributions and service of the executive, including compensation in relation to other employees and the executive's length of service in the particular position. As a result, we do not set total direct remuneration or the component parts at levels to achieve a mathematically precise market position.

As discussed above, our program has provided substantial portions of total direct remuneration in the form of DRSUs and stock options to promote share ownership as a direct means of aligning the interests of executives with the long-term interests of shareholders. Our share retention requirements also encourage long-term shareholding. Cash compensation permits executives to meet living expenses and build wealth through diversified investments, and we therefore seek to provide balance in the mix of cash and non-cash compensation. The more senior the role, the greater the percentage of compensation provided in the form of at-risk long-term incentives.

In evaluating the level of compensation for the named executive officers versus the marketplace, the Committee considered the elements of salary, annual incentive and long-term incentive compensation, both individually and collectively. These elements were benchmarked to compensation information of comparator companies provided by the Committee's executive compensation consultants, Steven Hall & Partners. However, this compensation data was not utilized by the Committee to adjust any element of compensation, or total compensation generally, paid to any executive officer (including any of the named executive officers) to precisely equal benchmarked values. Rather, salary, bonus and equity-based compensation components, individually and in total, for each executive, were compared to the average value received by the executives in the comparator companies and such comparison served as general guidance to the Committee in setting compensation levels. In addition, the Committee reviewed the salary, annual incentive and long-term incentive compensation amounts received by each such executive in prior years when establishing compensation levels. In establishing the form and amount of compensation, the Committee attempts to provide compensation that is competitive with its comparator companies, but reasonable in light of the Company's performance in prior years.

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Compensation levels for each element of direct remuneration are determined by the Committee independently and are not set based on the levels of other elements of compensation, except that the aggregate value of long-term incentive opportunities at target are generally set so that the sum of base salary, annual incentive at target and long-term incentives at target fall within the desired range of total direct remuneration. As noted above, in each case, the Compensation Committee also takes into account other factors such as the responsibilities, performance, contributions and service of the executive, including compensation in relation to other employees and the executive's length of service in the particular position.

Other Policies

The Compensation Committee reviews and takes into account all elements of executive compensation in setting policies and determining compensation amounts. In this process, the Compensation Committee reviews "tally sheets" and other reports and analyses of executive compensation including those prepared by the Compensation Committee's independent advisor, Steven Hall & Partners.

Other policies and practices that help promote our compensation objectives include the following:

Employment Agreements. We have employment agreements with all of the named executive officers. These agreements formalize the terms of the employment relationship and the Company's obligations to the executive during employment and in the event of termination. Additionally, these agreements clearly define the obligations of executives during and after employment with the Company. This includes compliance with restrictive terms that protect our business related to competitive activities, solicitation of our employees, customers and business partners, the disclosure of confidential information, and other actions that could be harmful to the Company post-employment. Employment agreements promote careful and complete documentation and understanding of employment terms, including strong protections for our business, and discourage frequent renegotiation of the terms of employment. Conversely, employment agreements can limit our ability to change certain employment and compensation terms. In some cases, including when an executive has been recruited to join us, executives have negotiated with us regarding the terms of their employment. The agreements embody the employment terms on which the Compensation Committee and the executives have reached agreement.

Equity Award Grant Practices. Most of our option and DRSU grants have occurred as part of our regular annual grant of equity awards at a regularly scheduled meeting of the Compensation Committee, typically in January. The Company considers interim grants in cases of new hires, promotions and other special situations.

Clawback Policy. In 2012, we adopted a Policy for Recoupment of Incentive Compensation (a "clawback" policy). This allows the Company to recapture any compensation paid or awarded to an executive officer or other key employee if the Company is required to prepare an accounting restatement due to the material noncompliance of the Company with any financial reporting requirement, and the Board determines that the willful commission of an act of fraud or dishonesty by such person or recklessness in the performance of such person's duties contributed to the non-compliance and the compensation received by such person would have been materially lower if it had been based on the restated results.

Officer Stock Ownership Guidelines. The following are the stock ownership guidelines effective for the Chief Executive Officer and other named executive officers. The guidelines require holdings of our stock with values at least equal to specified multiples of base salary, as follows:

- Chief Executive Officer—six times base salary (within five years of election)
- Chief Financial Officer and Group Presidents—four times base salary (within five years of election)
- Other Elected Officers—three times base salary (within five years of election)

As of February 14, 2018, Mr. Meek and Mr. Monagle were the only named executive officers in their positions for the five years required for the guidelines to take effect. Mr. Meek and Mr. Monagle were in compliance with the officer

stock ownership guidelines.
Trading Controls and Hedging Transactions. Executive officers, including the named executive officers, are required to receive the permission of the Company's General Counsel prior to entering into any transactions in Company securities, including exercises of stock options. Generally, trading is permitted only during announced trading periods. The named executive officer bears full responsibility if he or she violates Company policy by permitting shares to be bought or sold without pre-approval or when trading is restricted. Executive officers are prohibited from entering into hedging transactions, short sales and similar derivative transactions, and from pledging shares of Company stock.

Tax Deductibility

Internal Revenue Code Section 162(m) limits the tax deductions that a public company can claim for compensation to some of its named executive officers. We have sought to preserve such corporate tax deductibility for compensation to the extent practicable. In particular, we have structured our Annual Incentive Plan so that awards granted to our named executive officers may satisfy the requirements for deductible compensation. The Compensation Committee retains flexibility to approve, when appropriate, compensation arrangements which promote the objectives of our compensation program but which do not qualify for full tax deductibility. Accordingly, the Committee recognizes that a portion of the compensation paid to the executive officers will be subject to the deduction limitation.

The Tax Cuts and Jobs Act (the “Act”), which was signed into law at the end of 2017, makes significant changes to the deduction limit under Section 162(m), all of which will be effective for taxable years beginning on and after January 1, 2018. The Act eliminates the current exception to the deduction limit for qualified performance-based compensation and broadens the application of the deduction limit to certain current and former executive officers who previously were exempt from such limit, subject to certain transition relief. Accordingly, in the future the Company may no longer be able to preserve the deductibility of compensation for executive officers in excess of the Section 162(m) limit.

2018 Compensation Program for Named Executive Officers

Our compensation program for senior executives for 2018 will be structured in a manner similar to the 2017 program.

Decision-Making Responsibility

Governance of our compensation program is the responsibility of the Compensation Committee, which consists solely of independent (non-management) directors. The Compensation Committee works with management, in particular the Chief Executive Officer and the executive responsible for Human Resources, in making decisions regarding our compensation program. The Chief Executive Officer has the ability to call Compensation Committee meetings for this purpose. The Compensation Committee also has retained Steven Hall & Partners, a nationally known compensation consulting firm, to assist in gathering and analyzing market data, advising the Compensation Committee on compensation standards and trends, and assisting in the implementation of policies and programs. Steven Hall & Partners works with the Chief Executive Officer and the executive responsible for Human Resources, in providing such assistance to the Compensation Committee. Steven Hall & Partners does not provide any other services to the Company.

REPORT OF THE COMPENSATION COMMITTEE

The Compensation Committee, comprised entirely of independent directors, reviewed and discussed the above Compensa‒tion Discussion and Analysis with the Company’s management. Based on the review and discussions, the Compensation Committee recommended to the Company’s Board of Directors that the Compensation Discussion and Analysis be included in this Proxy Statement.

John J. Carmola, Chair
Joseph C. Breunig
Robert L. Clark
Duane R. Dunham
Franklin L. Feder

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COMPENSATION OF EXECUTIVE OFFICERS AND DIRECTORS

Summary Compensation Table—2017

The following table summarizes the compensation of the named executive officers for the fiscal year ended December 31, 2017. The named executive officers include our Chief Executive Officer, Chief Financial Officer, and three other most highly compensated executive officers who were serving as executive officers on December 31, 2017. For purposes of determining the most highly compensated officers, the amounts shown in column (h) were excluded.

Name and Principal Position (a)	Year (b)	Salary ($) (c)	Bonus ($) (d)	Stock Awards ($)(1) (e)	Option Awards ($)(2) (f)	Non-Equity Incentive Plan Compensation* ($)(3) (g)	Change in Pension Value and Non-qualified Deferred Compensation Earnings ($)(4) (h)	All Ot Compe ($)(5) (i)
Douglas T. Dietrich	2017	$ 800,000	—	$ 979,994	$ 653,335	$ 1,349,616	$ 102,051	$ 42,
Chief	2016	$ 527,289	$ 150,000	$ 503,984	$ 326,738	$ 1,175,964	$ 33,618	$ 88,
Executive Officer	2015	$ 507,981	—	$ 1,379,982	$ 316,684	$ 1,227,927	$ 61,983	$ 29,
Matthew E. Garth	2017	$ 403,269	—	$ 365,001	$ 243,335	$ 427,100	—	$ 9,9
Senior Vice President, Finance and	2016	—	—	—	—	—	—	—
Treasury, Chief Financial Officer	2015	—	—	—	—	—	—	—
Gary L. Castagna	2017	$ 506,885	—	$ 443,026	$ 295,315	$ 710,803	$ 454,001	$ 15,
Group	2016	$ 477,596	—	$ 366,387	$ 235,266	$ 685,672	$ 387,895	$ 15,
President, Performance Materials	2015	$ 467,789	$ 200,000	$ 625,021	$ 197,916	$ 866,919	$ 247,492	$ 15,
D.J.	2017	$ 512,716	—	$ 524,328	$ 349,659	$ 841,160	$ 80,581	$ 34,
Monagle, III Group	2016	$ 490,952	—	$ 501,801	$ 328,516	$ 1,161,482	$ 27,843	$ 33,
President, Specialty Minerals and Refractories	2015	$ 486,921	—	$ 837,234	$ 321,405	$ 1,228,092	$ 62,048	$ 32,
Thomas J.	2017	$ 510,445	—	$ 449,502	$ 299,678	$ 790,211	$ 73,279	$ 34,
Meek	2016	$ 486,150	$ 150,000	$ 428,218	$ 274,985	$ 1,063,638	$ 36,515	$ 90,
Senior Vice	2015	$ 478,308	—	$ 1,307,820	$ 269,068	$ 1,160,190	$ 57,982	$ 32,

President,
General
Counsel,
Human
Resources,
Secretary
and Chief
Compliance
Officer

*
Non-equity Incentive plan compensation consists of the following:

Name	2017 Annual Incentive Bonus	2017 Long-term Incentive Payout	Total
D.T. Dietrich	$ 960,000	$ 389,616	$ 1,349,616
M.E. Garth	$ 427,100	—	$ 427,100
G.L. Castagna	$ 447,000	$ 263,803	$ 710,803
D.J. Monagle, III	$ 445,700	$ 395,460	$ 841,160
T.J. Meek	$ 459,200	$ 331,011	$ 790,211

(1)
Represents the aggregate grant date fair value computed in accordance with FASB ASC Topic 718. The Company calculates the “fair value” of stock awards under FASB ASC Topic 718 by multiplying the number of shares by the average of the high and low price of the Company’s common stock on the New York Stock Exchange on the grant date. See Note 4 to the Consolidated Financial Statements in our Annual Report on Form 10-K for the fiscal year ended December 31, 2017 for the assumptions made in determining FASB ASC Topic 718 values.

(2)
Represents the aggregate grant date fair value computed in accordance with FASB ASC Topic 718. The Company calculates the “fair value” of option awards under FASB ASC Topic 718 using the Black-Scholes valuation model. See Note 4 to the Consolidated Financial Statements in our Annual Report on Form 10-K for the fiscal year ended December 31, 2017 for the assumptions made in determining FASB ASC Topic 718 values.

(3)
Amounts shown for 2017 represent the sum of (i) 2017 Annual Incentive awards under the 2017 Annual Incentive Plan and (ii) the value of the Performance Units granted by the Company to the named executive officers for the performance period ending December 31, 2017, which vested on December 31, 2017, as detailed in the above note (*). The value of these Performance Units was $81.17 per unit.

Amounts shown for 2016 represent the sum of (i) 2016 Annual Incentive awards under the 2016 Annual Incentive Plan and (ii) the value of the Performance Units granted by the Company to the named executive officers for the performance period ending December 31, 2016, which vested on December 31, 2016. The value of these Performance Units was $154.17 per unit.

Amounts shown for 2015 represent the sum of (i) 2015 Annual Incentive awards under the 2015 Annual Incentive Plan and (ii) the value of the Performance Units granted by the Company to the named executive officers for the performance period ending December 31, 2015, which vested on December 31, 2015. The value of these Performance Units was $189.55 per unit.

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COMPENSATION OF EXECUTIVE OFFICERS AND DIRECTORS

A Performance Unit is worth $100 per unit at target performance; at maximum performance, $300 per unit. If performance does not meet minimum threshold levels, the Performance Unit will be worth $0. See "Compensation Discussion and Analysis—What We Pay and Why: Elements of Our Compensation Program for Named Executive Officers—Long-term Incentives" for more information.

(4)

Amounts shown in column (h) are solely an estimate of the increase in actuarial present value during 2017 of the named executive officer's normal retirement age (defined as the earliest age at which the executive can receive a benefit unreduced for early retirement) accumulated benefit under the Company's Retirement Plan and the Supplemental Retirement Plan (our "PP&R" plans), in the cases of the named executive officers other than Mr. Garth and Mr. Castagna, and the MTI Retirement Plan—PC&E and MTI Supplemental Retirement Plan—PC&E (our "PC&E" plans for former AMCOL International employees) for 2017, in the case of Mr. Castagna. Mr. Garth does not participate in a pension plan. The amount attributable to each plan is shown in the table below:

	Change in Pension Value		
Name	Retirement Plan	Supplemental Retirement Plan	Total
D.T. Dietrich	$ 27,004	$ 75,047	$ 102,051
M.E. Garth	—	—	—
G.L. Castagna	$ 96,869	$ 357,132	$ 454,001
D.J. Monagle, III	$ 31,223	$ 49,358	$ 80,581
T.J. Meek	$ 21,053	$ 52,226	$ 73,279

The change in pension values for Mr. Dietrich, Mr. Monagle, and Mr. Meek are calculated under the cash balance formula, which is described in more detail in the narrative following the Pension Benefits table below. The accumulated benefit under the cash balance formula equals the projected annuity benefit payable at normal retirement age, assuming that the executive remains in employment but receives no future pay credits. The projected annuity benefit is calculated by first projecting the end-of-year cash balance account to normal retirement age using annual interest credits of 2.56% for 2017 calculations and 1.74% for 2016 calculations. The projected cash balance is then converted to an annuity using the September 2017 rates (1.96% for 5 years, 3.58% for next 15 years, 4.35% thereafter) and the 2018 IRS prescribed mortality table for 2017 calculations, and September 2016 rates (1.47% for 5 years, 3.34% for next 15 years, 4.30% thereafter) and the 2017 IRS prescribed mortality table for 2016 calculations.

The present value of accumulated benefits is then calculated using the following discount rate and mortality assumptions:

Discount rate:	2017 year end:	PP&R: 3.38% for the qualified plan
		2.96% for the nonqualified plan
		PC&E: 3.49% for the qualified plan
		3.51% for the nonqualified plan
	2016 year end:	PP&R: 3.83% for the qualified plan
		3.21% for the nonqualified plan
		PC&E: 4.04% for the qualified plan
		4.04% for the nonqualified plan
	2015 year end:	PP&R: 3.98% for the qualified plan

		3.20% for the nonqualified plan
		PC&E: 4.24% for the qualified plan
		4.25% for the nonqualified plan
Mortality table:	2017 year end:	PP&R and PC&E "RP-2014 Mortality Table adjusted to 2006 with Generational Projection (Scale MP-2017)"—post retirement only
	2016 year end:	PP&R and PC&E "RP-2014 Mortality Table adjusted to 2006 with Generational Projection (Scale MP-2016)"—post retirement only
	2015 year end:	PP&R and PC&E "RP-2014 Mortality Table adjusted to 2006 with Generational Projection (Scale MP-2015)"—post retirement only

(5)
All Other Compensation for 2017 consists of the following:

All Other Compensation—2017

Name	Perquisites*	401(k) Plan Match**	Supplemental Savings Plan Match	Total
D.T. Dietrich	$ 1,833	$ 10,800	$ 29,538	$ 42,171
M.E. Garth	—	$ 9,900	—	$ 9,900
G.L. Castagna	$ 5,000	$ 10,800	—	$ 15,800
D.J. Monagle, III	$ 5,000	$ 10,800	$ 18,223	$ 34,023
T.J. Meek	$ 5,000	$ 10,800	$ 18,915	$ 34,715

*
Consists solely of financial counseling.

**
Consists of plan match under the Savings and Investment Plan.

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COMPENSATION OF EXECUTIVE OFFICERS AND DIRECTORS

Grants of Plan-Based Awards—2017

The following table provides information on the Annual Incentive Plan awards to each of the Company's named executive officers in 2017 and the Performance Units, DRSUs and stock options granted in 2017 to each of the Company's named executive officers under the Company's long-term incentive program. The estimated future payouts of non-equity incentive plan awards listed in the table below depend on performance criteria described in footnote 2 below. There can be no assurance that such payouts will ever be realized.

Name*	Grant Date	Performance Units (#)	Estimated Future Payouts Under Non-Equity Incentive Plan Awards Threshold ($)	Target ($)	Maximum ($)	All Other Stock Awards: Number of Shares of Stock or Units (#)(3)	All Other Option Awards: Number of Securities Underlying Options (#)(4)	Grant Date Closing Price
D.T. Dietrich	(1)		$ 200,000	$ 800,000	$ 1,600,000			
	1/17/2017(2)	9,800	$ 620,634	$ 980,000	$ 2,940,000			
	1/17/2017					12,560		
	1/17/2017						21,568	$ 77.40
M.E. Garth	(1)		$ 84,375	$ 337,500	$ 675,000			
	1/17/2017(2)	3,650	$ 231,155	$ 365,000	$ 1,095,000			
	1/17/2017					4,678		
	1/17/2017						8,033	$ 77.40
G.L. Castagna	(1)		$ 95,625	$ 382,500	$ 765,000			
	1/17/2017(2)	4,430	$ 280,552	$ 443,000	$ 1,329,000			
	1/17/2017					5,678		
	1/17/2017						9,749	$ 77.40
D.J. Monagle, III	(1)		$ 96,575	$ 386,300	$ 772,600			
	1/17/2017(2)	5,243	$ 332,039	$ 524,300	$ 1,572,900			
	1/17/2017					6,720		
	1/17/2017						11,543	$ 77.40
T.J. Meek	(1)		$ 96,200	$ 384,800	$ 769,600			
	1/17/2017(2)	4,495	$ 284,668	$ 449,500	$ 1,384,500			
	1/17/2017					5,761		
	1/17/2017						9,893	$ 77.40

*

The Company did not have any equity incentive plans during 2017, nor does it currently have such plans. Accordingly, the columns entitled "Estimated Future Payouts Under Equity Incentive Plan Awards" have been omitted from this table.

(1)
Represents threshold, target and maximum payout levels under our 2017 Annual Incentive Plan. The actual amount of incentive award earned by each named executive officer in 2017 is reported in the Summary Compensation Table under note (*). For a more detailed discussion of the 2017 Annual Incentive Plan, see "Compensation Discussion and Analysis—What We Pay and Why: Elements of Our Compensation Program for Named Executive Officers—Annual Incentives."

(2)
Represents the number of Performance Units granted to the named executive officers in 2017 under the Company's long-term incentive program and estimated threshold, target and maximum payouts. Performance Units vest at the end of a three-year performance period. For the 2017 – 2019 performance period, the value of each performance unit is based on three metrics: (i) the Company's ROC performance, (ii) the Company's stock performance comparison to the S&P MidCap 400 Index and the Russell 2000 Index, and (iii) the Company's stock performance comparison to a Peer Group Index. If performance does not meet minimum threshold levels, the Performance Unit will be worth $0. At threshold performance for each of the metrics, a Performance Unit is worth $63.33; at target performance, $100 per unit; at maximum performance, $300 per unit. The Performance Unit value for the 2017 – 2019 performance period will be paid out (subject to meeting the above performance criteria) in early 2020. For a more detailed discussion of Performance Units, see "Compensation Discussion and Analysis—What We Pay and Why: Elements of Our Compensation Program for Named Executive Officers—Long-term Incentives."

(3)
DRSUs vest in three equal annual installments beginning on the first anniversary of the grant date (subject to accelerated vesting in specified circumstances). DRSUs are not credited with dividends or dividend equivalents prior to vesting.

(4)
Options vest in three equal annual installments beginning on the first anniversary of the grant date and expire on the tenth anniversary of the grant date (subject to accelerated vesting in specified circumstances).

(5)
The exercise price of option awards is determined by the average of the high and low price of the Company's common stock on the grant date. Accordingly, the exercise price of option awards granted on January 17, 2017 is $78.025. The closing price of the Company's common stock on January 17, 2017 was $77.40.

