

SCHWEITZER MAUDUIT INTERNATIONAL INC  
Form DEF 14A  
March 04, 2016

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549

SCHEDULE 14A

(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities  
Exchange Act of 1934 (Amendment No. )

Filed by the Registrant   
Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to 240.14a-12

SCHWEITZER-MAUDUIT INTERNATIONAL, INC.  
(Name of Registrant as Specified in its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

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

1) Title of each class of securities to which transaction applies:

2) Aggregate number of securities to which transaction applies:

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4) Proposed maximum aggregate value of transaction:

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- 1) Amount Previously Paid:
  - 2) Form, Schedule or Registration Statement No.:
  - 3) Filing Party:
  - 4) Date Filed:
-

March 11, 2016

TO OUR STOCKHOLDERS:

On behalf of the Board of Directors and management of Schweitzer-Mauduit International, Inc., I cordially invite you to the Annual Meeting of Stockholders to be held on Thursday, April 21, 2016 at 11:00 a.m. at the Company's corporate headquarters located at 100 North Point Center East, Suite 600, Alpharetta, Georgia.

Details about the Annual Meeting, nominees for election to the Board of Directors and other matters to be acted on at the Annual Meeting are presented in the Notice of Annual Meeting and Proxy Statement that follow.

It is important that your stock be represented at the meeting regardless of the number of shares you hold. You are encouraged to specify your voting preferences by so marking and dating the enclosed proxy card. If you wish to vote in accordance with the directors' recommendations, all you need do is sign and date the card. You may also vote over the Internet by following the instructions on the enclosed proxy card.

Please complete and return the proxy card in the enclosed envelope or vote over the Internet whether or not you plan to attend the meeting. If you do attend and wish to vote in person, you may do so by revoking your proxy at that time.

If you plan to attend the meeting, please check the card in the space provided. This will assist us with meeting preparations and will enable us to expedite your admittance. If your shares are not registered in your own name and you would like to attend the meeting, please ask the broker, bank or other nominee which holds the shares to provide you with evidence of your share ownership, which will enable you to gain admission to the meeting.

Thank you for your support.

Sincerely,

Frédéric Villoutreix  
Chairman of the Board and  
Chief Executive Officer

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SCHWEITZER-MAUDUIT INTERNATIONAL, INC.  
100 North Point Center East, Suite 600  
Alpharetta, Georgia 30022-8246

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

March 11, 2016

The Annual Meeting of Stockholders of Schweitzer-Mauduit International, Inc. will be held at the Company's corporate headquarters located at 100 North Point Center East, Suite 600, Alpharetta, Georgia, on Thursday, April 21, 2016 at 11:00 a.m. for the following purposes:

1. To elect the three nominees for director named in the attached proxy statement for terms expiring at the 2019 Annual Meeting of Stockholders;
2. To confirm and ratify the Schweitzer-Mauduit International, Inc. 2015 Long-Term Incentive Plan;
3. To ratify the selection of Deloitte & Touche LLP as the Company's independent registered public accounting firm for 2016; and
4. To transact such other business as may properly be brought before the meeting or any adjournments or postponements thereof.

We currently are not aware of any other business to be brought before the Annual Meeting.

You may vote all shares that you owned as of February 25, 2016, which is the record date for the Annual Meeting. A majority of the outstanding shares of our Common Stock must be represented either in person or by proxy to constitute a quorum for the conduct of business. Your vote is important. I urge you to sign, date and promptly return the enclosed proxy card in the enclosed business reply envelope. No postage is required if mailed in the United States. You may also vote over the Internet by following the instructions on the enclosed proxy card.

Sincerely,

Greerson G. McMullen  
General Counsel and Secretary

March 11, 2016

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SCHWEITZER-MAUDUIT INTERNATIONAL, INC.

100 North Point Center East, Suite 600

Alpharetta, Georgia 30022-8246

## PROXY STATEMENT

### INTRODUCTION

This Proxy Statement and the accompanying proxy card are being furnished to the stockholders of Schweitzer-Mauduit International, Inc., a Delaware corporation, referred to as either the “Company” or “SWM,” in connection with the solicitation of proxies by the Board of Directors of the Company (the “Board”) for use at the 2016 Annual Meeting of Stockholders (the “Annual Meeting”) and at any adjournment or postponement thereof. The Company intends to mail this Proxy Statement and proxy card, together with the 2015 Annual Report to Stockholders, on or about March 11, 2016.

### GENERAL INFORMATION ABOUT THE ANNUAL MEETING AND VOTING

When and Where is the Annual Meeting?

The Annual Meeting will be held on April 21, 2016, at 11:00 a.m. Eastern Time, at our principal executive office located at 100 North Point Center East, Suite 600, Alpharetta, Georgia 30022.

What is the Purpose of the Annual Meeting?

At the Annual Meeting, stockholders will act upon the matters listed in the attached Notice of Annual Meeting of Stockholders, including (i) the election of three directors for terms expiring in 2019, (ii) the confirmation and ratification of the Schweitzer-Mauduit International, Inc. 2015 Long-Term Incentive Plan (the “2015 Plan”) and (iii) the ratification of the Audit Committee’s selection of Deloitte & Touche LLP as our independent registered public accounting firm for 2016.

We currently are not aware of any business to be acted upon at the Annual Meeting other than that described in this Proxy Statement. If, however, other matters are properly brought before the Annual Meeting, or any adjournment or postponement of the Annual Meeting, your proxy includes discretionary authority on the part of the individuals appointed to vote your shares to act on those matters according to their best judgment.

Adjournment of the Annual Meeting may be made for the purpose of, among other things, soliciting additional proxies. Any adjournment may be made from time to time by the chairman of the Annual Meeting.

Who May Attend the Annual Meeting?

All stockholders of record at the close of business on February 25, 2016, the record date for the Annual Meeting, or their duly appointed proxies may attend the Annual Meeting. Although we encourage you to complete and return the attached proxy card by mail or vote over the Internet to ensure your vote is counted, you may also attend the Annual Meeting and vote your shares in person.

What Constitutes a Quorum for Purposes of the Annual Meeting?

Pursuant to Section 216 of the Delaware General Corporation Law and the Company’s By-Laws, a quorum for the Annual Meeting will be a majority of the issued and outstanding shares of the Company’s Common Stock, par value

\$0.10 per share (the “Common Stock”), present in person or represented by proxy. Abstentions and “broker non-votes” are counted as present and entitled to vote for purposes of determining a quorum.



### Who is Entitled to Vote at the Annual Meeting?

Each stockholder of record at the close of business on February 25, 2016, the record date for the Annual Meeting, will be entitled to one vote for each share registered in such stockholder's name. As of February 25, 2016, there were 30,550,688 shares of Common Stock outstanding.

