SCHWEITZER MAUDUIT INTERNATIONAL INC
Form DEF 14A
March 03, 2015

March 12, 2015

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 23, 2015 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. But, 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

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

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

April 23, 2015

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 23, 2015 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 2018 Annual Meeting of Stockholders;

2. To approve the Company's 2015 Long-Term Incentive Plan;

3. To ratify the selection of Deloitte & Touche as the Company's independent registered public accounting firm for 2015; 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 26, 2015, 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 12, 2015

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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 2015 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 2014 Annual Report to Stockholders, on or about March 12, 2015.

GENERAL INFORMATION ABOUT THE ANNUAL MEETING AND VOTING

When and Where is the Annual Meeting?

The Annual Meeting will be held on April 23, 2015, 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 2018, (ii) the approval of our 2015 Long-Term Incentive Plan and (iii) the ratification of the Audit Committee’s selection of Deloitte & Touche as our independent registered public accounting firm for 2015.

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 26, 2015, 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 26, 2015, 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 26, 2015, there were 30,526,891 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 you hold 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" (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 – Approval 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 – Approval 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?

Voting is an important stockholder right and we encourage you to do so. It is also important that you vote 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 ("the 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 proposal.

How Can I Revoke My Proxy or Change My Vote?

Any proxy may be revoked by the stockholder granting it at any time before it is voted by delivering to the Company’s General Counsel and Secretary another signed proxy card, or a signed document revoking the earlier proxy, or by attending the Annual Meeting and voting in person. You may also change your 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" (through a broker, bank or other nominee), you may submit new voting instructions by contacting your broker, bank or other nominee. You may also change your vote or revoke your 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 has retained American Stock Transfer & Trust Company, the Company's transfer agent, to aid in the solicitation of proxies. Proxy solicitation services on routine proxy matters, including each of the three proposals listed in this Proxy Statement, are included in the fees paid to American Stock Transfer & Trust Company to act as the Company's stock transfer agent and registrar. Only reasonable out-of-pocket expenses on proxy solicitation services are charged separately. 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 26, 2015 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
Royce & Associates, LLC(1) 745 Fifth Avenue New York, NY 10151	4,341,245	14.25%	4,341,245	0	4,341,245	0
BlackRock Inc.(2) 55 East 52nd Street New York, NY 10022	2,711,386	8.9%	2,643,837	0	2,711,386	0
The Vanguard Group, Inc.(3) 100 Vanguard Blvd. Malvern, PA 1935	2,004,917	6.58%	43,390	0	1,964,527	40,390
T. Rowe Price Associates, Inc.(4) 100 E. Pratt Street Baltimore, MD 21202	1,787,339	5.8%	232,979	0	1,787,339	0

* 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, 2014.

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(1) Based solely on information contained in a Schedule 13G/A filed on January 21, 2015 by Royce & Associates, LLC ("Royce") to report its beneficial ownership of Common Stock as of December 31, 2014. Various accounts managed by Royce have the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of shares of Common Stock. The interest of one account, Royce Special Equity Fund, an investment company registered under the Investment Company Act of 1940 and managed by Royce, amounted to 2,300,000 shares or 7.55% of the total shares outstanding.

(2) Based solely on information contained in a Schedule 13G/A filed on January 22, 2015 by BlackRock Inc. to report its beneficial ownership of Common Stock as of December 31, 2014.

(3) Based solely on information contained in a Schedule 13G/A filed on February 10, 2015 by The Vanguard Group, Inc. ("Vanguard") to report its beneficial ownership of Common Stock as of December 31, 2014. Vanguard Fiduciary Trust Company, a wholly-owned subsidiary of Vanguard, is the beneficial owner of 42,733 shares or 0.13% of the Common Stock as a result of its serving as investment manager of collective trust accounts. Vanguard Investments Australia, Ltd., a wholly-owned subsidiary of Vanguard, is the beneficial owner of 800 shares or 0.00% of the Common Stock as a result of its serving as investment manager of Australian investment offerings.

(4) Based solely on information contained in a Schedule 13G filed on February 12, 2015 by T. Rowe Price Associates, Inc. to report its beneficial ownership of Common Stock as of December 31, 2014.

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 Named Executive Officers) 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 26, 2015 regarding the number of shares of Common Stock beneficially owned by all directors and nominees, 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 deferred part of their compensation from the Company to 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 prohibits directors and key executives (including all Named Executive Officers) from hedging any of the Company's equity securities or from pledging a significant number of the Company's equity securities. No shares listed in the table are pledged as security.

Name of Individual or Identity of Group	Amount and Nature of Beneficial Ownership	Number of Deferred Stock Units (1)	Percent of Class (2)
Claire L. Arnold	8,420	47,278	*
K.C. Caldabaugh	4,000	27,054	*
Jeffrey A. Cook	41,287(3)	0	*
Stephen D. Dunmead	46,650(4)	0	*
Michel Fievez	107,732(5)	0	*
William A. Finn	15,265	4,194	*
Heinrich Fischer	1,659	0	*
Greerson G. McMullen	27,545(6)	0	*
John D. Rogers	2,004(7)	13,210	*
Frédéric P. Villoutreix	407,566(8)	0	1.3%
Anderson D. Warlick	5,218	11,335	*
All directors and executive officers as a group	667,346(9)	103,071	2.2%

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

(2) Percentages are calculated on the basis of the amount of outstanding shares of Common Stock on February 26, 2015, 30,526,891 shares, 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.

