MYERS INDUSTRIES INC
Form DEF 14A
March 21, 2017

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

SCHEDULE 14A

(RULE 14A-101)

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 Material Pursuant to §240.14a-12

MYERS INDUSTRIES, 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):

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(3) Filing Party:

(4) Date Filed:

NOTICE OF 2017

ANNUAL MEETING OF SHAREHOLDERS

AND PROXY STATEMENT

1293 South Main Street — Akron, Ohio 44301

March 21, 2017

Dear Fellow Shareholders,

On behalf of the Board of Directors of Myers, I am writing to update you about our work on behalf of the shareholders of the company.

The board has been actively engaged in one of its most important functions: hiring and monitoring management. Our very capable and highly energetic CEO, Dave Banyard, assumed that role in December 2015. A new head of Human Resources, Kevin Gehrt, came aboard in September and Matteo Anversa joined Myers as its Chief Financial Officer in December. Our two business segments gained new leadership as well, with Mike Valentino becoming head of the Material Handling segment and Alex Williamson being named head of the Distribution segment, both highly qualified internal candidates.

Vice President and Controller Kevin Brackman earned our thanks for his diligent and conscientious work as Interim Chief Financial Officer, from March through November.

As a board, we are a relatively new team. Three directors joined the Myers board between 2007 and 2010, and five directors joined the board in the past two years. Myers' board now includes two women, with Jane Scaccetti's election in April 2016. Myers follows several best practices in corporate governance. For example, we conduct annual elections for all directors, we ensure there is an independent board chair and committees of only independent board members, and we have engaged an independent third party to conduct annual self-evaluations of our board.

During the summer and fall, the board engaged in comprehensive and vigorous strategy sessions. These dynamic discussions continue as strategy implementation begins.

The Myers board has three Committees: Audit, Compensation, and Nominating & Governance. Our Audit Chair, Bob Stefanko, worked tirelessly with management, our external accounting team of Ernst & Young LLP, internal auditors, and consultants to improve the company's controls. In April 2016, the board approved implementation of more robust internal control procedures for financial reporting. Between meetings, Bob has been reporting on the status of the implementation of these procedures to the Audit Committee and to the full board. Given our prior material weaknesses in internal controls, the Audit Committee has been holding intensive and lengthy meetings, scheduled independently of other Committee and board meetings. We believe we are effectively addressing the internal control issues with these robust, sustainable process improvements.

Our relatively new Compensation Committee Chair, Sarah Coffin, led our efforts to design shareholder-aligned compensation packages to attract high-quality executives to Myers, while at the same time making changes to reflect industry and governance best practices. For example, the company does not enter into employment contracts, nor do we reprice underwater options or provide perquisites. The majority of compensation is tied to financial performance and long-term incentives—our objective is to align management and shareholders' interests. We want our management to act like all of us as owners and have designed our compensation plans to reflect this goal.

Our Nominating and Governance Chair, John Crowe, continues to emphasize ongoing director education, while monitoring conferences and symposiums attended by the directors and information sharing by fellow directors. In September, a number of us attended the annual meeting of the National Association of Corporate Directors. Over several days, we learned about best practices of corporate governance, which we shared with the full board. Importantly, in both January 2016 and January 2017, the entire board conducted an evaluation using an independent third party. In each of these past two years, we have evaluated individual directors, each committee, and the board as a whole. The results of this comprehensive exercise have been communicated, confidentially, to

each director and to the board by outside counsel. We believe this exercise, used by only a minority of companies, has been enormously useful in optimizing the effectiveness of the Myers' board on behalf of our shareholders. In addition, this committee is focused on succession planning and discusses this topic at each meeting.

In an effort to improve our "say on pay" results by better articulating our compensation practices and governance principles, last fall we reached out to leading proxy advisors and each of the company's shareholders who owned more than 1% of our shares to solicit their opinions. We are pleased that ten of thirteen of such shareholders agreed to engage with us in order to discuss governance and compensation matters. From September through November, Sarah Coffin, our head of investor relations, Monica Vinay, and I spoke with these shareholders (who, cumulatively, own approximately 65% of Myers' shares). We greatly appreciated the frank conversations and these shareholders' valuable insights on a number of matters (including, but not limited to, board composition, compensation, say on pay, strategic planning, and over boarding of directors) and have adopted improvements as a result of this feedback.

We welcome feedback from our owners. Shareholders may send such communications by email to governance@myersind.com or by mail or courier delivery addressed as follows: Board of Directors (or Committee Chair, Board Member or Non-Management Directors, as the case requires), c/o Chief Financial Officer and Corporate Secretary, Myers Industries, Inc., 1293 South Main Street, Akron, Ohio 44301 as more fully outlined in our Communication Procedures for Interested Parties and Shareholders available on the Company's website www.myersind.com.

The board remained active and engaged throughout 2016 and begins 2017 with a renewed commitment to building long-term shareholder value at Myers. Thank you for your continued support of the company and confidence in our efforts on your behalf.

Sincerely,
F. Jack Liebau, Jr.
Chairman of the Board

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Dear Shareholders,

The Board of Directors has fixed the close of business on March 2, 2017 as the record date for the determination of shareholders entitled to notice of and to vote at the Annual Meeting. This Proxy Statement, together with the related proxy card and our 2016 Annual Report to Shareholders, is being mailed to our shareholders on or about March 21, 2017. To be sure that your shares are properly represented at the Annual Meeting, whether or not you intend to attend the Annual Meeting via live webcast or in person, please complete and return the enclosed proxy card, or follow the instructions to vote by telephone or internet, as soon as possible.

If you have any questions or need assistance in voting your shares, please contact our Investor Relations Department at (330) 761-6212.

By Order of the Board of Directors,

R. DAVID BANYARD
President and Chief Executive Officer

Akron, Ohio

March 21, 2017

THE 2016 ANNUAL REPORT TO SHAREHOLDERS ACCOMPANIES THIS NOTICE

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Shareholders to be held on April 26, 2017 (the “Annual Meeting”): This Proxy Statement and the Company’s 2016 Annual Report to Shareholders are available on Myers’ website at http://investor.myersindustries.com/investor-relations/financial-information/default.aspx.

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

Date:	Wednesday, April 26, 2017
Time:	9:00 A.M. (local time)
Location:	The live webcast of the meeting will be available on the Investor Relations section of the Company's website at www.myersindustries.com and the meeting will be held in person at: 1554 South Main Street, Akron, OH 44301.
Record Date:	March 2, 2017

Items of Business

1. To elect the nine candidates nominated by the Board of Directors to serve as directors until the next Annual Meeting of Shareholders;

2. To cast a non-binding advisory vote to approve executive compensation;

3. To provide an advisory vote on the frequency of future advisory votes regarding the Company's executive compensation;

4. To approve the adoption of the Amended and Restated 2017 Incentive Stock Plan;

5. To ratify the appointment of Ernst & Young LLP as the Company's independent registered public accounting firm for fiscal 2017; and

6. To consider such other business as may be properly brought before the meeting or any adjournments thereof.

The Board recommends that you vote "FOR" each of the director nominees included in Proposal No. 1, "FOR" each of the Proposals 2, 4 and 5 and for a frequency of one (1) year for Proposal 3. The full text of these proposals is set forth in the accompanying Proxy Statement.

How to Vote

By Telephone	By Internet	By Mail	Via Webcast or In Person
You may vote by calling 1-800-690-6903.	You may vote online at www.proxyvote.com.	You may vote by completing and returning the enclosed	All shareholders are cordially invited to attend the Annual

proxy card.	Meeting via live webcast or in person.

PROXY STATEMENT SUMMARY

Below are the highlights of important information you will find in this Proxy Statement. As this is only a summary, we request you please review the full Proxy Statement before casting your vote.

Meeting Information

Time and Date:

9:00 a.m., Eastern Standard Time, on Wednesday, April 26, 2017

Location:

The live webcast of the meeting will be available on the Investor Relations section of the Company's website at www.myersindustries.com and the meeting will be held in person at: 1554 South Main Street, Akron, OH 44301.

Audio Webcast:

On our website, www.myersindustries.com, under the Investor Relations tab

Summary of Voting Matters

Voting Matter	Board Recommendation	Page
Proposal 1 – Election of Directors	FOR EACH NOMINEE	15
Proposal 2 – Advisory Vote to Approve Executive Compensation	FOR	27
Proposal 3 – Advisory Vote on Frequency of Future Advisory Votes on Executive Compensation	FOR	29
Proposal 4 – Approval of Adoption of Amended and Restated 2017 Incentive Stock Plan	FOR	53
Proposal 5 – Ratification of Appointment of Independent Registered Public Accounting Firm	FOR	59

Recent Highlights and Achievements

New Leadership: Myers Industries recently hired and promoted new leaders to key positions:

- Dave Banyard, President and CEO. Mr. Banyard brings significant experience to the Company, including a proven track record of outperforming market growth, expanding profit margins and driving improved cash flow performance
- Matteo Anversa, Executive Vice President, CFO, and Secretary. Mr. Anversa brings an extensive background in operational finance, planning and analysis, internal audit, controls and compliance
- Kevin Gehrt, Vice President of Human Resources. Mr. Gehrt brings an extensive background in talent development and management, sales productivity and continuous improvement, corporate governance, organization design, compensation, and employee benefits
- Promoted Mike Valentino to Group President, Material Handling Segment, and Alex Williamson to Group President, Distribution Segment

Business Highlights: Myers Industries completed several key steps towards executing its long-term strategy:

- Niche market success and growth: The Company grew its niche market presence through a number of wins in two of its strategic markets - Vehicle and Auto Aftermarket
- Improved operating model: The Company significantly reduced working capital at certain businesses and reduced inventory at each of its businesses in the Material Handling Segment

- Improved internal controls process: The Company reviewed and has improved the internal control processes at every business
- Returned cash to shareholders: The Company returned $16 million of cash to shareholders through dividend payments

PROXY STATEMENT SUMMARY (CONTINUED)

Enterprise Strategy: The Company's management and Board of Directors of the Company (the "Board" or "Board of Directors") have together developed a strategic vision for the Company. This strategy is guided by three key operating principles:

- Niche market focus
- Flexible operations
- Strong cash flow growth

The Company will execute this strategy using the following business model:

- Segmentation of each market
- Deeper penetration of each segment with existing products and innovative new products
- Simplified and well organized operations
- Adopting and implementing 80/20 and lean principles
- Producing only the highest value-add products and using partners for all others
- Employing an asset light business model
- Deploying cash flow on value enhancing acquisitions

The Company's management aims to instill a culture where safety and efficiency are part of every aspect of the business, and where employees are empowered to act like owners. The Company's management and Board of Directors work hand-in-hand to develop our strategic vision and together review the Company's strategy and performance periodically throughout the year.

Enhancement of Internal Controls: In 2016, following the review and approval of the Board, the Company (under the oversight of the Audit Committee) took a number of actions to improve and ensure effective internal controls over financial reporting, including:

- Reviewed and updated internal control processes and documentation at every business to identify and remediate control gaps
- Completed independent balance sheet and account reconciliation reviews at every business unit during the calendar year 2016
- Ensured all reviews were conducted by members of the corporate controller group
- Supplemented the technical competence of the accounting staff with additional training and resources

Management provided monthly updates to the Audit Committee Chair and quarterly updates to the entire Audit Committee regarding the Company's internal controls over financial reporting.