Participants in the Company's Retirement Savings Plan (the "Plan") may vote the number of shares they hold in that plan. The number of shares shown on a participant's proxy card includes the stock units the participant holds in the Plan and serves as a voting instruction to the trustee of the Plan for the account in the participant's name. Information as to the voting instructions given by individuals who are participants in the Plan will not be disclosed to the Company.

### How May I Vote My Shares?

You can vote by completing, signing, dating and mailing the enclosed proxy card in the envelope provided. Proxy cards received at the Company's principal executive office prior to the Annual Meeting will be voted as instructed. You may also vote over the Internet by following the instructions on the enclosed proxy card or vote in person at the Annual Meeting.

If your shares are held in "street name" (i.e., if they are held through a broker, bank or other nominee), you may receive a separate voting instruction form with this Proxy Statement, or you may need to contact your broker, bank or other nominee to determine whether you will be able to vote electronically by using the Internet or by telephone. If your shares are held in "street name" and you wish to vote in person, you must obtain a legal proxy from the record holder (the broker, bank or other nominee) giving you the right to vote the shares at the Annual Meeting.

If your vote is received before the Annual Meeting, the named proxies will vote your shares as you direct.

### How Does the Board Recommend that I Vote?

The Board unanimously recommends that you vote:

FOR the three nominees for election to the Board named in Proposal One – Election of Directors;  
FOR Proposal Two – Confirmation and Ratification of the Company's 2015 Long-Term Incentive Plan; and  
FOR Proposal Three – Ratification of the Selection of the Independent Registered Public Accounting Firm.

### What Vote is Required to Approve Each Proposal?

Proposal One – Election of Directors. Directors will be elected by a plurality vote of shares of SWM's Common Stock as of the record date present in person or represented by proxy at the Annual Meeting and entitled to vote on the election of directors. This means that the individuals who receive the greatest number of votes cast "FOR" will be elected as directors, up to the maximum number of directors to be chosen at the meeting. Proxies cannot be voted for a greater number of persons than the number of nominees named in this Proxy Statement. Votes may be cast in favor of or withheld from each nominee; votes that are withheld will be excluded entirely from the vote and will have no effect.

Proposal Two – Confirmation and Ratification of the Company's 2015 Long-Term Incentive Plan. The affirmative vote of a majority of shares present in person or represented by proxy and entitled to vote on the subject matter is required to approve Proposal Two.

Proposal Three – Ratification of the Selection of the Independent Registered Public Accounting Firm. The affirmative vote of a majority of shares present in person or represented by proxy and entitled to vote on the subject matter is

required to approve Proposal Three.

What Happens if I Do Not Vote My Shares?

We encourage you to vote. Voting is an important stockholder right and helps to establish a quorum for the conduct of business. Abstentions and “broker non-votes” are counted as present and entitled to vote for purposes of determining a quorum. In tabulating the voting result for any particular proposal, abstentions and, if applicable, broker non-votes are not counted as votes “FOR” or

“AGAINST” the proposals. Accordingly, abstentions will have no effect on Proposal One, since only votes “FOR” a director nominee will be considered in determining the outcome. Because they are considered to be present and entitled to vote for purposes of determining voting results, abstentions will have the effect of a vote “AGAINST” the other proposals.

Under the New York Stock Exchange (“NYSE”) rules, if your shares are held in “street name” and you do not indicate how you wish to vote, your broker is permitted to exercise its discretion to vote your shares only on certain “routine” matters. Proposal Three is a “routine” matter under NYSE rules and, as such, your broker is permitted to exercise discretionary voting authority to vote your shares “FOR” or “AGAINST” the proposal in the absence of your instruction. The other proposals are not considered “routine” matters. Accordingly, if you do not direct your broker how to vote on such proposals, your broker may not exercise discretionary voting authority and may not vote your shares. This is called a “broker non-vote,” and although your shares will be considered to be represented by proxy at the Annual Meeting and counted for quorum purposes as discussed above, they are not considered to be shares “entitled to vote” at the Annual Meeting and will not be counted as having been voted on the applicable proposals.

#### How Can I Revoke My Proxy or Change My Vote?

At any time before it is voted, any proxy may be revoked by the stockholder who granted it by (i) delivering to the Company’s General Counsel and Secretary another signed proxy card or a signed document revoking the earlier proxy or (ii) attending the Annual Meeting and voting in person. You may also change your previously-submitted vote by submitting a subsequent vote over the Internet. The last vote received prior to the Annual Meeting will be the one counted.

If your shares are held in “street name” (i.e., if they are held through a broker, bank or other nominee), you may submit new voting instructions by contacting your broker, bank or other nominee. At any time before your previously-submitted vote or previously-granted proxy is voted, you may change such vote or revoke such proxy in person at the Annual Meeting if you obtain a legal proxy from the record holder (the broker, bank or other nominee) giving you the right to vote the shares.

#### Who Pays For the Proxy Solicitation?

The Company will pay the entire cost of the proxy solicitation. The Company will reimburse brokers, fiduciaries and other nominees for their reasonable expenses in forwarding proxy materials to beneficial owners. In addition to solicitation by mail, directors, officers and employees of the Company may solicit proxies in person, by telephone or by other means of communication. Directors, officers and employees of the Company will not receive any additional compensation in connection with such solicitation.

#### Who Will Count the Vote?

American Stock Transfer & Trust Company has been engaged to tabulate stockholder votes and act as our independent inspector of election for the Annual Meeting.

## STOCK OWNERSHIP

## Significant Beneficial Owners

The following table shows the persons known to the Company as of February 25, 2016 to be the beneficial owners of more than 5% of the outstanding shares of the Company's Common Stock. In furnishing the information below, the Company has relied solely on information filed with the Securities and Exchange Commission (the "SEC") by the beneficial owners.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class*	Sole Voting Power	Shared Voting Power	Sole Investment Power	Shared Investment Power
BlackRock Inc. <sup>(1)</sup> 55 East 52nd Street New York, NY 10022	2,914,040	9.6%	2,840,472	0	2,914,040	0
The Vanguard Group, Inc. <sup>(2)</sup> 100 Vanguard Blvd. Malvern, PA 19355	2,393,516	7.85%	43,390	2,700	2,349,326	44,190
T. Rowe Price Associates, Inc. <sup>(3)</sup> 100 E. Pratt Street Baltimore, MD 21202	1,889,740	6.2%	305,819	0	1,889,740	0
First Trust Portfolios L.P. <sup>(4)</sup> First Trust Advisors L.P., and The Charger Corporation 120 East Liberty Drive, Suite 400 Wheaton, IL 60187	1,695,778	5.56	0	0	0	1,549,801
		%	0	145,977	0	1,695,778
			0	145,977	0	1,695,778

\* The percentages contained in this column are based solely on information provided in Schedules 13G (or amendments thereto) filed with the SEC by each of the beneficial owners listed above regarding their respective holdings of the Company's Common Stock as of December 31, 2015.