(6)
The grant date fair value of each DRSU is determined by the average of the high and low price of the Company's common stock on the grant date. Accordingly, the per share grant date fair value of each DRSU granted on January 17, 2017 is $78.025. The grant date fair value, calculated in accordance with FASB ASC Topic 718 using the Black-Scholes valuation method, of each option granted on January 17, 2017 is $30.29.

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Outstanding Equity Awards at Fiscal Year-End—2017

The following table shows the number of shares of the Company's common stock covered by exercisable and unexercisable options and unvested DRSUs held by the Company's named executive officers as of December 31, 2017.

	Option Awards (1)					Stock Awards			
Name	Number of Securities Underlying Unexercised Options Exercisable (#)	Number of Securities Underlying Unexercised Options Unexercisable (#)	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)	Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested ($)(2)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($)
D.T. Dietrich	13,740	—	N/A	$ 24.56	1/27/2020			N/A	N/A
	14,894	—		$ 32.23	1/26/2021				
	18,256	—		$ 32.03	1/25/2022				
	18,558	—		$ 41.29	1/22/2023				
	13,936	—		$ 57.97	1/22/2024				
	9,347	4,673		$ 60.19	1/20/2025				
	7,656	15,312		$ 38.29	1/19/2026				
		21,568		$ 78.03	1/17/2027				
						28,978(3)	$ 1,995,135		
M.E. Garth	—	8,033		$ 78.03	1/17/2017				
						4,678(4)	$ 322,080		
G.L. Castagna	4,696	—	N/A	$ 61.27	6/03/2024			N/A	N/A
	5,842	2.920		$ 60.19	1/20/2025				
	5,513	11,025		$ 38.29	1/19/2026				
	—	9,749		$ 78.03	1/17/2027				
						15,519(5)	$ 1,068,483		

D. J. Monagle, III	24,000	—	N/A	$ 19.86	1/28/2019			N/A	N/A
	19,100	—		$ 24.56	1/27/2020				
	18,364	—		$ 32.23	1/26/2021				
	20,478	—		$ 32.03	1/25/2022				
	19,673	—		$ 41.29	1/22/2023				
	14,598	—		$ 57.97	1/22/2024				
	1,180	—		$ 65.16	4/01/2024				
	9,486	4,743		$ 60.19	1/20/2025				
	7,698	15,395		$ 38.29	1/19/2026				
	—	11,543		$ 78.03	1/17/2027				
						20,094(6)	$ 1,383,472		
T.J. Meek	10,000	—	N/A	$ 22.18	9/1/2019			N/A	N/A
	20,000	—		$ 24.56	1/27/2020				
	15,250	—		$ 32.23	1/26/2021				
	17,114	—		$ 32.03	1/25/2022				
	16,795	—		$ 41.29	1/22/2023				
	12,608	—		$ 57.97	1/22/2024				
	7,942	3,970		$ 60.19	1/20/2025				
	6,444	12,886		$ 38.29	1/19/2026				
	—	9,893		$ 78.03	1/17/2027				
						20,459(7)	$ 1,408,602		

(1)
Option awards vest in three equal annual installments beginning on the first anniversary of the grant date and expire on the tenth anniversary of the grant date, subject to accelerated vesting in specified circumstances. The grant date is ten years earlier than the expiration date reported in the Option Expiration column.

(2)
The market value is calculated by multiplying the number of DRSUs by $68.85, the closing price of the Company's common stock on December 31, 2017.

(3)
Consists of unvested portions of the following: 7,642 DRSUs granted on January 20, 2015 and vesting in three equal annual installments beginning January 20, 2016; and 8,776 DRSUs granted on January 19, 2016 and vesting in three equal annual installments beginning January 19, 2017; and 12,560 DRSUs granted on January 17, 2017 and vesting in three equal annual installments beginning January 17, 2018.

(4)
Consists of unvested portions of the following: 4,678 DRSUs granted on January 17, 2017 and vesting in three equal annual installments beginning January 17, 2018.

(5)
Consists of unvested portions of the following: 3,461 DRSUs granted on January 20, 2015 and vesting in three equal annual installments beginning January 20, 2016; and 6,380 DRSUs granted on January 19, 2016 and vesting in three equal annual installments beginning January 19, 2017; and 5,678 DRSUs granted on January 17, 2017 and vesting in

three equal annual installments beginning January 17, 2018.

(6)
Consists of unvested portions of the following: 4,636 DRSU's granted on January 20, 2015 and vesting in three equal annual installments beginning January 20, 2016; and 8,738 DRSU's granted on January 19, 2016 and vesting in three equal annual installments beginning January 19, 2017; and 6,720 DRSUs granted on January 17, 2017 and vesting in three equal annual installments beginning January 17, 2018.

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COMPENSATION OF EXECUTIVE OFFICERS AND DIRECTORS

(7)

Consists of unvested portions of the following: 7,242 DRSUs granted on January 20, 2015 and vesting in three equal annual installments beginning January 20, 2016; and 7,456 DRSUs granted on January 19, 2016 and vesting in three equal annual installments beginning January 19, 2017; and 5,761 DRSUs granted on January 17, 2017 and vesting in three equal annual installments beginning January 17, 2018.

Option Exercises and Stock Vested—2017

The table below discloses the number of shares acquired through option exercises and vesting of DRSUs and the value at the time of exercise and vesting by the named executive officers during 2017.

	Option Awards		Stock Awards	
Name	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise ($)	Number of Shares Acquired on Vesting (#)(1)	Value Realized on Vesting ($)
D.T. Dietrich	—	—	14,480	1,131,316
M.E. Garth	—	—	—	—
G.L. Castagna	—	—	15,683	1,189,920
D.J. Monagle, III	—	—	11,638	908,283
T.J. Meek	—	—	13,169	1,029,114

(1)

Certain of these shares were withheld for the payment of taxes.

Pension Benefits—2017

The table below quantifies the benefits expected to be paid to the named executive officers from the Company's defined benefit pension plans.

Name	Plan Name	Present Value of Number of Years Credited Service (#)	Accumulated Benefit ($)(1)	Payments During Last Fiscal Year ($)
D.T. Dietrich	Retirement Plan	10.4	$ 113,057	—
	Supplemental Retirement Plan	10.4	$ 247,993	—
M.E. Garth	Retirement Plan	—	—	—
	Supplemental Retirement Plan	—	—	—
G.L. Castagna	Retirement Plan	16.9	$ 501,648	—
	Supplemental Retirement Plan	16.9	$ 1,365,131	—
D.J. Monagle, III	Retirement Plan	15.0	$ 174,993	—
	Supplemental Retirement Plan	15.0	$ 243,126	—

T.J. Meek	Retirement Plan-PC&E	8.3	$ 111,556	—
	Supplemental Retirement Plan-PC&E	8.3	$ 232,321	—

(1)
The present value of accumulated benefits under the Retirement Plan and Supplemental Retirement Plan is calculated using the following assumptions: (a) a discount rate of 3.38% for the Retirement Plan and 2.96% for the Nonfunded Supplemental Retirement Plan and (b) mortality rates from the RP-2014 Mortality Table adjusted to 2006 with Generational Projection (Scale MP-2017) at 2017 year end, post-retirement only. The present value of accumulated benefits under the Retirement Plan-PC&E and Supplemental Retirement Plan-PC&E is calculated using the following assumptions: (a) a discount rate of 3.49% for the Retirement Plan-PC&E and 3.51% for the Supplemental Retirement Plan-PC&E and (b) mortality rates from the RP-2014 Mortality Table adjusted to 2006 with Generational Projection (Scale MP-2017) at 2017 year end, post-retirement only.

The Retirement Plan and Retirement Plan-PC&E are tax qualified pension plans which pay retirement benefits within the limits prescribed by the Internal Revenue Code ("Code"). The Supplemental Retirement Plan and Supplemental Retirement Plan-PC&E are unfunded, non-tax qualified pension plans which pay retirement benefits in excess of such Code limits.

For employees hired after January 1, 2002 and before January 1, 2010 (which includes Messrs. Dietrich, Monagle and Meek), accumulated benefits under the Retirement Plan and the Supplemental Retirement Plan are based upon a cash balance formula which credits such employees with annual pay credits equal to 5% of the employee's pensionable earnings for the year. An employee's cash balance account will also receive interest credits each year, based on a market rate of interest declared at the end of each year. The accumulated benefit under the cash balance formula equals the projected annuity benefit payable at normal retirement age (later of 65 and 3 years of service), assuming that the named executive officer remains in employment but receives no future pay credits. The projected annuity benefit is calculated by first projecting the December 31, 2017 cash balance account to normal retirement age using annual interest credits of 2.56%. This projected cash balance is then converted to an annuity benefit using the September 2017 rates and the IRS prescribed mortality for 2018. The present value of accumulated benefit under the cash balance formula is based upon this annuity benefit, payable as a life annuity with no death benefit.

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The Retirement Plan was closed to new entrants effective January 1, 2010. Accordingly, employees hired after January 1, 2010, including Mr. Garth, are not entitled to participate in the Retirement Plan or Supplemental Retirement Plan.

The accumulated benefits under the Retirement Plan-PC&E and the Supplementary Retirement Plan-PC&E for Mr. Castagna are calculated as the sum of (a) 0.75% of final monthly compensation times years of credited service and (b) 0.75% of final monthly compensation in excess of Social Security covered compensation level times years of credited service up to a maximum of 35 years. The calculated accumulated benefit will be no less than $15 times years of credited service.

Present Value of Accumulated Benefits may decrease year over year, due to the change in interest credit rate and other present value assumptions used for each year-end calculation.

Non-Qualified Deferred Compensation—2017

The following table shows contributions, earnings and account balances for the named executive officers in the Supplemental Savings Plan. The Supplemental Savings Plan is an unfunded, non-tax qualified plan which pays amounts in excess of the limits which the Code imposes on benefits under the Company's Savings and Investment Plan (the Company's 401(k) plan).

Name	Executive Contributions in Last FY ($)(1)	Registrant Contributions in Last FY ($)(2)	Aggregate Earnings in Last FY ($)(3)	Aggregate Withdrawals/ Distributions ($)	Aggregate Balance at Last FYE ($)
D.T. Dietrich	36,923	29,538	(30,629)	0	428,395
M.E. Garth	—	—	—	—	—
G.L. Castagna	—	—	—	—	—
D.J. Monagle, III	22,779	18,223	(22,808)	0	474,421
T.J. Meek	33,101	18,915	(53,893)	0	564,793

(1)

Named executive officers may elect to defer payment up to the greater of 6% or that percentage of regular earnings that the named executive officer would have been otherwise able to contribute on a before-tax basis to the Company's Savings and Investment Plan. At the named executive officer's election, such deferral will be credited to the named executive officer's account in the dollar amount of the deferred regular earnings, or as the number of units calculated by dividing the dollar amount of regular earnings deferred by the closing price of the Company's common stock on the last business day of the month in which the payment of such regular earnings would have been made.

(2)

The amounts reported in this column represent matching contributions by the Company and were also reported as part of the named executive officers' "All Other Compensation" in the Summary Compensation table and specifically listed in footnote 5 to such table. Under the Company's Savings and Investment Plan, the Company contributes $1 for every $1 contributed by the named executive officer of the first 3% of regular earnings and $1 for every $2 of the next 2% of the named executive officer's regular earnings. If the Code restrictions prevent the named executive officer from receiving matching contributions under the Company's Savings and Investment Plan, the named executive officer's account will be credited by the amounts that would have been otherwise contributed by the Company as matching contributions. Matching contributions are held in the general funds of the Company and are credited to the named executive officer's account in the form of units only, calculated as described in note (1) above.

(3)

The amounts reported in this column represent the aggregate earnings during 2017 of each named executive officer's account. Dollar amounts in the named executive officer's account are credited with the interest at a rate equal to the Fixed Income Fund of the Company's Savings and Investment Plan; units in a named executive officer's account are marked to market monthly. Whenever a cash dividend is paid on the Company's common stock, the number of units is increased as follows: the number of units in the named executive officer's account are multiplied by the cash dividend and divided by the closing price of the Company's common stock on the dividend record date. None of the named executive officers had any "above market earnings" reportable in column (h) of the Summary Compensation Table.

Potential Payments on Termination or Change in Control—2017

The following table summarizes the estimated payments to be made to each named executive officer serving as of December 31, 2017 derived from their employment agreements, change in control agreements ("CIC agreements"), the terms of their grants and awards and the Company's Stock Award and Incentive Plans (i) prior to a change in control and in connection with any termination of employment including voluntary resignation, for "Cause" termination, death, disability, retirement, termination without "Cause" or resignation for "Good Reason", and (ii) upon a change in control without termination of employment and termination without "Cause" or resignation for "Good Reason".
For the purpose of the quantitative disclosure in the following table, and in accordance with SEC regulations, we have assumed that the triggering event took place on the last business day of our most recently completed fiscal year, December 31, 2017, and that the price per share of our common stock is the closing market price as of that date, $68.85.

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COMPENSATION OF EXECUTIVE OFFICERS AND DIRECTORS

Our employment agreements and CIC agreements with our named executive officers are described following the table.

Name	Upon Termination and Prior to a Change in Control			On or After a Change in Control	
	Voluntary Resignation or “For Cause” Termination	Death, Disability or Retirement	Termination without “Cause” or Resignation for “Good Reason”	No Termination of Employment	Termination without “Cause” or Resignation for “Good Reason”
D.T. Dietrich					
Severance Payment(1)	$ 0	$ 0	$ 3,200,000	$ 0	$ 4,800,000(2)
Benefits(3)	0	0	80,902	0	80,902
DRSU Vesting(4)	0	0	0	0	1,995,135
Stock Option Vesting(5)	0	0	0	0	310,409
Performance Unit Vesting(6)	0	0	0	0	1,484,000
M.E. Garth					
Severance Payment(1)	$ 0	$ 0	$ 1,181,250	$ 0	$ 2,362,500(2)
Benefits(3)	0	0	5,483	0	7,271
DRSU Vesting(4)	0	0	0	0	322,080
Stock Option Vesting(5)	0	0	0	0	0
Performance Unit Vesting(6)	0	0	0	0	365,000
G.L. Castagna					
Severance Payment(1)	$ 0	$ 0	$ 1,338,750	$ 0	$ 2,677,500(2)
Benefits(3)	0	0	52,439	0	70,044
DRSU Vesting(4)	0	0	0	0	1,068,483
Stock Option Vesting(5)	0	0	0	0	272,715
Performance Unit Vesting(6)	0	0	0	0	809,300
D.J. Monagle, III					
Severance Payment(1)	$ 0	$ 0	$ 1,351,875	$ 0	$ 2,703,750(2)
Benefits(3)	0	0	67,465	0	90,157
DRSU Vesting(4)	0	0	0	0	1,383,472
Stock Option Vesting(5)	0	0	0	0	405,716
Performance Unit Vesting(6)	0	0	0	0	1,031,000
T.J. Meek					
Severance Payment(1)	$ 0	$ 0	$ 1,346,625	$ 0	$ 2,693,250(2)
Benefits(3)	0	0	48,235	0	64,441
DRSU Vesting(4)	0	0	0	0	1,408,602
Stock Option Vesting(5)	0	0	0	0	337,423
Performance Unit Vesting(6)	0	0	0	0	877,700

(1)

Represents cash payments potentially payable upon termination of employment. Amounts shown for termination without “Cause” or resignation for “Good Reason” prior to a change in control are based on a multiple of annual base salary plus bonus amounts that would have otherwise been payable to the officer, which for purposes of this table are assumed to be the amount of the officer’s target bonus. This amount equals 2 times the sum of annual base salary and target bonus for Mr. Dietrich and 1.5 times the sum of annual base salary and target bonus for the other named executive officers. Amounts shown for termination without “Cause” or resignation for “Good Reason” on or after a change in control equal 3.0 times the sum base salary and target bonus for all named executive officers.

(2)
Severance payment may be reduced if the full payment would result in a portion of the payment being subject to the excise tax under Section 4999 of the Code. In such event, the amount of the severance payment will be reduced by the minimum amount necessary such that no portion of the severance payment is subject to the excise tax.

(3)
Amounts shown for termination without “Cause” or resignation for “Good Reason” prior to a change in control equal 1.5 times the present value of 24 months of life, disability, accident and health insurance coverage for Mr. Dietrich and 1.5 times the present value of 18 months of life, disability, accident and health insurance coverage for the other named executive officers. Amounts shown for termination without “Cause” or resignation for “Good Reason” on or after a change in control equal 1.5 times the present value of 24 months of life, disability, accident and health insurance coverage for all named executive officers.

(4)
This amount represents the aggregate value of DRSUs which would become vested as a direct result of the termination event and/or change in control before the applicable stated vesting date solely as a direct result of the termination event or change in control before the stated vesting date. The stated vesting date is the date at which an award would have vested absent such termination event or change in control. This calculation of value does not discount the value of awards based on the portion of the vesting period elapsed at the date of the termination event or change in control. The value of DRSUs is based on a closing stock price of $68.85 on December 31, 2017.

(5)
This amount represents the aggregate in-the-money value of stock options which would become vested as a direct result of the termination event and/or change in control before the applicable stated vesting date solely as a direct result of the termination event or change in control before the stated vesting date. The stated vesting date is the date at which an award would have vested absent such termination event or change in control. This calculation of value does not attribute any additional value to stock options based on their remaining term and does not discount the value of awards based on the portion of the vesting period elapsed at the date of the termination event or change in control. Represents the intrinsic value of stock options, based on a closing stock price of $68.85 on December 31, 2017.

(6)
For termination due to death, disability or retirement, if a participant has been employed for two of the three years of the performance period, participant is eligible to receive a pro rata payout at the end of the performance period based on actual performance. Participants who have been employed for less than two of the three years of the performance period forfeit outstanding units related to that performance cycle. The Plan gives the Compensation Committee discretion to accelerate the vesting of Performance Units upon a change in control. Under the officers’ CIC agreements, vesting of such Performance Units is required to be accelerated upon a change of control. Amounts represent vesting of Performance Units granted in 2016 and 2017 at the target of $100 per Unit.

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Employment Agreements

The Company has employment agreements with each of our named executive officers. We entered into a revised employment agreement with Mr. Dietrich upon his election as Chief Executive Officer in December 2016, and in 2017 we entered into updated contracts with our other executive officers.

The term of each of these agreements was initially 18 months, or 24 months in the case of Mr. Dietrich, and, pursuant to the agreement, is extended on the first day of each month during the term for an additional month, unless either the employee or the employer gives the other written notice that the agreement should not be further extended or the employee reaches age 65. Under the employment agreements, each of the named executive officers is entitled to an annual base salary not less than their current annual base salary. Each may also receive salary increases and annual bonuses in amounts to be determined by the Board or the Compensation Committee. The agreements also entitle the named executive officers to participate in employee benefit plans and other fringe benefits that are generally available to our executive employees. Under each named executive officer’s agreement, he has agreed to comply with certain customary provisions, including covenants not to disclose our confidential information at any time and not to compete with our business during the term of the agreement and, subject to our continued payment of amounts under the agreement, for two years thereafter. We may terminate the employment agreements before the end of the specified term of employment for “Cause.” “Cause” is defined in the agreements as (i) the failure to perform material obligations, following notice and a reasonable period of time to cure such failure and (ii) acts of felony, fraud or theft. Similarly, the named executive officer may resign for “Good Reason.” “Good Reason” is defined in the agreements as (i) the assignment of duties materially inconsistent with the executive’s position, removal from that position, or a substantial diminution in the nature or status of executive’s responsibilities, (ii) a material reduction of the executive’s benefits or base salary, (iii) relocation of the executive office in which executive is located to a location more than fifty miles away and more than 100 miles from Company’s principal corporate office, and (iv) the failure to obtain a reasonably satisfactory agreement from any successor company to assume and agree to perform the agreement. We note, with respect to part (iv) of “Good Reason,” that the employment agreement does not provide guaranteed severance on an acquisition of the Company—an executive only has “Good Reason” to terminate his employment if the acquiring company defaults on its obligations to the executive by failing to assume the obligations under his employment agreement.

Pursuant to the employment agreements, our named executive officers are entitled to severance payments upon termination of employment by the Company “without Cause” or by the named executive officer for “Good Reason.” Severance payments are equal to a multiple of base salary (the multiples are 2 times for Mr. Dietrich and 1.5 times for the other named executive officers) plus an amount equal to the bonus amount that would have otherwise been payable to him during the term of the agreement, but not more than average of such bonus amounts in the prior two years.

Change in Control Agreements

The Company also has Change in Control (CIC) agreements with certain of its executive officers, including each of the named executive officers. The CIC agreements continue through December 31 of each year, and are automatically extended in one-year increments unless we choose to terminate them. If a change in control occurs, the severance agreements are effective for a period of four years from the end of the then-existing term. These agreements are intended to provide for continuity of management in the event of a change in control of the Company.