PROXY STATEMENT SUMMARY (CONTINUED)

Governance Highlights

Myers Industries is committed to applying sound corporate governance practices. We believe sound governance practices are in the best interest of our shareholders, and strengthen accountability within the organization.

Annual Elections	Yes	Stock Ownership Guidelines for Executives	Yes
Independent Board Chair	Yes	Anti-Hedging and Anti-Pledging	Yes
Board Independence	89%	Code of Conduct and Ethics	Yes
Committee Independence	100%	Board Member Recruiting Guidelines	Yes
Number of Financial Experts	4	Executive Sessions of the Board	Yes
Board Diversity	22% female	Anonymous Reporting	Yes
Board Committees Complete Annual Self-Evaluations	Yes	Clawback Policy	Yes
Over-Boarding Policy	Yes		

Director Nominees

You are being asked to vote on the election of the following nine director candidates. Detailed information on each director is available starting on page 16.

					Committee Memberships		
		Director					Corporate
Name	Age	Since	Experience	Independent	Audit	Compensation	Governance
R. David Banyard	48	2016	President, CEO, Myers Industries. Inc.	No			
Sarah R. Coffin	64	2010	Former CEO, Aspen Growth Strategies, LLC.	Yes		CHAIR	
John B. Crowe	70	2009	Former CEO and Chairman of Buckeye Technologies, Inc.	Yes			CHAIR
William A. Foley	69	2011	Chairman of the Board and CEO, Libbey Inc. (NYSE: LBY)	Yes			
Daniel R. Lee	60	2016	CEO, President and Director of Full House Resorts, Inc.	Yes			
F. Jack Liebau, Jr. Chairman*	53	2015	Former President and CEO of Roundwood Asset Management	Yes			
Bruce M. Lisman	70	2015	Former Chairman of the Global Equity Division, JP Morgan Chase & Co. (NYSE: JPM)	Yes			
Jane Scaccetti	62	2016	CEO and founding partner of Drucker & Scaccetti	Yes			
Robert A. Stefanko	74	2007	Former Chairman and EVP of Finance and Administration of A. Schulman, Inc. (NASDAQ)	Yes	CHAIR		

*Mr. Liebau is an ex officio member of each of the Company’s committees.

PROXY STATEMENT SUMMARY (CONTINUED)

Board Overview

Myers has an experienced and effective Board focused on shareholder value creation. The Board is composed of nine members, eight of whom are independent. The below charts highlight the Board's composition and experience.

Board Composition

Director Experience

PROXY STATEMENT SUMMARY (CONTINUED)

Shareholder Outreach

We believe engaging in shareholder outreach is an important element of strong corporate governance. In 2016, members of our Board and executive management acted on this belief and reached out to the top 13 shareholders who own 1% or greater of outstanding shares and represent 75% of total shares outstanding. Following this outreach, conference calls were conducted with 10 of the 13 shareholders initially approached, whose ownership represented approximately 65% of total shares outstanding. During our outreach meetings, we discussed with shareholders corporate governance matters (including the Company's independent Board evaluations), the Company's performance and strategy, executive compensation practices and metrics, board composition and other items of shareholder interest. This dialogue with shareholders was considered in the development of the changes to our compensation program for 2017 and has led to the enhanced disclosure in and presentation of this Proxy Statement and the adoption of an over-boarding policy.

In addition, each spring, we mail all shareholders a copy of the Company's Annual Report and Proxy Statement.

At any time during the year shareholders may access our Annual Report, Proxy Statement, financial presentations, and corporate governance guidelines at www.myersindustries.com. Shareholders may contact any director, committee of the board, non-management director or the Board.

via U.S. Mail at:

Myers Industries, Inc.

c/o Corporate Secretary

1293 South Main Street

Akron, Ohio 44301

via e-mail at:

governance@myersind.com

A toll free hotline has also been established if an interested party wishes to contact a director, a committee of the board, a non-management director or the Board by phone. The number is 877-285-4145 and is available worldwide 24 hours a day, seven days a week.

Executive Compensation Overview

Myers Industries' executive compensation program, set forth by the Compensation Committee, is designed to implement our executive pay philosophy to:

- Attract and retain talented and experienced executives and other key employees
- Ensure that the actual compensation paid to our executive officers is aligned and correlated with financial performance and changes in shareholder value ("pay for performance")
- Motivate our executive officers to achieve short-term and long-term Company goals that will increase shareholder value
- Reward executives whose knowledge, skills and performance are crucial to our success

Compensation Practices

What We Do	What We Don't Do
Pay for Performance	Enter into Employment Contracts
Reasonable Post-Employment/Change in Control Provisions	Offer Tax Gross-Ups
Double Trigger Change in Control Provisions	Reprice Underwater Options
Stock Ownership Guidelines	Allow Cash Buyouts of Underwater Options
Independent Compensation Advisors	Permit Short Sales by Directors, Officers, or Employees
Tally Sheet to Evaluate and Monitor NEO Compensation	Provide Perquisites
Clawback Policy	No Hedging or Pledging of Company Stock

PROXY STATEMENT SUMMARY (CONTINUED)

Elements of Compensation for 2016

In 2015 and 2016, to achieve the Company's compensation goals of attracting and retaining top talent while aligning awards to performance results of the Company and increasing shareholder value, the Compensation Committee approved certain changes to the Company's compensation program (including paying a portion of the CEO's and CFO's long-term incentives in performance restricted stock units instead of cash; updating performance metrics for annual bonuses to focus on achieving budgeted operating profit, growth in operating profit and budgeted cash flow; and discontinuing executive perquisites).

Compensation Element		Component	Performance Metrics	Objective
Base Salary	The guaranteed part of our executives' pay. We pay base salaries to recognize the skills, competencies, experience, and performance an executive brings to his or her role	Cash	None	Competitive level of fixed compensation.
Annual Bonus	In keeping with our policy of rewarding our executive officers for performance, executives, including our NEOs, were eligible to earn annual incentives under our annual incentive plan	Cash	• Achieving budgeted operating profit • Growth in operating profit • Achieving budgeted cash flow	Increase executive's focus on specific short-term corporate operational goals.
Long-Term Incentives	Our use of long-term incentives reflects the belief that a significant component of executive compensation should be at risk and is linked to shareholder value creation by focusing on share price and/or achievement of financial performance objectives	• Performance stock units • Stock options • Restricted stock units	Performance stock units: Tied to ROIC achievement over 3 years	Motivate and reward our executive officers for increasing shareholder value and promotes our long-term interests by aiding in the retention of high-quality executives.
Retirement and Other Benefits	We maintain qualified and nonqualified retirement programs to provide our executives and other employees' basic life and income security needs	• Qualified retirement plan • Annual Physical Examination • SERP	None	Part of a broad-based benefit plan offered to all employees.

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PROXY STATEMENT SUMMARY (CONTINUED)

2016 Named Executive Officer (NEO) Pay Mix*

2016 CEO Compensation Mix at Target

2016 CFO Compensation Mix at Target

* “Fixed” compensation includes salary and service-based restricted stock; “variable compensation includes annual bonuses, performance stock units and stock options; “long-term” compensation includes stock options, performance stock units and restricted stock, and “short-term” compensation includes salary and annual bonuses. CFO compensation represents compensation for Mr. Anversa, who joined the Company in December 2016.

2017 Compensation Program Updates

As part of its ongoing efforts to achieve the Company’s performance goals, the Compensation Committee also approved a number of changes to the Company’s compensation program for 2017, among other changes:

- Revised Long-Term Incentive Mix for Executive Management – The Compensation Committee has adopted the following long-term incentive award mix for executive management to focus on key performance objectives and increase share price and share ownership, while creating greater alignment with shareholder returns:
  - 50% performance restricted stock units
  - 30% stock options
  - 20% restricted stock units

In addition, the Compensation Committee revised the long-term incentive and annual bonus performance metrics (as described below). These metrics were adopted to better align with the Company’s strategy and to more effectively align Company performance to compensation. Additionally, these metrics are used by management to assess operating performance of the business.

PROXY STATEMENT SUMMARY (CONTINUED)

- Revised Annual Bonus Performance Metrics. For 2017 annual bonuses, performance will be determined using the following metrics:
  - Operating income growth – 70% weighting
  - Individual performance targets – 30% weighting
- Revised Long-Term Incentive Performance Metrics. For the 2017-2019 performance cycle, performance will be determined using the following metrics:
  - Cumulative EBITDA over the performance period – 50% weighting
  - Free cash flow as a percentage of sales over the performance period – 50% weighting

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Corporate Governance and Compensation Guidelines

The Board of Directors is committed to maintaining a sound corporate governance structure that promotes the best interests of our shareholders. The Company has adopted “Corporate Governance Guidelines” and a “Code of Business Conduct and Ethics” for the Company’s directors, officers and employees. Each of our corporate governance policies is available on the Corporate Governance page accessed from the Investor Relations page of our website at www.myersindustries.com.

Corporate Governance and Compensation Practices

Below is a discussion of our corporate governance and compensation practices and policies:

Shareholder Outreach

The Company and members of the Board have conducted considerable shareholder outreach, through which we have sought ongoing input from our largest institutional investors and other stockholders holding approximately 75% of our outstanding shares.

Following this outreach, discussions were ultimately conducted with 10 of the shareholders initially approached, whose ownership represented approximately 65% of the Company’s outstanding shares regarding, and the Company received feedback on:

- corporate governance matters, including independent Board evaluations
- the Company’s performance, strategy, and executive compensation practices
- the Board’s composition

We value shareholder views and insights, and our dialogue with shareholders has led to the enhanced disclosure in and presentation of this Proxy Statement and the adoption of an over-boarding policy.

Annual Elections

In accordance with best practices, all of our directors are elected annually.

Independent Chairman

- Since October 2009, the Company has maintained an independent Chairman. F. Jack Liebau has served as the independent Chairman since the 2016 Annual Meeting of Shareholders
- The Company believes this leadership structure is appropriate for the Company as it further aligns the interests of the Company and our shareholders by ensuring independent leadership of the Board
- The independent Chairman serves as a liaison between our directors and the Company’s management and helps to maintain open communication and discussion by the Board
- Our independent Chairman is an ex officio member of each of our standing committees
- Duties of the Chairman are specified in the Charter of the Chairman of the Board of Directors and include serving in a presiding capacity, coordinating the activities of the Board, and such other duties and responsibilities as the Board may determine from time-to-time. This charter is available on our website at www.myersindustries.com on the Corporate Governance page accessed from the Investor Relations page

Board and Committee Independence

- Periodic Review of Director Independence: On an ongoing basis, the Board of Directors reviews the independence of each director using the current standards for "independence" established by the New York Stock Exchange ("NYSE") and other applicable regulations and considers any other material relationships a director may have with the Company as disclosed in annual director and officer questionnaires. The Company's Corporate Governance Guidelines provide that a majority of the Board of Directors be comprised of independent directors and the charters of each of the Board's committees require that all committee members be independent.
- Independence Determination: The Board has determined that Mses. Coffin and Scaccetti and Messrs. Crowe, Foley, Lee, Liebau, Lisman and Stefanko (all of its current members except for Mr. Banyard, our President and Chief Executive Officer) are independent under these standards. The determination of whether a director is "independent" is based upon the Board's review of the relationships between each director and the Company, if any, under the Company's "Board of Directors Independence Criteria" policy, and the corporate governance listing standards of the NYSE. In connection with the Board's determination regarding the independence of each non-management director and nominee, the Board considered any transactions, relationships and arrangements as required by our independence guidelines. In particular, the Board considered the following relationships:
- Committee Independence: All members of the Company's Audit Committee, Compensation Committee and Corporate Governance and Nominating Committee (the "Governance Committee") have been determined to be independent directors. In addition, the Board has determined that the members of the Audit Committee and Compensation Committee meet the additional independence criteria required for such committee membership under the applicable NYSE listing standards.
- Other Relationships: Except as set forth in this Proxy Statement, neither the Company nor any of the Board nominees or any of their associates have or will have any arrangements or understandings with any person with respect to any future employment by the Company or its affiliates or with respect to any future transactions to which the Company or any of its affiliates will or may be a party.