(1) Based solely on information contained in a Schedule 13G/A filed on January 27, 2016 by BlackRock Inc. to report its beneficial ownership of Common Stock.

(2) Based solely on information contained in a Schedule 13G/A filed on February 10, 2016 by The Vanguard Group, Inc. ("Vanguard") to report its beneficial ownership of Common Stock.

(3) Based solely on information contained in a Schedule 13G/A filed on February 10, 2016 by T. Rowe Price Associates, Inc. to report its beneficial ownership of Common Stock.

(4) Based solely on information contained in a Schedule 13G filed on February 3, 2016 by First Trust Portfolios L.P., to report its beneficial ownership of Common Stock.

## Directors and Executive Officers

To assure that the interests of directors and executive officers are aligned with the Company's stockholders, the Company requires both directors and key executive officers (including all of the Company's Named Executive Officers, as described in the section entitled "Executive Compensation - Compensation Discussion & Analysis") to own minimum amounts of Common Stock. Either directly or through deferred compensation accounts, each director must hold equity, or equity equivalents, in an amount at least equal in value to five times the value of the directors' annual Board cash retainer. Each Named Executive Officer must hold equity (vested or unvested) equal to a multiple (from two to five), depending on the position held, of his or her annual base salary. Directors and key executive officers must meet these requirements by February 2017 or within five years of becoming subject to the policy, whichever is later.

The following table sets forth information as of February 25, 2016 regarding the number of shares of Common Stock beneficially owned by all directors and nominees, by each Named Executive Officer and by all directors and executive officers as a group. In addition to shares of Common Stock they own beneficially, all directors have at some point deferred part of their compensation from the Company through a deferred compensation plan for non-employee directors, explained in more detail under "Director Compensation" below. Under such plan, each director holds the equivalent of stock units in a deferral account. Unless otherwise indicated in a footnote, each person listed below possesses sole voting and investment power with respect to the shares indicated as beneficially owned by that person.

The Company's insider trading policy prohibits directors and key executives (including all Named Executive Officers) from directly or indirectly hedging or pledging any of the Company's equity securities. The policy also generally prohibits all officers, directors and employees of the Company (and its subsidiaries, independent contractors or consultants) from, among other things, engaging in short sales or transactions in publicly traded options, puts, calls or other derivative securities based on the Company's equity securities on an exchange or any other organized market. No shares listed in the table are pledged as security.

## Director and Executive Officer Beneficial Ownership Table

Name of Individual or Identity of Group	Amount and Nature of Beneficial Ownership	Number of Deferred Stock Units <sup>(1)</sup>	Percent of Class <sup>(2)</sup>
Allison Aden	6,238 <sup>(3)</sup>	0	*
Claire L. Arnold	8,896	51,816	*
K.C. Caldabaugh	4,000	30,027	*
Robert Cardin	8,170 <sup>(4)</sup>	0	*
Jeffrey A. Cook	0	0	0
Stephen Dunmead	3,378 <sup>(5)</sup>	0	*
Michel Fievez	114,301 <sup>(6)</sup>	0	*
William A. Finn	17,162	4,353	*
Heinrich Fischer	3,556	0	*
Jeffrey J. Keenan	0	493	*
Greerson G. McMullen	26,617 <sup>(7)</sup>	0	*
Don Meltzer	2,128 <sup>(8)</sup>	0	*
John D. Rogers	2,004	15,646	*
Frédéric P. Villoutreix	422,107 <sup>(9)</sup>	0	1.38%
Anderson D. Warlick	5,218	15,933	*
All directors and executive officers as a group	623,775	118,268	2.04%

<sup>(1)</sup> Represents the equivalent of stock units, including accumulated dividends, held in deferral accounts.

Percentages are calculated based on 30,550,688 shares of Common Stock issued and outstanding on February 25, 2016, excluding shares held by or for the account of SWM or its subsidiaries, plus shares deemed outstanding pursuant to Rule 13d-3(d)(1). An asterisk shows ownership of less than 1% of the shares of Common Stock outstanding.

<sup>(3)</sup> Includes 2,119 shares of restricted stock that will vest February 2017; 2,119 shares that will vest February 2018; and 2,000 shares of restricted stock that will vest December 2019.

<sup>(4)</sup> Includes 263 shares of restricted stock that vested February 25, 2016 (102 of which were surrendered to fulfill tax obligations); 621 shares of restricted stock that vested February 26, 2016; 1,859 shares of restricted stock that will vest in February 2017; 433 shares of restricted stock that vest February 2018; and 5,000 shares of restricted stock that will vest January 2020.

<sup>(5)</sup> Restricted stock that vested February 26, 2016.

<sup>(6)</sup>

Includes 11,478 shares that vested February 2015 and, 2,822 shares of restricted stock that vested February 26, 2016 but continued to have a two-year restriction on transfer. All vested shares include the power to vote such shares. Also includes 7,581 shares of restricted stock that will vest February 2017 and 1,026 shares that will vest in February 2018; all of which do not include the power to vote such shares.

(7) Includes 1,014 shares of restricted stock that vested February 25, 2016 (392 of which shares were surrendered to fulfill tax obligations); 1,784 shares that vested February 26, 2016; 6,551 shares that will vest February 2017; 7,000 shares of restricted stock that will vest May 2017; 1,044 shares that will vest February 2018; and 5,000 shares that will vest January 2020.

(8) Includes 1,064 shares of restricted stock that will vest February 2017 and 1,064 shares of restricted stock that will vest February 2018.

(9) Includes 6,730 shares of restricted stock that vested February 25, 2016 (2,662 of which were surrendered to fulfill tax obligations); 11,842 shares of restricted stock that vested February 26, 2016; 44,870 shares of restricted stock that will vest February 2017; and 8,317 shares that will vest February 2018.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), requires the Company's directors and executive officers and persons who own more than 10% of a registered class of the Company's equity securities to file reports with the SEC regarding beneficial ownership of Common Stock and other equity securities of the Company. Directors, executive officers and greater than 10% stockholders are required by SEC regulations to furnish the Company with copies of all forms they file pursuant to Section 16(a).

Based solely on a review of copies of such reports filed with the SEC and written representations from the Company's directors and executives that no other reports were required, the Company believes that all of its directors, executive officers and greater than 10% stockholders complied with the reporting requirements of Section 16(a) applicable to them since January 1, 2015.