(3) Includes 14,933 shares of restricted stock that vested February 27, 2015; 1,806 shares of restricted stock of which 903 shares vested February 26, 2015, of which 350 shares were surrendered to fulfill tax obligations, and 903 shares that will vest in February 2016; 14,258 shares of restricted stock that will also vest in February 2016 and 1,638 shares of restricted stock that will vest in February 2017.

(4) Includes 24,487 shares of restricted stock that vested February 27, 2015; 3,552 shares of restricted stock of which 1,776 shares vested February 26, 2015, of which 625 shares were surrendered to fulfill tax obligations, and 1,776 shares that will vest in February 2016; 8,083 shares of restricted stock that will vest in February 2016; 2,929 shares of restricted stock that will vest in February 2017; and 10,000 shares of restricted stock that will vest in March 2017.

(5) Includes 25,950 shares that vested on February 20, 2013, but continued to have a two-year restriction on transfer which was lifted on February 20, 2015, 11,478 shares of restricted stock that vested on February 20, 2015 and 1,376 shares of restricted stock that vested on February 26, 2015. All vested shares include the power to vote such shares. Also includes 1,446 shares of restricted stock that will vest in February 2016; and 2,038 shares of restricted stock that will vest in February 2017; all of which do not include the power to vote such shares and will continue to have a two-year restriction on transfer following their respective vesting dates.

(6) Includes 6,356 shares of restricted stock that vested February 27, 2015; 1,230 shares of restricted stock of which 615 shares vested February 26, 2015, of which 238 shares were surrendered to fulfill tax obligations, and 615 shares that will vest in February 2016; 2,798 shares of restricted stock that will also vest in February 2016; 1,014 shares that will vest in February 2017; and 7,000 shares of restricted stock that will vest in May 2017.

(7) Mr. Rogers owns 2,004 shares jointly with his wife, Kyle E. Koehler.

(8) Includes 67,511 shares of restricted stock that vested February 27, 2015; 8,162 shares of restricted stock of which 4,081 shares vested February 26, 2015, of which 1,349 shares were surrendered to fulfill tax obligations, 18,572 shares of restricted stock that will vest in February 2016; and 6,730 shares that will vest in February 2017.

(9) Includes 316 shares of restricted stock of which 158 shares vested February 26, 2015, of which 62 shares were surrendered to fulfill tax obligations, and 884 shares of restricted stock that will vest in February 2016; and 263 shares of restricted stock that will vest in February 2017.

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, 2014.

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 seven members. As indicated in the table below, the Board is divided into three classes of directors of the same or nearly the same number.

Class I - Current Term Ending at 2017 Annual Meeting	Class II - Current Term Ending at 2015 Annual Meeting	Class III - Current Term Ending at 2016 Annual Meeting
Claire L. Arnold Heinrich Fischer	K.C. Caldabaugh William A. Finn John D. Rogers	Frédéric P. Villoutreix Anderson D. Warlick

Nominees for Director

Upon recommendation of the Nominating & Governance Committee, the Board has nominated Messrs. K.C. Caldabaugh, William A. Finn and John D. Rogers for election to the Board as Class II directors to serve a three-year term ending at the 2018 Annual Meeting of Stockholders and until their successors are duly elected and qualified. Messrs. Caldabaugh, Finn and Rogers are all current members of the Board and the Board has determined that they are independent pursuant to the independence standards of the SEC, the NYSE and the Company. 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.

Board Recommendation

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

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.

Nominees For Election to the Board of Directors

Name	Age	Director Since	Business Experience and Directorships
K.C. Caldabaugh	68	1995	Principal of Heritage Capital Group, an investment banking firm, since 2001
William A. Finn	69	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
John D. Rogers	53	2009	Founding Partner of Jade River Capital Management, LLC since 2007 President and Chief Executive Officer 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 of CFA Institute, 2009 – 2014

Members of the Board of Directors Continuing in Office

Name	Age	Director Since	Business Experience and Directorships
Claire L. Arnold	68	1995	Chief Executive Officer of Leapfrog Services, Inc., a computer support company and network integrator, since 1998 Director – Ruby Tuesday, Inc., 1994 - 2012
Heinrich Fischer	65	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
Frédéric P. Villoutreix	50	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	57	2009	Vice Chairman and Chief Executive Officer of Parkdale, Inc. and its subsidiaries, a privately held textile and consumer products company since 2000

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 that 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.

William A. Finn

Mr. Finn has served on eight private company boards and is currently the chairman of two boards and the vice chair of a third 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. and the Trident United Way. Mr. Finn has served in the capacity of SWM's Lead Non-Management Director and is one of the Audit 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 New York Stock Exchange-registered 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.