Director Resignation Policy

- Pursuant to the Company's director resignation policy, in an uncontested election, any incumbent director who receives a greater number of votes "Withheld" or "Against" his or her election than votes "For" his or her election (and with respect to such incumbent director's election at least 25% of the Company's shares outstanding and entitled to vote thereon were "Withheld" or voted "Against" the election of such director) shall submit an offer of resignation to the Board of Directors.

- The Governance Committee will then recommend to the Board whether to accept or reject any tendered resignations, and the Board will decide whether to accept or reject such tendered resignations.

- The Board's decision will be publicly disclosed in a Current Report on Form 8-K filed with the Securities and Exchange Commission (the "SEC").

- If an incumbent director's tendered resignation is rejected, he or she will continue to serve until his or her successor is elected, or until his or her earlier resignation, removal from office, or death. If an incumbent director's tendered resignation is accepted, then the Board will have the sole discretion to fill any resulting vacancy to the extent permitted by the Company's Amended and Restated Code of Regulations.

Over-Boarding Policy

The Company has adopted a policy that the maximum number of public company boards on which a non-CEO director may sit is five (including the Company's board) and the maximum number of public company boards on which a CEO director may sit is three (including the Company's board).

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Board Role in Risk Oversight

The Board annually reviews the Company's strategic plan, which addresses, among other things, the risks and opportunities facing the Company. Certain areas of oversight are delegated to the relevant Committees of the Board and the Committees regularly report back on their deliberations. This oversight is enabled by reporting processes that are designed to provide visibility to the Board about the identification, assessment, monitoring and management of enterprise-wide risks. Every year, management conducts an enterprise-wide risk assessment of the Company and each of its business segments and presents the assessment to the Board for review. The focus of this assessment includes a review of strategic, financial, operational, compliance and technology objectives and risks for the Company. In addition, on an ongoing basis:

- Audit Committee: The Audit Committee maintains primary responsibility for oversight of risks and exposures pertaining to the IT, accounting, auditing and financial reporting processes of the Company
- Compensation Committee: The Compensation Committee maintains primary responsibility for risks and exposures associated with oversight of the administration and implementation of our compensation policies
- Governance Committee: The Governance Committee maintains primary responsibility for risks and exposures associated with corporate governance and succession planning

Clawback Policy

The Company maintains a "Clawback Policy" that provides for the recoupment of certain incentive compensation in the event of an accounting restatement resulting from material noncompliance (whether or not based upon misconduct) with financial reporting requirements under the federal securities laws. The Clawback Policy is administered by the Compensation Committee and applies to current and former executive officers and such other employees who may from time to time be deemed subject to the policy by the Compensation Committee.

Succession Planning

Our Board, in coordination with the Governance Committee, oversees succession planning for the CEO and other officers of the Company, which is considered at least annually. As part of its succession planning oversight, the Board reviews the senior management team's experience, skills, competence and potential, in order to assess which executives have the ability to develop the attributes that the Board believes are necessary to lead and execute the Company's strategic vision.

Stock Ownership Guidelines

The Company maintains "Stock Ownership Guidelines" whereby our executive officers and non-employee directors are expected to hold a specified amount of our common stock. These expectations are as follows:

- CEO: 5X annual base salary
- CFO: 3X annual base salary
- Non-Employee Directors: 5X annual cash Board retainer

The executive officers and non-employee directors have five years from the effective date of the guidelines to attain the ownership requirement. These "Stock Ownership Guidelines" are available on the Corporate Governance page accessed from the Investor Relations page of the Company's website at www.myersindustries.com.

Anti-Hedging and Pledging Policy

The Company prohibits directors, officers and employees from engaging in any hedging or pledging transactions with respect to Company shares.

Board Member Recruiting Guidelines

The Company's Board Member Recruiting Guidelines outline the process for nominating potential director candidates to the Governance Committee. These recruiting guidelines are available on the Corporate Governance page accessed from the Investor Relations page of the Company's website at www.myersindustries.com.

Executive Sessions of the Board

The Board has a policy requiring the non-management directors, both as to the Board and in their respective Committees, to meet regularly in executive session without any management personnel or employee directors present. During 2016, the Board and each Committee met regularly in executive session as follows: Board, 11 times; Audit Committee, 6 times; Compensation Committee, 5 times; and the Governance Committee, 5 times.

Presiding Directors

The Chairman of each Committee was selected as the Presiding Director for the executive sessions of the applicable Committee of the Board.

Anonymous Reporting

The Audit Committee maintains procedures, including a worldwide telephone “hotline,” which allows employees and interested parties to report any financial or other concerns anonymously as further detailed under “Shareholder Communication with Directors” below.

Code of Ethics

We have a “Code of Business Conduct and Ethics” which incorporates a “Code of Ethical Conduct for the Finance Officers and Finance Department Personnel,” which embodies our commitment to ethical and legal business practices, as well as satisfying the NYSE requirements to implement and maintain such policies. The Board expects all of our officers, directors and other members of our workforce to act ethically at all times. This policy is available on our website at www.myersindustries.com on the Corporate Governance page accessed from the Investor Relations page.

Annual Board and Committee Self-Assessments

The Board conducts annual self-assessments of the Board, as well as of the Audit Committee, the Compensation Committee, and the Governance Committee, to assist in determining whether the Board and its Committees are functioning effectively. In early 2015, the Board and each of its Committees conducted the self-evaluations and discussed the results of the self-evaluations. In early 2016 and 2017, evaluations were conducted by an independent third party through telephone interviews and feedback was provided to the Board, committees and individual directors.

Shareholder Communication with Directors

Our Board provides the following methods for interested parties and shareholders to send communications to a director, to a Committee of the Board, to the non-management directors, or to the Board:

Written Communication

Interested parties may send such communications by e-mail to governance@myersind.com or by mail or courier delivery addressed as follows:

Board of Directors (or Committee Chairman, Board Member or Non-Management Directors, as the case may be)

c/o Corporate Secretary

Myers Industries, Inc.

1293 South Main Street

Akron, Ohio 44301

All communications directed to the "Board of Directors" or to the "Non-Management Directors" will be forwarded unopened or unread to the Chairman of the Governance Committee. The Chairman of the Governance Committee in turn determines whether the communications should be forwarded to the appropriate members of the Board and, if so, forwards them accordingly. For communications addressed to a particular director or the Chairman of a particular Committee of the Board, however, the Corporate Secretary will forward those communications, unopened or unread, directly to the person or Committee Chairman in question.

Toll-Free Hotline

The Company maintains a "hotline" for receiving, retaining and addressing complaints from any interested party regarding accounting, internal accounting controls and auditing matters, and procedures for the anonymous submission of these concerns.

The hotline is maintained by an independent third party. Interested parties may also use this hotline to communicate with the Board.

Any interested party may contact a director, a Committee of the Board, the non-management directors, or the Board through the toll free hotline at (877) 285-4145.

The hotline is available worldwide, 24 hours a day, seven days a week. Note that all reports made through the hotline are directed to either or both the Chairman of the Audit Committee and the Corporate Secretary. We do not permit any retaliation of any kind against any person who submits a complaint or concern under these procedures.

PROPOSAL NO. 1 — ELECTION OF DIRECTORS

Nominees

Set forth below for each nominee for election as a director is a brief statement, including the age, principal occupation and business experience for at least the past five years, and any directorships held with public companies.

The members of the Governance Committee have recommended, and the independent members of the Board of Directors have nominated, the persons listed below as nominees for the Board of Directors.

Each of the below nominees has consented:

- To serve as a nominee
- To being named as a nominee in this Proxy Statement
- To serve as a director if elected. If any nominee should become unavailable for any reason, it is intended that votes will be cast for a substitute nominee designated by the Board. There is no reason to believe that the nominees named will be unable to serve if elected

Proxies cannot be voted for a greater number of nominees than the number named in this Proxy Statement.

THE BOARD OF DIRECTORS RECOMMENDS THE ELECTION OF THESE NOMINEES

Name	Age	Director Since	Independent	Occupation
R. David Banyard	48	2016	No	President and CEO Myers Industries, Inc.
Sarah R. Coffin	64	2010	Yes	Former CEO of Aspen Growth Strategies, LLC.
John B. Crowe	70	2009	Yes	Former CEO and Chairman of Buckeye Technologies, Inc.
William A. Foley	69	2011	Yes	Chairman of the Board and CEO of Libbey Inc.
Daniel R. Lee	60	2016	Yes	President, CEO and Director of Full House Resorts, Inc.
F. Jack Liebau, Jr.	53	2015	Yes	Former President and CEO of Roundwood Asset Management
Bruce M. Lisman	70	2015	Yes	Former Chairman of the Global Equity Division, JP Morgan Chase & Co.
Jane Scaccetti	62	2016	Yes	CEO and founding partner of Drucker & Scaccetti
Robert A. Stefanko	74	2007	Yes	Former Chairman and EVP of Finance and Administration of A. Schulman, Inc.

NOMINEE INFORMATION

R. DAVID BANYARD Age: 48 Director since: 2016 Committees: None	Principal Occupation: President/CEO and Director of Myers Industries Business Experience: • Former Group President, Fluid Handling Technologies of Roper Technologies (NYSE: ROP), a diversified industrial company that produces engineered products for global niche markets • Former director of ID Modeling, Inc., a hydraulic modeling and water resource management company • Former Vice President and General Manager — Kollmorgen Vehicle Systems Division, Danaher Corporation (NYSE: DHR), a designer, manufacturer, and marketer of industrial and consumer products • Former Director of Operations — Jacobs Vehicle Systems, Danaher Corporation (NYSE: DHR) Skills and Expertise: • Successive leadership roles in manufacturing and engineering industries • Proven track record of outperforming market growth, expanding profit margins and driving improved cash flow performance • Variety of experiences resulting from service as a director and in management for other companies
SARAH R. COFFIN Age: 64 Director since: 2010 Committees: Compensation (Chair) Audit	Business Experience: • Former CEO of Aspen Growth Strategies, LLC, an investment company • Former Executive Vice President, Hexion Specialty Chemicals and Senior Vice President, Noveon, Inc. (now Lubrizol), both specialty chemical and polymer producers in the industrial market space Current and Former Directorships: • Director of FLEXcon, a privately held manufacturer of pressure-sensitive films and adhesives • Former Director and Chair of the Compensation Committee of SPX Corporation (NYSE: SPXC) (now SPX Corporation and SPX Flow), a global industrial equipment and manufacturing company • Former Director of Huttenes-Albertus International, an international manufacturer of chemical products for the foundry industry Skills and Expertise:

- Former division and global leader in multiple companies
- Substantial senior level executive experience in marketing, distribution and operations
- Background in the polymer and specialty chemicals industries
- Knowledge and insight from service on the boards of other companies

JOHN B. CROWE

Age: 70

Director since: 2009

Committees:

Corporate Governance (Chair)

Compensation

Principal Occupation: President, Crowe Consulting International

Business Experience:

- Former CEO and Chairman of Buckeye Technologies Inc., a producer of absorbent products, chemical cellulose products and customized paper

- Former Executive Vice President and General Manager at Alabama River Pulp Co., Inc. and Alabama Pine Pulp Co., Inc.