Based on shareholder feedback we received in 2016, we revised the formula for determining the severance payment amount to which each executive officer is entitled under the CIC agreements. As revised, if, following a change in control, the executive officer is terminated by the Company for any reason, other than for disability, death, retirement or for “Cause” (as defined in the agreements), or if the executive officer terminates his or her employment for “Good Reason” (as defined in the agreements), then the executive is entitled to a severance payment of three times the sum of the executive’s base salary and target bonus (in each case, as in effect immediately prior to the change in control or immediately prior to the date of termination, whichever is greater). The severance payment generally will be made in a lump sum. If it is determined that the severance payment plus all other payments or benefits which constitute “parachute payments” within the meaning of Section 280G of the Code would result in a portion of the severance payment being subject to the excise tax under Section 4999 of the Code, then the amount of the severance payment shall be reduced by the minimum amount necessary such that no portion of the payment will be subject to the excise tax. No excise tax “gross-up” is payable by the Company to the executive.

Under the CIC agreements, a change in control includes any of the following events unless approved by the Board:

(i) we are required to report a “change in control” in accordance with the Securities Exchange Act of 1934, as amended;

(ii) any person

acquires 30% of our voting securities; (iii) a majority of our directors are replaced during a two-year period, without such directors being approved by two-thirds of the continuing directors; or (iv) we consummate a merger, liquidation or sale of all or substantially all of our assets.

For a period of up to two years following a termination that entitles an executive officer to severance payments, the Company will provide life, disability, accident and health insurance coverage substantially similar to the benefits provided before termination, except to the extent such coverage would result in an excise tax being imposed under Section 4999 of the Code.

The CIC agreements also provide that upon the occurrence of certain stated events that constitute a "potential change in control" of the Company, the executive officer agrees not to voluntarily terminate his employment with the Company for a six-month period.

Stock Award and Incentive Plans

At the Company's 2015 Annual Meeting of Shareholders, our shareholders ratified the adoption of the Company's 2015 Stock Award and Incentive Plan. The 2015 Plan is substantially similar to the 2001 Stock Award and Incentive Plan. The Company established the 2015 Plan to increase the total number of shares of common stock reserved and available for issuance by 880,000 shares from the number of shares remaining under the 2001 Plan. With the ratification of the 2015 Plan by our shareholders, the 2001 Plan was discontinued as to new grants (however, all awards previously granted under the 2001 Plan remained unchanged).

The Plans provide for accelerated vesting of stock options and DRSUs upon a change in control of the Company. The Plans require a "double trigger" for accelerated vesting (i.e., both a change in control and termination). The Plans also give the Compensation Committee discretion to accelerate the vesting of Performance Units.

Grantor Trust

In order to secure the benefits accrued under certain programs such as the Supplemental Retirement Plan and the Supplemental Savings Plan, the Company has entered into an agreement establishing a grantor trust within the meaning of the Code. Under the Grantor Trust Agreement, we are required to make certain contributions of cash or other property to the trust upon the retirement of individuals who are beneficiaries of those plans, upon the occurrence of certain events defined as constituting a change in control, for compliance with Code Section 409A, and in certain other circumstances.

Pay Ratio

Under the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, and SEC rules adopted thereunder, we are required by the SEC to calculate and disclose the total compensation paid to our median paid employee, as well as the ratio of the total compensation paid to the median employee as compared to the total compensation paid to Mr. Dietrich, our Chief Executive Officer. We identified the median employee using our total employee population on October 1, 2017. To determine the "median employee" from our employee population, we collected for each employee the compensation reflected in our payroll records during the 12-month period ending October 1, 2017, applying a local currency to U.S. dollar exchange rate to the compensation paid to our non-U.S. employees to facilitate comparison of all employees in U.S. dollars. For this purpose, all of our employees in all jurisdictions were included, approximately half of whom were located outside the United States. After determining the median employee, we determined that person's total annual compensation on the same basis by which we determined our CEO's compensation.

Our CEO's total compensation for 2017 was $3,927,167, as reflected in the Summary Compensation Table. The median annual total compensation for all of our employees, excluding our CEO, was $54,957 for 2017. As a result, our CEO's total compensation for 2017 was approximately 72 times that of the median annual total compensation for all of our employees.

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COMPENSATION OF EXECUTIVE OFFICERS AND DIRECTORS

Director Compensation—2017

The table below summarizes the annual compensation for the Company's directors during 2017. Each compensation element is discussed in the text following the table.

Name	Fees Earned or Paid in Cash ($)	Stock Awards ($)(1)	Option Awards ($)(2)	Non-Equity Incentive Plan Compensation ($)	Change in Pension Value and Non-qualified Deferred Compensation Earnings	All Other Compensation ($)(3)	Total ($)
Joseph C. Breunig	$ 90,000	$ 100,000	N/A	N/A	N/A	$ 744	$ 190,744
John J. Carmola	$ 97,498(4)	$ 100,000	N/A	N/A	N/A	$ 1,334	$ 198,832
Robert L. Clark	$ 95,000(4)	$ 100,000	N/A	N/A	N/A	$ 2,840	$ 197,840
Douglas T. Dietrich(5)	—	—	N/A	N/A	N/A	—	—
Duane R. Dunham(6)	$ 450,000(6)	$ 100,000	N/A	N/A	N/A	$ 5,172	$ 555,172
Franklin F. Feder	$ 17,534(4)	—	N/A	N/A	N/A	$ 6	$ 17,540
Carolyn K. Pittman	$ 30,476(4)	—	N/A	N/A	N/A	$ 18	$ 30,494
Marc E. Robinson	$ 95,000	$ 100,000	N/A	N/A	N/A	$ 1,774	$ 196,774
Barbara R. Smith	$ 50,003(7)	$ 100,000	N/A	N/A	N/A	$ 1,142	$ 151,145
Donald C. Winter	$ 90,000(4)	$ 100,000	N/A	N/A	N/A	$ 1,962	$ 191,962

(1)
Amounts shown represent the aggregate grant date fair value computed in accordance with FASB ASC Topic 718 of phantom stock units awarded to each director pursuant to the Nonfunded Deferred Compensation and Unit Award Plan for Non-Employee Directors calculated by multiplying the number of units by the closing price of our common stock on the grant date. Each Non-Employee Director was granted 1,381.215 phantom stock units on May 17, 2017, on which date the closing price of our common stock was $72.40 per share. Such phantom stock units were non-forfeitable upon grant.

The following table lists the total number of phantom stock units held by each non-employee director as of December 31, 2017. The units are payable in cash upon the director's termination of service on the Board. (See "Nonfunded Deferred Compensation and Unit Award Plan for Non-Employee Directors" below.)

J.C. Breunig	4,075
J.J. Carmola	7,151
R.L. Clark	14,619
D.R. Dunham	26,253
F.L. Feder	120

C.K. Pittman	100
M.E. Robinson	9,233
D.C. Winter	10,635

(2)
The Company does not currently compensate its directors with stock options.

(3)
All Other Compensation consists of the value of dividends earned, in the amount of $0.05 per unit awarded quarterly and calculated by multiplying the number of units held by the director on the dividend record date.

(4)
During 2017, Dr. Winter elected to defer his fees, and Dr. Clark, Mr. Carmola, Mr. Feder and Ms. Pittman elected to partially defer their fees, in units which have the economic value of one share of the Company's stock as permitted under the Nonfunded Deferred Compensation and Unit Award Plan for Non-Employee Directors.

(5)
Mr. Dietrich was elected Chief Executive Officer of the Company and a Director in December 2016. Mr. Dietrich is not compensated as a director.

(6)
Mr. Dunham was elected Chairman of the Board on September 4, 2016. On September 20, 2016, the Compensation Committee approved a temporary monthly stipend in the amount of $50,000 per month to Mr. Dunham for the period from his election as Chairman through until January 2017. The Committee also determined that Mr. Dunham was eligible for a special recognition bonus in the amount of $200,000. The objective of the special recognition bonus was to recognize the additional duties, time commitment and stability provided by Mr. Dunham during a period of substantial uncertainty.

(7)
Ms. Smith resigned from the Board effective July 3, 2017.

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COMPENSATION OF EXECUTIVE OFFICERS AND DIRECTORS

Nonfunded Deferred Compensation and Unit Award Plan for Non-Employee Directors

Under the Nonfunded Deferred Compensation and Unit Award Plan for Non-Employee Directors, directors who are not employees of the Company have the right to defer their fees. Through 2007, at each director's election, his or her deferred fees were credited to his or her account either as dollars or as units which have the economic value of one share of the Company's stock. Starting in 2008, deferred fees are credited as units. Dollar balances in a director's account bear interest at a rate of return equal to the rate of return for the Fixed Income Fund in the Company's Savings and Investment Plan. If a director's deferred fees are credited to his or her account as units, the number of units credited is calculated by dividing the amount of the deferred fees by the closing price of our common stock on the date such fees accrue.

During 2017, each of the non-employee directors received an annual retainer fee of $172,500, comprised of $72,500 paid in cash and $100,000 in units, for serving as a director. In addition, the following Committee retainer fees were paid: $20,000 for the Audit Committee Chair and $10,000 for Audit Committee members; $15,000 for the Compensation Committee Chair and $7,500 for Compensation Committee members; and $15,000 for the Corporate Governance and Nominating Committee Chair and $7,500 for Corporate Governance and Nominating Committee members. The non-executive Chairman of the Board also received a cash retainer of $127,500 for serving in such role.

* * *

By Order of the Board of Directors,

Thomas J. Meek
Senior Vice President, General Counsel,
Human Resources, Secretary and
Chief Compliance Officer

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APPENDIX A

APPENDIX A

Additional Information Regarding Non-GAAP Financial Measures (unaudited)

The information set forth in the Proxy Summary and the Compensation Discussion and Analysis present financial measures of the Company that exclude certain special items, and are therefore not in accordance with GAAP. The following is a presentation of the Company’s non-GAAP net income and operating income, excluding special items for the years ended December 31, 2017 and December 31, 2016 and a reconciliation to GAAP net income and operating income, respectively, for such periods. The Company’s management believes these non-GAAP measures provide meaningful supplemental information regarding its performance as inclusion of such special items are not indicative of the ongoing operating results and thereby affect the comparability of results between periods. The Company feels inclusion of these non-GAAP measures also provides consistency in its financial reporting and facilitates investors’ understanding of historic operating trends.

(millions of dollars, except per share data)	Year Ended	
	Dec. 31, 2017	Dec. 31, 2016
Net income attributable to MTI	$ 195.1	$ 133.4
Special items:		
Acquisition related transaction costs	3.4	8.0
Restructuring and other charges	15.0	28.3
Debt modification costs and fees	3.9	0.0
Write-off of receivables for Malaysia bankruptcy	2.1	0.0
Related tax effects on special items	(8.9)	(12.3)
Related tax effects on special items	(47.3)	0.0
Net income attributable to MTI, excluding special items	$ 163.3	$ 157.4
Diluted earnings per share, excluding special items	$ 4.59	$ 4.47
Segment Operating Income Data		
Specialty Minerals Segment	$ 88.9	$ 102.7
Performance Materials Segment	119.7	121.1
Refractories Segment	39.8	37.0
Energy Services Segment	6.1	(25.9)
Unallocated Corporate Expenses	(8.4)	(6.0)
Acquisition related transaction costs	(3.4)	(8.0)
Consolidated	$ 242.7	$ 220.9
Special Items		
Specialty Minerals Segment	$ 12.3	$ 0.0
Refractories Segment	0.0	(2.0)
Energy Services Segment	0.7	30.3
Unallocated Corporate Expenses	4.1	0.0
Acquisition related transaction costs	3.4	8.0
Consolidated	$ 20.5	$ 36.3
Segment Operating Income, Excluding Special Items		
Specialty Minerals Segment	$ 101.2	$ 102.7

Performance Materials Segment	119.7	121.1
Refractories Segment	39.8	35.0
Energy Services Segment	6.8	4.4
Unallocated Corporate Expenses	(4.3)	(6.0)
Consolidated	$ 263.2	$ 257.2
% of Sales	15.7%	15.7%

v style="text-align:right;font-size:10pt;">888.0

$
888.0

[a] Amounts exclude any unamortized discount or premium.

Letters of Credit

The Company has available letters of credit and financial guarantees of $76.1 million of which $26.4 million was outstanding at January 31, 2017. Of those available letters of credit and financial guarantees, $57.5 million expires within one year. These amounts do not include letters of credit issued under the Credit Facilities.

H. HEDGING INSTRUMENTS

Background Information

The Company uses derivative financial instruments, including interest rate swaps, cross-currency swaps, forward contracts, put option contracts and net-zero-cost collar arrangements (combination of call and put option contracts) to mitigate a portion of its exposures to changes in interest rates, foreign currency and precious metal prices.

Derivative Instruments Designated as Hedging Instruments. If a derivative instrument meets certain hedge accounting criteria, it is recorded on the consolidated balance sheet at its fair value, as either an asset or a liability, with an offset to current or comprehensive earnings, depending on whether the hedge is designated as one of the following on the date it is entered into:

- Fair Value Hedge – A hedge of the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment. For fair value hedge transactions, both the effective and ineffective portions of the changes in the fair value of the derivative and changes in the fair value of the item being hedged are recorded in current earnings.

- Cash Flow Hedge – A hedge of the exposure to variability in the cash flows of a recognized asset, liability or a forecasted transaction. For cash flow hedge transactions, the effective portion of the changes in fair value of derivatives are reported as other comprehensive income ("OCI") and are recognized in current earnings in the period or periods during which the hedged transaction affects current earnings. Amounts excluded from the effectiveness calculation and any ineffective portions of the change in fair value of the derivative are recognized in current earnings.

The Company formally documents the nature of and relationships between the hedging instruments and hedged items for a derivative to qualify as a hedge at inception and throughout the hedged period. The Company also documents its risk management objectives, strategies for undertaking the various hedge transactions and method of assessing hedge effectiveness. Additionally, for hedges of forecasted transactions, the significant characteristics and expected terms of a forecasted transaction must be identified, and it must be probable that each forecasted transaction will occur. If it were deemed probable that the forecasted transaction would not occur, the gain or loss on the derivative financial instrument would be recognized in current earnings. Derivative financial instruments

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qualifying for hedge accounting must maintain a specified level of effectiveness between the hedge instrument and the item being hedged, both at inception and throughout the hedged period.

Derivative Instruments Not Designated as Hedging Instruments. Derivative instruments which do not meet the criteria to be designated as a hedge are recorded on the consolidated balance sheet at their fair values, as either assets or liabilities, with an offset to current earnings.

The Company does not use derivative financial instruments for trading or speculative purposes.

Types of Derivative Instruments

Interest Rate Swaps – In 2012, the Company entered into forward-starting interest rate swaps to hedge the impact of interest rate volatility on future interest payments associated with the anticipated incurrence of $250.0 million of additional debt which was incurred in July 2012. The Company accounted for the forward-starting interest rate swaps as cash flow hedges. As of January 31, 2017, $19.8 million remains recorded as an unrealized loss in accumulated other comprehensive loss, which is being amortized over the term of the 2042 Notes to which the interest rate swaps related.

In 2014, the Company entered into forward-starting interest rate swaps to hedge the impact of interest rate volatility on future interest payments associated with the anticipated incurrence of long-term debt which was incurred shortly thereafter (refer to "Note G. Debt"). The Company accounted for the forward-starting interest rate swaps as cash flow hedges. The Company settled the interest rate swaps in 2014 and recorded an unrealized loss within accumulated other comprehensive loss. As of January 31, 2017, $3.8 million remains recorded as an unrealized loss and is being amortized over the terms of the respective 2024 Notes or 2044 Notes to which the interest rate swaps related.

Cross-currency Swaps – In 2016, the Company entered into cross-currency swaps to hedge the foreign exchange risk associated with Japanese yen-denominated intercompany loans. These cross-currency swaps are designated and accounted for as cash flow hedges. As of January 31, 2017, the notional amount of cross-currency swaps accounted for as cash flow hedges was approximately ¥10.6 billion or $100.0 million. The cross-currency swaps have a term ending on October 1, 2024.

Foreign Exchange Forward Contracts – The Company uses foreign exchange forward contracts to offset a portion of the foreign currency exchange risks associated with foreign currency-denominated liabilities, intercompany transactions and forecasted purchases of merchandise between entities with differing functional currencies. The Company assesses hedge effectiveness based on the total changes in the foreign exchange forward contracts' cash flows. These foreign exchange forward contracts are designated and accounted for as either cash flow hedges or economic hedges that are not designated as hedging instruments.

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As of January 31, 2017, the notional amount of foreign exchange forward contracts accounted for as cash flow hedges was as follows:

(in millions)		Notional Amount	USD Equivalent
Derivatives designated as hedging instruments:			
Japanese yen	¥	16,669.0	$156.1
British pound	£	13.3	17.5
Derivatives not designated as hedging instruments:			
U.S. dollar	$	58.3	$58.3
Euro	€	28.0	29.7
British pound	£	5.5	6.8
Japanese yen	¥	952.8	8.4
Korean won		15,011.6	12.5
Mexican peso		167.1	7.7
New Zealand dollar	NZ$	11.7	8.4
Singapore dollar	S$	25.1	17.7
Swiss franc	Fr.	4.3	4.2

The maximum term of the Company's outstanding foreign exchange forward contracts as of January 31, 2017 is 12 months.

Precious Metal Collars and Forward Contracts – The Company periodically hedges a portion of its forecasted purchases of precious metals for use in its internal manufacturing operations in order to manage the effect of volatility in precious metal prices. The Company may use either a combination of call and put option contracts in net-zero-cost collar arrangements ("precious metal collars") or forward contracts. For precious metal collars, if the price of the precious metal at the time of the expiration of the precious metal collar is within the call and put price, the precious metal collar expires at no cost to the Company. The Company accounts for its precious metal collars and forward contracts as cash flow hedges. The Company assesses hedge effectiveness based on the total changes in the precious metal collars' and forward contracts' cash flows. As of January 31, 2017, the maximum term over which the Company is hedging its exposure to the variability of future cash flows for all forecasted transactions is 24 months. As of January 31, 2017, there were precious metal derivative instruments outstanding for approximately 72,000 ounces of platinum, 1,440,000 ounces of silver and 51,500 ounces of gold.

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Information on the location and amounts of derivative gains and losses in the consolidated financial statements is as follows:

(in millions)	Years Ended January 31, 2017		2016	
	Pre-Tax Gain (Loss) Recognized in OCI (Effective Portion)	Pre-Tax Gain (Loss) Reclassified from Accumulated OCI into Earnings (Effective Portion)	Pre-Tax Gain (Loss) Recognized in OCI (Effective Portion)	Pre-Tax Gain (Loss) Reclassified from Accumulated OCI into Earnings (Effective Portion)
Derivatives in Cash Flow Hedging Relationships:				
Foreign exchange forward contracts [a]	$(1.5)	$ (1.5)	$ 3.9	$ 20.2
Precious metal collars [a]	—	—	0.2	—
Precious metal forward contracts [a]	14.0	(8.5)	(26.3)	(7.0)
Cross-currency swaps [c]	(0.4)	6.6	—	—
Forward-starting interest rate swaps [b]	—	(1.5)	—	(1.5)
	$12.1	$ (4.9)	$ (22.2)	$ 11.7

[a] The gain or loss recognized in earnings is included within Cost of sales.
[b] The gain or loss recognized in earnings is included within Interest expense and financing costs.
[c] The gain or loss recognized in earnings is included within Other (income) expense, net.

The pre-tax losses on derivatives not designated as hedging instruments were $9.2 million in the year ended January 31, 2017 and were included in other (income) expense, net. Such gains and losses were not significant in the year ended January 31, 2016. There was no material ineffectiveness related to the Company's hedging instruments for the periods ended January 31, 2017 and 2016. The Company expects approximately $1.1 million of net pre-tax derivative losses included in accumulated other comprehensive income at January 31, 2017 will be reclassified into earnings within the next 12 months. This amount will vary due to fluctuations in foreign currency exchange rates and precious metal prices.

For information regarding the location and amount of the derivative instruments in the Consolidated Balance Sheet, see "Note I. Fair Value of Financial Instruments."

Concentration of Credit Risk

A number of major international financial institutions are counterparties to the Company's derivative financial instruments. The Company enters into derivative financial instrument agreements only with counterparties meeting certain credit standards (a credit rating of A-/A2 or better at the time of the agreement) and limits the amount of agreements or contracts it enters into with any one party. The Company may be exposed to credit losses in the event of nonperformance by individual counterparties or the entire group of counterparties.

I. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal market for the asset or liability in an orderly transaction between market participants on the measurement date. U.S. GAAP establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. U.S. GAAP prescribes three levels of inputs that may be used to measure fair value:

Level 1 – Quoted prices in active markets for identical assets or liabilities and are considered to be most reliable.

Level 2 – Observable market-based inputs or unobservable inputs that are corroborated by market data.

Level 3 – Unobservable inputs reflecting the reporting entity's own assumptions and require the most judgment.

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The Company's derivative instruments are considered Level 2 instruments for the purposes of determining fair value. The Company's foreign exchange forward contracts, as well as its put option contracts and cross-currency swaps, are primarily valued using the appropriate foreign exchange spot rates. The Company's precious metal forward contracts and collars are primarily valued using the relevant precious metal spot rate. The Company's interest rate swaps were primarily valued using the 3-month LIBOR rate. For further information on the Company's hedging instruments and program, see "Note H. Hedging Instruments."