Claire L. Arnold

Ms. Arnold has served as a director of five New York Stock Exchange-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 madesubstantial capital investments. 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.

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.

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 as well as filling 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 also 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.

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 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.

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 assists the Board in establishing a list of criteria it seeks to address when filling a Board seat 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 Company also has an age limit on service as a director which provides that a director is not eligible for election or re-election after his or her 72nd birthday. This is an added institutionalized mechanism for periodic change in directors in order to provide fresh insight.

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 time frame 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 material 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
- Beginning in 2012, requiring Named Executive Officers and other executives to acquire and hold a significant equity interest in the Company within five years of joining the Company.

Named Executive Officers

For 2014, the Company’s Named Executive Officers were:

Name	Position
Frédéric P. Villoutreix	Chief Executive Officer
Stephen D. Dunmead	Chief Operating Officer
Jeffrey A. Cook	EVP, CFO and Treasurer
Michel Fievez	EVP, Paper & RTL
Greerson G. McMullen	General Counsel and Secretary

Pay for Performance

In 2014, management continued to deliver strong results for stockholders:

$ in millions, except per share amounts	2012	2013	2014
Net Sales	$ 778.5	$ 772.8	$ 794.3
Operating Profit from continuing operations	$ 151.7	$ 124.9	$ 106.1
Net Income	$ 79.8	$ 76.1	$ 89.7
Net Income Per Share-Diluted	$ 2.51	$ 2.42	$ 2.93
Cash Provided by Operations	$ 174.6	$ 178.1	$ 165.9

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 under the Annual Incentive Plan (the "AIP") and performance-based restricted stock under the Restricted Stock Plan (the "RSP"). For 2014, incentive compensation comprised at least 75% of the targeted total compensation for the Chief Executive Officer and, on average, 60% of the targeted total compensation for our other Named Executive Officers. 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.

Additionally, a significant portion of the Named Executive Officers’ compensation is 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 2014, equity-based compensation comprised at least 50% of the targeted total compensation for the Chief Executive Officer and, on average, 35% of the targeted total compensation for our other Named Executive Officers.

Market-Based Competitive Compensation Levels

During 2014, 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 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 2014 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 October 2013 for evaluating 2014 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 2014 compensation review of compensation for U.S.-based Named Executive Officers, Towers Watson compiled compensation data from the following compensation surveys: Towers Watson’s 2013 General Industry Executive Compensation Database (442 participating organizations); Towers Watson’s 2013 Survey Report on Top Management Compensation (480 participating organizations); and Mercer’s 2013 Executive Benchmark Database (2,546) participating organizations), while the 2014 compensation review for the Named Executive Officer based in France was based on the Towers Watson's 2013 France Executive Compensation Database (303 participating organizations). 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, 2014 using an annual aging factor of 3.0% per year.

The October 2013 compensation analysis also relied on proxy statement data from a peer group of 14 companies to supplement the primary compensation survey sources used for benchmarking purposes with respect to the Chief Executive and Chief Financial Officer 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. Developed by Towers Watson, the peer group includes the following eight companies identified by ISS Proxy Advisory Services, a proxy advisory firm, as peers of the Company in its 2013 review of the Company: Neenah Paper, Inc., Innospec, Inc., KapStone Paper and Packaging Corporation, Wausau Paper Corp., Amcol International Corporation, RTI International Meals Inc., Headwaters Inc., and Clearwater Paper Corporation. In addition, Towers Watson included the following six companies based on comparability in company revenue size and business model: OM Group Inc., Louisiana-Pacific Corporation, PH Glatfelter Company, Deluxe Corporation, Verso Paper Corporation, and OMNOVA Solutions Inc. The 2014 peer group was the same peer group that was used to evaluate 2013 compensation decisions, with the exception of the removal of Buckeye Technologies, Inc. due to its 2013 merger and HB Fuller Co. due to HB Fuller Co.'s domestic national focus and the addition of Deluxe Corp. given Deluxe Corp.'s international presence.

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 to (i) remove 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) add 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 October 2013 compensation analysis was an overview of the peer group companies' performance compared to that of the Company for fiscal years 2010 through 2012, based on these companies' public filings. The median of the peer group's 3-year average return on capital was 7%. In comparison, the Company's 3-year average return on capital was 14%, higher than 86% of its peers.

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 (AIP compensation assuming attainment of the target objective level, as a percentage of base salary); target total cash compensation (base salary plus AIP); long-term incentive compensation (assuming attainment of the target objective level); and target total direct compensation, which is the sum of base salary plus AIP plus long-term incentive compensation at the target level.