- Former Vice President of the Flint River Operations for the Weyerhaeuser Co.

Skills and Expertise:

- Brings valuable insight and international experience into the operational requirements, investor relations and strategic planning processes of a public company due to his status as former Chairman and CEO of Buckeye Technologies Inc.

- Provides significant experience in manufacturing, sales, implementation of growth strategies, and building organizational capability

- Draws on his considerable leadership experience, including his service as a United States Air Force Reserve, retiring as Lt. Colonel, Vietnam Veteran and Senior Pilot

WILLIAM A. FOLEY

Age: 69

Director since: 2011

Committees:

Compensation

Corporate Governance

Principal Occupation: Chairman of the Board and CEO of Libbey Inc. (NYSE: LBY), a producer of consumer and industrial glassware

Business Experience:

- Former Chairman and CEO of Blonder Home Accents, a distributor of wallcoverings and home accents

- Former Chairman and CEO of Thinkwell Incorporated

- Former President of Arhaus Incorporated, a private brand name furniture company

- Former Chairman, President and CEO of Lesco Incorporated, a manufacturer, distributor and retailer of professional lawn care and golf course management products

Skills and Expertise:

- Over 30 years of senior management experience, both domestic and international

- Provides wide-ranging acquisition, joint venture, business and market development experience

- Extensive experience in broad scale plastics manufacturing, as well as consumer and distribution businesses

- Experience with best practices on public company boards, particularly in governance, compensation and leadership

DANIEL R. LEE Age: 60 Director since: 2016 Committees: Audit Corporate Governance	Principal Occupation: CEO, President and Director of Full House Resorts, Inc., a publicly-traded owner and operator of casinos (NASDAQ: FLL) Business Experience: • Former Managing Member of Creative Casinos, LLC, a developer of casino resorts • Former CEO and Chairman of the Board of Managers of FP Holding, LP and Fiesta ParentCo, LLC, which together own and operate The Palms Casino Resort, Las Vegas, Nevada • Former Chairman and CEO of Pinnacle Entertainment (NASDAQ: PNK), Las Vegas, Nevada, a casino operator and developer Current and Former Directorships: • Director of Associated Capital Group (NYSE: AC), a diversified global financial services company • Former director of ICTC Group Inc. (Pink Sheets), a telecommunications services company • Former director of Gabelli Securities, an investment manager and general partner to investment partnerships • Former director of LICT Corp., Rye, New York, a telecommunications services company Skills and Expertise: • Extensive financial expertise, including as a former Chartered Financial Analyst • Experience as a CEO
F. JACK LIEBAU, JR. Age: 53 Director since: 2015 Committees: Audit* Compensation* Corporate Governance* *ex officio committee member	Business Experience: • Former President and CEO of Roundwood Asset Management, a subsidiary managing public equities for Alleghany Corporation’s insurance companies • Former President and Founder, Liebau Asset Management Company, which managed money for individuals, foundations, and corporations • Former Partner and Portfolio Manager for Davis Funds, an investment management firm • Former Partner and Portfolio Manager, Primecap Management Company, an investment management firm • Former Vice President of Andover Alumni Council • Current director and CFO of the Edwin Gregson Foundation Current and Former Directorships: • Member of Andover Development Board

- Former director of Media General, Inc. (NYSE: MEG), then an owner of newspapers and television stations

- Former director of Herley Industries, Inc., a defense technology company

- Former director of The Pep Boys, a nationwide auto parts retailer

- Former director and Finance Committee Chair of Kidspace Children’s Museum

Skills and Expertise:

- Vast financial, strategic, executive and investment experience working with companies in a wide range of industries

- Experience in corporate governance and in serving on boards (both corporate and non-profit), experience working effectively with management teams, analyzing strategic options, and communicating with various constituencies

BRUCE M. LISMAN

Age: 70

Director since: 2015

Committees:

Compensation

Corporate Governance

Business Experience:

- Former Chairman of the Global Equity Division, JP Morgan Chase & Co. (NYSE: JPM), a global financial services firm and banking institution

- Former Co-Head of the Global Institutional Equity Division, Bear Stearns Companies, Inc.

Current and Former Directorships:

- Director of Associated Capital Group (NYSE: AC), a diversified global financial services company

- Director of PC Construction, an engineering and construction company

- Director of National Life Group, a mutual life insurance company

- Members of the boards of American Forests and Smithsonian Libraries

- Former director of The Pep Boys, a nationwide auto parts retailer

- Former director of Central Vermont Public Service (now part of Green Mountain Power), a public energy company

- Former director of Merchants Bancshares (NasdaqGS: MBVT), a bank holding company

- Former member of the boards of BRUT, Inc., Vermont Electric Power Company, Inc. (VELCO), STRYKE Trading, the University of Vermont, and the Vermont Symphony Orchestra

Skills and Expertise:

- Experience as a chair, vice chair, and committee chair/member in a broad range of businesses and civic organizations

- Extensive executive and investment experience

JANE SCACCETTI

Age: 62

Director since: 2016

Committees:

Audit

Corporate Governance

Principal Occupation: CEO and founding partner of Drucker & Scaccetti, an accounting and tax advisory firm

Business Experience:

- Former partner at Laventhol & Horwath, a national accounting firm

Current and Former Directorships:

- Chair of the Audit Committee, Penn National Gaming, Inc. (NASDAQ: PENN), an operator of casinos and racetracks

- Director of Mathematica Policy Research, Inc., a non-partisan research organization focused on policy research, data collections and data analytics

• Former member of the board of Nutrition Management Services Company, a provider of comprehensive healthcare food service and facilities management nationwide

• Former Chair of the Audit Committee and a member of the Nominations and Governance Committee of The Pep Boys, a nationwide auto parts retailer

• Former director of Keystone Health Plan East, the for-profit Health Maintenance Organization of Independence Blue Cross

Skills and Expertise:

• Experience as a chair, vice chair, and committee chair/member in a broad range of businesses

• Extensive financial and accounting experience, including qualification under SEC rules as an Audit Committee Financial Expert

ROBERT A. STEFANKO	Business Experience:
Age: 74	• Former Chairman of the Board and EVP of Finance & Administration of A. Schulman, Inc. (NASDAQ), an international supplier of plastic compounds and resins
Director since: 2007	Current and Former Directorships:
Committees:	• Director and member of Compensation Committee of OMNOVA Solutions, Inc. (NYSE), an innovator of emulsion polymers, specialty chemicals and decorative and functional surfaces
Audit (Chair)	• Former director of The Davey Tree Expert Company, a tree, shrub and lawn care company
Compensation	Skills and Expertise:
	• Extensive involvement in public company matters, including international, compensation, audit, financial, legal, and various other matters
	• Extensive financial and accounting experience, including qualification under SEC rules as an Audit Committee Financial Expert
	• Experience as a director of other public company boards

Each of the foregoing nominees is recommended by the Governance Committee. The Governance Committee believes that each of the nominees possesses certain key attributes that the Governance Committee believes to be important for an effective Board. There are, and during the past ten years there have been, no legal proceedings material to an evaluation of the ability of any director, nominee, or executive officer of Myers Industries to act in such capacity or concerning his or her integrity. There are no family relationships among any of the directors and executive officers.

The Board recommends that you vote "FOR" each of the director nominees listed above

Nominating Process

The Governance Committee reviews and evaluates individuals for nomination to stand for election as a director who are recommended to the Governance Committee: in writing by any of our shareholders or by our current or past directors, executive officers, or identified by professional search firms retained by the Governance Committee.

Recruiting Guidelines and Director Qualifications

The Company's Board Member Recruiting Guidelines outline the process for the Governance Committee to recruit and evaluate potential director candidates. These guidelines are available on the Corporate Governance page accessed from the Investor Relations page of the Company's website at www.myersindustries.com. In considering these potential candidates for nomination to stand for election, the Governance Committee will consider:

- The current composition of the Board and how well it functions as a group
- The talents, personalities, strengths, and weaknesses of current directors
- The value of contributions made by individual directors
- The need for a person with specific skills, experiences or background relevant to the Company's strategy to be added to the Board
- Any anticipated vacancies due to retirement or other reasons
- Other factors that may enter into the nomination decision

The Governance Committee endeavors to select nominees that contribute unique skills and professional experiences in order to advance the performance of the Board of Directors and establish a well-rounded Board with diverse views that reflect the interests of our shareholders. The Governance Committee considers diversity as one of a number of factors in identifying nominees for directors, however, there is no formal policy in this regard. The Governance Committee views diversity broadly to include diversity of experience, skills and viewpoint, in addition to traditional concepts of diversity such as race and gender.

When considering an individual candidate's suitability for the Board, the Governance Committee will evaluate each individual on a case-by-case basis. The Governance Committee does not prescribe minimum qualifications or standards for directors, however, the Governance Committee looks for directors who have personal characteristics, educational backgrounds and relevant experience that would be expected to help further the goals of the Company. In addition, the Governance Committee will review the extent of the candidate's demonstrated excellence and success in his or her chosen business, profession, or other career and the skills and talents that the candidate would be expected to add to the Board. The Governance Committee may choose, in individual cases, to conduct interviews with the candidate and/or contact references, business associates, other members of boards on which the candidate serves or other appropriate persons to obtain additional information. The Governance Committee will make its determinations on whether to nominate an individual candidate based on the Board's then-current needs, the merits of that candidate and the qualifications of other available candidates.