Financial assets and liabilities carried at fair value at January 31, 2017 are classified in the table below in one of the three categories described above:

(in millions)	Estimated Fair Value Level 1	Level 2	Level 3	Total Fair Value
Financial assets				
Marketable securities [a]	$36.4	$—	$—	$36.4
Time deposits [b]	57.8	—	—	57.8
Derivatives designated as hedging instruments:				
Precious metal forward contracts [c]	—	3.6	—	3.6
Precious metal collars [c]	—	0.4	—	0.4
Foreign exchange forward contracts [c]	—	9.6	—	9.6
Derivatives not designated as hedging instruments:				
Foreign exchange forward contracts [c]	—	0.3	—	0.3
Total financial assets	$94.2	$13.9	$—	$108.1

(in millions)	Estimated Fair Value Level 1	Level 2	Level 3	Total Fair Value
Financial liabilities				
Derivatives designated as hedging instruments:				
Precious metal forward contracts [d]	$—	$5.4	$—	$5.4
Precious metal collars [d]	—	0.3	—	0.3
Foreign exchange forward contracts [d]	—	0.6	—	0.6
Cross-currency swaps [d]	—	0.4	—	0.4
Derivatives not designated as hedging instruments:				
Foreign exchange forward contracts [d]	—	2.2	—	2.2
Total financial liabilities	$—	$8.9	$—	$8.9

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Financial assets and liabilities carried at fair value at January 31, 2016 are classified in the table below in one of the three categories described above:

(in millions)	Estimated Fair Value Level 1	Level 2	Level 3	Total Fair Value
Financial assets				
Marketable securities [a]	$31.8	$—	$ —	$31.8
Time deposits [b]	43.0	—	—	43.0
Derivatives designated as hedging instruments:				
Precious metal forward contracts [c]	—	0.6	—	0.6
Precious metal collar contracts [c]	—	0.2	—	0.2
Foreign exchange forward contracts [c]	—	1.6	—	1.6
Derivatives not designated as hedging instruments:				
Foreign exchange forward contracts [c]	—	1.3	—	1.3
Total financial assets	$74.8	$3.7	$ —	$78.5

(in millions)	Estimated Fair Value Level 1	Level 2	Level 3	Total Fair Value
Financial liabilities				
Derivatives designated as hedging instruments:				
Precious metal forward contracts [d]	$—	$13.4	$ —	$13.4
Foreign exchange forward contracts [d]	—	2.4	—	2.4
Derivatives not designated as hedging instruments:				
Foreign exchange forward contracts [d]	—	1.4	—	1.4
Total financial liabilities	$—	$17.2	$ —	$17.2

[a] Included within Other assets, net.

[b] Included within Short-term investments.

[c] Included within Prepaid expenses and other current assets or Other assets, net evaluated based on the maturity of the contract.

[d] Included within Accounts payable and accrued liabilities or Other long-term liabilities evaluated based on the maturity of the contract.

The fair value of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities approximates carrying value due to the short-term maturities of these assets and liabilities and as such is measured using Level 1 inputs. The fair value of debt with variable interest rates approximates carrying value and is measured using Level 2 inputs. The fair value of debt with fixed interest rates was determined using the quoted market prices of debt instruments with similar terms and maturities, which are considered Level 2 inputs. The total carrying value of short-term borrowings and long-term debt was $1.1 billion and the corresponding fair value was approximately $1.1 billion at January 31, 2017 and 2016.

J. COMMITMENTS AND CONTINGENCIES

Leases

The Company leases certain office, distribution, retail and manufacturing facilities, land and equipment. Retail store leases may require the payment of minimum rentals and contingent rent based on a percentage of sales exceeding a stipulated amount. The lease agreements, which expire at various dates through 2062, are subject, in many cases, to renewal options and provide for the payment of taxes, insurance and maintenance. Certain leases contain escalation

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clauses resulting from the pass-through of increases in operating costs, property taxes and the effect on costs from changes in consumer price indices.

Rent-free periods and other incentives granted under certain leases and scheduled rent increases are charged to rent expense on a straight-line basis over the related terms of such leases, beginning from when the Company takes possession of the leased facility. Lease expense includes predetermined rent escalations (including escalations based on the Consumer Price Index or other indices) and is recorded on a straight-line basis over the term of the lease. Adjustments to indices are treated as contingent rent and recorded in the period that such adjustments are determined.

The Company entered into sale-leaseback arrangements for its Retail Service Center, a distribution and administrative office facility in New Jersey, in 2005 and for the TIFFANY & CO. stores in Tokyo's Ginza shopping district and on London's Old Bond Street in 2007. These sale-leaseback arrangements resulted in total deferred gains of $144.5 million which are being amortized in SG&A expenses over periods that range from 15 to 20 years. As of January 31, 2017, $45.9 million of these deferred gains remained to be amortized.

Rent expense for the Company's operating leases consisted of the following:

	Years Ended January 31,		
(in millions)	2017	2016	2015
Minimum rent for retail locations	$184.1	$172.2	$158.2
Contingent rent based on sales	32.4	34.9	38.6
Office, distribution and manufacturing facilities and equipment	40.0	37.0	35.8
	$256.5	$244.1	$232.6

In addition, the Company operates certain TIFFANY & CO. stores within various department stores outside the U.S. and has agreements where the department store operators provide store facilities and other services. The Company pays the department store operators a percentage fee based on sales generated in these locations (recorded as commission expense within SG&A expenses) which totaled $117.9 million, $109.4 million and $113.7 million in 2016, 2015 and 2014, and which are not included in the table above.

Aggregate annual minimum rental payments under non-cancelable operating leases are as follows:

Years Ending January 31,	Annual Minimum Rental Payments [a] (in millions)
2018	$286.2
2019	203.6
2020	187.2
2021	168.8
2022	148.7
Thereafter	558.2

[a] Operating lease obligations do not include obligations for property taxes, insurance and maintenance that are required by most lease agreements.

Diamond Sourcing Activities

The Company has agreements with various diamond producers to purchase a minimum volume of rough diamonds at prevailing fair market prices. Under those agreements, management anticipates that it will purchase approximately $60.0 million of rough diamonds in 2017. Purchases beyond 2017 that are contingent upon mine production at then-prevailing fair market prices cannot be reasonably estimated. In addition, the Company also regularly purchases rough and polished diamonds from other suppliers, although it has no contractual obligations to do so.

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In consideration of its diamond supply agreements, the Company has provided financing to certain suppliers of its rough diamonds. In March 2011, Laurelton Diamonds, Inc. ("Laurelton"), a wholly owned subsidiary of the Company, as lender, entered into a $50.0 million amortizing term loan facility agreement with Koidu, as borrower, and BSG Resources Limited, as a limited guarantor. Koidu operates a kimberlite diamond mine in Sierra Leone (the "Mine") from which Laurelton acquires diamonds. Koidu was required under the terms of the Loan to apply the proceeds of the Loan to capital expenditures necessary to increase the output of the Mine, among other purposes. As of July 31, 2011, the Loan was fully funded. In consideration of the Loan, Laurelton entered into a supply agreement, pursuant to which Laurelton is required to purchase at fair market value certain diamonds recovered from the Mine that meet Laurelton's quality standards. The assets of Koidu, including all equipment and rights in respect of the Mine, are subject to the security interest of a lender that is not affiliated with the Company. The Loan is partially secured by the diamonds, if any, that have been extracted from the Mine and that have not been sold to third parties. The Company has evaluated the variable interest entity consolidation requirements with respect to this transaction and has determined that it is not the primary beneficiary, as it does not have the power to direct any of the activities that most significantly impact Koidu's economic performance.

On March 29, 2013, the Company entered into an amendment relating to the Loan which deferred principal and interest payments due in 2013 to subsequent years, and, on March 31, 2014, the Company entered into a further amendment providing that the principal payments due in 2014 be paid on a monthly basis rather than on a semi-annual basis. On April 30, 2015, the Company entered into a further amendment (the "2015 Amendment"). Pursuant to the 2015 Amendment, once certain customary conditions relating to the addition of one of Koidu's affiliates as an obligor under the Loan were satisfied, the principal payment due on March 30, 2015 would be deferred until a date to be specified by the Company (which date may be upon at least 30 days' written notice to Koidu, or upon the occurrence of certain specified acceleration conditions). As of June 2015, all of the conditions had been satisfied and the deferral of the principal payment due on March 30, 2015 had become effective, subject to the acceleration conditions set forth in the 2015 Amendment, which include Koidu remaining current on its other payment obligations to the Company. The Loan, as amended, is required to be repaid in full by March 2017 through semi-annual payments. Under the 2015 Amendment, the interest rate on the Loan was increased and, as of April 1, 2015, interest will accrue at a rate per annum that is the greater of (i) LIBOR plus 3.5% or (ii) 6.75%. Koidu also agreed to pay, and subsequently paid, an additional 2% per annum of interest on all deferred principal repayments.

As of January 31, 2016, Koidu had not made any of its interest payments due in July 2015 and thereafter, nor its principal payment due in September 2015. The missed payments constitute events of default under the Loan. In February 2016, the Company received the results from two separate and independent reviews of Koidu's operational plans, forecasts, and cash flow projections for the mine, which were commissioned by the Company and by Koidu's largest creditor, respectively. Based on these factors, ongoing discussions with Koidu, and consideration of the possible actions that all parties, including the Government of Sierra Leone and Koidu's largest creditor, might take under the circumstances, management determined that it was probable that it would be unable to collect a portion of the amounts due under the contractual terms of the Loan, and recorded impairment charges, and a related valuation allowance, of $37.9 million in 2015. Additionally, the Company ceased accruing interest income on the outstanding Loan balance as of July 31, 2015. The carrying amount of the Company’s loan receivable from Koidu, net of the valuation allowance, was $5.9 million at January 31, 2016.

Koidu did not make any payments due to the Company under the Loan in 2016. On March 17, 2017, the Company entered into an agreement with Koidu's largest creditor under which that creditor has agreed to purchase the Company's interest in the loan, on and effective March 22, 2017, for $1.7 million. Based on this agreement, the Company has recorded an additional impairment charge, and a related valuation allowance, of $4.2 million in 2016 to reduce the carrying amount of the Company's loan receivable from Koidu, net of the valuation allowance, to $1.7 million at January 31, 2017. Additionally, on March 16, 2017, the Company and Koidu entered into an agreement to terminate the supply agreement between the parties, pursuant to which Laurelton had previously been required to purchase at fair market value certain diamonds recovered from the Mine that met Laurelton's quality standards.

Contractual Cash Obligations and Contingent Funding Commitments

At January 31, 2017, the Company's contractual cash obligations and contingent funding commitments were for inventory purchases of $196.6 million (which includes the $60.0 million obligation discussed in Diamond Sourcing Activities above), as well as for other contractual obligations of $71.4 million (primarily for construction-in-progress, technology licensing and service contracts, advertising and media agreements and fixed royalty commitments).

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Litigation

Arbitration Award. On December 21, 2013, an award was issued (the "Arbitration Award") in favor of The Swatch Group Ltd. ("Swatch") and its wholly owned subsidiary Tiffany Watch Co. ("Watch Company"; Swatch and Watch Company, together, the "Swatch Parties") in an arbitration proceeding (the "Arbitration") between the Registrant and its wholly owned subsidiaries, Tiffany and Company and Tiffany (NJ) Inc. (the Registrant and such subsidiaries, together, the "Tiffany Parties") and the Swatch Parties.

The Arbitration was initiated in June 2011 by the Swatch Parties, who sought damages for alleged breach of agreements entered into by and among the Swatch Parties and the Tiffany Parties in December 2007 (the "Agreements"). The Agreements pertained to the development and commercialization of a watch business and, among other things, contained various licensing and governance provisions and approval requirements relating to business, marketing and branding plans and provisions allocating profits relating to sales of the watch business between the Swatch Parties and the Tiffany Parties.

In general terms, the Swatch Parties alleged that the Tiffany Parties breached the Agreements by obstructing and delaying development of Watch Company’s business and otherwise failing to proceed in good faith. The Swatch Parties sought damages based on alternate theories ranging from CHF 73.0 million (or approximately $73.0 million at January 31, 2017) (based on its alleged wasted investment) to CHF 3.8 billion (or approximately $3.8 billion at January 31, 2017) (calculated based on alleged future lost profits of the Swatch Parties and their affiliates over the entire term of the Agreements).

The Registrant believes that the claims of the Swatch Parties are without merit. In the Arbitration, the Tiffany Parties defended against the Swatch Parties’ claims vigorously, disputing both the merits of the claims and the calculation of the alleged damages. The Tiffany Parties also asserted counterclaims for damages attributable to breach by the Swatch Parties, stemming from the Swatch Parties’ September 12, 2011 public issuance of a Notice of Termination purporting to terminate the Agreements due to alleged material breach by the Tiffany Parties, and for termination due to such breach. In general terms, the Tiffany Parties alleged that the Swatch Parties did not have grounds for termination, failed to meet the high standard for proving material breach set forth in the Agreements and failed to provide appropriate management, distribution, marketing and other resources for TIFFANY & CO. brand watches and to honor their contractual obligations to the Tiffany Parties regarding brand management. The Tiffany Parties’ counterclaims sought damages based on alternate theories ranging from CHF 120.0 million (or approximately $121.0 million at January 31, 2017) (based on its wasted investment) to approximately CHF 540.0 million (or approximately $542.0 million at January 31, 2017) (calculated based on alleged future lost profits of the Tiffany Parties).

The Arbitration hearing was held in October 2012 before a three-member arbitral panel convened in the Netherlands pursuant to the Arbitration Rules of the Netherlands Arbitration Institute (the "Rules"), and the Arbitration record was completed in February 2013.

Under the terms of the Arbitration Award, and at the request of the Swatch Parties and the Tiffany Parties, the Agreements were deemed terminated. The Arbitration Award stated that the effective date of termination was March 1, 2013. Pursuant to the Arbitration Award, the Tiffany Parties were ordered to pay the Swatch Parties damages of CHF 402.7 million (the "Arbitration Damages"), as well as interest from June 30, 2012 to the date of payment, two-thirds of the cost of the Arbitration and two-thirds of the Swatch Parties' legal fees, expenses and costs. These amounts were paid in full in January 2014.

Prior to the ruling of the arbitral panel, no accrual was established in the Company's consolidated financial statements because management did not believe the likelihood of an award of damages to the Swatch Parties was probable. As a result of the ruling, in the fourth quarter of 2013, the Company recorded a charge of $480.2 million, which included the damages, interest, and other costs associated with the ruling and which was classified as Arbitration award expense in the consolidated statement of earnings.

On March 31, 2014, the Tiffany Parties took action in the District Court of Amsterdam to annul the Arbitration Award. Generally, arbitration awards are final; however, Dutch law does provide for limited grounds on which arbitral awards may be set aside. The Tiffany Parties petitioned to annul the Arbitration Award on these statutory grounds. These grounds include, for example, that the arbitral tribunal violated its mandate by changing the express terms of the Agreements.

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A three-judge panel presided over the annulment hearing on January 19, 2015, and, on March 4, 2015, issued a decision in favor of the Tiffany Parties. Under this decision, the Arbitration Award is set aside. However, the Swatch Parties took action in the Dutch courts to appeal the District Court's decision, and a three-judge panel presided over an appellate hearing in respect of the annulment, and the related claim by the Tiffany Parties for return of the Arbitration Damages and related costs, on June 29, 2016. That panel's decision, which may be appealed to the Supreme Court of the Netherlands, is pending. As a result of this ongoing appellate process, the Arbitration Award may ultimately be upheld by the courts of the Netherlands. Registrant’s management expects that the annulment action is not likely to be ultimately resolved until at the earliest, Registrant's fiscal year ending January 31, 2018.

If the Arbitration Award is finally annulled, management anticipates that the claims and counterclaims that formed the basis of the Arbitration, and potentially additional claims and counterclaims, will be litigated in court proceedings between and among the Swatch Parties and the Tiffany Parties. The identity and location of the courts that would hear such actions have not been determined at this time.

In any litigation regarding the claims and counterclaims that formed the basis of the arbitration, issues of liability and damages will be pled and determined without regard to the findings of the arbitral panel. As such, it is possible that the court could find that the Swatch Parties were in material breach of their obligations under the Agreements, that the Tiffany Parties were in material breach of their obligations under the Agreements or that neither the Swatch Parties nor the Tiffany Parties were in material breach. If the Swatch Parties’ claims of liability were accepted by the court, the damages award cannot be reasonably estimated at this time, but could exceed the Arbitration Damages and could have a material adverse effect on the Registrant’s consolidated financial statements or liquidity.

Although the District Court issued a decision in favor of the Tiffany Parties, an amount will only be recorded for any return of amounts paid under the Arbitration Award when the District’s Court decision is final (i.e., after all rights of appeal have been exhausted) and return of these amounts is deemed probable and collection is reasonably assured. As such, the Company has not recorded any amounts in its consolidated financial statements related to the District Court’s decision.

Additionally, management has not established any accrual in the Company's consolidated financial statements for the year ended January 31, 2017 related to the annulment process or any potential subsequent litigation because it does not believe that the final annulment of the Arbitration Award and a subsequent award of damages exceeding the Arbitration Damages is probable.

In 2015, management introduced new TIFFANY & CO. brand watches, which have been designed, produced, marketed and distributed through certain of the Company's Swiss subsidiaries.

Other Litigation Matters. The Company is from time to time involved in routine litigation incidental to the conduct of its business, including proceedings to protect its trademark rights, litigation with parties claiming infringement of patents and other intellectual property rights by the Company, litigation instituted by persons alleged to have been injured upon premises under the Company's control and litigation with present and former employees and customers. Although litigation with present and former employees is routine and incidental to the conduct of the Company's business, as well as for any business employing significant numbers of employees, such litigation can result in large monetary awards when a civil jury is allowed to determine compensatory and/or punitive damages for actions claiming discrimination on the basis of age, gender, race, religion, disability or other legally-protected characteristic or for termination of employment that is wrongful or in violation of implied contracts. However, the Company believes that all such litigation currently pending to which it is a party or to which its properties are subject will be resolved without any material adverse effect on the Company's financial position, earnings or cash flows.

Gain contingency. On February 14, 2013, Tiffany and Company and Tiffany (NJ) LLC (collectively, the "Tiffany plaintiffs") initiated a lawsuit against Costco Wholesale Corp. ("Costco") for trademark infringement, false designation of origin and unfair competition, trademark dilution and trademark counterfeiting (the "Costco Litigation"). The Tiffany plaintiffs sought injunctive relief, monetary recovery and statutory damages on account of Costco's use of "Tiffany" on signs in the jewelry cases at Costco stores used to describe certain diamond engagement rings that were not manufactured by Tiffany. Costco filed a counterclaim arguing that the TIFFANY trademark was a generic term for multi-pronged ring settings and seeking to have the trademark invalidated, modified or partially canceled in that respect. On September 8, 2015, the U.S. District Court for the Southern District of New York (the "Court") granted the Tiffany plaintiffs' motion for summary judgment of liability in its entirety, dismissing Costco's genericism counterclaim and finding that Costco was liable for trademark infringement, trademark counterfeiting and unfair

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competition under New York law in its use of "Tiffany" on the above-referenced signs. On September 29, 2016, a civil jury rendered its verdict, finding that Costco's profits on the sale of the infringing rings should be awarded at $5.5 million, and further finding that an award of punitive damages was warranted. On October 5, 2016, the jury awarded $8.25 million in punitive damages. The aggregate award of $13.75 million is not final, and is subject to post-verdict motion practice and ultimately to adjustment by the Court. In such post-verdict motion practice, the Tiffany plaintiffs asserted that the profits award should be trebled and that Costco should also pay the Tiffany plaintiffs' legal fees in respect of this matter. Management expects that the Court will enter its final judgment as to the damages and other monetary recovery that Costco will be ordered to pay to the Tiffany plaintiffs during the Company's 2017 fiscal year. Management also expects that Costco will appeal this judgment, and that the Tiffany plaintiffs will be unable to enforce the judgment while the appeal is pending. As such, the Company has not recorded any amount in its consolidated financial statements related to this gain contingency as of January 31, 2017, and expects that this matter will not ultimately be resolved until, at the earliest, the Company's fiscal year ending January 31, 2018.

Environmental Matter

In 2005, the U.S. Environmental Protection Agency ("EPA") designated a 17-mile stretch of the Passaic River (the "River") part of the Diamond Alkali "Superfund" site. This designation resulted from the detection of hazardous substances emanating from the site, which was previously home to the Diamond Shamrock Corporation, a manufacturer of pesticides and herbicides. Under the Superfund law, the EPA will negotiate with potentially responsible parties to agree on remediation approaches.