PROPOSAL ONE  
ELECTION OF DIRECTORS

Number of Directors; Board Structure

SWM's By-Laws provide that the number of directors on its Board shall be fixed by resolution of the Board from time to time and, until otherwise determined, shall not be less than six nor more than twelve. The Board presently has eight members. The Board is divided into three classes of directors of the same or nearly the same number. The table below shows the allocation of our directors, effective as of the date of the Annual Meeting, across these three classes:

Class I - Current Term Ending at 2017 Annual Meeting	Class II - Current Term Ending at 2018 Annual Meeting	Class III – Current Term Ending at 2016 Annual Meeting; Nominees for Election at 2016 Annual Meeting
Claire L. Arnold Heinrich Fischer Jeffrey J. Keenan	William A. Finn John D. Rogers	K.C. Caldabaugh Frédéric P. Villoutreix Anderson D. Warlick

Nominees for Director

Upon recommendation of the Nominating & Governance Committee, the Board has nominated Messrs. K.C. Caldabaugh, Frédéric P. Villoutreix and Anderson D. Warlick for election to the Board as Class III directors to serve a three-year term ending at the 2019 Annual Meeting of Stockholders and until their successors are duly elected and qualified. Messrs. Caldabaugh, Villoutreix and Warlick are all current members of the Board, and the Board has determined that Messrs. Caldabaugh and Warlick are independent pursuant to the independence standards of the SEC, the NYSE and the Company. Mr. Villoutreix is a member of management and is not independent. Each nominee for director has consented to serve if elected. Should the nominees become unable to serve, proxies may be voted for another person designated by the Board. Proxies can only be voted for the number of persons named as nominees in this Proxy Statement, which is three.

The Board has nominated Mr. Caldabaugh as a Class III director this year in order to facilitate director succession planning. Mr. Caldabaugh was nominated and re-elected at the 2015 Annual Meeting of Stockholders as a Class II director. Reclassifying Mr. Caldabaugh as a Class III director and having him stand for re-election by stockholders again this year will enable him, assuming he is re-elected at the Annual Meeting, to serve as a director until his expected retirement at the 2019 Annual Meeting of Stockholders. Had he not been so reclassified, Mr. Caldabaugh's service as a director would have concluded no later than the 2018 Annual Meeting of Stockholders, due to our retirement age limit on director service. In that case, Mr. Caldabaugh's retirement would have coincided with Mr. Finn's expected retirement, as Mr. Finn would also reach the retirement age limit on director service by that year. See "Board Succession Planning" additional details. Thus, the Nominating & Governance Committee and the Board determined that it would be in the best interests of the Company and its stockholders to reclassify Mr. Caldabaugh as a Class III director and thereby, subject to his re-election by stockholders, extend his service as a director to the date of the 2019 Annual Meeting in order to stagger the expected departures of Messrs. Finn and Caldabaugh. Mr. Caldabaugh has consented to the reclassification and his nomination as a Class III director.

In addition, in advance of the upcoming expected director retirements and in order to allow for orderly director transition, upon the recommendation of the Nominating & Governance Committee, Mr. Keenan was appointed by the Board as a Class I director in February 2016 and is not a nominee for election at the Annual Meeting. The Board designated Mr. Keenan as a Class I director, with a term expiring at the 2017 Annual Meeting, to maintain the three classes of directors as nearly equal in number as possible in accordance with the By-Laws of the Company. See "Board Succession Planning" for additional details.

Board Recommendation

The Board of Directors unanimously recommends a vote FOR the election to the Board of each of the three nominees for director.

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Background Information on Nominees and Continuing Directors

The names of the nominees and the directors continuing in office, their ages as of the date of the Annual Meeting, their principal occupations and directorships during the past five years and certain other biographical information are set forth on the following pages.

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Nominees For Election to the Board of Directors

Name	Age	Director Since	Business Experience and Directorships
K.C. Caldabaugh	69	1995	Principal of Heritage Capital Group, an investment banking firm, since 2001
Frédéric P. Villoutreix	51	2007	Chief Executive Officer and Chairman of the Board of SWM, since 2009  Chief Operating Officer of SWM, 2006 – 2008  Vice President, Abrasives Europe and Coated Abrasives World, Compagnie de Saint-Gobain, 2004 – 2005
Anderson D. Warlick	58	2009	Vice Chairman and Chief Executive Officer of Parkdale, Inc. and its subsidiaries, a privately held textile and consumer products company since 2000

## Members of the Board of Directors Continuing in Office

Name	Age	Director Since	Business Experience and Directorships
Claire L. Arnold	69	1995	Chief Executive Officer of Leapfrog Services, Inc., a computer support company and network integrator, since 1998 Director of Ruby Tuesday, Inc., 1994 – 2012
William A. Finn	70	2008	Chairman of AstenJohnson Holding Ltd., a holding company that has interests in paper machine clothing manufacturers, since 2006 Chairman and Chief Executive Officer of AstenJohnson, Inc., a paper machine clothing manufacturer, 1999 – 2006
Heinrich Fischer	66	2014	Founder, Co-owner and Chairman of Diamondscull AG, a company that invests in medical and environmental startups, since 2007 Chief Executive Officer of SaurerGroup, 1986 – 2007 Chairman of Orell Füssli AG since May 2012 Director of Sensirion AG since August 2011 Director of Hilti AG since 2007 Director of Tecan AG since 2007
Jeffrey J. Keenan	58	2016	Senior Advisor of Roark Capital Group, a private equity fund, since 2015 President and Chief Compliance Officer of Roark Capital Group, 2006 – 2015 President of The United Company, an industrial conglomerate operating in the financial services, oil and gas development, industrial supply distribution and golf course businesses, 2002 – 2005 Chairman of IESI Corporation, a waste collection, recycling and landfill disposal service company, 1996 – 2005
John D. Rogers	54	2009	Founding Partner & Principal of Jade River Capital Management, LLC, 2007 – 2008 President, Chief Executive Officer and Director of CFA Institute, an association of investment professionals, 2009 – 2014 President and Chief Executive Officer, Invesco Institutional N.A., Senior Managing Director and Head of Worldwide Institutional Business, AMVESCAP Plc., a mutual fund company, 2003 – 2006 Director (and member of the Audit, Remuneration and Nominations and Governance Committees) of OM Asset Management plc. since 2014



## Director Qualifications for Service on the Company's Board

The particular experience, qualifications, attributes and skills that led the Board to conclude that each of the nominees for director and directors continuing in office should sit on the Board is summarized below:

### K.C. Caldabaugh

Mr. Caldabaugh has served as the chief financial officer of publicly-traded companies outside the paper industry and as the chief executive officer of a private company in the paper industry, including turnaround and distressed company situations. Subsequently, he has served as a principal in an investment banking firm that provides strategic planning advice and acts as an advisor in multi-faceted mergers and acquisitions. Mr. Caldabaugh's background provides the Board with extensive experience related to the Company's mergers, acquisitions and other strategic transactions, restructuring programs, evaluation and implementation of growth opportunities and strategic planning, in addition to his experience with financial controls and reporting.

As a member of the Company's Board, Mr. Caldabaugh is the Chair of the Nominating & Governance Committee and has served several terms as SWM's Lead Non-Management Director. In addition, his experience as a chief financial officer provides experience directly relevant to his participation on the Company's Audit Committee as one of the Committee's financial experts.