Shareholder Recommendation Policy

The Governance Committee will consider individuals for nomination to stand for election as a director who are recommended to it in writing by any of our shareholders that strictly follow the below procedures. Shareholders making recommendations for directors must:

- Certify that the person making the recommendation is a shareholder of the Company (including the number of shares held as of the date of the recommendation)
- Provide the full name and address of the proposed nominee as well as a biographical history setting forth past and present directorships, employment, occupations and civic activities for at least the past five years
- Provide a signed written statement from the proposed nominee consenting to be named as a candidate and, if nominated and elected, consenting to serve as a director

- Submit a signed written statement that the nominating shareholder and the candidate will make available to the Governance Committee all information reasonably requested in furtherance of the Governance Committee's evaluation
- Provide a letter of recommendation to the following address: Corporate Governance and Nominating Committee, c/o Corporate Secretary, Myers Industries, Inc., 1293 South Main Street, Akron, Ohio 44301
- Submit all required information before the close of business on or before November 15th of the year prior to our next annual meeting of shareholders

Shareholder Nomination Policy

In accordance with our Amended and Restated Code of Regulations, a shareholder may directly nominate a candidate for election as a director of the Company only if written notice of such intention is received by the Corporate Secretary not less than sixty (60) days nor more than ninety (90) days prior to the date of such annual meeting of shareholders or special meeting of shareholders for the election of directors. In the event that the date of such meeting to elect directors is not publicly disclosed at least seventy (70) days prior to the date of such meeting, written notice of such shareholder's intent to nominate a candidate must be received by the Corporate Secretary not later than the close of business on the tenth (10^{th}) day following the date on which notice of such meeting is first provided to the shareholders. A shareholder wishing to directly nominate an individual to serve as a director must follow the procedure outlined in Article I, Section 12 of our Amended and Restated Code of Regulations, titled "Advance Notice of Director Nomination" and then send a signed letter of nomination to the following address: Corporate Governance and Nominating Committee, c/o Corporate Secretary, Myers Industries, Inc., 1293 South Main Street, Akron, Ohio 44301. Our Amended and Restated Code of Regulations is available on the Corporate Governance page accessed from the Investor Relations page of the Company's website at www.myersindustries.com.

Board Committees and Meetings

There were a total of 11 regularly scheduled and special meetings of the Board of Directors in 2016. During 2016, all directors attended at least 75% of the aggregate total number of the meetings of the Board and Committees on which they served. In 2016, all of our then current directors and then nominees attended our Annual Meeting. Although we do not have a formal policy requiring directors to attend the Annual Meeting, our directors are encouraged to attend.

Board Committees

The Board has three standing committees, the Audit Committee, the Compensation Committee, and the Governance Committee. Set forth below are the current committee memberships.

Director	Audit Committee	Compensation Committee	Governance Committee
Sarah R. Coffin	X	Chair	
John B. Crowe		X	Chair
William A. Foley		X	X
Daniel R. Lee	X		X
F. Jack Liebau, Jr.*	X	X	X
Bruce M Lisman		X	X
Jane Scaccetti	X		X
Robert A. Stefanko	Chair	X	

*Mr. Liebau is an ex officio member of each of the Company’s committees.

Audit Committee: 6 Meetings Held in 2016

The Audit Committee assists our Board in the oversight and integrity of our financial statements, insures our structure meets legal and regulatory requirements, and oversees our internal auditing functions, controls, and procedures. The Board has determined that based on their extensive financial background and expertise, Daniel R. Lee, F. Jack Liebau, Jr., Jane Scaccetti and Robert A. Stefanko meet the criteria of a “financial expert” under SEC rules. None of our Audit Committee members serve on more than two other public company audit committees.

Audit Committee Functions:

- Engages the independent registered public accounting firm
- Approves all audit and accounting engagements (audit and non-audit)
- Reviews the results of the audit and interim reviews
- Evaluates the independence of the independent registered public accounting firm
- Reviews the financial results of the Company with the independent registered public accounting firm prior to their public release and filling of reports with the SEC
- Directs and supervises special investigations
- Oversees accounting, internal accounting controls, auditing matters, reporting hotline and corporate compliance programs

See the Audit Committee Report on page 61 for further information regarding the Audit Committee’s activities.

Additionally, in 2016, the Audit Committee oversaw the Company’s program to strengthen its internal controls over financial reporting. The Company took a number of actions to improve and ensure effective internal controls over financial reporting, including:

- Reviewed and updated internal control processes and documentation at every business to identify and remediate control gaps
- Completed independent balance sheet and account reconciliation reviews at every business unit during the calendar year 2016
- Ensured all reviews were conducted by members of the corporate controller group
- Supplemented the technical competence of the accounting staff with additional training and resources

Management provided monthly updates to Audit Committee Chair and quarterly updates to entire Audit Committee regarding the Company's internal controls over financial reporting.

Compensation Committee: 5 Meetings Held in 2016

The Compensation Committee administers our executive incentive compensation programs and determines, either as a committee or together with the other independent board members, annual base salaries and incentive compensation awards for our executive officers.

Compensation Committee Functions:

- Review and approve compensation of executive officers of the Company
- Review and approve the CEO's compensation-related corporate goals
- Evaluate the CEO's performance
- Establish and administer the Company's policies, programs and procedures for compensating its executive officers and directors
- Review and approve equity award grants
- Review, assess and monitor the Company's Stock Ownership Guidelines
- Oversee regulatory compliance with respect to compensation matters
- Oversee shareholder communications regarding executive compensation matters
- Retain outside consultants regarding executive compensation and other matters

Corporate Governance and Nominating Committee: 5 Meetings Held in 2016

The Governance Committee assists the Board in developing and implementing corporate governance guidelines, identifying potential director candidates, determining the size and composition of our Board and its committees, and evaluating the overall effectiveness of our Board.

Governance Committee Functions:

- Evaluate new director candidates and incumbent directors
- Recommend nominees to serve on the Board as well as members of the Board's committees to the independent directors of the Board
- Recommend and monitor participation in continuing education programs by the directors

Committee Charters and Policies

The Board has adopted written charters for each of the Audit Committee, the Compensation Committee, and the Governance Committee. Each Committee reviews and evaluates the adequacy of its charter at least annually and recommends any proposed changes to the Board for approval. Each of the written charters and policies of the Audit Committee, the Compensation Committee, and the Governance Committee are available on the Corporate Governance page accessed from the Investor Relations page of the Company's website at: www.myersindustries.com.

Director Compensation

Under our Amended and Restated 2008 Incentive Stock Plan, each non-employee director who holds such position on the date of the annual meeting of the shareholders, and has been a director for the entire period since the annual meeting of shareholders of Myers that was held in the immediately preceding calendar year, will be awarded annually, on the date of the annual meeting of shareholders, shares of our common stock at a value recommended by the Compensation Committee and approved by the Board. The value of common stock awarded at the 2016 Annual Meeting was $72,500 for each director entitled to an award. A director may elect to receive an equivalent number of stock units rather than shares of common stock, with payment to be made with respect to such stock unit when such director ceases to be a member of the Board. The cash portion of director committee member and committee chair retainers for 2016 is set forth below. The Company's non-employee director compensation program reflects the recommendations of our compensation consultant who conducted an assessment of the market competitiveness of the Company's non-employee director compensation program in 2015.

Directors who are employees of the Company do not receive the annual common stock or cash retainer.

Compensation Type	2016 Director Compensation
Annual Cash Retainer	
Cash Retainer	$52,500
Supplemental Annual Cash Retainer	
Chair of Audit Committee	$18,000
Chair of Compensation Committee	$18,000
Chair of Governance & Nominating Committee	$14,000
Committee Members	$10,000
Chairman of the Board	$60,000 (including committee fees)

Our Amended and Restated Code of Regulations provides that we will indemnify, to the fullest extent then permitted by law, any of our directors or former directors who was or is a party or is threatened to be made a party to any matter, whether civil or criminal, by reason of the fact that the individual is or was a director of the Company, or serving at our request as a director of another entity. We have entered into indemnity agreements with each of our directors contractually obligating us to provide such protection. We also currently have in effect director and officer insurance coverage.

Director cash retainers are paid quarterly in arrears. The following table shows the compensation paid to each of the non-employee directors during fiscal 2016.

NON-EMPLOYEE DIRECTOR COMPENSATION TABLE FOR FISCAL 2016

Name	Fees Earned or Paid in Cash ($)	Stock Awards ($)[5]	Non-Equity Incentive Plan Compensation ($)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($)	All Other Compensation ($)	Total ($)
Philip T. Blazek[1]	36,250	72,506			—	108,756
Sarah R. Coffin	80,500	72,506			—	153,006
John B. Crowe	76,500	72,506			—	149,006
William A. Foley	72,500	72,506			—	145,006
Robert B. Heisler, Jr.[2]	5,148	158,252			—	163,400
Daniel R. Lee[3]	36,250	—			—	36,250
F. Jack Liebau, Jr.	92,500	72,506			—	165,006
Bruce M. Lisman	72,500	72,506			—	145,006
Jane Scaccetti[4]	36,250	—			—	36,250
Robert A. Stefanko	80,500	72,506			—	153,006

(1) Mr. Blazek ceased to be a director at the April 2016 Annual Meeting.
(2) Mr. Heisler ceased to be a director at the April 2016 Annual Meeting.
(3) Mr. Lee was elected as a director at the April 2016 Annual Meeting.
(4) Ms. Scaccetti was elected as a director at the April 2016 Annual Meeting.
(5) Stock Award amounts shown in this Non-Employee Director Compensation Table do not reflect compensation actually received by the directors. The amounts shown reflect the fair market value of 5,586 shares of common stock awarded to the non-employee directors, who had been directors for the prior year, on April 22, 2016. Ms. Coffin, Mr. Heisler and Mr. Stefanko each deferred the receipt of common stock for their Stock Award in fiscal 2016, and instead received Stock Units. On the date that the Director ceases to be a member of the Board for any reason whatsoever, or as soon thereafter as is reasonably practical, the Company shall make a payment to the Director of one Share for every Stock Unit then held by such Director as payment with respect to each such Stock Unit, as such Mr. Heisler received 12,192 shares on April 22, 2016.

PROPOSAL NO. 2 — ADVISORY VOTE TO APPROVE EXECUTIVE COMPENSATION

Myers Industries provides, pursuant to Section 14A of the Securities Exchange Act of 1934, shareholders with the opportunity to cast an annual advisory vote on executive compensation ("Say-on-Pay"). The Compensation Committee has designed an executive compensation program (described further in the Compensation Discussion & Analysis ("CD&A") and tabular disclosures of this Proxy Statement) designed as follows:

Executive Compensation Objectives	Executive Elements
Provide competitive compensation packages to attract and retain experienced executives and other key employees	Base salary Annual bonus opportunities Long-term incentives, such as equity awards Benefits
Ensure that the actual compensation paid to our executive officers is aligned and correlated with financial performance and changes in shareholder value ("pay for performance") and motivate our executive officers to achieve short-term and long-term Company goals that will increase shareholder value by providing: • Short-term performance incentives by establishing goals for our executives through an annual bonus plan focused on operating performance • Long-term performance incentives and reward executive management for achievement of long-term strategic initiatives through the use of restricted stock awards, option grants, other equity-based awards under our Amended and Restated 2008 Incentive Stock Plan	Annual bonus opportunities Long-term incentives, such as equity awards
Reward executives whose knowledge, skills and performance are crucial to our success	Base salary Annual bonus opportunities Long-term incentives, such as equity awards

2016 Pay for Performance Highlights

In deciding how to cast your vote on this proposal, the Board requests that you consider the structure of the Company's executive compensation program as it aligned with our 2016 performance. We have attempted to provide closer alignment between named executive officer compensation and Company performance and believe that the 2016 change in metrics described above achieved a better result. The Company's financial performance did not meet our objectives in 2016 and as such, our NEOs did not achieve payouts of their incentive bonuses.