The Company, which operated a silverware manufacturing facility near a tributary of the River from approximately 1897 to 1985, is one of more than 300 parties (the "Potentially Responsible Parties") designated in litigation as potentially responsible parties with respect to the River. The EPA issued general notice letters to 125 of these parties. The Company, along with approximately 70 other Potentially Responsible Parties (collectively, the "Cooperating Parties Group" or "CPG") voluntarily entered into an Administrative Settlement Agreement and Order on Consent ("AOC") with the EPA in May 2007 to perform a Remedial Investigation/Feasibility Study (the "RI/FS") of the lower 17 miles of the River. In June 2012, most of the CPG voluntarily entered into a second AOC related to focused remediation actions at Mile 10.9 of the River. The actions under the Mile 10.9 AOC are complete (except for continued monitoring), the Remedial Investigation ("RI") portion of the RI/FS was submitted to the EPA on February 19, 2015, and the Feasibility Study ("FS") portion of the RI/FS was submitted to the EPA on April 30, 2015. The Company has accrued for its financial obligations under both AOCs, which have not been material to its financial position or results of operations in previous financial periods or on a cumulative basis.

The FS presented and evaluated three options for remediating the lower 17 miles of the River, including the approach recommended by the EPA in its Focused Feasibility Study discussed below, as well as a fourth option of taking no action, and recommended an approach for a targeted remediation of the entire 17-mile stretch of the River. The estimated cost of the approach recommended by the CPG in the FS is approximately $483.0 million. The RI and FS are being reviewed by the EPA and other governmental agencies and stakeholders. Ultimately, the Company expects that the EPA will identify and negotiate with any or all of the potentially responsible parties regarding any remediation action that may be necessary, and issue a Record of Decision with a proposed approach to remediating the entire lower 17-mile stretch of the River.

Separately, on April 11, 2014, the EPA issued a proposed plan for remediating the lower eight miles of the River, which is supported by a Focused Feasibility Study (the "FFS"). The FFS evaluated three remediation options, as well as a fourth option of taking no action. Following a public review and comment period and the EPA's review of comments received, the EPA issued a Record of Decision on March 4, 2016 that set forth a remediation plan for the lower eight miles of the River (the "RoD Remediation"). The RoD Remediation is estimated by the EPA to cost $1.38 billion. The Record of Decision did not identify any party or parties as being responsible for the design of the remediation or for the remediation itself. The EPA did note that it estimates the design of the necessary remediation activities will take three to four years, with the remediation to follow, which is estimated to take an additional six years to complete.

On March 31, 2016, the EPA issued a letter to approximately 100 companies (including the Company) (collectively, the "notified companies") notifying them of potential liability for the RoD Remediation and of the EPA's planned approach to addressing the cost of the RoD Remediation, which included the possibility of a de-minimis cash-out settlement (the "settlement option") for certain parties. In April of 2016, the Company notified the EPA of its interest in pursuing the settlement option, and accordingly recorded an immaterial liability representing its best estimate of its minimum liability for the RoD Remediation, which reflects the possibility of a de-minimis settlement. Although the EPA must determine which parties are eligible for the settlement option, the Company does not expect any settlement amount that it might agree with the EPA to be material to its financial position, results of operations or cash flows.

In October 2016, the EPA announced that it entered into a legal agreement with one of the notified companies, pursuant to which such company agreed to spend $165.0 million to perform the engineering and design work required in advance of the clean-up contemplated by the RoD Remediation (the "RoD Design Phase"). In the absence of a viable settlement option, the Company is unable to determine its participation in the overall RoD Remediation (of which the RoD Design Phase is only a part), if any, relative to the other potentially responsible parties or the allocation of the estimated cost thereof among the potentially responsible parties, until such time as the EPA reaches an agreement with any potentially responsible party or parties to fund the overall RoD Remediation (or pursues legal or administrative action to require any potentially responsible party or parties to perform, or pay for, the overall RoD Remediation). With respect to the RI/FS (which is distinct from the RoD Remediation), until a Record of Decision is issued with respect to the RI/FS, neither the ultimate remedial approach for the remaining upper nine miles of the relevant 17-mile stretch of the River and its cost, nor the Company's participation, if any, relative to the other potentially responsible parties in this approach and cost, can be determined.

As such, the Company's liability, if any, beyond that already recorded for (1) its obligations under the 2007 AOC and the Mile 10.9 AOC, and (2) its estimate related to a de minimis cash-out settlement for the RoD Remediation, cannot be determined at this time. However, the Company does not expect that its ultimate liability related to the relevant 17-mile stretch of the River will be material to its financial position, in light of the number of companies that have previously been identified as Potentially Responsible Parties (i.e., the more than 300 parties that were initially designated in litigation as potentially responsible parties), which includes, but goes well beyond those approximately 70 companies in the CPG that participated in the 2007 AOC and the Mile 10.9 AOC, and the Company's relative participation in the costs related to the 2007 AOC and Mile 10.9 AOC. It is nonetheless possible that any resulting liability when the uncertainties discussed above are resolved could be material to the Company's results of operations or cash flows in the period in which such uncertainties are resolved.

Other Regulatory Matters

The Company is subject to regulations in various jurisdictions in which the Company operates, including those related to the sale of consumer products. During the Company's regular internal quality testing, the Company identified a potential breach of the Company's sourcing and quality standards applicable to third party vendors. The Company is currently in the early stages of assessing the composition of certain of its gold products manufactured by certain U.S. third-party vendors, which contain gold solder manufactured by other U.S. vendors, to determine whether such products are in compliance with applicable consumer products requirements and regulations. This assessment could result in the Company reporting instances of non-compliance to regulatory authorities in one or more markets, and incurring costs, including for the possible payment of fines and penalties. Management has not recorded any liability for these matters as it does not believe that such liability is probable and reasonably estimable. It is nonetheless possible that any resulting liability when the uncertainties discussed above are resolved could be material to the Company's results of operations or cash flows in the periods in which such uncertainties are resolved.

Other

In the fourth quarter of 2015, the Company implemented specific cost-reduction initiatives and recorded $8.8 million of expense within SG&A expenses. These unrelated cost-reduction initiatives included severance related to staffing reductions and subleasing of certain office space for which only a portion of the Company's future rent obligations will be recovered.

K. RELATED PARTIES

The Company's Chairman of the Board and, effective February 5, 2017, Interim Chief Executive Officer was a member of the Board of Directors of The Bank of New York Mellon through April 14, 2015. The Bank of New York Mellon serves as the Company's trustee for its Senior Notes due in 2024 and 2044, participates as a co-syndication agent and lender for its New Credit Facilities, provides other general banking services and serves as the trustee for

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the Company's pension plan. Fees paid to the bank for services rendered and interest on debt amounted to $0.7 million and $1.3 million in 2015 and 2014.

L. STOCKHOLDERS' EQUITY

Accumulated Other Comprehensive Loss

(in millions)	January 31, 2017	2016
Accumulated other comprehensive (loss) earnings, net of tax:		
Foreign currency translation adjustments	$(143.7)	$(135.3)
Unrealized gain (loss) on marketable securities	0.8	(1.0)
Deferred hedging loss	(16.1)	(26.8)
Net unrealized loss on benefit plans	(97.2)	(115.0)
	$(256.2)	$(278.1)

Additions to and reclassifications out of accumulated other comprehensive earnings (loss) are as follows:

(in millions)	Years Ended January 31, 2017	2016	2015
Foreign currency translation adjustments	$8.3	$(59.9)	$(101.9)
Income tax (expense) benefit	(16.7)	0.9	8.8
Foreign currency adjustments, net of tax	(8.4)	(59.0)	(93.1)
Unrealized gain (loss) on marketable securities	2.7	(4.1)	(0.9)
Reclassification for gain included in net earnings [a]	—	(0.4)	—
Income tax (expense) benefit	(0.9)	1.6	0.1
Unrealized gain (loss) on marketable securities, net of tax	1.8	(2.9)	(0.8)
Unrealized gain (loss) on hedging instruments	12.1	(22.2)	14.6
Reclassification adjustment for loss (gain) included in net earnings [b]	4.9	(11.7)	(13.0)
Income tax (expense) benefit	(6.3)	12.5	(0.4)
Unrealized gain (loss) on hedging instruments, net of tax	10.7	(21.4)	1.2
Prior service cost	—	—	(0.5)
Net actuarial gain (loss)	14.1	122.5	(234.6)
Amortization of net loss included in net earnings [c]	14.7	30.4	13.1
Amortization of prior service credit included in net earnings [c]	(0.7)	(0.6)	(0.4)
Income tax (expense) benefit	(10.3)	(56.6)	83.2
Net unrealized gain (loss) on benefit plans, net of tax	17.8	95.7	(139.2)
Total other comprehensive earnings (loss), net of tax	$21.9	$12.4	$(231.9)

[a] These gains are reclassified into Other (income) expense, net.

[b] These losses (gains) are reclassified into Interest expense and financing costs and Cost of sales (see "Note H. Hedging Instruments" for additional details).

[c] These accumulated other comprehensive income components are included in the computation of net periodic pension costs (see "Note N. Employee Benefit Plans" for additional details).

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Stock Repurchase Program

In January 2016, the Registrant's Board of Directors approved the termination of the Company's then-existing share repurchase program, which was approved in March 2014 and had authorized the Company to repurchase up to $300.0 million of its Common Stock through open market transactions (the "2014 Program") in favor of a new share repurchase program ("2016 Program"). The 2016 Program, which will expire on January 31, 2019, authorizes the Company to repurchase up to $500.0 million of its Common Stock through open market transactions, block trades or privately negotiated transactions. Purchases under the 2014 Program were, and purchases under the 2016 Program have been, executed under a written plan for trading securities as specified under Rule 10b5-1 promulgated under the Securities and Exchange Act of 1934, as amended, the terms of which are within the Company's discretion, subject to applicable securities laws, and are based on market conditions and the Company's liquidity needs. Approximately $310.4 million remained available for repurchase under the 2016 Program at January 31, 2017.

The Company's share repurchase activity was as follows:

	Years Ended January 31,		
(in millions, except per share amounts)	2017	2016	2015
Cost of repurchases	$183.6	$220.4	$27.0
Shares repurchased and retired	2.8	2.8	0.3
Average cost per share	$65.24	$78.40	$89.91

Cash Dividends

The Company's Board of Directors declared quarterly dividends which, on an annual basis, totaled $1.75, $1.58 and $1.48 per share of Common Stock in 2016, 2015 and 2014.

On February 16, 2017, the Company's Board of Directors declared a quarterly dividend of $0.45 per share of Common Stock. This dividend will be paid on April 10, 2017 to stockholders of record on March 20, 2017.

M. STOCK COMPENSATION PLANS

The Company has two stock compensation plans under which awards may be made: the Employee Incentive Plan and the Directors Equity Compensation Plan, both of which were approved by the stockholders. No award may be made under the Employee Incentive Plan after May 22, 2024 or under the Directors Equity Compensation Plan after May 15, 2018.

Under the Employee Incentive Plan, the maximum number of common shares authorized for issuance was 8.7 million. Awards may be made to employees of the Company or its related companies in the form of stock options, stock appreciation rights, shares of stock (or rights to receive shares of stock) and cash. Awards made in the form of non-qualified stock options, tax-qualified incentive stock options or stock appreciation rights have a maximum term of 10 years from the grant date and may not be granted for an exercise price below fair market value.

The Company has granted time-vesting restricted stock units ("RSUs"), performance-based restricted stock units ("PSUs") and stock options under the Employee Incentive Plan. Stock options and RSUs vest primarily in increments of 25% per year over four years. PSUs issued to the executive officers vest at the end of a three-year period. Vesting of all PSUs is contingent on the Company's performance against established objectives established by the Compensation Committee of the Company's Board of Directors. The PSUs and RSUs require no payment from the employee. PSU and RSU payouts will be in shares of Company stock at vesting. Compensation expense is recognized using the fair market value at the date of grant and recorded ratably over the vesting period. However, PSU compensation expense may be adjusted over the vesting period based on interim estimates of performance against the established objectives. Award holders are not entitled to receive dividends or dividend equivalents on unvested stock options or PSUs or RSUs granted prior to January 2017. PSUs and RSUs granted in January 2017 accrue dividend equivalents that may only be paid or delivered upon vesting of the underlying stock units.

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Under the Directors Equity Compensation Plan, the maximum number of shares of Common Stock authorized for issuance was 1.0 million (subject to adjustment); awards may be made to non-employee directors of the Company in the form of stock options or shares of stock but may not exceed 25 thousand (subject to adjustment) shares per non-employee director in any fiscal year. Awards of shares (or rights to receive shares) reduce the above authorized amount by 1.58 shares for every share delivered pursuant to such an award. Awards made in the form of stock options may have a maximum term of 10 years from the grant date and may not be granted for an exercise price below fair market value unless the director has agreed to forego all or a portion of his or her annual cash retainer or other fees for service as a director in exchange for below-market exercise price options. Director options vest immediately. Director RSUs vest over a one-year period.

The Company uses newly issued shares to satisfy stock option exercises and the vesting of PSUs and RSUs.

The fair value of each option award is estimated on the grant date using a Black-Scholes option valuation model and compensation expense is recognized ratably over the vesting period. The valuation model uses the assumptions noted in the following table. Expected volatilities are based on historical volatility of the Company's stock. The Company uses historical data to estimate the expected term of the option that represents the period of time that options granted are expected to be outstanding. The risk-free interest rate for periods within the expected term of the option is based on the U.S. Treasury yield curve in effect at the grant date.

	Years Ended January 31,		
	2017	2016	2015
Dividend yield	2.0 %	1.9 %	1.3 %
Expected volatility	23.8 %	28.1 %	30.2 %
Risk-free interest rate	1.8 %	1.5 %	1.5 %
Expected term in years	5	5	5

A summary of the option activity for the Company's stock option plans is presented below:

	Number of Shares (in millions)	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term in Years	Aggregate Intrinsic Value (in millions)
Outstanding at January 31, 2016	2.1	$ 67.59	7.02	$ 7.9
Granted	0.6	77.20		
Exercised	(0.3)	57.40		
Forfeited/canceled	(0.1)	75.16		
Outstanding at January 31, 2017	2.3	$ 70.72	7.50	$ 23.8
Exercisable at January 31, 2017	1.1	$ 66.42	5.70	$ 17.0

The weighted-average grant-date fair value of options granted for the years ended January 31, 2017, 2016 and 2015 was $14.36, $14.42 and $22.25. The total intrinsic value (market value on date of exercise less grant price) of options exercised during the years ended January 31, 2017, 2016 and 2015 was $4.5 million, $2.4 million and $44.1 million.

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A summary of the activity for the Company's RSUs is presented below:

	Number of Shares (in millions)	Weighted-Average Grant-Date Fair Value
Non-vested at January 31, 2016	0.5	$ 79.02
Granted	0.4	67.46
Vested	(0.2)	71.29
Forfeited	(0.1)	79.51
Non-vested at January 31, 2017	0.6	$ 73.33

A summary of the activity for the Company's PSUs is presented below:

	Number of Shares (in millions)	Weighted-Average Grant-Date Fair Value
Non-vested at January 31, 2016	0.7	$ 70.56
Granted	0.2	79.23
Vested	(0.1)	67.15
Forfeited/canceled	(0.1)	69.85
Non-vested at January 31, 2017	0.7	$ 73.52

The weighted-average grant-date fair value of RSUs granted for the years ended January 31, 2016 and 2015 was $80.44 and $90.68. The weighted-average grant-date fair value of PSUs granted for the years ended January 31, 2016 and 2015 was $58.09 and $82.88.

As of January 31, 2017, there was $69.2 million of total unrecognized compensation expense related to non-vested share-based compensation arrangements granted under the Employee Incentive Plan and Directors Equity Compensation Plan. The expense is expected to be recognized over a weighted-average period of 2.6 years. The total fair value of RSUs vested during the years ended January 31, 2017, 2016 and 2015 was $13.6 million, $18.0 million and $27.7 million. The total fair value of PSUs vested during the years ended January 31, 2017, 2016 and 2015 was $6.3 million, $4.1 million and $8.1 million.

Total compensation cost for stock-based compensation awards recognized in income and the related income tax benefit was $24.3 million and $7.7 million for the year ended January 31, 2017, $24.5 million and $7.9 million for the year ended January 31, 2016 and $26.5 million and $8.9 million for the year ended January 31, 2015. Total stock-based compensation cost capitalized in inventory was not significant.

N. EMPLOYEE BENEFIT PLANS

Pensions and Other Postretirement Benefits

The Company maintains the following pension plans: a noncontributory defined benefit pension plan qualified in accordance with the Internal Revenue Service Code ("Qualified Plan") covering substantially all U.S. employees hired before January 1, 2006, a non-qualified unfunded retirement income plan ("Excess Plan") covering certain U.S. employees hired before January 1, 2006 and affected by Internal Revenue Service Code compensation limits, a non-qualified unfunded Supplemental Retirement Income Plan ("SRIP") covering certain executive officers of the Company hired before January 1, 2006 and noncontributory defined benefit pension plans in certain of its international locations ("Other Plans").

Qualified Plan benefits are based on (i) average compensation in the highest paid five years of the last 10 years of employment ("average final compensation") and (ii) the number of years of service. Participants with at least 10 years of service who retire after attaining age 55 may receive reduced retirement benefits. Participants who have at least five years of service when their employment with the Company terminates may also receive certain benefits.

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The Company funds the Qualified Plan's trust in accordance with regulatory limits to provide for current service and for the unfunded benefit obligation over a reasonable period and for current service benefit accruals. To the extent that these requirements are fully covered by assets in the Qualified Plan, the Company may elect not to make any contribution in a particular year. No cash contribution was required in 2016 and none is required in 2017 to meet the minimum funding requirements of the Employee Retirement Income Security Act. The Company periodically evaluates whether to make discretionary cash contributions to the Qualified Plan and made a voluntary cash contribution of $120.0 million in 2016 but currently does not anticipate to make such contributions in 2017. This expectation is subject to change based on management’s assessment of a variety of factors, including, but not limited to, asset performance, interest rates and changes in actuarial assumptions.

The Qualified Plan, Excess Plan and SRIP exclude all employees hired on or after January 1, 2006. Instead, employees hired on or after January 1, 2006 are eligible to receive a defined contribution retirement benefit under the Employee Profit Sharing and Retirement Savings ("EPSRS") Plan (see "Employee Profit Sharing and Retirement Savings Plan" below). Employees hired before January 1, 2006 continue to be eligible for and accrue benefits under the Qualified Plan.

The Excess Plan uses the same retirement benefit formula set forth in the Qualified Plan, but includes earnings that are excluded under the Qualified Plan due to Internal Revenue Service Code qualified pension plan limitations. Benefits payable under the Qualified Plan offset benefits payable under the Excess Plan. Employees vested under the Qualified Plan are vested under the Excess Plan; however, benefits under the Excess Plan are subject to forfeiture if employment is terminated for cause and, for those who leave the Company prior to age 65, if they fail to execute and adhere to noncompetition and confidentiality covenants. The Excess Plan allows participants with at least 10 years of service who retire after attaining age 55 to receive reduced retirement benefits.

The SRIP supplements the Qualified Plan, Excess Plan and Social Security by providing additional payments upon a participant's retirement. SRIP benefits are determined by a percentage of average final compensation; this percentage increases as specified service plateaus are achieved. Benefits payable under the Qualified Plan, Excess Plan and Social Security offset benefits payable under the SRIP. Under the SRIP, benefits vest when a participant both (i) attains age 55 while employed by the Company and (ii) has provided at least 10 years of service. In certain limited circumstances, early vesting can occur due to a change in control. Benefits under the SRIP are forfeited if benefits under the Excess Plan are forfeited.

Benefits for the Other Plans are typically based on monthly eligible compensation and the number of years of service. Benefits are typically payable in a lump sum upon retirement, termination, resignation or death if the participant has completed the requisite service period.

The Company accounts for pension expense using the projected unit credit actuarial method for financial reporting purposes. The actuarial present value of the benefit obligation is calculated based on the expected date of separation or retirement of the Company's eligible employees.

The Company provides certain health-care and life insurance benefits ("Other Postretirement Benefits") for certain retired employees and accrues the cost of providing these benefits throughout the employees' active service period until they attain full eligibility for those benefits. Substantially all of the Company's U.S. full-time employees, hired on or before March 31, 2012, may become eligible for these benefits if they reach normal or early retirement age while working for the Company. The cost of providing postretirement health-care benefits is shared by the retiree and the Company, with retiree contributions evaluated annually and adjusted in order to maintain the Company/retiree cost-sharing target ratio. The life insurance benefits are noncontributory. The Company's employee and retiree health-care benefits are administered by an insurance company, and premiums on life insurance are based on prior years' claims experience.