### Frédéric P. Villoutreix

As current Chairman and Chief Executive Officer and former Chief Operating Officer, Mr. Villoutreix brings a unified vision and depth of understanding of the operational, financial, and strategic elements of the Company to the Board. He also serves as the primary liaison between management and the Board and fills the core leadership role for both groups. His experience, both within the Company and in the various management positions and international assignments he held with his previous manufacturing-based employer, enhanced his ability to perform these functions.

### Anderson D. Warlick

As the vice chairman and chief executive officer of a company that utilizes domestic and foreign manufacturing sites to produce and compete world-wide in primarily commodity product lines, Mr. Warlick brings experience to the Board in operational excellence, operating in less developed countries and effective management and deployment of fixed assets situated in different positions along the cost curve of competitive facilities. These skills and experience are directly related to developing and guiding the implementation of solutions to the Company's current and strategic challenges.

Mr. Warlick currently serves on the boards of three private corporations, one of which he serves as lead director, and is a member of their compensation and nominating & governance committees. He previously served as a director of an additional private company, including as the lead director and a member of the audit committee. The experience he acquired in these roles contributes to his service as the Company's Lead Non-Management Director and on the Company's Compensation and Nominating & Governance Committees.

### Claire L. Arnold

Ms. Arnold has served as a director of five NYSE-listed small capitalization companies, including service as the chair of nominating & governance, compensation and audit committees, as well as lead director. As a member of the Company's Board she has also served in the capacity of Lead Non-Management Director and currently serves as Chair of its Compensation Committee. Ms. Arnold's broad experience on other boards and board committees allows her to

provide substantial value and insight into best governance practices on such critical topics as executive compensation and governance. From a business perspective, Ms. Arnold was the chief executive officer of a large, private distribution company for 15 years, building it from \$30 million in sales when acquired in a leveraged buy-out to sales of \$1.2 billion, accomplishing that equally through organic growth and through a series of acquisitions. The company distributed tobacco products, among other things, giving Ms. Arnold direct insight into dealing with SWM's major customers. Ms. Arnold is currently the chief executive officer of Leapfrog Services Inc., a managed services company and network integrator. Her



experience with information technology management systems has been directly relevant to an area in which the Company has made substantial capital investments. Her experience and background as a chief executive officer and service on public company audit committees also qualifies her as a financial expert. Ms. Arnold's direct experience running a large enterprise, as well as her role in identifying, negotiating and managing the integration of acquisitions, makes Ms. Arnold a valuable asset to the Board in exercising its oversight and input on strategic planning.

William A. Finn

Mr. Finn has served on eight private company boards and is currently the chairman of two such boards and the vice chair of a third such board. He also has extensive experience with service on non-profit boards. He served as the chief executive officer of a paper machine clothing manufacturer with international production sites, including in China. His background as chief executive officer for 24 years of an international manufacturing enterprise and his board experience has given him deep familiarity with management, human resources, financial, sales and general administrative issues. His experience and perspective as an operator of a manufacturing enterprise and with operational and safety excellence initiatives implemented domestically and internationally is of particular relevance to the Board.

Mr. Finn also brings a wealth of experience relative to audit committee and compensation committee matters, having dealt with both throughout his career as chief executive officer of AstenJohnson and as a director on other company or non-profit boards. In these roles, he has dealt with chief financial officers, controllers, treasury, information technology, audit and cash management issues as well as the interaction with, and management of, independent outside auditors. He has also served on two compensation committees and a human resources committee. Presently, he is the chair of the audit committee for Seaman Corp. Mr. Finn has served in the capacity of SWM's Lead Non-Management Director and serves on the Nominating & Governance Committee and on the Audit Committee as one of the Audit Committee's financial experts.

Heinrich Fischer

Mr. Fischer has extensive experience with service on boards of publicly-traded companies. In addition, he has extensive international experience, including a proven track record of successfully running manufacturing-oriented businesses on a global level, including in Asia. In addition, as a former chief executive officer and a founder and chairman of an investment company, he has broadly-based business skills, a solid understanding of the principles that create stockholder value and experience assisting companies as they navigate strategic challenges. He also has extensive experience with mergers and acquisitions. The experience he has acquired in these roles contributes to his service on the Company's Compensation Committee.

Jeffrey J. Keenan

Mr. Keenan has extensive experience serving on private company boards. He has been a member of 29 boards of directors and is currently a member of two private company boards. He is a Senior Advisor at Roark Capital Group. Previously, he was the President, Chief Operating Officer and Chief Compliance Officer of Roark Capital Group, a private equity fund with over \$5 billion of capital under management. In addition to his diverse experience with a variety of capital management firms, Mr. Keenan is also the former president of a diversified private holding company with operations in energy, real estate, and financial services. Mr. Keenan has broadly-based business skills that will add value to the Board's management of the Company, including strategic planning, financial and U.S. and international tax expertise as well as deep experience in multiple industries. Mr. Keenan has been appointed to the Company's Audit Committee, where he is one of the Committee's financial experts.

John D. Rogers

Mr. Rogers has extensive experience with large investment fund management firms, ranging from chief investment officer to president and chief executive officer. He served as president and chief executive officer of the CFA Institute, the world's leading association of investment professionals, for five and a half years until June 2014. Mr. Rogers currently serves as a director and member of the audit, remuneration and nominations and governance committees of a global investment management firm. In addition, he has served for nine years on the boards of NYSE-listed firms and as a director of multiple non-profit organizations. His chief executive officer

experience and extensive experience in the investment management industry, including as an equity and fixed income investor and analyst, has equipped him with a range of skills that relate directly to identifying and driving the elements that create value and maximize the effective utilization of capital. Mr. Rogers is a CFA charterholder. His perspective enhances the Board's ability to relate to and represent the interests of the Company's stockholders. Mr. Rogers is one of our Audit Committee's financial experts and contributes these skills as Chair of the Audit Committee.

#### Nomination of Directors

Directors may be nominated by the Board or by stockholders in accordance with the By-Laws of the Company. The Nominating & Governance Committee, which is composed of three independent directors, identifies potential candidates and reviews all proposed nominees for the Board, including those proposed by stockholders. The Nominating & Governance Committee selects individuals as director nominees who have the highest personal and professional integrity and whose background and skills will enhance the Board's ability to serve the long-term interests of the Company's stockholders. The candidate review process includes an assessment of the person's judgment, experience, financial expertise, independence, understanding of the Company's business or other related industries, commitment and availability to prepare for and attend Board and Standing Committee meetings and such other factors as the Nominating & Governance Committee determines are relevant in light of the needs of the Board and the Company. In seeking director candidates, the Nominating & Governance Committee uses a director candidate qualification matrix that compares the skills, experience, and competencies of existing directors, directors that are expected to retire in the near or medium-term and the anticipated future strategic and, operational strategies and development needs of the Company in order to identify skills, experience and/or competencies that may otherwise be absent from the Board's future composition. It also uses its and the Board's professional contact networks and/or director search firms to identify and recommend to the Board suitable director candidates. Mr. Keenan, who as noted above was appointed to the Board as a Class I director in February 2016, was identified and recommended as a director candidate to the Nominating & Governance Committee by a director who serves on that Committee.