Compensation Program Updates and Result of 2016 Advisory Vote on Executive Compensation

In 2015 and 2016, to achieve the Company's compensation goals of attracting and retaining top talent while aligning awards to performance of the Company and increasing shareholder value, the Compensation Committee approved certain changes to the Company's compensation program (including payment of a portion of the CEO's and CFO's long-term incentives in performance restricted stock units instead of cash; updated performance metrics for annual bonuses to focus on achieving budgeted operating profit, growth in operating profit and budgeted cash flow; discontinued executive perquisites; and used ROIC (the Company's earnings before interest and taxes ("EBIT") divided by our total invested capital (net long term debt and shareholders' equity)) as the performance metric for long-term incentive awards). At the 2016 Annual Meeting of shareholders, approximately 73% of the votes cast on the say-on-pay proposal were voted in favor of the compensation of Myers' named executive officers.

Following the 2016 Annual Meeting, members of the Board reached out to the shareholders representing 75% of the Company's total shares outstanding, with a view to understanding those shareholders' views on a range of governance and compensation topics, including board composition, compensation, say-on pay, strategic planning and over-boarding. Following this outreach, conversations were held with ten of the initial shareholders approached, whose ownership represented approximately 65% of the Company's total shares outstanding and their feedback was considered in the development of the changes to our compensation program for 2017, as described below.

Pay Decisions for 2017

As part of its ongoing efforts to achieve the Company's performance goals, the Compensation Committee recently approved a number of updates to the Company's compensation program for 2017, including revising the long-term incentive mix for executive management, revising long-term incentive performance metrics and annual bonus performance metrics, as discussed in further detail below.

Long-Term Incentive Mix	
Granting performance restricted stock units in lieu of performance cash	• Motivates executive management to achieve Company goals that will increase shareholder value • Aligns executive management's interests with the Company's financial performance and the interests of shareholders while also rewarding executives based on the Company's three-year financial performance • Reflects belief that a significant component of executive compensation remain at risk in alignment with achieving Company performance objectives
Revising long-term incentive mix to: 50% performance restricted stock units 30% stock options 20% restricted stock units	• Focuses on key performance objectives and increasing stock price and stock ownership • Balance of long-term incentive mix helps achieve the compensation goals of aligning compensation and the Company's financial performance and shareholder returns, while also retaining talented executives and key employees
Long-Term Incentive Performance Metrics	
Adopting cumulative EBITDA and free cash flow over the performance period as a percentage of sales as the LTI performance metrics in lieu of ROIC	• Cumulative EBITDA acts as a measure of the Company's operating performance and correlates strongly to shareholder return • Free cash flow (cash flow from continuing operations less capital expenditures) as a percentage of sales recognizes the importance of cash flow generation driving long-term shareholder value
Annual Bonus Performance Metrics	
Using operating income growth and individual performance targets as performance metrics for annual bonus in lieu of operating profit, cash flow and growth in adjusted operating profit	• Allows the Company to align annual performance bonuses with the Company's financial performance and individual performance and reward improved year-over-year results

2017 Advisory Vote on Executive Compensation

We are presenting the following proposal, which gives you, as a shareholder, the opportunity to endorse or not endorse our compensation program for our NEOs by voting "FOR" or "AGAINST" the following resolution.

"RESOLVED, that the compensation paid to the Company's named executive officers, as disclosed pursuant to Item 402 of Regulation S-K, including the Compensation Discussion & Analysis, compensation tables, and narrative discussion is hereby APPROVED."

Although the advisory vote is non-binding, the Board values shareholders' opinions. The Compensation Committee will review the results of the vote and will consider shareholders' concerns and take into account the outcome of the vote when considering future decisions concerning our executive compensation program.

The advisory Say-on-Pay vote occurs annually, and the next advisory vote will occur at the Annual Meeting in 2018.

The Board of Directors recommends that you vote "FOR" Proposal 2 relating to the approval of the Company's executive compensation

PROPOSAL NO. 3 – ADVISORY VOTE ON THE FREQUENCY OF FUTURE ADVISORY VOTES ON EXECUTIVE COMPENSATION

Pursuant to Section 951 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, at least once every six years, Myers Industries is required to submit for shareholder vote a non-binding resolution to determine whether the advisory shareholder vote on executive compensation should occur every one, two, or three years. Shareholders last approved an annual advisory vote on executive compensation in 2011.

After careful consideration of the appropriate frequency, the Board believes that submitting the advisory vote on executive compensation to shareholders on an annual basis is appropriate for the Company and its shareholders at this time.

The proxy card provides shareholders with four choices (every one, two, or three years, or “Abstain”). Shareholders are not voting to approve or disapprove the Board’s recommendation and, because the frequency vote is non-binding, shareholder approval of a one, two, or three-year frequency vote will not require the Company to implement an advisory vote on executive compensation every one, two, or three years. The final decision on the frequency of the advisory vote on executive compensation remains with the Board.

The Board values our shareholders’ opinions as expressed through their votes and other communications. Although the resolution is non-binding, the Board and the Compensation Committee will carefully consider the outcome of the frequency vote and other communications from shareholders when making future decisions regarding the frequency of say-on-pay votes.

The Board of Directors recommends a vote “FOR” a frequency of one (1) year relating to the frequency for holding the non-binding advisory vote on say-on-pay

EXECUTIVE COMPENSATION AND RELATED INFORMATION

Compensation Discussion and Analysis

Introduction

In this section, we describe the material components of our executive compensation program for our named executive officers ("NEOs"), whose compensation is set forth in the 2016 Summary Compensation Table and other compensation tables contained this Proxy Statement.

NAMED EXECUTIVE OFFICERS ("NEOs")	
R. David Banyard	President and Chief Executive Officer
Matteo Anversa	Executive Vice President, Chief Financial Officer and Corporate Secretary (effective December 1, 2016)
Kevin Brackman	Interim Chief Financial Officer (from March 18, 2016 – December 1, 2016)
Greggory W. Branning	Former Chief Financial Officer, Senior Vice President and Corporate Secretary (until March 18, 2016)

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Overview

Executive Summary

The role of the Compensation Committee is to oversee our executive plans and policies, administer our equity plans and approve all compensation for our NEOs.

Performance Highlights and Key Achievements in 2016

The Company's key achievements in 2016 included, among others:

- New leadership: Myers Industries recently hired and promoted new leaders to key positions with the addition of Matteo Anversa as Executive Vice President, CFO, and Secretary, Kevin Gehrt, Vice President of Human Resources and the promotion of Mike Valentino to Group President, Material Handling Segment, and Alex Williamson to Group President, Distribution Segment
- Niche market success and growth: The Company grew its niche market presence through a number of wins in two of its strategic markets - Vehicle and Auto Aftermarket
- Improved operating model: The Company significantly reduced working capital at certain businesses and reduced inventory at each of its businesses in the Material Handling Segment
- Improved internal controls process: The Company reviewed and improved the internal control processes at every business

Executive Compensation Highlights

Highlights of our 2016 executive compensation program are summarized below:

- We continued to use a long-term incentive portfolio of options, service-based restricted stock units, performance-based restricted stock units and long-term cash incentives tied to financial results to provide greater reward balance, manage share dilution and offer us flexibility to reward for long-term results
- We have several pay practices and policies that are in the best interests of our shareholders, including stock ownership guidelines, limited executive retirement benefits, and no perquisites
- We concluded that our incentive pay programs do not encourage excessive or unnecessary risk taking

Compensation Philosophy

The Compensation Committee's goals are to:

- Attract and retain talented and experienced executives and other key employees
- Ensure that the actual compensation paid to our executive officers is correlated with financial performance and changes in shareholder value ("pay for performance")
- Motivate our executive officers to achieve short-term and long-term Company goals that will increase shareholder value
- Reward executives whose knowledge, skills and performance are crucial to our success

The Compensation Committee believes that the Company's NEOs should be paid in a manner that attracts the best-available talent, drives performance, encourages an appropriate sensitivity to risk and rewards and motivates increases in shareholder value. This philosophy is achieved through the Company's long-term incentive plan, annual bonus opportunity, base salary and other benefits, which are described in greater detail later in this Proxy Statement. Myers Industries' NEOs are compensated in a manner consistent with the Company's strategy, competitive practice, sound compensation governance principles and shareholder interests.

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2016 Changes

In keeping with the Company's compensation philosophy, in 2015 and 2016, the Compensation Committee adopted the following changes to the Company's incentive pay program:

- Paying Performance Restricted Stock Units instead of Performance Cash to CEO: The Company changed from paying a portion of the CEO's long-term incentives in performance cash to paying such portion in performance restricted stock units.
- Updated Performance Metrics for Annual Bonus: The Compensation Committee approved the following metrics: achieving budgeted operating profit (30%), growth in operating profit (40%) and achieving budgeted cash flow (30%), instead of EBITDA (50%) and cash flow (50%) to determine the award of annual bonuses.
- Discontinuing of Executive Perquisites: The Company ceased providing a car allowance perquisite.

Process Used to Set Pay for 2016

Interactions between multiple parties established our executive pay program for 2016:

- Compensation Committee
- Senior management
- Shareholders
- Independent compensation advisor
- Outside advisors, including legal counsel

Checklist of Compensation Practices

Our success depends largely on the contributions of motivated, focused and energized executives all working to achieve our strategic objectives. The Compensation Committee and senior management, with assistance from our independent compensation advisor, develop competitive pay programs for our executives and we follow the basic tenets set forth below:

WHAT WE DO	WHAT WE DON'T DO
Pay for Performance	Enter into Employment Contracts
Reasonable Post-Employment/Change in Control Provisions	Offer Tax Gross-Ups
Double Trigger Change in Control Provisions	Reprice Underwater Options
Stock Ownership Guidelines	Allow Cash Buyouts of Underwater Options
Independent Compensation Advisors	Permit Short Sales by Directors, Officers, or Employees
Tally Sheet to Evaluate and Monitor NEO Compensation	Provide Perquisites
Clawback Policy	No Hedging or Pledging of Company Stock
Compensation Benchmarking	

It is difficult to determine an appropriate peer group for the Company because there are few public companies with relatively similar top-line revenues conducting business in our segments. Because it is difficult to determine an appropriate peer group for the Company, in 2016, the Compensation Committee referenced Mercer's 2014 Q4 Executive Remuneration Survey to assess the competitiveness of the compensation paid to our NEOs.

The Company believes its practices are consistent with the practices for other companies of its size, reflects best practices regarding the governance of executive pay programs and reflects the executive pay program's objectives of delivering competitive and appropriate pay aligned with our shareholders' interests.

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Elements of Compensation for 2016

Our executive compensation program consists of several elements designed to provide an integrated and competitive total pay package: base salary, annual bonus, long-term incentives and benefits. A majority of the compensation package for NEOs is performance-based and the metrics are focused on paying for growth.

Consistent with the objectives of our executive pay philosophy of attracting and retaining talented and experienced executives and other key employees, paying for performance, motivating our executive officers to achieve short-term and long-term Company goals that will increase shareholder value and rewarding executives whose knowledge, skills and performance are crucial to our success, actual compensation may be above or below the median for executives in similar roles at companies of similar size and complexity, depending on an evaluation of several factors including, but not limited to, time-in-position, experience, performance, and future potential. We believe this approach is appropriate as it is sufficient to attract and retain key executives, but does not position our compensation costs out of line with performance.