Towers Watson considered 2014 target total direct compensation to be competitive if it fell with +/-20% of the market median. Michel Fievez, Executive Vice President, Reconstituted Tobacco, is based in France. Mr. Fievez's compensation exceeds the + 20% variance due to the competitive recruitment of Mr. Fievez given his extensive knowledge and experience in the industry. Mr. Fievez has responsibility not only for the Reconstituted Tobacco business (including the U.S.-based wrapper and binder business) but also serves on the Company's Executive Strategic Council. Mr. Fievez also has responsibilities related to our reconstituted tobacco leaf (RTL) joint venture in China. Therefore, the position has more responsibility 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 responsibility. In late 2014, Mr. Fievez was given additional responsibility as head of the Company's global operations for the Paper and RTL business units.

Executive Compensation Plans, Form of Payment and Approval Process

The 2014 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 approved annually by the Committee, with ratification by the independent members of the Board.
Annual Incentive Plan	Competitive Compensation Analysis; AIP 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 AIP; (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 AIP, his objectives and his performance against corporate and individual objectives at year end.
Restricted Stock Plan	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.	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

Time-based restricted stock granted at the beginning of the year. Dividends and voting rights attach when granted.	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.

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Compensation Element	Method for Establishing its Value	Form of Payment	Who Establishes Objectives and Participation
Executive Severance Plan(1)	Provides a severance benefit equal to three times highest base salary and incentive compensation earned under the AIP Plan 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 full Board. 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.

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(1) 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, 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 2013, senior management, including the Named Executive Officers, recommended that they should receive no 2014 base salary increase at that time after considering the expected outlook for 2014 compared to 2013 results. The Committee deferred to management's recommendation and did not adjust the 2014 base salary levels from the levels approved in 2013 for the Named Executive Officers. The 2014 base salary for each Named Executive Officer is set forth below:

Name	Position	2014 Base Salary	Change from 2013 Base Salary
Frédéric P. Villoutreix	Chief Executive Officer	$780,000	—

Jeffrey A. Cook	EVP, CFO & Treasurer	$345,050	—
Stephen A. Dunmead	Chief Operating Officer	$485,000	—
Michel Fievez	EVP, Paper & RTL	$405,628(1)	—
Greerson G. McMullen	General Counsel and Secretary	$470,000	—

(1) Mr. Fievez's compensation is paid in Euros and was converted at the December 31, 2014 exchange rate of 1.2136 Euros to the U.S. dollar.

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2014 Annual Incentive Plan

The Annual Incentive Plan provides a cash-based award opportunity that may be earned if performance objectives are achieved over a fiscal year period. AIP compensation is intended to reward the performance of executive officers based on the attainment of the Company's objectives. Target AIP opportunities for the Named Executive Officers remained at the levels established for 2013 and ranged from 50% to 100% of a participant's base salary, with maximum AIP opportunities for the Named Executive Officers in 2014 ranging from 92.5% to 190% of a participant's base salary. Each year, objectives are established for corporate, business unit and individual performance, with the 2014 individual award component for Named Executive Officers not exceeding 30% of the total award opportunity. The Committee approves the corporate and business unit objectives for the Named Executive Officers.

Annual Incentive Plan objectives for the Named Executive Officers' 2014 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.

The AIP award for Mr. Fievez is based on corporate, RTL business unit, and individual objectives. AIP awards to Messrs. Villoutreix and Dunmead and the Named Executive Officers in Shared Services (financial, legal, human resources, information technology and research) are based on achievement of corporate and individual objectives. All 2014 corporate and business unit objectives exclude the impact of impairment and restructuring charges.

	2014 Objectives			
MEASUREMENT METRICS	Threshold	Target (100%)	Outstanding	Maximum
Corporate Metrics				
100% Adjusted earnings per share[(1)]	$3.15	$3.25	$3.35	$3.45
RTL Unit Metrics				
40% Gross profit	$76.6	$79.1	$81.5	$83.9
40% Net sales	$179.2	$185.5	$192.0	$197.6
10% Days Sale Outstanding	$40.4	$37.6	$36.6	$35.6
10% Days Inventory Outstanding	$47.0	$40.4	$39.1	$37.9
Individual	Maximum of 4 individual objectives			

(1) Earnings per share excludes restructuring and share buy backs.

The Committee weighted each component of the Named Executive Officers' AIP incentive opportunity to reflect their differing responsibilities and opportunities to affect business outcomes. For 2014, weighting between the corporate, RTL business unit and individual components for each of the Named Executive Officers' total AIP award opportunity was as follows:

Name	Corporate	Business Unit	Individual	Business Unit
Frédéric P. Villoutreix	80%	—	20%	N/A
Jeffrey A. Cook	70%	—	30%	Shared Services
Stephen D. Dunmead	70%	—	30%	N/A
Michel Fievez	35%	35%	30%	RTL
Greerson G. McMullen	70%	—	30%	Shared Services

Actual performance achieved in 2014 against the corporate earnings per share metric, stated as a percentage of the target objective, was 80%. Actual performance achieved in 2014 against the RTL business unit for the days inventory outstanding metric was 78.8%. The RTL business unit did not meet the performance objectives with respect to net sales, gross profit or days sales outstanding, resulting in a zero payout for these metrics. The total earned payout for each of the Named Executive Officers is reflected in the column labeled "Non-Equity Incentive Plan Compensation" in the 2014 Summary Compensation Table.