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Obligations and Funded Status

The following tables provide a reconciliation of benefit obligations, plan assets and funded status of the pension and other postretirement benefit plans as of the measurement date:

	January 31,			
	Pension Benefits		Other Postretirement Benefits	
(in millions)	2017	2016	2017	2016
Change in benefit obligation:				
Benefit obligation at beginning of year	$742.6	$841.7	$78.4	$92.9
Service cost	17.4	22.6	2.8	4.2
Interest cost	31.6	30.6	3.1	3.2
Participants' contributions	—	—	1.2	1.3
MMA retiree drug subsidy	—	—	—	0.2
Actuarial loss (gain)	15.9	(128.8)	(10.5)	(20.4)
Benefits paid	(24.3)	(23.1)	(2.5)	(3.0)
Curtailments	—	(0.2)	—	—
Translation	0.5	(0.2)	—	—
Benefit obligation at end of year	783.7	742.6	72.5	78.4
Change in plan assets:				
Fair value of plan assets at beginning of year	385.8	406.0	—	—
Actual return on plan assets	42.9	(2.2)	—	—
Employer contribution	125.7	5.1	1.3	1.5
Participants' contributions	—	—	1.2	1.3
MMA retiree drug subsidy	—	—	—	0.2
Benefits paid	(24.3)	(23.1)	(2.5)	(3.0)
Fair value of plan assets at end of year	530.1	385.8	—	—
Funded status at end of year	$(253.6)	$(356.8)	$(72.5)	$(78.4)

Actuarial gains in 2015 reflect increases in the discount rates for all plans.

The following tables provide additional information regarding the Company's pension plans' projected benefit obligations and assets (included in pension benefits in the table above) and accumulated benefit obligation:

	January 31, 2017			
(in millions)	Qualified	Excess/SRIP	Other	Total
Projected benefit obligation	$661.5	$ 103.6	$18.6	$783.7
Fair value of plan assets	530.1	—	—	530.1
Funded status	$(131.4)	$ (103.6)	$(18.6)	$(253.6)
Accumulated benefit obligation	$599.0	$ 90.9	$16.9	$706.8

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	January 31, 2016			
(in millions)	Qualified	Excess/SRIP	Other	Total
Projected benefit obligation	$620.8	$ 105.5	$16.3	$742.6
Fair value of plan assets	385.8	—	—	385.8
Funded status	$(235.0)	$ (105.5)	$(16.3)	$(356.8)
Accumulated benefit obligation	$556.8	$ 92.1	$13.5	$662.4

At January 31, 2017, the Company had a current liability of $7.5 million and a non-current liability of $318.6 million for pension and other postretirement benefits. At January 31, 2016, the Company had a current liability of $7.1 million and a non-current liability of $428.1 million for pension and other postretirement benefits.

Amounts recognized in accumulated other comprehensive loss consist of:

	January 31,			
	Pension Benefits		Other Postretirement Benefits	
(in millions)	2017	2016	2017	2016
Net actuarial loss (gain)	$161.8	$180.1	$ (0.1)	$ 10.4
Prior service cost (credit)	0.8	0.8	(2.4)	(3.0)
Total before tax	$162.6	$180.9	$ (2.5)	$ 7.4

The estimated pre-tax amount that will be amortized from accumulated other comprehensive loss into net periodic benefit cost within the next 12 months is as follows:

(in millions)	Pension Benefits	Other Postretirement Benefits
Net actuarial loss	$14.0	$
Prior service cost (credit)	0.2	(0.7)
	$14.2	$(0.7)

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Components of Net Periodic Benefit Cost and
Other Amounts Recognized in Other Comprehensive Earnings

	Years Ended January 31,					
	Pension Benefits			Other Postretirement Benefits		
(in millions)	2017	2016	2015	2017	2016	2015
Service cost	$17.4	$22.6	$16.8	$2.8	$4.2	$2.4
Interest cost	31.6	30.6	28.3	3.1	3.2	2.6
Expected return on plan assets	(23.5)	(24.7)	(23.6)	—	—	—
Curtailments	—	0.2	—	—	—	—
Amortization of prior service cost	—	—	0.3	(0.7)	(0.7)	(0.7)
Amortization of net loss	14.7	28.9	13.1	—	1.5	—
Net periodic benefit cost	40.2	57.6	34.9	5.2	8.2	4.3
Net actuarial (gain) loss	(3.6)	(102.1)	199.8	(10.5)	(20.4)	34.8
Recognized actuarial loss	(14.7)	(28.9)	(13.1)	—	(1.5)	—
Prior service cost	—	—	0.5	—	—	—
Recognized prior service (cost) credit	—	(0.1)	(0.3)	0.7	0.7	0.7
Total recognized in other comprehensive earnings	(18.3)	(131.1)	186.9	(9.8)	(21.2)	35.5
Total recognized in net periodic benefit cost and other comprehensive earnings	$21.9	$(73.5)	$221.8	$(4.6)	$(13.0)	$39.8

Assumptions

Weighted-average assumptions used to determine benefit obligations:

	January 31,	
	2017	2016
Discount rate:		
Qualified Plan	4.25 %	4.50 %
Excess Plan/SRIP	4.25 %	4.25 %
Other Plans	0.81 %	1.05 %
Other Postretirement Benefits	4.25 %	4.50 %
Rate of increase in compensation:		
Qualified Plan	3.00 %	3.00 %
Excess Plan	4.25 %	4.25 %
SRIP	6.50 %	6.50 %
Other Plans	1.12 %	1.18 %

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Weighted-average assumptions used to determine net periodic benefit cost:

	Years Ended January 31,		
	2017	2016	2015
Discount rate:			
Qualified Plan	4.50 %	3.75 %	4.75 %
Excess Plan/SRIP	4.25 %	3.75 %	5.00 %
Other Plans	1.40 %	1.71 %	1.81 %
Other Postretirement Benefits	4.50 %	3.50 %	5.00 %
Expected return on plan assets	7.00 %	7.50 %	7.50 %
Rate of increase in compensation:			
Qualified Plan	3.00 %	2.75 %	2.75 %
Excess Plan	4.25 %	4.25 %	4.25 %
SRIP	6.50 %	7.25 %	7.25 %
Other Plans	1.38 %	1.56 %	1.33 %

The expected long-term rate of return on Qualified Plan assets is selected by taking into account the average rate of return expected on the funds invested or to be invested to provide for benefits included in the projected benefit obligation. More specifically, consideration is given to the expected rates of return (including reinvestment asset return rates) based upon the plan's current asset mix, investment strategy and the historical performance of plan assets.

For postretirement benefit measurement purposes, a 7.00% annual rate of increase in the per capita cost of covered health care was assumed for 2017. This rate was assumed to decrease gradually to 4.75% by 2023 and remain at that level thereafter.

Assumed health-care cost trend rates can affect amounts reported for the Company's postretirement health-care benefits plan. A one-percentage-point change in the assumed health-care cost trend rate would not have a significant effect on the Company's accumulated postretirement benefit obligation for the year ended January 31, 2017 or aggregate service and interest cost components of the 2016 postretirement expense.

Plan Assets

The Company's investment objectives, related to the Qualified Plan's assets, are the preservation of principal and balancing the management of interest rate risk associated with the duration of the plan's liabilities with the achievement of a reasonable rate of return over time. The Qualified Plan's assets are allocated based on an expectation that equity securities will outperform debt securities over the long term, but that as the plan's funded status (assets relative to liabilities) increases, the amount of assets allocated to fixed income securities which match the interest rate risk profile of the plan's liabilities will increase. The Company's target asset allocations based on its funded status as of January 31, 2017 is as follows: approximately 50% in equity securities; approximately 35% in fixed income securities; and approximately 15% in other securities. The Company attempts to mitigate investment risk by rebalancing asset allocation periodically.

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The fair value of the Qualified Plan's assets at January 31, 2017 and 2016 by asset category is as follows:

(in millions)	Fair Value at January 31, 2017	Fair Value Measurements Using Inputs Considered as* Level 1	Level 2	Level 3
Equity securities:				
U.S. equity securities	$ 56.2	$56.2	$—	$ —
Mutual fund	35.1	35.1	—	—
Fixed income securities:				
Government bonds	78.2	77.8	0.4	—
Corporate bonds	83.8	—	83.8	—
Other types of investments:				
Cash and cash equivalents	7.8	7.8	—	—
Mutual funds	36.7	36.7	—	—
Net assets in fair value hierarchy	297.8	213.6	84.2	—
Investments at NAV practical expedient [a]	232.3			
Plan assets at fair value	$ 530.1	$213.6	$84.2	$ —

(in millions)	Fair Value at January 31, 2016	Fair Value Measurements Using Inputs Considered as* Level 1	Level 2	Level 3
Equity securities:				
U.S. equity securities	$ 45.6	$45.6	$—	$ —
Mutual fund	27.4	27.4	—	—
Fixed income securities:				
Government bonds	62.3	61.3	1.0	—
Corporate bonds	87.7	—	87.7	—
Other types of investments:				
Cash and cash equivalents	2.5	2.5	—	—
Mutual funds	25.6	25.6	—	—
Net assets in fair value hierarchy	251.1	162.4	88.7	—
Investments at NAV practical expedient [a]	134.7			
Plan assets at fair value	$ 385.8	$162.4	$88.7	$ —

* See "Note I. Fair Value of Financial Instruments" for a description of the levels of inputs.

a In accordance with ASC 820-10, certain investments that are measured at fair value using the net asset value ("NAV") per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the Qualified Plan's fair value of plan assets at the end of each respective year.

Valuation Techniques

Investments within the fair value hierarchy. Securities traded on the national securities exchange (certain government bonds) are valued at the last reported sales price or closing price on the last business day of the fiscal year. Investments traded in the over-the-counter market and listed securities for which no sales were reported (certain government bonds, corporate bonds and mortgage obligations) are valued at the last reported bid price.

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Certain fixed income investments are held in separately managed accounts and those investments are valued using the underlying securities in the accounts.

Investments in mutual funds are stated at fair value as determined by quoted market prices based on the NAV of shares held by the Plan at year-end. Investments in U.S. equity securities are valued at the closing price reported on the active market on which the individual securities are traded.

Investments measured at NAV. This category consists of common/collective trusts and limited partnerships. Common/collective trusts include investments in U.S. and international large, middle and small capitalization equities. Investments in common/collective trusts are stated at estimated fair value which represents the net asset value of shares held by the Qualified Plan as reported by the investment advisor. The net asset value is based on the value of the underlying assets owned by the common/collective trusts, minus its liabilities and then divided by the number of shares outstanding. The NAV is used as a practical expedient to estimate fair value.
The Qualified Plan maintains investments in limited partnerships that are valued at estimated fair value based on financial information received from the investment advisor and/or general partner. The NAV is based on the value of the underlying assets owned by the fund, minus its liabilities and then divided by the number of shares outstanding. The NAV is used as a practical expedient to estimate fair value.

Benefit Payments

The Company expects the following future benefit payments to be paid:

Years Ending January 31,	Pension Benefits (in millions)	Other Postretirement Benefits (in millions)
2018	$25.6	$1.9
2019	26.5	2.0
2020	27.2	2.1
2021	28.6	2.2
2022	29.7	2.3
2023-2027	171.5	14.3

Employee Profit Sharing and Retirement Savings ("EPSRS") Plan

The Company maintains an EPSRS Plan that covers substantially all U.S.-based employees. Under the profit-sharing feature of the EPSRS Plan, the Company made contributions, in the form of newly issued Company Common Stock through 2014, to the employees' accounts based on the achievement of certain targeted earnings objectives established by, or as otherwise determined by, the Company's Board of Directors. Beginning in 2015, these contributions were made in cash. The Company recorded expense of $2.3 million in 2016, no expense in 2015 and expense of $3.1 million in 2014. Under the retirement savings feature of the EPSRS Plan, employees who meet certain eligibility requirements may participate by contributing up to 50% of their annual compensation, not to exceed Internal Revenue Service limits, and the Company may provide a matching cash contribution of 50% of each participant's contributions, with a maximum matching contribution of 3% of each participant's total compensation. The Company recorded expense of $7.5 million, $7.3 million and $7.7 million in 2016, 2015 and 2014. Contributions to both features of the EPSRS Plan are made in the following year.

Under the profit-sharing feature of the EPSRS Plan, for contributions made in the Company's stock, the Company's stock contribution is required to be maintained in such stock until the employee has two or more years of service, at which time the employee may diversify his or her Company stock account into other investment options provided under the plan. For contributions made in cash, the contribution is allocated within the participant's account based on their investment elections under the EPSRS Plan. If the participant has made no election, the contribution will be invested in the appropriate default target fund as determined by each participant's date of birth. Under the retirement savings portion of the EPSRS Plan, the employees have the ability to elect to invest a portion of their contribution and the related matching contribution in Company stock. At January 31, 2017, investments in Company stock represented 20% of total EPSRS Plan assets.

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The EPSRS Plan provides a defined contribution retirement benefit ("DCRB") to eligible employees hired on or after January 1, 2006. Under the DCRB, the Company makes contributions each year to each employee's account at a rate based upon age and years of service. These contributions are deposited into individual accounts in each employee's name to be invested in a manner similar to the retirement savings portion of the EPSRS Plan. The Company recorded expense of $4.6 million, $3.2 million and $4.6 million in 2016, 2015 and 2014.

Deferred Compensation Plan

The Company has a non-qualified deferred compensation plan for directors, executives and certain management employees, whereby eligible participants may defer a portion of their compensation for payment at specified future dates, upon retirement, death or termination of employment. This plan also provides for an excess defined contribution retirement benefit ("Excess DC benefit") for certain eligible executives and management employees, hired on or after January 1, 2006. The Excess DC benefit is credited to the eligible employee's account, based on the compensation paid to the employee in excess of the IRS limits for contribution under the DCRB Plan. Under the plan, the deferred compensation is adjusted to reflect performance, whether positive or negative, of selected investment options chosen by each participant during the deferral period. The amounts accrued under the plans were $26.5 million and $24.9 million at January 31, 2017 and 2016, and are reflected in other long-term liabilities. The Company does not promise or guarantee any rate of return on amounts deferred.

O. INCOME TAXES

Earnings from operations before income taxes consisted of the following:

	Years Ended January 31,		
(in millions)	2017	2016	2015
United States	$478.2	$502.5	$484.5
Foreign	198.4	207.4	253.0
	$676.6	$709.9	$737.5

Components of the provision for income taxes were as follows:

	Years Ended January 31,		
(in millions)	2017	2016	2015
Current:			
Federal	$125.5	$175.8	$130.9
State	15.4	22.3	18.2
Foreign	43.5	49.8	66.5
	184.4	247.9	215.6
Deferred:			
Federal	36.7	(15.4)	25.2
State	7.1	3.9	13.2
Foreign	2.3	9.6	(0.7)
	46.1	(1.9)	37.7
	$230.5	$246.0	$253.3

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Reconciliations of the provision for income taxes at the statutory Federal income tax rate to the Company's effective income tax rate were as follows:

	Years Ended January 31,		
	2017	2016	2015
Statutory Federal income tax rate	35.0 %	35.0 %	35.0 %
State income taxes, net of Federal benefit	2.2	2.4	2.8
Foreign losses with no tax benefit	0.2	—	0.7
Undistributed foreign earnings	(2.3)	(2.5)	(4.2)
Net change in uncertain tax positions	(0.7)	0.5	0.3
Domestic manufacturing deduction	(0.9)	(1.3)	(1.3)
Other	0.6	0.6	1.1
	34.1 %	34.7 %	34.4 %

The Company has the intent to indefinitely reinvest any undistributed earnings of all foreign subsidiaries. As of January 31, 2017 and 2016, the Company has not provided deferred taxes on approximately $769.0 million and $685.0 million of undistributed earnings. Generally, such amounts become subject to U.S. taxation upon the remittance of dividends and under certain other circumstances. U.S. Federal income taxes of approximately $129.0 million and $118.0 million would be incurred if these earnings were distributed.

Deferred tax assets (liabilities) consisted of the following:

	January 31,	
(in millions)	2017	2016
Deferred tax assets:		
Pension/postretirement benefits	$124.7	$166.7
Accrued expenses	36.1	34.3
Share-based compensation	17.3	18.3
Depreciation	6.5	6.6
Amortization	10.8	11.4
Foreign and state net operating losses	25.5	23.5
Sale-leaseback	25.8	30.4
Inventory	57.6	50.9
Financial hedging instruments	11.9	19.7
Unearned income	10.6	11.3
Other	23.0	53.6
	349.8	426.7
Valuation allowance	(24.1)	(19.5)
	325.7	407.2
Deferred tax liabilities:		
Foreign tax credit	(25.8)	(25.1)
Net deferred tax asset	$299.9	$382.1

The Company has recorded a valuation allowance against certain deferred tax assets related to foreign net operating loss carryforwards where management has determined it is more likely than not that deferred tax assets will not be realized in the future. The overall valuation allowance relates to tax loss carryforwards and temporary differences for

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which no benefit is expected to be realized. Tax loss carryforwards of approximately $88.5 million exist in certain foreign jurisdictions. Whereas some of these tax loss carryforwards do not have an expiration date, others expire at various times from 2019 through 2024.

The following table reconciles the unrecognized tax benefits:

	January 31,		
(in millions)	2017	2016	2015
Unrecognized tax benefits at beginning of year	$10.2	$8.3	$27.6
Gross increases – tax positions in prior period	0.9	1.0	1.0
Gross decreases – tax positions in prior period	(5.0)	(0.4)	(5.4)
Gross increases – tax positions in current period	0.3	1.4	0.1
Settlements	(3.0)	—	(14.8)
Lapse of statute of limitations	—	(0.1)	(0.2)
Unrecognized tax benefits at end of year	$3.4	$10.2	$8.3

Included in the balance of unrecognized tax benefits at January 31, 2017, 2016 and 2015 are $1.0 million, $9.1 million and $5.3 million of tax benefits that, if recognized, would affect the effective income tax rate.

The Company recognizes interest expense and penalties related to unrecognized tax benefits within the provision for income taxes. During the year ended January 31, 2017, the Company recognized no expense associated with interest and penalties while during the years ended January 31, 2016 and 2015, the Company recognized approximately $1.7 million and $1.8 million of expense. Accrued interest and penalties are included within accounts payable and accrued liabilities and other long-term liabilities, and were $8.3 million and $7.8 million at January 31, 2017 and 2016.

At January 31, 2017, the Company's gross uncertain tax positions decreased $6.8 million and gross accrued interest and penalties were unchanged from January 31, 2016, primarily as a result of the conclusion of a tax examination during the three months ended April 30, 2016. This settlement resulted in an income tax benefit of $6.6 million for the year ended January 31, 2017, and reduced the effective income tax rate by 1.0 percentage point versus the prior year.

The Company conducts business globally, and, as a result, is subject to taxation in the U.S. and various state and foreign jurisdictions. As a matter of course, tax authorities regularly audit the Company. The Company's tax filings are currently being examined by a number of tax authorities in several jurisdictions, both in the U.S. and in foreign jurisdictions. Ongoing audits where subsidiaries have a material presence include New York City (tax years 2011–2013) and New York State (tax years 2012–2014). Tax years from 2010–present are open to examination in the U.S. Federal jurisdiction and 2006–present are open in various state, local and foreign jurisdictions. As part of these audits, the Company engages in discussions with taxing authorities regarding tax positions. At January 31, 2017, total unrecognized tax benefits were $3.4 million of which approximately $1.0 million, if recognized, would affect the effective income tax rate. As of January 31, 2017, unrecognized tax benefits are not expected to change materially in the next 12 months. Future developments may result in a change in this assessment.

P. SEGMENT INFORMATION

The Company's products are primarily sold in TIFFANY & CO. retail locations around the world. Net sales by geographic area are presented by attributing revenues from external customers on the basis of the country in which the merchandise is sold.

In deciding how to allocate resources and assess performance, the Company's Chief Operating Decision Maker regularly evaluates the performance of its reportable segments on the basis of net sales and earnings from operations, after the elimination of inter-segment sales and transfers. The accounting policies of the reportable segments are the same as those described in the summary of significant accounting policies.

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Certain information relating to the Company's segments is set forth below:

	Years Ended January 31,		
(in millions)	2017	2016	2015
Net sales:			
Americas	$1,841.9	$1,947.0	$2,033.5
Asia-Pacific	999.1	1,003.1	1,025.2
Japan	604.4	541.3	554.3
Europe	457.6	505.7	513.3
Total reportable segments	3,903.0	3,997.1	4,126.3
Other	98.8	107.8	123.6
	$4,001.8	$4,104.9	$4,249.9
Earnings from operations*:			
Americas	$373.0	$390.8	$435.5
Asia-Pacific	256.0	264.4	281.6
Japan	204.6	199.9	196.0
Europe	81.6	97.4	110.5
Total reportable segments	915.2	952.5	1,023.6
Other	5.9	6.4	4.9
	$921.1	$958.9	$1,028.5

* Represents earnings from operations before (i) unallocated corporate expenses, (ii) interest expense, financing costs and other (income) expense, net, (iii) loss on extinguishment of debt, and (iv) other operating expenses.

The Company's Chief Operating Decision Maker does not evaluate the performance of the Company's assets on a segment basis for internal management reporting and, therefore, such information is not presented.

The following table sets forth a reconciliation of the segments' earnings from operations to the Company's consolidated earnings from operations before income taxes:

	Years Ended January 31,		
(in millions)	2017	2016	2015
Earnings from operations for segments	$921.1	$958.9	$1,028.5
Unallocated corporate expenses	(161.9)	(152.1)	(137.1)
Interest expense, financing costs and other (income) expense, net	(44.6)	(50.2)	(60.1)
Loss on extinguishment of debt	—	—	(93.8)
Other operating expense	(38.0)	(46.7)	—
Earnings from operations before income taxes	$676.6	$709.9	$737.5

Unallocated corporate expenses includes certain costs related to administrative support functions which the Company does not allocate to its segments. Such unallocated costs include those for centralized information technology, finance, legal and human resources departments.