The Nominating & Governance Committee selects qualified candidates consistent with criteria approved by the Board and presents them to the full Board, which decides whether to nominate the candidate for election to the Board. The Nominating & Governance Committee Charter authorizes the Nominating & Governance Committee to retain such outside experts, at the Company's expense, as it deems necessary and appropriate to assist it in the execution of its duties. The Nominating & Governance Committee evaluates candidates recommended by stockholders in the same manner as it evaluates other candidates. A further discussion of the process for stockholder nominations and recommendations of director candidates is found under the caption "How Stockholders May Nominate or Recommend Director Candidates."

#### Board Diversity

The Company does not have a formal policy concerning the diversity of its directors. In practice, the Nominating & Governance Committee, with input from the Board, considers a list of criteria it seeks to address when seeking director candidates and then seeks candidates that best meet those criteria without limitations imposed on the basis of race, gender or national origin. Diversity of experience and perspective is considered in reviewing the composition of the Board.

#### Board Succession Planning

The Board, through its Nominating & Governance Committee, regularly reviews the particular skill sets required by the Board based on the nature of the Company's business, strategic plans and regulatory challenges as well as the current performance of the incumbent directors. The By-Laws of the Company provide that a director is not eligible for election or re-election after his or her 72<sup>nd</sup> birthday. Customarily, a director chooses not to stand for re-election to

the Board if his or her 72nd birthday occurs in the year in which he or she would be subject to re-election, even if such birthday occurs after the annual meeting of the Company's stockholders. This is an added institutionalized mechanism for periodic change in directors in order to provide fresh insight.

Consequently, under the Company's historical practice, Messrs. Finn and Caldabaugh would both retire as of the Company's annual meeting of stockholders in 2018 and Ms. Arnold would retire as of the Company's annual meeting of stockholders in 2020. As noted above under "Nominees for Director," Mr. Caldabaugh has been reclassified as a Class III director and will stand for election at the

Annual Meeting. The Board elected to do this, acting upon the recommendation of the Nominating & Governance Committee, in order to facilitate the smooth transition of directors as Messrs. Finn and Caldabaugh retire and avoid those two experienced directors leaving the Board at the same time. As a result, if elected at the Annual Meeting, Mr. Caldabaugh would retire in 2019, one year after Mr. Finn will retire and one year before Ms. Arnold is due to retire.

As a further measure to ensure a smooth transition upon Mr. Finn's retirement, the Board, upon the recommendation of the Nominating & Governance Committee, appointed Mr. Keenan to the Board as a Class I director effective as of February 25, 2016, approximately two years in advance of Mr. Finn's expected retirement. The Nominating & Governance Committee expects to continue to seek director candidates to replace current directors as they retire and to recommend that they be appointed to the Board appropriately in advance of the effective retirement date of the applicable director.

#### How Stockholders May Nominate or Recommend Director Candidates

Any stockholder of record entitled to vote generally in the election of directors may nominate one or more persons for election as directors by complying with the procedures set forth in the Company's By-Laws, a copy of which may be obtained from the Company's General Counsel and Secretary. The notice of intent to nominate a candidate for the Board must satisfy the requirements described in the By-Laws and be received by the Company not less than 90 calendar days nor more than 120 calendar days before the first anniversary date of the preceding year's annual meeting. The Company may require any proposed nominee to furnish such other information as may reasonably be required by the Company to determine the eligibility of such proposed nominee to serve as a director of the Company.

Stockholders may recommend a director candidate for consideration by the Nominating & Governance Committee by notifying the Company's General Counsel and Secretary in writing at Schweitzer-Mauduit International, Inc., 100 North Point Center East, Suite 600, Alpharetta, Georgia 30022. The information that must be included in the notice and the procedures that must be followed (including the timeframe for submission) by a stockholder wishing to recommend a director candidate for the Nominating & Governance Committee's consideration are the same as would be required under the By-Laws if the stockholder wished to nominate that candidate directly.

## EXECUTIVE COMPENSATION

### COMPENSATION DISCUSSION & ANALYSIS

#### Executive Compensation Philosophy

The Company's executive compensation philosophy centers on three tenets:

- Pay for performance;
- Alignment with stockholders; and
- Total target compensation set within a range of market median value for like skills and responsibilities.

#### Implementation of Philosophy

The Compensation Committee of the Board (the "Committee") is responsible for implementing the Company's executive compensation philosophy and overseeing the Company's executive compensation program. The Committee implements the Company's executive compensation philosophy by:

- Allocating a significant portion of total target compensation to incentive-based compensation opportunities;
- Setting incentive plan objectives that the Committee believes directly or indirectly contribute to increased stockholder value;
- Awarding a significant portion of total compensation opportunity in the form of equity;
- Utilizing an annual competitive compensation study to guide decisions regarding total and individual compensation components and values; and
- Requiring Named Executive Officers and other executives to acquire and hold a significant equity interest in the Company within five years after joining the Company.

#### Named Executive Officers

For 2015, the Company's Named Executive Officers were:

Name	Position
Frédéric P. Villoutreix	Chief Executive Officer
Allison Aden <sup>(1)</sup>	EVP, Finance and CFO
Michel Fievez	EVP, Engineered Papers
Donald Meltzer <sup>(1)</sup>	EVP, Advanced Materials & Structures
Greerson G. McMullen	General Counsel and Secretary
Robert Cardin <sup>(2)</sup>	Controller, Treasurer and Interim CFO
Jeffrey A. Cook <sup>(3)</sup>	Former EVP, CFO and Treasurer
Stephen D. Dunmead <sup>(4)</sup>	Former Chief Operating Officer

<sup>(1)</sup> Ms. Aden and Mr. Meltzer joined the Company in 2015.

<sup>(2)</sup> Mr. Cardin, the Company's Controller, served as interim CFO and Treasurer beginning on April 3, 2015 when Mr. Cook retired from the Company, and ending on October 31, 2015 when Ms. Aden joined the Company.

- (3) Mr. Cook retired from the Company, effective April 3, 2015.
- (4) Mr. Dunmead resigned from the Company, effective April 10, 2015.

## Pay for Performance

In 2015, key metrics were as follows:

\$ in millions, except per share amounts	2013	2014	2015
Net Sales	\$ 772.8	\$ 794.3	\$ 764.1
Operating Profit from continuing operations	\$ 124.9	\$ 106.1	\$ 102.2
Net Income	\$ 76.1	\$ 89.7	\$ 89.7
Net Income Per Share-Diluted	\$ 2.42	\$ 2.93	\$ 2.94
Cash Provided by Operations	\$ 178.1	\$ 165.9	\$ 144.7

Results have been recast for the effect of discontinued operations for all periods.