Restricted Stock Plan – 2013– 2014 Performance Cycle

As a result of the acquisition of DelStar Inc. and the challenging earnings profile for 2014, in February 2014, the Committee reduced the target award opportunity for the second year of the 2013-2014 performance cycle in comparison to the target award opportunity for the first year of the 2013-2014 performance cycle. The Committee also approved an EBITDA performance metric for the second year of the 2013-2014 performance cycle tied to 65% of the award opportunity for that year and introduced a service-based restricted stock award for the remaining 35% of the 2014 award opportunity to increase the retentive value of the long-term incentive program. As a result of these changes, the target opportunity for the second year of the 2013-2014 performance cycle was reduced to 75% of the target opportunity for the first year of the 2013-2014 performance cycle and was equal to 150% of base salary for the Chief Executive Officer and ranged from 38% - 105% of base salary for our other Named Executive Officers.

The Restricted Stock Plan provides opportunities to earn performance shares based on achievement of performance objectives. As with AIP compensation, objectives for 2014 were established based on the Company's prior year performance and the Company's internal operating plan. Additionally, to encourage retention, any performance shares earned during each year of the performance cycle vest one year following Committee certification of the achievement of the performance objective, rather than immediately at the end of the performance cycle. For 2014, as set forth in the table below, the Committee established an adjusted EBITDA performance metric tied to 65% of the target award. The Committee approved a shift from the use of a ROIC performance metric that was used for the first year of the 2013-2014 performance cycle to an adjusted EBITDA metric to more closely align the Company's long-term incentive program with the Company's strategic operating plan and to avoid disincentivizing management from pursuing strategic acquisitions.

	2014				
	Threshold	Target	Outstanding	Maximum	Actual
Adjusted EBITDA ($ millions) (1)	$175.0	$187.3	$190.3	$193.4	$179.3

(1) Adjusted EBITDA was calculated as earnings before interest, taxes depreciation and amortization, adjusted to exclude restructuring expenses, DelStar Inc. purchase price adjustments, integration expenses and legal fees related to two acquisitions.

Based on the Company's 2014 adjusted EBITDA performance, the Committee approved payout at 51.2% of target. As a result, in February 2015, the Named Executive Officers were granted shares of restricted stock with respect to 65% of the second year award opportunity of the 2013-2014 performance cycle, in the amounts set forth in the table below. In order to enhance the retentive component of the program, these shares will vest in February 2016, subject to the Named Executive Officer's continued employment through the vesting date:

Name	Number of Shares of Restricted Stock
Frédéric P. Villoutreix	7,761
Jeffrey A. Cook	1,717
Stephen D. Dunmead	3,378
Michel Fievez	1,376
Greerson G. McMullen	1,169

In addition, pursuant to the service-based component of the 2014 award opportunity, in February 2014, the Named Executive Officers were granted shares of restricted stock with respect to 35% of the second year award opportunity of the 2013-2014 performance cycle as set forth in the table below. One half of the shares vested in February 2015, and subject to continued employment with the Company, the remaining half will vest in February 2016:

Name	Number of Shares of Restricted Stock
Frédéric P. Villoutreix	8,162
Jeffrey A. Cook	1,806
Stephen D. Dunmead	3,552
Michel Fievez	1,446
Greerson G. McMullen	1,230

"Say on Pay": Advisory Votes on Executive Compensation

In 2014, in a non-binding advisory vote, the Board asked the Company's stockholders to indicate whether they approved the Company's executive compensation as disclosed in the 2014 proxy statement ("say on pay"). As part of its review of the Company's executive compensation program, the Committee considered the stockholder's strong approval of the Company's 2014 executive compensation program as disclosed in the 2014 proxy statement, as indicated by approximately 92% of the votes cast being in favor of the Company's "say on pay" vote at the Company's 2014 annual meeting of stockholders. Thus, the Committee determined that the Company's executive compensation philosophy and compensation elements continued to be appropriate and did not make any specific changes to the Company's executive compensation program in response to the 2014 "say on pay" vote.

Compensation Approval Process

Each year in the fall, the Chief Executive Officer meets with the Committee and Towers Watson, the Committee's independent consultant, to review the annual competitive compensation analysis. During the year, Towers Watson also provides advice to the Committee regarding the composition of the compensation peer group and performs a competitive analysis of the Company's compensation practices compared to the peer group. At the Committee Chair's discretion, she may meet separately with the independent compensation consultant. Based on this meeting and any follow-up work identified at that time, an executive compensation proposal is prepared and provided to the full Committee in November for its review. At the November meeting, the Committee discusses the executive compensation program, and evaluates whether the elements of compensation for officers and key employees are competitive. The Committee meets again in February to approve the officers' base salaries, annual incentive targets, restricted stock plan targets and performance level objectives for the upcoming year, with ratification by the independent members of the Board.

In 2014, the Committee reviewed the risks associated with the design of the executive compensation program and whether the program was reasonably likely to have a material adverse effect on the Company. The Committee concluded that the program design, metrics and objectives, taken as a whole and considered within the other financial control and approval processes in place at the Company, were not reasonably likely to have a material adverse effect on the Company.