Description of Compensation Elements

Our 2016 executive compensation program was designed to reinforce the relationship between the interests of our NEOs and our shareholders. The objectives and key characteristics of each element of our 2016 executive compensation are described below:

Base Salary	Component: Cash • Provides a fixed level of compensation in order to recognize the skills, competencies, experience, and individual performance an executive brings to his or her role • The Compensation Committee generally considers an individual's time in the position, experience, performance, future potential and external market conditions • Changes in base salary result primarily from changes in the executive's responsibilities, an assessment of annual performance, and our financial ability to pay base salaries and provide increases
Annual Bonus	Component: Cash • Increases each executive's focus on specific short-term corporate operational goals • Reflects the belief that a significant component of executive compensation should be at risk where the amount earned depends on achieving Company performance objectives designed to enhance shareholder value • Allows us to manage fixed salary costs, while still providing executives with competitive cash compensation consisting of salaries and bonuses • 2016 Performance Metrics: • Achieving budgeted operating profit • Growth in operating profit • Achieving budgeted cash flow • The Compensation Committee annually approves a target bonus opportunity for each NEO

• In 2016, annual bonuses were based on achievement of annual performance targets in the following areas: achieving budgeted operating profit, growth in operating profit and achieving budgeted cash flow. These metrics focus on:

• The Company's core operating profitability. We believe consistent improvements in our operating results over time should produce value for our shareholders over the long-term

• Balancing the profitability focus with our executives' ability to manage our working capital. Moreover, it focuses our management on generating discretionary cash that can be used to invest in assets, make acquisitions, retire debt, pay dividends and re-purchase our common stock without disrupting operations. Cash flow is measured before capital expenditures so as to balance sound decisions on long-term capital investments with achievement of cash flow goals

• Actual bonuses can range from 0% to 200% of target, depending on actual performance, practices that are consistent with the range of annual bonus opportunities of other companies our size. We reward our executives with higher levels of cash compensation for results that substantially exceed target results. Conversely, we pay relatively lower levels of cash compensation for results that fail to meet minimally acceptable standards

Long-Term Incentives	Components:

- Performance Restricted Stock Units
- Stock Options
- Restricted Stock Units
- Performance Cash Awards

- Motivates and rewards executive officers for increasing shareholder value and promotes our long-term interests by aiding in the retention of high-quality executives

- Reflects the belief that a significant component of executive compensation should be at risk where the amount earned depends on achieving Company performance objectives designed to enhance shareholder value

- Helps build executive stock ownership, consistent with our stock ownership objectives

- 2016 Performance Metric: Performance restricted stock units and performance cash: tied to ROIC achievement over 3 years

- The Company's Amended and Restated 2008 Incentive Stock Plan provides us with flexibility to grant stock options, stock appreciation rights, performance awards, restricted stock, stock units, and other forms of equity-based awards

- The Board awarded a blend of stock options, service-based restricted stock units, and performance-based long-term performance cash incentives and performance restricted stock units

- This approach provides reward balance with each element designed to meet specific reward objectives:

- Stock options align our executives' interests with those of our shareholders because options only produce rewards to our executives if our stock price increases after options are granted. We believe options are performance-based awards, because the stock price appreciation that produces gains to the executive can generally be achieved if the Company's operating and financial results improve. In addition, options help build executive stock ownership. Stock options vest ratably on the first three anniversaries of the grant and are exercisable within ten years following their grant, consistent with our historical terms for option grants

- Service-based restricted stock unit grants help retain our key executives. Restricted stock units also align our executives to the total returns earned by our investors. Service-based restricted stock unit grants vest ratably over a three year period, are tied to continued service, and provide a strong device for retaining our executives

- Long-term performance restricted stock units and cash incentives are intended to reward our executives for achieving financial goals over a multi-year period. The use of cash helped us to manage the shares available for use under our Amended and Restated 2008 Incentive Stock Plan, reducing dilution of our shareholders' ownership. Long-term performance restricted stock units and cash incentives are based on the achievement of pre-established objectives over a three-year period

- In 2016, long-term performance restricted stock units and cash incentives were based on our average ROIC for the three-year period beginning in 2016 and ending in 2018. ROIC targets were adopted to support a focus on returning greater than our cost of capital over time and to balance the measures used in our annual bonus plan

Benefits Component: Participation in various broad-based benefit plans

- Provides basic health, life and income security needs

- The Company maintains qualified and non-qualified retirement programs

- NEOs participate in our qualified retirement plan (a tax-qualified 401(k) Plan, pursuant to which all participants are eligible to receive matching contributions from the Company) on the same terms as all of our other employees

- SERP Plan: The Company adopted a Supplemental Executive Retirement Plan ("SERP") to replace retirement benefits lost because of regulatory limits associated with qualified plans, provide retirement benefits for our NEOs comparable to that of other employees who are not constrained by regulatory limits, offer more competitive benefits to newly appointed senior executives, and enhance the retention and recruitment of high-quality executives. The SERP provides additional pension benefits to a select group of management. The annual supplemental pension benefit is payable for ten years commencing at the earlier of retirement or termination. Credit for years of service under the

  SERP may also be awarded to a participant at the discretion of the Compensation Committee. In 2015, the Company ceased adding new participants to the SERP. As a result, none of our current NEOs have a SERP benefit

- NEOs also participate in broad-based benefit plans that are available to all employees, including health insurance and life and disability insurance

- Executives' benefits are not tied to individual or Company performance, which is the same approach used for other employees- changes to executives' benefits reflect the changes to the benefits of other employees

- The Company provides no executive perquisites

NEO Compensation Mix

We believe in linking pay for performance. The following table indicates the percentage of each NEO's total target direct compensation that is attributable to base salary, target bonus, and long-term incentives.

Application of Compensation Elements in 2016

Short-Term Incentives

Base Pay and Annual Bonuses

For 2016, Mr. Banyard received an increase in salary as a result of the elimination of his executive car allowance. In establishing Mr. Anversa's base salary, the Committee considered several factors including, but not limited to, median base salary for similarly situated CFOs, time-in-position, experience, performance, recruiting and future potential.

As described above, annual performance targets were established for achieving budgeted operating profit, growth in operating profit and achieving budgeted cash flow. Targets are established based upon a reasonable level of expected return given our performance against the annual budget. Once targets are established, the Compensation Committee sets minimum and maximum goals to appropriately reward for results that exceed or fall short of target expectations. The range of performance associated with each measure is within the range of market practices. For 2016, as set forth in greater detail below, the Company's financial performance did not meet our objectives and as such, our NEOs did not achieve payouts of their incentive bonuses.

Performance Objective	Bonus % Target Award(1)	Operating Profit ($Millions)	Cash Flow ($Millions)	Bonus % Target Award(1)	Growth In Operating Profit
Minimum	0%	33.1	40.2	35%	0%
Target	100%	41.4	50.3	100%	13.5%
Maximum	200%	49.7	60.4	200%	33.5%
2016 Actual Results		29.2	31.3		(20.0)%
2016 Percentage Achievement for Each Component		0%	0%		0%
Weighted Percentage		30%	30%		40%
2016 Percentage Payout Weighted Bonus		0%	0%		0%

(1) Bonuses for results in between performance objectives are interpolated

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Long-Term Incentives

Once target values are developed, awards for each long-term element are based on an individual's position, experience, future potential, organizational level, scope of responsibilities, their ability to impact results, and any special recruiting and retention needs. For the NEOs, the Compensation Committee aimed to emphasize performance-based elements (long-term performance stock and cash incentives) and options over service-based elements (restricted stock units).

2016 Long-Term Incentive Mix

For the Company's NEOs, the following mix of target long-term incentives were set for 2016:

Mr. Banyard Mr. Brackman and Mr. Branning

*Mr. Anversa did not participate in the 2016 long-term incentive program due to his December 1, 2016 start date.

Long-Term Incentive Performance Objectives for Three-Year Period Ended in 2016

For the three-year period ending in 2016, the three-year ROIC performance objectives ranged from 8% (minimum) to 18% (maximum) with target results achieved at 13%. The method for determining the corresponding awards are as follows:

Return on Invested Capital (ROIC):	Calculation of Award (Percentage of Target Award):
Less than 8%	0%
8%	50%
8.01%-12.99%	100%, minus the amount, expressed as a percentage, determined by dividing (x) the number of percentage points (not to exceed 5 percentage points) by which the ROIC is lower than 12.99% by (y) 10%
13%	100%
13.1%-17.99%	100%, plus the amount, expressed as a percentage, determined by dividing (x) the number of percentage points (not to exceed 5 percentage points) by which the ROIC exceeds 13% by (y) 5%
18% or more	200%

For the three-year period ending in 2016, the Company achieved a three-year ROIC of 10.8%.

Long-Term Incentive Performance Objectives Established in 2016

For the three-year period ending in 2018, the Company established three-year ROIC performance objectives and the method for determining the corresponding awards, which are as follows:

Return on Invested Capital (ROIC):	Calculation of Award (Percentage of Target Award):
Less than 8.7%	0%
8.7%	50%
8.71%-13.69%	100%, minus the amount, expressed as a percentage, determined by dividing (x) the number of percentage points (not to exceed 5 percentage points) by which the ROIC is lower than 13.69% by (y) 10%
13.7%	100%
13.71%-18.69%	100%, plus the amount, expressed as a percentage, determined by dividing (x) the number of percentage points (not to exceed 5 percentage points) by which the ROIC exceeds 13.7% by (y) 5%
18.7% or more	200%

Target ROIC performance reflects the Compensation Committee's view of an appropriate benchmark based on the Company budget presented to the Committee by management. The Compensation Committee set a reasonable target in the preceding years to challenge management to continuously strive for and drive greater shareholder return.

Other Benefits

Mr. Branning participated in our SERP. The SERP was adopted to replace retirement benefits lost because of regulatory limits associated with qualified plans, provide retirement benefits for our NEOs comparable to that of other employees who are not constrained by regulatory limits, offer more competitive benefits to newly appointed senior executives, and enhance the retention and recruitment of high-quality executives. The SERP provided additional pension benefits to a select group of management.

The annual supplemental pension benefit is payable for ten years commencing at the earlier of retirement or termination. Credit for years of service under the SERP may also be awarded to a participant at the discretion of the Compensation Committee. As part of his employment arrangement, prior to his departure from the Company, Mr. Branning was provided with an annual SERP benefit up to $50,000, respectively, payable for ten years commencing at the earlier of retirement or termination.

At the time of Mr. Branning's separation from the Company, he had earned 3 years of service under the SERP which means that he was 30% vested in the $50,000 annual benefit. His benefit was further reduced by 50% based on his age at separation rather than the full retirement age of 65. Therefore Mr. Branning's SERP benefit is $7,500 per year payable for 10 years.

In 2015, the Company ceased adding new participants to the SERP; therefore, Messrs. Banyard and Anversa are not provided with a SERP benefit.

NEOs also participate in broad-based benefit plans that are available to all employees, including health insurance and life and disability insurance. Executives' benefits are not tied to individual or Company performance, which is the same approach used for other employees. Moreover, changes to executives' benefits reflect the changes to the benefits of other employees.