Other operating expense in the year ended January 31, 2017 represents an impairment charge related to software costs capitalized in connection with the development of a new finished goods inventory management and merchandising information system and impairment charges related to a financing arrangements with diamond mining and exploration companies. See "Note B. Summary of Significant Accounting Policies" and "Note E. Property, Plant

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and Equipment" for additional details on the asset impairment and "Note B. Summary of Significant Accounting Policies" and "Note J. Commitments and Contingencies" for additional details on the loan impairments.

Other operating expense in the year ended January 31, 2016 represents impairment charges related to a financing arrangement with Koidu and expenses related to specific cost-reduction initiatives. See "Note J. Commitments and Contingencies" for additional details.

Loss on extinguishment of debt in the year ended January 31, 2015 was related to the redemption of $400.0 million in aggregate principal amount of the Private Placement Notes prior to their scheduled maturities. See "Note G. Debt" for additional details.

Sales to unaffiliated customers and long-lived assets by geographic areas were as follows:

	Years Ended January 31,		
(in millions)	2017	2016	2015
Net sales:			
United States	$1,691.4	$1,795.5	$1,870.8
Japan	604.4	541.3	554.3
Other countries	1,706.0	1,768.1	1,824.8
	$4,001.8	$4,104.9	$4,249.9
Long-lived assets:			
United States	$691.3	$706.9	$680.1
Japan	21.7	20.6	24.4
Other countries	269.0	256.7	239.2
	$982.0	$984.2	$943.7

Classes of Similar Products

	Years Ended January 31,		
(in millions)	2017	2016	2015
Net sales:			
High, fine & solitaire jewelry	$779.1	$854.1	$870.4
Engagement jewelry & wedding bands	1,122.0	1,142.2	1,221.0
Fashion jewelry	1,328.9	1,340.7	1,357.6
Designer jewelry	465.0	460.8	481.5
All other	306.8	307.1	319.4
	$4,001.8	$4,104.9	$4,249.9

Items bearing the name of and attributed to one of the Company's "named" designers: Elsa Peretti and Paloma Picasso, which were previously reported across the high, fine & solitaire jewelry, engagement jewelry & wedding bands and fashion jewelry categories, have been reclassified into the designer jewelry category to conform with management's current internal analysis of product sales. Additionally, certain reclassifications within the jewelry categories have been made to the prior years' amounts to conform to the current year category presentation.

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Q. QUARTERLY FINANCIAL DATA (UNAUDITED)

	2016 Quarters Ended*			
(in millions, except per share amounts)	April 30	July 31	October 31	January 31 [a]
Net sales	$891.3	$931.6	$949.3	$1,229.6
Gross profit	545.6	577.1	579.5	788.2
Earnings from operations	134.6	174.9	155.2	256.5
Net earnings	87.5	105.7	95.1	157.8
Net earnings per share:				
Basic	$0.69	$0.84	$0.76	$1.27
Diluted	$0.69	$0.84	$0.76	$1.26

a On a pre-tax basis, includes charges for the quarter ended January 31, 2017 of:

i. $25.4 million, which reduced net earnings per diluted share by $0.13, associated with an impairment charge related to software costs capitalized in connection with the development of a new finished goods inventory management and merchandising information system (see "Note B. Summary of Significant Accounting Policies" and "Note E. Property, Plant and Equipment"); and

ii. $12.6 million, which reduced net earnings per diluted share by $0.06, associated with impairment charges related to financing arrangements with diamond mining and exploration companies (see "Note B. Summary of Significant Accounting Policies" and "Note J. Commitments and Contingencies").

	2015 Quarters Ended*			
(in millions, except per share amounts)	April 30	July 31 [b]	October 31	January 31 [c]
Net sales	$962.4	$990.5	$938.2	$1,213.6
Gross profit	569.0	593.0	564.5	764.8
Earnings from operations	170.0	172.8	156.4	260.9
Net earnings	104.9	104.9	91.0	163.2
Net earnings per share:				
Basic	$0.81	$0.81	$0.71	$1.28
Diluted	$0.81	$0.81	$0.70	$1.28

b On a pre-tax basis, includes a charge of $9.6 million for the quarter ended July 31, 2015, which reduced net earnings per diluted share by $0.05, associated with an impairment charge related to a financing arrangement with Koidu Limited (see "Note B. Summary of Significant Accounting Policies" and "Note J. Commitments and Contingencies").

c On a pre-tax basis, includes charges for the quarter ended January 31, 2016 of:

i. $28.3 million, which reduced net earnings per diluted share by $0.14, associated with an impairment charge related to a financing arrangement with Koidu Limited (see "Note B. Summary of Significant Accounting Policies" and "Note J. Commitments and Contingencies"); and

ii. $8.8 million, which reduced net earnings per diluted share by $0.04, associated with severance related to staffing reductions and subleasing of certain office space for which only a portion of the Company's future rent obligations will be recovered (see "Note J. Commitments and Contingencies").

* The sum of quarterly amounts may not agree with full year amounts due to rounding.

Basic and diluted earnings per share are computed independently for each quarter presented. Accordingly, the sum of the quarterly earnings per share may not agree with the calculated full year earnings per share.

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

NONE

Item 9A. Controls and Procedures.

DISCLOSURE CONTROLS AND PROCEDURES

Based on their evaluation of the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended), the Registrant's principal executive officer and principal financial officer concluded that, as of the end of the period covered by this report, the Registrant's disclosure controls and procedures are effective to ensure that information required to be disclosed by the Registrant in the reports that it files or submits under the Securities Exchange Act of 1934, as amended, is (i) recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and (ii) accumulated and communicated to our management, including our principal executive officer and principal financial officer, to allow timely decisions regarding required disclosure.

In the ordinary course of business, the Registrant reviews its system of internal control over financial reporting and makes changes to its systems and processes to improve controls and increase efficiency, while ensuring that the Registrant maintains an effective internal control environment. Changes may include activities such as implementing new, more efficient systems and automating manual processes.

The Registrant's principal executive officer and principal financial officer have determined that there have been no changes in the Registrant's internal control over financial reporting during the most recently completed fiscal quarter covered by this report identified in connection with the evaluation described above that have materially affected, or are reasonably likely to materially affect, the Registrant's internal control over financial reporting.

The Registrant's management, including its principal executive officer and principal financial officer, necessarily applied their judgment in assessing the costs and benefits of such controls and procedures. By their nature, such controls and procedures cannot provide absolute certainty, but can provide reasonable assurance regarding management's control objectives. Our principal executive officer and our principal financial officer have concluded that the Registrant's disclosure controls and procedures are (i) designed to provide such reasonable assurance and (ii) are effective at that reasonable assurance level.

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Report of Management

Management's Responsibility for Financial Information. The Company's consolidated financial statements were prepared by management, who are responsible for their integrity and objectivity. The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America and, as such, include amounts based on management's best estimates and judgments.

Management is further responsible for maintaining a system of internal accounting control designed to provide reasonable assurance that the Company's assets are adequately safeguarded, and that the accounting records reflect transactions executed in accordance with management's authorization. The system of internal control is continually reviewed and is augmented by written policies and procedures, the careful selection and training of qualified personnel and a program of internal audit.

The consolidated financial statements have been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm. Their report is shown on page K-49. The Audit Committee of the Board of Directors, which is composed solely of independent directors, meets regularly with the Company's management and the independent registered public accounting firm to discuss specific accounting, financial reporting and internal control matters. Both the independent registered public accounting firm and the internal auditors have full and free access to the Audit Committee. Each year the Audit Committee selects the firm that is to perform audit services for the Company.

Management's Report on Internal Control over Financial Reporting. Management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Exchange Act Rule 13a - 15(f). Management conducted an evaluation of the effectiveness of internal control over financial reporting using the criteria set forth by the Committee of Sponsoring Organizations ("COSO") of the Treadway Commission in Internal Control - Integrated Framework issued in 2013. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. Based on this evaluation, management concluded that internal control over financial reporting was effective as of January 31, 2017 based on criteria in Internal Control - Integrated Framework issued by the COSO. The effectiveness of the Company's internal control over financial reporting as of January 31, 2017 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report which is shown on page K-49.

/s/ Michael J. Kowalski
Chairman of the Board and Interim Chief Executive Officer

/s/ Mark J. Erceg
Executive Vice President and Chief Financial Officer

Item 9B. Other Information.

NONE

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PART III

Item 10. Directors, Executive Officers and Corporate Governance.

Incorporated by reference from the sections titled "Section 16(a) Beneficial Ownership Reporting Compliance," "Executive Officers of the Company," "Item 1. Election of the Board," and "Board of Directors and Corporate Governance" in Registrant's Proxy Statement dated April 7, 2017.

CODE OF ETHICS AND OTHER CORPORATE GOVERNANCE DISCLOSURES

Registrant has adopted a Code of Business and Ethical Conduct for its Directors, Chief Executive Officer, Chief Financial Officer and all other officers of the Registrant. A copy of this Code is posted on the corporate governance section of the Registrant's website, http://investor.tiffany.com/governance.cfm; go to "Code of Conduct." The Registrant will also provide a copy of the Code of Business and Ethical Conduct to stockholders upon request.

See Registrant's Proxy Statement dated April 7, 2017, for additional information within the section titled "Business Conduct Policy and Code of Ethics."

Item 11. Executive Compensation.

Incorporated by reference from the section titled "Board of Directors and Corporate Governance" and "Compensation of the CEO and Other Executive Officers" in Registrant's Proxy Statement dated April 7, 2017.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

Incorporated by reference from the section titled "Ownership of the Company" and "Compensation of the CEO and Other Executive Officers" in Registrant's Proxy Statement dated April 7, 2017.

Item 13. Certain Relationships and Related Transactions, and Director Independence.

Incorporated by reference from the sections titled "Board of Directors and Corporate Governance" and "Transactions with Related Persons" in Registrant's Proxy Statement dated April 7, 2017.

Item 14. Principal Accounting Fees and Services.

Incorporated by reference from the section titled "Relationship with Independent Registered Public Accounting Firm" in Registrant's Proxy Statement dated April 7, 2017.

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PART IV

Item 15. Exhibits, Financial Statement Schedules.

(a) List of Documents Filed As Part of This Report:

1. Financial Statements

Report of Independent Registered Public Accounting Firm.

Consolidated Balance Sheets as of January 31, 2017 and 2016.

Consolidated Statements of Earnings for the years ended January 31, 2017, 2016 and 2015.

Consolidated Statements of Comprehensive Earnings for the years ended January 31, 2017, 2016 and 2015.

Consolidated Statements of Stockholders' Equity for the years ended January 31, 2017, 2016 and 2015.

Consolidated Statements of Cash Flows for the years ended January 31, 2017, 2016 and 2015.

Notes to Consolidated Financial Statements.

2. Financial Statement Schedules

The following financial statement schedule should be read in conjunction with the Consolidated Financial Statements:

Schedule II - Valuation and Qualifying Accounts and Reserves.

All other schedules have been omitted since they are not applicable, not required, or because the information required is included in the consolidated financial statements and notes thereto.

3. Exhibits

The information called for by this item is incorporated herein by reference to the Exhibit Index in this report.

Item 16. Form 10-K Summary.

Not Applicable.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: March 17, 2017	TIFFANY & CO. (Registrant)
	By: /s/ Michael J. Kowalski Michael. J. Kowalski Chairman of the Board and Interim Chief Executive Officer

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

By: /s/ Michael J. Kowalski
Michael J. Kowalski
Chairman of the Board and
Interim Chief Executive Officer
(Principal Executive Officer) (Director)

By: /s/ Mark J. Erceg
Mark J. Erceg
Executive Vice President,
Chief Financial Officer
(Principal Financial Officer)

By: /s/ John S. Barresi
John S. Barresi
Vice President, Controller
(Principal Accounting Officer)

By: /s/ Rose Marie Bravo
Rose Marie Bravo
Director

By: /s/ Gary E. Costley
Gary E. Costley
Director

By: /s/ Roger N. Farah
Roger N. Farah
Director

By: /s/ Lawrence K. Fish
Lawrence K. Fish
Director

By: /s/ Abby F. Kohnstamm
Abby F. Kohnstamm
Director

By: /s/ James E. Lillie
James E. Lillie
Director

By: /s/ Charles K. Marquis
Charles K. Marquis
Director

By: /s/ Peter W. May
Peter W. May
Director

By: /s/ William A. Shutzer
William A. Shutzer
Director

By: /s/ Robert S. Singer
Robert S. Singer
Director

By: /s/ Francesco Trapani
Francesco Trapani
Director

March 17, 2017

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EXHIBIT INDEX

Exhibit Table (numbered in accordance with Item 601 of Regulation S-K)

Exhibit No.	Description
3.1	Restated Certificate of Incorporation of Registrant. Incorporated by reference from Exhibit 3.1 to Registrant’s Report on Form 8-K dated May 16, 1996, as amended by the Certificate of Amendment of Certificate of Incorporation dated May 20, 1999. Incorporated by reference from Exhibit 3.1 filed with Registrant’s Report on Form 10-Q for the Fiscal Quarter ended July 31, 1999.
3.1a	Amendment to Certificate of Incorporation of Registrant dated May 18, 2000. Incorporated by reference from Exhibit 3.1b to Registrant's Annual Report on Form 10-K for the Fiscal Year ended January 31, 2001.
3.2	Restated By-laws of Registrant, as last amended March 16, 2017. Incorporated by reference from Exhibit 3.2 to Registrant’s Report on Form 8-K dated March 16, 2017.
4.5	Indenture, dated September 25, 2014, among Registrant, as issuer, and The Bank of New York Mellon Trust Company, as trustee. Incorporated by reference from Exhibit 4.5 to Registrant’s Report on Form 8-K dated September 26, 2014.
4.6	Supplemental Indenture No. 1, dated September 25, 2014, among Registrant, as issuer, certain subsidiaries of Registrant, as guarantors thereto, and The Bank of New York Mellon Trust Company, as trustee. Incorporated by reference from Exhibit 4.6 to Registrant’s Report on Form 8-K dated September 26, 2014.
4.7	Supplemental Indenture No. 2, dated September 25, 2014, among Registrant, as issuer, certain subsidiaries of Registrant, as guarantors thereto, and The Bank of New York Mellon Trust Company, as trustee. Incorporated by reference from Exhibit 4.7 to Registrant’s Report on Form 8-K dated September 26, 2014.
4.8	Upon the request of the Securities and Exchange Commission, Registrant will furnish a copy of all instruments defining the rights of holders of all other long-term debt of Registrant.
10.1	Amended and Restated Agreement, dated as of December 27, 2012, by and between Tiffany and Company and Elsa Peretti. Incorporated by reference from Exhibit 10.123 filed with Registrant's Report on Form 8-K dated January 2, 2013.
10.2	Ground Lease between Tiffany and Company and River Park Business Center, Inc., dated November 29, 2000. Incorporated by reference from Exhibit 10.145 filed with Registrant’s Annual Report on Form 10-K for the Fiscal Year ended January 31, 2005.
10.2a	First Addendum to the Ground Lease between Tiffany and Company and River Park Business Center, Inc., dated November 29, 2000. Incorporated by reference from Exhibit 10.145a filed with Registrant’s Annual Report on Form 10-K for the Fiscal Year ended January 31, 2005.
10.3	Lease Agreement made as of September 28, 2005 between CLF Sylvan Way LLC and Tiffany and Company, and form of Registrant’s guaranty of such lease. Incorporated by reference from Exhibit

	10.149 filed with Registrant's Report on Form 8-K dated September 23, 2005.
10.4	Four Year Credit Agreement dated as of October 7, 2014 by and among Registrant and each other Subsidiary of Registrant that is a Borrower and is a signatory thereto and Bank of America, N.A., as Administrative Agent, and various lenders party thereto. Incorporated by reference from Exhibit 10.37 filed with Registrant's Report on Form 8-K dated October 10, 2014.

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Exhibit No.	Description
10.5	Five Year Credit Agreement dated as of October 7, 2014 by and among Registrant and each other Subsidiary of Registrant that is a Borrower and is a signatory thereto and Bank of America, N.A., as Administrative Agent, and various lenders party thereto. Incorporated by reference from Exhibit 10.39 filed with Registrant's Report on Form 8-K dated October 10, 2014.
10.6	Amended and Restated Note Purchase and Private Shelf Agreement dated as of July 25, 2012 by and among Registrant and various institutional note purchasers with respect to Registrant's $100 million principal amount of 9.05% Series A Senior Notes due December 23, 2015, $150 million principal amount of 4.40% Series B-P Senior Notes due July 25, 2042 and private shelf facility. Incorporated by reference from Exhibit 10.155 filed with Registrant's Report on Form 8-K dated July 27, 2012.
10.6a	Amendment dated as of January 14, 2014 to the Amended and Restated Note Purchase and Private Shelf Agreement (see Exhibit 10.6 above) by and among Registrant, and various institutional note purchasers. Incorporated by reference from Exhibit 10.157 filed with Registrant's Report on Form 8-K dated January 17, 2014.
10.7	Amended and Restated Note Purchase and Private Shelf Agreement dated as of July 25, 2012 by and among Registrant and various institutional note purchasers with respect to Registrant's $50 million principal amount of 10.0% Series A Senior Notes due April 9, 2018, $100 million principal amount of 4.40% Series B-M Senior Notes due July 25, 2042 and up to $50 million private shelf facility. Incorporated by reference from Exhibit 10.159 filed with Registrant's Report on Form 8-K dated July 27, 2012.
10.7a	Amendment dated as of January 14, 2014 to the Amended and Restated Note Purchase and Private Shelf Agreement, dated as of July 25, 2012 (see Exhibit 10.7 above), by and among Registrant and various institutional note purchasers. Incorporated by reference from Exhibit 10.161 filed with Registrant's Report on Form 8-K dated January 17, 2014.
10.8	Note Purchase Agreement dated as of August 26, 2016 by and between Registrant and the institutional note purchasers with respect to Registrant's ¥ 10,000,000,000 principal amount of 0.78% Senior Notes due August 26, 2026. Incorporated by reference from Exhibit 10.37 filed with Registrant's Report on Form 8-K dated September 1, 2016.
10.9	Amortising term loan facility agreement dated March 30, 2011 between and among Koidu Holdings S.A. (as Borrower), BSG Resources Limited (as Guarantor) and Laurelton Diamonds, Inc. (as Original Lender). Incorporated by reference from Exhibit 10.163 filed with Registrant's Report on Form 8-K dated March 30, 2011.
10.9a	Amendment Agreement dated as of May 10, 2011 with respect to the Amortising Term Loan Facility Agreement (see Exhibit 10.9 above) between and among Koidu Holdings S.A. (as Borrower), BSG Resources Limited (as Guarantor) and Laurelton Diamonds, Inc. (as Original Lender). Incorporated by reference from Exhibit 10.15a filed with Registrant's Report on Form 10-K dated March 28, 2013.
10.9b	Second Amendment Agreement dated as of February 12, 2013 with respect to the Amortising Term Loan Facility Agreement (see Exhibit 10.9 above) between and among Koidu Limited (as Borrower), BSG Resources Limited (as Guarantor) and Laurelton Diamonds, Inc. (as Original Lender). Incorporated by reference from Exhibit 10.15b filed with Registrant's Report on Form 10-K dated March 28, 2013.

10.9c	Third Amendment Agreement dated as of March 29, 2013 with respect to the Amortising Term Loan Facility Agreement (see Exhibit 10.9 above) between and among Koidu Limited (as Borrower), BSG Resources Limited (as Guarantor) and Laurelton Diamonds, Inc. (as Original Lender). Incorporated by reference from Exhibit 10.15c filed with Registrant's Report on Form 8-K dated April 2, 2013.