At the February Board meeting, the Committee generally provides a report on its anticipated actions on executive compensation for the upcoming year as well as its estimate of payouts under the incentive compensation award opportunities for the just-completed year. The Committee also periodically reports on any targeted equity grants made during the year outside the equity opportunity provided by the incentive compensation plan awards. The Board discusses the current and upcoming year compensation for the Chief Executive Officer in the non-management directors meeting. When audited financial results are available, or known, the Committee completes its evaluation of the performance attained against objectives and the Committee approves the final award payments.

COMPENSATION COMMITTEE REPORT

The Committee has reviewed and discussed the Compensation Discussion & Analysis with management.

Based on the review and discussions, the Committee recommended to the Board that the Compensation Discussion & Analysis be included in the Company’s Proxy Statement and incorporated by reference into the Company’s Annual Report on Form 10-K for the year ended December 31, 2014.

COMPENSATION COMMITTEE OF THE BOARD OF DIRECTORS
Claire L. Arnold (Chair)
Heinrich Fischer
Anderson D. Warlick

2014 SUMMARY COMPENSATION TABLE

The following table sets forth information concerning the compensation of our Chief Executive Officer, our Chief Financial Officer, and our other three most highly compensated executive officers who served in such capacities as of December 31, 2014.

Name and principal position (a)	Year (b)	Salary ($) (c)	Bonus ($) (d)	Stock Awards ($) (e)(1)	Option Awards ($) (f)	Non-Equity Incentive Plan Compensation ($) (g)(2)	Change in Pension Value And Non-qualified Deferred Compensation Earnings ($) (h)	All Other Compensation ($) (i)	Total ($) (j)
Frédéric P. Villoutreix Chief Executive Officer (3)	2014	780,000	—	1,080,649	—	659,880	—	237,062	2,757,591
	2013	780,000	—	1,494,975	—	1,170,312	—	264,178	3,709,465
	2012	780,000	—	1,601,619	—	810,986	—	130,867	3,323,472
Jeffrey A. Cook EVP, CFO and Treasurer (4)	2014	345,050	—	239,068	—	179,909	—	86,948	850,975
	2013	345,050	—	330,685	—	302,699	—	71,509	1,049,943
	2012	299,208	—	325,245	—	151,090	—	100,023	875,566
Stephen D. Dunmead Chief Operating Officer (5)	2014	485,000	—	470,351	—	330,188	—	119,505	1,405,044
	2013	398,393	—	928,717	—	461,364	—	175,999	1,964,473
Michel Fievez EVP, RTL (6)	2014	405,628	—	191,524	—	136,003	9,114	83,746	826,015
	2013	460,810	—	254,164	—	220,142	10,885	108,262	1,054,264
	2012	459,623	109,659	305,141	—	252,924	12,796	68,458	1,208,574
Greerson G. McMullen	2014	470,000	—	162,792	—	303,056	—	73,333	1,009,181
	2013	296,304	100,000	484,453	—	280,248	—	175,133	,1,336,138

General Counsel and Secretary (7)

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(1) The amounts reported in this column for 2014 represent the performance share awards and restricted stock awards for 2014, the second year of the 2013-2014 performance cycle, that were awarded to each of the Named Executive Officers under the Company's Restricted Stock Plan and valued in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718, Compensation-Stock Compensation ("FASB ASC Topic 718"). The amounts included in this column for the performance share awards are calculated based on the probable satisfaction of the performance conditions for such awards at the time of grant. Assuming the highest level of performance is achieved for the performance shares, the maximum value of these awards at the grant date would be as follows: Mr. Villoutreix - $1,783,163; Mr. Cook - $394,446; Mr. Dunmead - $776,149; Mr. Fievez - $316,039; and Mr. McMullen - $268,679. See Note 17 to the Consolidated Financial Statements included in our Annual Report on Form 10-K for the year ended December 31, 2014 for a discussion of the relevant assumptions used in calculating the amounts reported for the applicable year. The amounts reported in prior years have been adjusted to represent the grant date fair value, based on the probable achievement of the performance conditions at the time of grant, rather than the previously reported grant date fair value based on actual achievement. The amounts previously reported in 2013 and 2012 were higher than the amounts calculated based on the grant date fair value, assuming probable satisfaction of the performance conditions at the time of grant.

(2) The amounts reported in this column for 2014 represent amounts earned under the Annual Incentive Plan based on 2014 performance. Please see the Compensation Discussion & Analysis for further information regarding the 2014 Annual Incentive Plan.

(3) The amount reported for 2014 in column (i) for Mr. Villoutreix consists of (i) $101,719 in Company contributions to the Company's Deferred Compensation Plan, (ii) $110,483 in dividends on unvested restricted stock awards, (iii) $15,300 in 401(k) savings plan matching contributions, and (iv) $9,560 in Company-paid life and disability insurance premiums.