## Alignment with Stockholders

A significant percentage of our Named Executive Officers' total target compensation was incentive-based, delivered in the form of annual cash incentive awards and performance-based restricted stock. For 2015, incentive compensation comprised at least 75% of the targeted total compensation for the Chief Executive Officer and, on average, 50% of the targeted total compensation for our other Named Executive Officers serving as executive officers at the time of the annual equity grants and who remained as executive officers as of December 31, 2015. The Committee believes that both these forms of compensation reward achievement of key drivers of stockholder value, including earnings per share, EBITDA, gross profit, net sales and free cash flow.

A significant portion of the Named Executive Officers' compensation is also delivered in the form of equity, rather than cash, to further align the interests of our Named Executive Officers with the interests of our stockholders. For 2015, equity-based compensation comprised at least 50% of the targeted total compensation for the Chief Executive Officer and, on average, 25% of the targeted total compensation for our other Named Executive Officers serving as executive officers at the time of the annual equity grants and who remained as executive officers as of December 31, 2015.

## Market-Based Competitive Compensation Levels

During 2015, the Committee continued its philosophy of setting compensation within a range of the market median for each position, which experience has shown is the level at which the Company has been able to recruit and retain the level of talent that the Committee deems to be in the best interests of the Company and its stockholders. Compensation paid to the executive team is based on competitive market data developed annually by an independent compensation consultant retained by the Committee. For the 2015 analysis, the Committee retained Towers Watson, which has no other ties to management or business with the Company that the Committee believes could impair its assessment.

The competitive compensation analysis prepared by Towers Watson in September 2014 for evaluating 2015 compensation was intended to reflect the scope of an executive's responsibilities, experience in the position, and competitive market conditions. The main basis used for comparison was published survey data. For the 2015 compensation review of compensation for U.S.-based Named Executive Officers, Towers Watson compiled compensation data from the following compensation surveys: Towers Watson's 2014 General Industry Executive Compensation Database; Towers Watson's 2013 Survey Report on Top Management Compensation; and Mercer's



2014 Executive Benchmark Database, while the 2015 compensation review for the Named Executive Officer based in France was based on the Towers Watson's 2013 France Executive Compensation Database. The survey data is used for all SWM executives as the primary tool for market comparisons, this source provides larger sample sizes and more direct matching between positions. All published survey data was aged to a common date of July 1, 2015 using an annual aging factor of 3.0% per year.

The September 2014 compensation analysis also relied on proxy statement data from a peer group of 15 companies to supplement the primary compensation survey sources used for benchmarking purposes with respect to the Chief Executive, Chief Financial Officer and General Counsel positions. The Committee believes that the Company's peer group should reflect the industries in which the Company potentially competes for business, executive talent and capital.

In 2014, as part of its ongoing review of the Company's executive compensation program, the Committee instructed Towers Watson to re-evaluate the Company's historical peer group. Based on this review, Towers Watson recommended a revised peer group including the following nine companies identified by ISS Proxy Advisory Services, a proxy advisory firm, as peers of the Company in its 2014 review of the Company: KapStone Paper and Packaging Corporation, Minerals Technologies, OMNOVA Solutions Inc., Neenah Paper, Inc., Myers Industries, Innospec, Inc., RTI International Metals Inc., Quaker Chemical Corporation, and Zep Inc. In addition, Towers Watson included the following six companies based on comparability in company revenue size and business model: Louisiana-Pacific Corporation, Clearwater Paper Corporation, PH Glatfelter Company, Deluxe Corporation, Verso Paper Corporation, and OM Group Inc. The 2015 peer group was modified from the peer group that was used to evaluate 2014 compensation decisions, with the (i) removal of Amcol International Corporation due to its 2014 acquisition by Minerals Technologies, Headwaters Inc. given its dissimilarity of industry (construction materials), and Wausau Paper Corp. given its incomparable revenue size to SWM and (ii) addition of Minerals Technologies, Myers Industries, Quaker Chemical Corporation, and Zep Inc. given their comparability of revenue size and industry focus (and inclusion in the 2014 ISS peer group). Included in the September 2014 compensation analysis was an overview of the peer group companies' performance compared to that of the Company for fiscal years 2011 through 2013, based on these companies' public filings. The median of the peer group's 3-year average return on capital was 8%. In comparison, the Company's 3-year average return on capital was 15%, higher than 90% of its peers.

In October 2015, as part of its ongoing review of the Company's executive compensation program, the Committee instructed Towers Watson to re-evaluate the Company's historical peer group. Based on this review, Towers Watson recommended a revised peer group to (i) remove Verso Paper Corp. due to its poor performance and lack of international revenues, RTI International Metals, Inc. due to its acquisition by Alcoa, and Zep Inc. due to its acquisition by New Mountain Capital and (ii) add AEP Industries, Balchem Corporation, Calgon Carbon, and Platform Specialty Products Corporation due to comparability in revenue size and industry.

The Committee uses the compensation analysis as a guide to determine whether executives' compensation is competitive. The analysis evaluates the following components: base salary; annual incentive bonus (assuming attainment of the target objective level, as a percentage of base salary); target total cash compensation (base salary plus target level annual incentive); long-term incentive compensation (assuming attainment of the target objective level); and target total direct compensation, which is the sum of base salary plus annual incentive plus long-term incentive compensation at the target level.

Towers Watson considered 2015 target total direct compensation to be competitive if it fell with +/-20% of the market median. The compensation of Michel Fievez, EVP, Engineered Papers, exceeds the + 20% variance due to the competitive recruitment of Mr. Fievez given his extensive knowledge and experience in the industry. At the time of the peer group analysis, Mr. Fievez served as head of the Company's global operations for the Paper and RTL businesses, was a member of the Company's Executive Strategic Council, and also had responsibilities for our two joint ventures in China. Therefore, Mr. Fievez's role within the Company has more responsibilities and retention risk than the benchmarked positions and the Committee, in consultation with Towers Watson, determined that the adjustment from the market median was appropriate to reflect these differences in responsibilities. In 2015, Mr. Fievez was promoted to EVP, Engineered Papers to lead the Company's newly-combined Paper and RTL businesses. In the fourth quarter of 2015, the Company combined its Paper and RTL reporting segments into one reporting segment, Engineered Papers.