Pay Decisions for 2017

As part of its ongoing efforts to achieve the Company's compensation goals, in November 2016 and again in March 2017, the Compensation Committee met to approve the Company's executive incentive pay program for NEOs for 2017. The Compensation Committee approved the following components the Company's incentive pay program:

- Revised Long-Term Incentive Mix for Executive Management
- Continue to Measure Performance Over a 3-Year Performance Period
- Continue the Practice of Utilizing Fixed Economic Awards as a Percentage of Salary
- Revised Long-Term Incentive Performance Metrics
- Revised Annual Bonus Performance Metrics

2017 NEO Compensation Mix

In arriving at its decisions on executive compensation, the Compensation Committee took into account the affirmative shareholder "say-on-pay" vote at the previous annual meeting of shareholders, as well as the results of discussions with shareholders, to inform the determination regarding the amounts and types of executive compensation and to better align with the Company's strategy and to more effectively correlate Company performance to compensation.

Revised Long-Term Incentive Mix for Executive Management

The Compensation Committee has adopted the following long-term incentive award mix for executive management (including our NEOs), to increase focus on stock price and stock ownership, while creating greater alignment with shareholder return:

- 50% performance restricted stock units at target
- 30% stock options
- 20% restricted stock units

These changes align executive management's long-term incentive mix with the NEOs', reflecting the view that all executive management should be aligned with the same incentive mix and have at least 50% of long-term incentive compensation subject to performance-based criteria.

Revised Performance Metrics

The Compensation Committee revised the long-term incentive and annual bonus performance metrics (as described below). These metrics were adopted to better align with the Company's strategy and to more effectively correlate Company performance to compensation. Additionally, these metrics are used by management to assess operating performance of the business.

Revised Long-Term Incentive Performance Metrics

For the 2017-2019 performance cycle, performance will be determined using the following metrics:

- Cumulative EBITDA over the performance period – 50% weighting
- Free cash flow as percentage of sales over the performance period – 50% weighting

Cumulative EBITDA acts as a measure of the Company's operating performance and relates strongly to shareholder return, creating greater alignment between executive compensation and enhancing shareholder value. Free cash flow is defined as cash flow from continuing operations less capital expenditures. Free cash flow as a percentage of sales recognizes the importance of the efficient use of cash to the Company's ability to fund ongoing investments in our business while incentivizing management to create a business culture that generates strong cash flow year after year.

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Revised Annual Bonus Performance Metrics

For 2017 annual bonuses, performance will be determined using the following metrics:

- Operating income growth – 70% weighting
- Individual performance targets – 30% weighting

These metrics allow the Company to set long-term performance goals and align annual performance bonuses with the Company's financial performance, while retaining talented management.

Other Compensation Policies and Practices

Timing of Equity Grants and Grant Price	• Option grants and other equity incentives are generally awarded during the first Compensation Committee meeting of the fiscal year (normally in late February or early March) • Because the date of this meeting is set more than a year in advance, we have limited our ability to time the market for equity awards • The value of grants is determined by the closing price of our stock on the NYSE on the date that the Board approves such grants • In addition, from time to time during the year, the Compensation Committee may make grants to a new employee or, in rare circumstances, to a current employee. In such cases, the value of the grant is based on the closing price of our stock on the NYSE on the date the grant is approved by the Board
Stock Ownership Guidelines	• A key objective of our pay program in general and our long-term incentive awards in particular is to encourage stock ownership. As a result, we have maintained Stock Ownership Guidelines since 2010 • Under the Stock Ownership Guidelines, our NEOs and non-employee directors are expected to hold a specified amount of our common stock. These expectations are as follows: • CEO: 5X annual base salary • CFO: 3X annual base salary • Non-Employee Directors: 5X annual cash Board retainer • The NEOs and non-employee directors have five years from the effective date of the guidelines to attain the ownership requirement • In determining stock ownership, we count shares owned outright, including shares owned jointly with a spouse or separately by a spouse and/or children that live in the NEO's household, vested and unvested restricted stock and restricted stock unit awards, and vested stock options
Accounting and Tax Considerations	• We intend annual cash bonus amounts, performance restricted stock units and our long term cash incentive amounts to be fully deductible for federal income tax purposes under Section 162(m)

- In order to achieve this we establish an annual Incentive Bonus Plan Pool against which payouts may be made

- In 2013, our shareholders approved the Performance Bonus Plan which is designed to permit us to grant incentive awards that may qualify as "qualified performance-based compensation" for purposes of Section 162(m) of the Internal Revenue Code of 1986, as amended (the "Code")

Risk Assessment of Compensation Practices

In establishing compensation policies and practices for all of our employees, we use a mix of salary, bonus and equity-based compensation that supports the enhancement of revenue, earnings and cash performance of the Company for our shareholders without incenting undue risk. Under our long term incentive program, we place a greater emphasis on performance-based awards than service-based awards that we believe will further align the interests of our employees with those of our shareholders. Our risk oversight and overall compensation structure has features that guard against excessive risk taking, including:

- Our Board's and its Committees' role in risk oversight, including internal control over financial reporting and other strategic, financial, operational, compliance and technology policies and practices (see discussions elsewhere in this Proxy Statement regarding the Board's involvement in risk oversight)
- Diversified nature of our business segments with respect to industries and markets served, products and services sold, and geographic footprint
- Establishment and annual review of base salaries to be consistent with an employee's responsibilities
- Determination and award of incentive awards based on a review of a variety of indicators of performance that diversifies the risks associated with any single indicator of performance
- A mixture of fixed and variable, annual and long-term, and cash and equity compensation are provided to our employees to encourage strategy and actions that are in the long-term interests of the Company and our shareholders
- Awards of incentive compensation with performance vesting criteria to reward employees for driving sustainable, profitable growth for shareholders

Compensation Decision-Making

Role of Compensation Committee	• Five independent directors comprise our Compensation Committee, which is responsible for overseeing our executive pay plans and policies, administering our equity plans and approving all compensation for our NEOs • The Compensation Committee may request information from senior management regarding the Company's performance, pay and programs to assist it in its actions • The Compensation Committee has the authority to retain outside advisors as needed to assist it in reviewing and modifying the Company's programs and providing competitive pay levels and terms • In arriving at its decision on NEO compensation, the Compensation Committee takes into account the shareholder "say-on-pay" vote results at the previous annual meeting of shareholders • The Compensation Committee annually reviews and establishes the goals used for our annual and long-term incentive plans. The Compensation Committee assesses the performance of the Company and the CEO. Based on this evaluation, the Compensation Committee then recommends the CEO's compensation for the next year to the Board for its consideration and approval • The Compensation Committee reviews the CEO's compensation recommendations for the CFO, providing appropriate input and approving final awards • Finally, the Compensation Committee provides guidance and final approval to the CEO with regard to the determination of the compensation of other key executives

Role of Senior Management	• The Company's management serves in an advisory or support capacity as the Compensation Committee carries out its charter regarding executive compensation • Typically, the Company's CEO and Vice President, Human Resources participate in meetings of the Compensation Committee • The Company's CFO may participate as necessary or at the Compensation Committee's request • The Company's management normally provides the Compensation Committee with information regarding the Company's performance as well as information regarding executives who participate in the Company's various plans. Such data is usually focused on the executives' historical pay and benefit levels, plan costs, context for how programs have changed over time and input regarding particular management issues that need to be addressed. In addition, management normally furnishes similar information to the Compensation Committee's independent compensation advisor • Management provides input regarding the recommendations made by outside advisors or the Compensation Committee • Management implements, communicates and administers the programs approved by the Compensation Committee, reporting back to it any questions, concerns or issues • The CEO annually evaluates the performance of the Company and the CFO. Based on his evaluation, he provides the Compensation Committee with his recommendations regarding the pay for the CFO for its consideration, input and approval. The Compensation Committee, in turn, authorizes the CEO to establish the pay for the Company's other executives based on terms consistent with those used to establish the pay of the NEOs. Members of management present at meetings when pay is discussed are recused from such discussions when the Compensation Committee focuses on their individual pay
Role of Independent Compensation Advisor	• In 2016, the Compensation Committee again engaged Exequity, LLP ("Exequity") to assist in its duties (Exequity was initially engaged by the Company at the end of 2012) • The Compensation Committee has the authority to retain Exequity or to engage other independent advisors and compensation consultants to assist in carrying out its responsibilities • Exequity's lead consultant reports directly to the Compensation Committee Chair, who approves Exequity's work plan • In addition, the lead consultant interacted with management as needed to complete the work requested by the Compensation Committee • Exequity did not provide other services to the Company during 2016 and received no compensation other than with respect to the services provided to the Compensation Committee • The work of Exequity has not raised any conflicts of interest

Compensation Committee Interlocks and Insider Participation

During fiscal 2016, the following directors were members of the Compensation Committee: Sarah R. Coffin, John B. Crowe, William A. Foley, Bruce M. Lisman, Philip T. Blazek (prior to the April 2016 Annual Meeting), and Robert A. Stefanko. None of the Compensation Committee's members have at any time been an officer or employee of the

Company. In the past fiscal year, none of our NEOs have served as a member of the board of directors or compensation committee of any entity that has one or more NEOs serving on the Company's Board or Compensation Committee.

Compensation Committee Report on Executive Compensation

The information contained in this report shall not be deemed to be “soliciting material” or “filed” with the SEC or subject to the liabilities of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), except to the extent that we specifically incorporate it by reference into a document filed under the Securities Act of 1933, as amended (the “Securities Act”) or the Exchange Act.

The Compensation Committee, in the performance of its duties and responsibilities, has reviewed and discussed with management the information provided under the section titled “Compensation Discussion and Analysis.” Based on discussions with management and our review of the “Compensation Discussion and Analysis” disclosure, we have recommended to the Board that the “Compensation Discussion and Analysis” be included in this Proxy Statement and incorporated by reference in the Company’s Annual Report on Form 10-K for the year ended December 31, 2016.

The foregoing report has been furnished by the current members of the Compensation Committee, being:

Sarah R. Coffin, Chair and Presiding Director, John B. Crowe, William A. Foley, F. Jack Liebau, Jr. (ex officio)
Bruce M. Lisman and Robert A. Stefanko.

Summary of Cash and Certain Other Compensation

The following table contains certain information regarding the compensation earned, paid or payable during 2016, for services rendered to the Company and its subsidiaries during fiscal 2016, to the NEOs.

SUMMARY COMPENSATION TABLE

Name and Principal Position	Year	Salary ($)	Bonus ($)(1)	Stock Awards ($)(2)(3)	Option Awards ($)(3)	Non-Equity Incentive Plan Compensation ($)(4)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($)	All Other Compensation ($)(7)	Total ($)
R. David Banyard(5)	2016	693,846		1,421,126	278,760			44,899	2,438,631
President & Chief	2015	39,231		2,000,024	—	—	—	1,038	2,540,293
Executive Officer	2014	—	—	—	—	—	—	—	—
Matteo Anversa(5)	2016	27,788	100,000	149,996	—	—	—		277,784
Executive Vice President,	2015	—	—	—	—	—	—	—	—
Chief Financial Officer	2014	—	—	—	—	—	—	—	—

and Corporate Secretary				
Kevin Brackman[5]	2016	234,231	27,888	26,565