(4) The amount reported for 2014 in column (i) for Mr. Cook consists of (i) $23,565 in Company contributions to the Company's Deferred Compensation Plan, (ii) $39,039 in dividends on unvested restricted stock awards, (iii) $15,300 in 401(k) savings plan matching contributions, and (iv) $9,044 in Company-paid life and disability insurance premiums.

(5) Mr. Dunmead commenced employment with the Company as Chief Operating Officer on March 6, 2013. The amount reported for 2014 in column (i) for Mr. Dunmead consists of (i) $41,482 in Company contributions to the Company's Deferred Compensation Plan, (ii) $55,537 in dividends on unvested restricted stock awards, (iii) $15,300 in 401(k) savings plan matching contributions, and (iv) $7,186 in Company-paid life and disability insurance premiums.

(6) Mr. Fievez's compensation was paid in Euros and has been converted at the December 31, 2014 exchange rate of 1.2136 Euros to the U.S. dollar for 2014 compensation, December 31, 2013 exchange rate of 1.3787 Euros to the U.S. dollar for 2013 compensation, and December 31, 2012 exchange rate of 1.3225 Euros to the U.S. dollar for 2012 compensation. The amount reported for 2014 in column (i) for Mr. Fievez consists of (i) $33,707 in Company contributions to a French mandated defined contribution plan, (ii) $5,416 for participation in France's gain sharing program, a French mandated defined contribution plan, (iii) $5,179 in Company-paid life and disability insurance premiums, (iv) $33,802 in French holiday pay, and (v) $15,772 representing the lease expense associated with a Company provided car.

(7) Mr. McMullen commenced employment with the Company as General Counsel and Secretary on May 15, 2013. The amount reported for 2014 in column (i) for Mr. McMullen consists of (i) $34,515 in Company contributions to the Company's Deferred Compensation Plan, (ii) $21,296 in dividends on unvested restricted stock awards, (iii) $7,022 in Company-paid life and disability insurance premiums, and (iv) $10,500 401(k) savings plan matching contributions.

2014 GRANTS OF PLAN-BASED AWARDS

The following table summarizes awards made to our Named Executive Officers in 2014

Name (a)	Grant Date (b)	Estimated Future Payouts Under Non-Equity Incentive Plan Awards(1)			Estimated Future Payouts Under Equity Incentive Plan Awards(2)			All Other Stock Awards: Number of Shares of Stocks or Units (#) (i)(3)	Grant Date Fair Value of Stock Awards ($)(j)(4)
		Threshold ($)(c)	Target ($)(d)	Maximum ($)(e)	Threshold (#)(f)	Target (#)(g)	Maximum (#)(h)		
Frédéric P. Villoutreix	N/A	429,000	780,000	1,482,000	--	--	--	--	--
	2/26/14	--	--	--	3,791	15,158	38,480	--	702,422
	2/26/14	--	--	--	--	--	--	8,162	378,227
Jeffrey A.Cook	N/A	119,042	207,030	383,006	--	--	--	--	--
	2/26/14	--	--	--	839	3,353	8,512	--	155,378
	2/26/14							1,806	83,690
Stephen D. Dunmead	N/A	223,100	388,000	717,800	--	--	--	--	--
	2/26/14	--	--	--	1,650	6,598	16,749	--	305,751
	2/26/14	--	--	--	--	--	--	3,552	164,600
Michel Fievez	N/A	116,618	202,814	375,206	--	--	--	--	--
	2/26/14	--	--	--	672	2,687	6,820	--	124,516
	2/26/14	--	--	--	--	--	--	1,446	67,008
Greerson G. McMullen	N/A	175,663	305,500	565,175	--	--	--	--	--
	2/26/14	--	--	--	571	2,284	5,798	--	105,794
	2/26/14	--	--	--	--	--	--	1,230	56,998

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(1) These amounts consist of the threshold, target and maximum cash award levels under the 2014 AIP. The amount actually earned by each Named Executive Officer is included in the Non-Equity Incentive Plan Compensation column in the 2014 Summary Compensation Table. Please see "Compensation Discussion & Analysis" for further information regarding the AIP awards.

(2) These amounts represent the threshold, target and maximum performance shares that may be earned during the second year of the 2013-2014 performance cycle under the Company's RSP. These performance shares will be earned based on the Company's EBITDA performance and will vest one year after the date on which the Committee certifies the EBITDA achievement level, subject to the Named Executive Officer's continued employment through such date.

(3) These amounts represent shares of time-based restricted stock granted. These shares vest 50% in February 2015 and 50% in February 2016, except for Mr. Fievez whose shares will all vest in February 2016.

(4) The amounts shown in this column are valued based on the aggregate grant date fair value computed in accordance with FASB ASC Topic 718 and, in the case of the performance shares, are based upon the probable

outcome of the applicable performance conditions. See Note 17 to the Consolidated Financial Statements included in our Annual Report on Form 10-K for the year ended December 31, 2014 for a discussion of the relevant assumptions used in calculating the amounts.

OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END 2014

The following table provides information regarding unvested stock awards held by each of the Named Executive Officers as of December 31, 2014.