Executive Compensation Plans, Form of Payment and Approval Process

The 2015 executive compensation program applicable to the Named Executive Officers consisted of the following principal elements:

Compensation Element	Method for Establishing its Value	Form of Payment	Who Establishes Objectives and Participation
Base Salary	Competitive Compensation Analysis; subjective evaluation of performance applied to adjust +/- 10% from 50th percentile of the market reference point.	Cash	Annually, Chief Executive Officer recommends and the Committee approves for all Named Executive Officers other than Chief Executive Officer. Chief Executive Officer's base salary is approved annually by the Committee, with ratification by the independent members of the Board.
Annual Incentive	Competitive Compensation Analysis; annual incentive opportunity is based on a percentage of base salary; attainment is performance-based and measured over a year.	Cash	Chief Executive Officer recommends and the Committee approves: (i) Named Executive Officer participation in the annual incentive program; (ii) corporate and business unit objectives at beginning of cycle; and (iii) performance against corporate, business unit and individual objectives at year end. Committee approves, with ratification by the independent members of the Board, Chief Executive Officer participation in the annual incentive program, his objectives and his performance against corporate and individual objectives at year end.
Equity Awards	Competitive Compensation Analysis for performance share award and time-based share award opportunities based on a percentage of base salary; achievement is performance and service-based.	Restricted stock performance shares granted following the completion of each year of an award cycle and generally vest one year after grant.  Time-based restricted stock granted at the beginning of the year and generally vest in two tranches over a two-year period.	Chief Executive Officer recommends target grant levels and performance share objectives for each Named Executive Officer and the Committee approves (i) performance share objectives and (ii) evaluation of performance against objectives. The Committee approves, with ratification by the independent members of the Board, Chief Executive Officer target grant levels and evaluation of performance against objectives.
		Dividends and voting rights attach when granted.	



Compensation Element	Method for Establishing its Value	Form of Payment	Who Establishes Objectives and Participation
Executive Severance Plan <sup>(1)</sup>	Provides a severance benefit equal to three times highest base salary and incentive compensation earned under the Company's annual incentive program and certain other benefits over prior three years in case of a change of control and between 6-24 months salary in the event of a termination for other than cause or voluntary departure.	Cash	Participation in the Executive Severance Plan and the terms of the plan were approved by the Compensation Committee and the full Board, respectively. The multiples of annual compensation awarded by the plan were initially established based on a market assessment. The plan was revised in 2012 to eliminate excise tax gross-up payments for new participants.
Deferred Compensation Plan	In addition to a participant's voluntary deferral of salary or bonus that has been earned, Company contributions may be made to participant accounts.	Cash	The Chief Executive Officer recommends and the Committee must approve any discretionary Company contributions to the Deferred Compensation Plan.

Change of control benefits are contingent upon providing continued services, as requested, through a change of control thereby increasing the ability of the Company to accomplish that task with an intact management team, <sup>(1)</sup> while recognizing a degree of security must be provided to retain officers who may well be out of a position following their implementation of such a change of control. Further information concerning the severance benefits are found in the "Potential Payments Upon Termination or Change of Control" section.

#### Base Salary

In November 2014, based on the compensation analysis performed by Towers Watson as well as individual performance, the Committee approved the 2015 annual base salaries for the then-serving Named Executive Officers, as set forth below:

Name	Position	2015 Base Salary	2014 Base Salary
Frédéric P. Villoutreix	Chief Executive Officer	\$803,400	\$780,000
Allison Aden	EVP, Finance and CFO	\$440,000	N/A
Michel Fievez	EVP, Engineered Papers	\$399,535 <sup>(1)</sup>	\$405,628 <sup>(1)</sup>
Donald Meltzer	EVP, Advanced Materials & Structures	\$415,000	N/A
Greerson G. McMullen	General Counsel and Secretary	\$484,100	\$470,000
Robert Cardin	Controller, Treasurer & Interim CFO	\$311,777 <sup>(2)</sup>	\$241,000 <sup>(2)</sup>
Jeffrey A. Cook	Former EVP, CFO and Treasurer	\$355,402	\$345,050

Stephen D. Dunmead	Former Chief Operating Officer	\$499,550	\$485,000
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Mr. Fievez's compensation is paid in Euros and his 2014 base salary was converted at the December 31, 2014 exchange rate of 1.2136 Euros to the U.S. dollar and his 2015 base salary was converted at the December 31, 2015 exchange rate of 1.0867 Euros to the U.S. dollar. The amount shown for 2015 reflects his annual base salary approved in October 2015 in connection with Mr. Fievez's promotion to EVP, Engineered Papers. Prior to October 2015, Mr. Fievez's annual base salary had remained unchanged from the level established in 2014.

- (1)
- Mr. Cardin served as interim CFO and Treasurer beginning on April 3, 2015 when Mr. Cook retired from the Company and ending on October 31, 2015 when Ms. Aden joined the Company. At the end of each quarter during this period, Mr. Cardin
- (2)

received a true-up payment equal to the difference between his base salary and the 2015 base salary for Mr. Cook. For the time prior to and following his service as interim CFO, Mr. Cardin's annual base salary was \$250,702.



## 2015 Annual Incentive Program

Each year, Named Executive Officers are provided with a cash-based award opportunity that may be earned if performance objectives are achieved over a fiscal year period. Annual incentive compensation is intended to reward the performance of executive officers based on the attainment of the Company's objectives. The 2015 target annual incentive opportunities for the Named Executive Officers, excluding Ms. Aden, who joined the Company in November 2015, ranged from 56.62% to 104.75% of a participant's base salary, with maximum annual incentive opportunities for the Named Executive Officers in 2015 ranging from 86.33% to 190% of a participant's base salary. Mr. Meltzer's award opportunity for 2015 was pro-rated based upon his July 2015 start date, with a guaranteed payout equal to his pro-rated target award pursuant to the terms of his offer of employment. Due to her November 2015 start date, Ms. Aden did not participate in the 2015 annual incentive program. During 2015, Mr. Cardin's annual incentive opportunity for the period in which he served as interim CFO was 65% of his base salary and for the periods prior to and following his service as interim CFO was 40% of his base salary, in each case, based on his base salary earned during the applicable period, including the base salary quarterly true-up payments discussed above.

Each year, objectives are established to measure corporate, business unit and individual performance, with the 2015 individual award component for Named Executive Officers not exceeding 30% of the total award opportunity. The Committee approved the corporate and business unit objectives, as applicable, for the Named Executive Officers. Objectives for the Named Executive Officers' 2015 incentive award opportunities are set out below. These objectives were selected because they were deemed by the Committee to be the primary drivers for delivering increased stockholder value. The performance objectives were established based on prior year performance as well as the Company's internal operating plan.

Annual incentive awards to Mr. Villoutreix and the Named Executive Officers in Shared Services (financial, legal, human resources and information technology) are based on achievement of corporate and individual objectives. The annual incentive award for Mr. Fievez is based on corporate, Engineered Papers business unit, and individual objectives and the annual incentive award for Mr. Meltzer was based on corporate, AMS business unit, and individual objectives. All 2015 corporate and business unit objectives exclude the impact of impairment and restructuring charges.&