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Exhibit No.	Description
10.9d	Fourth Amendment Agreement dated as of March 31, 2014 with respect to the Amortising Term Loan Facility Agreement (see Exhibit 10.9 above) between and among Koidu Limited (as Borrower), BSG Resources Limited (as Guarantor) and Laurelton Diamonds, Inc. (as Original Lender). Incorporated by reference from Exhibit 10.15d filed with Registrant's Report on Form 8-K dated March 31, 2014.
10.9e	Fifth Amendment Agreement dated as of April 30, 2015 with respect to the Amortising Term Loan Facility Agreement (see Exhibit 10.9 above) between and among Koidu Limited, Octea Limited, BSG Resources Limited and Laurelton Diamonds, Inc. Incorporated by reference from Exhibit 10.14e filed with Registrant's Report on Form 8-K dated May 6, 2015.
10.9f	Sixth Amendment Agreement dated as of October 10, 2016 with respect to the Amortising Term Loan Facility Agreement (see Exhibit 10.9 above) between and among Koidu Limited, Octea Limited, BSG Resources Limited and Laurelton Diamonds, Inc.
10.10	Credit Agreement dated as of July 11, 2016 by and among Tiffany & Co. (Shanghai) Commercial Company Limited, Bank of America, N.A., Shanghai Branch and Mizuho Bank (China), Ltd. as Jointed Coordinators, Mandated Lead Arrangers and Bookrunners, Mizuho Bank (China), Ltd. as Facility Agent and certain other banks and financial institutions party thereto as original lenders. Incorporated by reference from Exhibit 10.15 filed with Registrant's Report on Form 8-K dated July 15, 2016.
10.11	Guaranty Agreement dated as of July 11, 2016, with respect to the Credit Agreement (see Exhibit 10.10 above) by and between Registrant and Mizuho Bank (China), Ltd. as Facility Agent. Incorporated by reference from Exhibit 10.16 filed with Registrant's Report on Form 8-K dated July 15, 2016.
10.12	Cooperation Agreement, dated February 20, 2017, between JANA Partners LLC and Registrant. Incorporated by reference from Exhibit 10.37 filed with Registrant's Report on Form 8-K dated February 21, 2017.
10.13	Cooperation Agreement, dated February 20, 2017, between Francesco Trapani and Registrant. Incorporated by reference from Exhibit 10.38 filed with Registrant's Report on Form 8-K dated February 21, 2017.
12.1	Ratio of Earnings to Fixed Charges.
14.1	Code of Business and Ethical Conduct. Incorporated by reference from Exhibit 14.1 filed with Registrant's Report on Form 8-K dated March 22, 2016.
21.1	Subsidiaries of Registrant.
23.1	Consent of PricewaterhouseCoopers LLP, Independent Registered Public Accounting Firm.
31.1	Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

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Exhibit No.	Description
32.2	Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101	The following financial information from Registrant’s Annual Report on Form 10-K for the fiscal year ended January 31, 2017, filed with the SEC, formatted in Extensible Business Reporting Language (XBRL): (i) the Consolidated Balance Sheets; (ii) the Consolidated Statements of Earnings; (iii) the Consolidated Statements of Comprehensive Earnings; (iv) the Consolidated Statements of Stockholders’ Equity; (v) the Consolidated Statements of Cash Flows; (vi) the Notes to the Consolidated Financial Statements; and (vii) Schedule II - Valuation and Qualifying Accounts and Reserves.

Executive Compensation Plans and Arrangements

Exhibit No.	Description
10.14	Form of Indemnity Agreement, approved by the Board of Directors on March 11, 2005 for use with all directors and executive officers (Corrected Version). Incorporated by reference from Exhibit 10.49a filed with Registrant’s Report on Form 8-K dated May 23, 2005.
10.15	Tiffany and Company Executive Deferral Plan originally made effective October 1, 1989, as amended and restated effective January 19, 2017. Incorporated by reference from Exhibit 10.18 filed with Registrant’s Report on Form 8-K dated January 25, 2017.
10.16	Registrant's Amended and Restated Retirement Plan for Non-Employee Directors originally made effective January 1, 1989, as amended through January 21, 1999. Incorporated by reference from Exhibit 10.108 filed with Registrant's Annual Report on Form 10-K for the Fiscal Year ended January 31, 1999.
10.17	Summary of informal incentive cash bonus plan for managerial employees. Incorporated by reference from Exhibit 10.109 filed with Registrant’s Report on Form 8-K dated March 16, 2005.
10.18	1994 Tiffany and Company Supplemental Retirement Income Plan, Amended and Restated as of March 17, 2016. Incorporated by reference from Exhibit 10.21 filed with Registrant’s Report on Form 8-K dated March 22, 2016.
10.19	Form of 2009 Retention Agreement between and among Registrant and Tiffany and Company and those executive officers indicated within the form and Appendices I and II to such Agreement. Incorporated by reference from Exhibit 10.127c filed with Registrant’s Report on Form 8-K dated February 2, 2009.
10.20	Summary of Executive Long Term Disability Plan available to executive officers. Incorporated by reference from Exhibit 10.24 filed with Registrant’s Report on Form 10-K dated March 28, 2013.
10.20a	Group Long Term Disability Insurance Policy issued by First Unum Life Insurance, Policy No. 533717 001. Incorporated by reference from Exhibit 10.24a filed with Registrant’s Report on Form 10-K dated March 28, 2013.
10.20b	

Individual Disability Insurance Policy issued by Provident Life and Casualty Insurance Company. Incorporated by reference from Exhibit 10.24b filed with Registrant's Report on Form 10-K dated March 28, 2013.

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Exhibit No.	Description
10.20c	Individual Disability Insurance Policy issued by Lloyd's of London. Incorporated by reference from Exhibit 10.24c filed with Registrant's Report on Form 10-K dated March 28, 2013.
10.21	Summary of arrangements for the payment of premiums on life insurance policies owned by executive officers. Incorporated by reference from Exhibit 10.137 filed with Registrant's Report on Form 8-K dated February 2, 2009.
10.22	2004 Tiffany and Company Un-funded Retirement Income Plan to Recognize Compensation in Excess of Internal Revenue Code Limits, Amended and Restated as of January 19, 2017. Incorporated by reference from Exhibit 10.25 filed with Registrant's Report on Form 8-K dated January 25, 2017.
10.23	Registrant's 2005 Employee Incentive Plan Amended and Adopted as of May 21, 2009. Incorporated by reference from Exhibit 10.28b filed with Registrant's Report on Form 10-K dated March 28, 2013.
10.23a	Form of Fiscal 2014 Cash Incentive Award Agreement for certain executive officers as adopted on March 19, 2014 under Registrant's 2005 Employee Incentive Plan. Incorporated by reference from Exhibit 10.139d filed with Registrant's Report on Form 8-K dated March 21, 2014.
10.23b	Form of Non-Competition and Confidentiality Covenants for use in connection with Performance-Based Restricted Stock Unit Grants to Registrant's executive officers and Time-Vested Restricted Unit Awards made to other officers of Registrant's affiliated companies pursuant to the Registrant's 2005 Employee Incentive Plan and pursuant to the Tiffany and Company Un-funded Retirement Income Plan to Recognize Compensation in Excess of Internal Revenue Code Limits. Incorporated by reference from Exhibit 10.141a filed with Registrant's Report on Form 8-K dated May 23, 2005.
10.23c	Stock Option Award (Transferable Non-Qualified Option) under Registrant's 2005 Employee Incentive Plan as revised January 14, 2009 (form used for grants made to executive officers subsequent to that date). Incorporated by reference from Exhibit 10.144b filed with Registrant's Report on Form 8-K dated February 2, 2009.
10.23d	Terms of Time-Vested Restricted Stock Unit Grants under Registrant's 2005 Employee Incentive Plan as revised January 14, 2009 (form used for grants made to employees other than executive officers subsequent to that date). Incorporated by reference from Exhibit 10.150a filed with Registrant's Report on Form 8-K dated February 2, 2009.
10.23e	Terms of Stock Option Award (Transferable Non-Qualified Option) under Registrant's 2005 Employee Incentive Plan. Incorporated by reference from Exhibit 10.28n filed with Registrant's Report on Form 8-K dated September 24, 2013.
10.23f	Terms of Restricted Stock Grant (Non-Transferable) under Registrant's 2005 Employee Incentive Plan. Incorporated by reference from Exhibit 10.28o filed with Registrant's Report on Form 8-K dated September 24, 2013.
10.23g	Terms of Time-Vesting Restricted Stock Unit Grant to executive officers as adopted on November 20, 2013 under Registrant's 2005 Employee Incentive Plan. Incorporated by reference from Exhibit 10.28p filed with Registrant's Report on Form 8-K dated March 21, 2014.

10.23h	Terms of Performance-Based Restricted Stock Unit Grants to executive officers, effective January 15, 2014, under Registrant’s 2005 Employee Incentive Plan. Incorporated by reference from Exhibit 10.28s filed with Registrant’s Report on Form 8-K dated September 19, 2014.

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Exhibit No.	Description
10.23i	Form of Non-Competition and Confidentiality Covenants for use in connection with Performance-Based Restricted Stock Unit Grants to Registrant’s executive officers, and Time-Vesting Restricted Unit Awards and Certain Non-Qualified Retirement Contributions made to other officers of Registrant’s affiliated companies pursuant to Registrant’s 2005 Employee Incentive Plan and pursuant to the Tiffany and Company Deferral Plan. Incorporated by reference from Exhibit 10.28r filed with Registrant’s Report on Form 8-K dated March 21, 2014.
10.23j	Terms of 2014 Amended and Restated Performance-Based Restricted Stock Unit Grant for Michael J. Kowalski. Incorporated by reference from Exhibit 10.27s filed with Registrant’s Report on Form 8-K dated March 24, 2015.
10.23k	Terms of 2015 Amended and Restated Performance-Based Restricted Stock Unit Grant for Michael J. Kowalski. Incorporated by reference from Exhibit 10.27t filed with Registrant’s Report on Form 8-K dated March 24, 2015.
10.24	Registrant's 1998 Directors Option Plan. Incorporated by reference from Exhibit 4.3 to Registrant's Registration Statement on Form S-8, file number 333-67725, filed November 23, 1998.
10.24a	Terms of Stock Option Award (Transferable Non-Qualified Option) under Registrant’s 1998 Directors Option Plan as revised March 7, 2005. Incorporated by reference from Exhibit 10.142 filed with Registrant’s Report on Form 8-K dated March 16, 2005.
10.25	Registrant’s 2008 Directors Equity Compensation Plan. Incorporated by reference from Exhibit 4.3a filed with Registrant’s Report on Form 8-K dated March 23, 2009.
10.25a	Terms of Stock Option Award (Transferable Non-Qualified Option) under Registrant’s 2008 Directors Equity Compensation Plan. Incorporated by reference from Exhibit 10.30a filed with Registrant’s Report on Form 10-K dated March 28, 2013.
10.25b	Terms of Stock Option Award (Transferable Non-Qualified Option) under Registrant’s 2008 Directors Equity Compensation Plan, effective May 26, 2016. Incorporated by reference from Exhibit 10.28c filed with Registrant’s Report on Form 8-K dated June 2, 2016.
10.25c	Terms of Restricted Stock Unit Grant under Registrant’s 2008 Directors Equity Compensation Plan, effective May 26, 2016. Incorporated by reference from Exhibit 10.28d filed with Registrant’s Report on Form 8-K dated June 2, 2016.
10.25d	Terms of Stock Option Award (Transferable Non-Qualified Option) under Registrant’s 2008 Directors Equity Compensation Plan, effective March 16, 2017.
10.25e	Terms of Restricted Stock Unit Grant under Registrant’s 2008 Directors Equity Compensation Plan, effective March 16, 2017.
10.26	Registrant’s 2014 Employee Incentive Plan, amended and restated as of March 16, 2016. Incorporated by reference from Exhibit 10.29 filed with Registrant’s Report on Form 8-K dated March 22, 2016.

10.26a	Terms of Stock Option Award (Transferable Non-Qualified Option) under Registrant’s 2014 Employee Incentive Plan. Incorporated by reference from Exhibit 10.31a filed with Registrant’s Report on Form 8-K dated July 18, 2014.

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Exhibit No.	Description
10.26b	Terms of Cliff-Vesting Restricted Stock Grant (Non-Transferable) under Registrant's 2014 Employee Incentive Plan. Incorporated by reference from Exhibit 10.31b filed with Registrant's Report on Form 8-K dated July 18, 2014.
10.26c	Terms of Tranche-Vesting Restricted Stock Grant (Non-Transferable) under Registrant's 2014 Employee Incentive Plan. Incorporated by reference from Exhibit 10.31c filed with Registrant's Report on Form 8-K dated July 18, 2014.
10.26d	Terms of Time-Vesting Restricted Stock Grant (Non-Transferable) under Registrant's 2014 Employee Incentive Plan. Incorporated by reference from Exhibit 10.31d filed with Registrant's Report on Form 8-K dated July 18, 2014.
10.26e	Amended and Restated Terms of Performance-Based Restricted Stock Unit Grant (Non-Transferable) to executive officers under Registrant's 2014 Employee Incentive Plan, effective January 14, 2015.
10.26f	Form of Fiscal 2016 Cash Incentive Award Agreement for certain executive officers as adopted on March 16, 2016 under Registrant's 2014 Employee Incentive Plan. Incorporated by reference from Exhibit 10.29e filed with Registrant's Report on Form 8-K dated March 22, 2016.
10.26g	Form of Non-Competition and Confidentiality Covenants for use in connection with Performance-Based Restricted Stock Unit Grants to Registrant's executive officers, and Time-Vesting Restricted Unit Awards and Certain Non-Qualified Retirement Contributions made to other officers of Registrant's affiliated companies pursuant to Registrant's 2014 Employee Incentive Plan and pursuant to the Tiffany and Company Executive Deferral Plan. Incorporated by reference from Exhibit 10.29f filed with Registrant's Report on Form 8-K dated March 22, 2016.
10.26h	Terms of Stock Option Award (Transferable Non-Qualified Option) under Registrant's 2014 Employee Incentive Plan, as revised March 16, 2016. Incorporated by reference from Exhibit 10.29g filed with Registrant's Report on Form 8-K dated March 22, 2016.
10.26i	Terms of Tranche-Vesting Restricted Stock Grant (Non-Transferable) under Registrant's 2014 Employee Incentive Plan, as revised March 16, 2016. Incorporated by reference from Exhibit 10.29j filed with Registrant's Report on Form 8-K dated March 22, 2016.
10.26j	Terms of Time-Vesting Restricted Stock Grant (Non-Transferable) under Registrant's 2014 Employee Incentive Plan, as revised March 16, 2016. Incorporated by reference from Exhibit 10.29k filed with Registrant's Report on Form 8-K dated March 22, 2016.
10.26k	Form of Cash Incentive Award Agreement for executive officers as adopted on January 19, 2017 under Registrant's 2014 Employee Incentive Plan. Incorporated by reference from Exhibit 10.29l filed with Registrant's Report on Form 8-K dated January 25, 2017.
10.26l	Form of Non-Competition and Confidentiality Covenants for use in connection with Performance-Based Restricted Stock Unit Grants to Registrant's executive officers, Time-Vesting Restricted Stock Unit Grants, Stock Option Awards and certain non-qualified retirement contributions made to executive officers and certain other officers of Registrant's affiliated companies pursuant to Registrant's 2014 Employee Incentive Plan, the

	Tiffany and Company Executive Deferral Plan and the 2004 Tiffany and Company Un-funded Retirement Income Plan to Recognize Compensation in Excess of Internal Revenue Code Limits. Incorporated by reference from Exhibit 10.29m filed with Registrant’s Report on Form 8-K dated January 25, 2017.
10.26m	Terms of Stock Option Award (Transferable Non-Qualified Option) under Registrant’s 2014 Employee Incentive Plan, as revised January 19, 2017. Incorporated by reference from Exhibit 10.29n filed with Registrant’s Report on Form 8-K dated January 25, 2017.

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Exhibit No.	Description
10.26n	Terms of Performance-Based Restricted Stock Unit Grant (Non-Transferable) to executive officers under Registrant's 2014 Employee Incentive Plan, as revised January 19, 2017. Incorporated by reference from Exhibit 10.29o filed with Registrant's Report on Form 8-K dated January 25, 2017.
10.26o	Terms of Restricted Stock Unit Grant (Non-Transferable) under Registrant's 2014 Employee Incentive Plan, as revised January 19, 2017. Incorporated by reference from Exhibit 10.29p filed with Registrant's Report on Form 8-K dated January 25, 2017.
10.26p	Terms of Stock Option Award (Transferable Non-Qualified Option) granted to Michael J. Kowalski under Registrant's 2014 Employee Incentive Plan on February 15, 2017. Incorporated by reference from Exhibit 10.39 filed with Registrant's Report on Form 8-K/A dated February 22, 2017.
10.27	Senior Executive Employment Agreement between Frederic Cumenal and Tiffany and Company, effective as of March 10, 2011. Incorporated by reference from Exhibit 10.154 filed with Registrant's Report on Form 8-K dated March 21, 2011.
10.28	Employment offer letter, dated as of March 7, 2014, between Ralph Nicoletti and Tiffany and Company. Incorporated by reference from Exhibit 10.33 filed with the Registrant's Report on Form 10-K dated March 20, 2015.
10.29	Employment offer letter, dated as of September 7, 2016, between Mark J. Erceg and Tiffany and Company.
10.30	Employment offer letter, dated as of April 18, 2014, between Jean-Marc Bellaiche and Tiffany and Company. Incorporated by reference from Exhibit 10.32 to Registrant's Annual Report on Form 10-K for the Fiscal Year ended January 31, 2016.
10.31	Employment offer letter, dated as of December 19, 2014, between Jennifer de Winter and Tiffany and Company. Incorporated by reference from Exhibit 10.33 to Registrant's Annual Report on Form 10-K for the Fiscal Year ended January 31, 2016.
10.32	Employment offer letter, dated as of June 15, 2015, between Philippe Galtie and Tiffany and Company.
10.33	Form of 2016 Retention Agreement with Registrant and Tiffany and Company. Incorporated by reference from Exhibit 10.34 filed with Registrant's Report on Form 8-K dated March 22, 2016.
10.34	Share Ownership Policy for Executive Officers and Directors, Amended and Restated as of November 19, 2014. Incorporated by reference from Exhibit 10.152 filed with Registrant's Report on Form 8-K dated December 1, 2014.
10.35	Separation Agreement and Release, dated as of March 6, 2017, by and among Registrant, Tiffany and Company and Frederic Cumenal. Incorporated by reference from Exhibit 10.41 filed with the Registrant's Report on Form 8-K dated March 6, 2017.
10.36	Form of Retention Agreement with Registrant and Tiffany and Company, adopted March 15, 2017.
10.37	

Corporate Governance Principles, amended and restated effective March 16, 2017. Incorporated by reference from Exhibit 10.42 to Registrant's Report on Form 8-K dated March 16, 2017.

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Tiffany & Co. and Subsidiaries
Schedule II - Valuation and Qualifying Accounts and Reserves
(in millions)

Column A	Column B	Column C		Column D		Column E
Description	Balance at beginning of period	Additions Charged to costs and expenses	Charged to other accounts	Deductions		Balance at end of period
Year Ended January 31, 2017:						
Reserves deducted from assets:						
Accounts receivable allowances:						
Doubtful accounts	$ 3.2	$ 3.8	$ —	$ 5.1	a	$ 1.9
Sales returns	8.3	2.5	—	1.2	b	9.6
Allowance for inventory liquidation and obsolescence	59.2	19.2	—	13.0	c	65.4
Allowance for inventory shrinkage	1.2	0.5	—	0.7	d	1.0
Deferred tax valuation allowance	19.5	5.0	—	0.4	e	24.1

a) Uncollectible accounts written off.
b) Adjustment related to sales returns previously provided for.
c) Liquidation of inventory previously written down to market.
d) Physical inventory losses.
e) Reversal of deferred tax valuation allowance and utilization of deferred tax loss carryforward.

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Tiffany & Co. and Subsidiaries
Schedule II - Valuation and Qualifying Accounts and Reserves
(in millions)

Column A	Column B	Column C		Column D		Column E
Description	Balance at beginning of period	Additions Charged to costs and expenses	Charged to other accounts	Deductions		Balance at end of period
Year Ended January 31, 2016:						
Reserves deducted from assets:						
Accounts receivable allowances:						
Doubtful accounts	$ 1.8	$ 4.4	$ —	$ 3.0	a	$ 3.2
Sales returns	8.8	3.5	—	4.0	b	8.3
Allowance for inventory liquidation and obsolescence	63.2	25.4	—	29.4	c	59.2
Allowance for inventory shrinkage	2.2	0.8	—	1.8	d	1.2
Deferred tax valuation allowance	16.2	5.3	—	2.0	e	19.5

a) Uncollectible accounts written off.
b) Adjustment related to sales returns previously provided for.
c) Liquidation of inventory previously written down to market.
d) Physical inventory losses.
e) Reversal of deferred tax valuation allowance and utilization of deferred tax loss carryforward.

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Tiffany & Co. and Subsidiaries
Schedule II - Valuation and Qualifying Accounts and Reserves
(in millions)

Column A	Column B	Column C		Column D		Column E
Description	Balance at beginning of period	Additions Charged to costs and expenses	Charged to other accounts	Deductions		Balance at end of period
Year Ended January 31, 2015:						
Reserves deducted from assets:						
Accounts receivable allowances:						
Doubtful accounts	$ 1.9	$ 1.9	$ —	$ 2.0	a	$ 1.8
Sales returns	8.5	1.9	—	1.6	b	8.8
Allowance for inventory liquidation and obsolescence	64.1	33.6	—	34.5	c	63.2
Allowance for inventory shrinkage	1.5	2.6	—	1.9	d	2.2
Deferred tax valuation allowance	17.7	4.0	—	5.5	e	16.2

a) Uncollectible accounts written off.
b) Adjustment related to sales returns previously provided for.
c) Liquidation of inventory previously written down to market.
d) Physical inventory losses.
e) Reversal of deferred tax valuation allowance and utilization of deferred tax loss carryforward.