Name	Number of Shares or Units of Stock That Have Not Vested (#)		Market Value of Shares or Units of Stock That Have Not Vested ($)(6)
Frédéric P. Villoutreix	83,434	(1)	3,529,258
Jeffrey A. Cook	28,456	(2)	1,203,689
Stephen D. Dunmead	41,417	(3)	1,751,939
Michel Fievez	14,300	(4)	604,890
Greerson G. McMullen	15,755	(5)	666,437

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(1) Includes 67,511 shares earned based on the achievement of performance objectives which vested February 27, 2015, 7,761 shares earned based on the achievement of performance objectives which will vest in February 2016 and 8,162 shares (4,081 of which vested February 26, 2015 and 4,081 of which will vest in February 2016), in each case subject to the Named Executive Officer’s continued employment through the applicable vesting date.

(2) Includes 14,933 shares earned based on the achievement of performance objectives which vested February 27, 2015, 1,717 shares earned based on the achievement of performance objectives which will vest in February 2016, 1,806 shares (903 of which vested February 26, 2015 and 903 of which will vest in February 2016), and 10,000 shares which will vest in February 2016, in each case subject to the Named Executive Officer’s continued employment through the applicable vesting date.

(3) Includes 24,487 shares earned based on the achievement of performance objectives which vested February 27, 2015, 3,378 shares earned based on the achievement of performance objectives which will vest in February 2016, 3,552 shares (1,776 of which vested February 26, 2015 and 1,776 of which will vest in February 2016), and 10,000 shares which will vest in March 2017, in each case subject to the Named Executive Officer’s continued employment through the applicable vesting date.

(4) Includes 11,478 shares earned based on achievement of performance objectives which vested February 27, 2015, but will be subject to restrictions on transfer pursuant to requirements under French law until February 2017, 1,376 shares earned based on the achievement of performance objectives which will vest in February 2016, but be subject to restrictions on transfer pursuant to requirements under French law until February 2018, and 1,446 shares which will vest in February 2016 (subject to the Named Executive Officer’s continued employment through vesting date), but will be subject to restrictions on transfer pursuant to requirements under French law until February 2018.

(5) Includes 6,356 shares earned based on the achievement of performance objectives which vested February 27, 2015, 1,169 shares earned based on the achievement of performance objectives which will vest February 2016, 1,230 shares (615 of which vested February 26, 2015 and 615 of which will vest in February 2016), and

7,000 shares which will vest in May 2017, in each case subject to the Named Executive Officer's continued employment through the applicable vesting date.

(6) Value calculated using the December 31, 2014 closing share price of $42.30.

2014 STOCK VESTED TABLE

The following table provides information concerning each vesting of stock during 2014 for each of the Named Executive Officers.

Name	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting ($)
Frédéric P. Villoutreix	73,566	3,481,879
Jeffrey A. Cook	14,940	707,110
Stephen D. Dunmead	0	0
Michel Fievez	0	0
Greerson G. McMullen	0	0

2014 PENSION BENEFITS

The following table provides information regarding Mr. Fievez's pension benefits under the SWM-France defined contribution retirement plan.

Name	Plan	Number of Years of Credited Service (#)	Present Value of Accumulated Benefit ($)	Payments During Last Fiscal Year ($)
Michel Fievez	SWM-France defined contribution retirement plan	3.5	35,853	0

Mr. Fievez participates in the Company's supplemental defined contribution plan (Article 83 scheme) for French employees, which was adopted during 2012. This is a hybrid plan that provides annuitized income to the participant upon retirement, in addition to the standard insured social retirement benefit. The present value of his benefit, shown in dollars, was converted from Euros at the December 31, 2014 exchange rate of 1.2136. Mr. Fievez also benefits from the Company's contributions to national retirement arrangements required by French law (that is, French Social Security, ARRCO and AGIRC).

2014 NON-QUALIFIED DEFERRED COMPENSATION

The following table provides information regarding compensation that has been deferred by our Named Executive Officers pursuant to the terms of our Deferred Compensation Plan.

Name	Executive contributions in last FY ($)[1]	Registrant contributions in last FY ($)[1][2]	Aggregate earnings in last FY ($)	Aggregate balance at last FYE ($)
Frédéric P. Villoutreix	169,531	101,719	129,821	1,738,355
Jeffrey A. Cook	39,275	23,565	10,599	116,926
Stephen D. Dunmead	165,136	41,482	17,643	317,224
Michel Fievez	0	0	0	0
Greerson G. McMullen	187,124	34,515	19,642	317,747

(1) All contributions in 2014 relating to 2014 compensation were reported as compensation in the 2014 Summary Compensation Table. Contributions expensed in a prior year are not included.

(2) Company contributions to the Deferred Compensation Plan were 401(k) savings plan contributions that exceeded IRS limitations on qualified plan contributions.

Eligible employees may elect to defer up to 25% of their annual salary and up to 50% of their incentive bonus to the Deferred Compensation Plan No. 2, a non-qualified deferred compensation plan established in 2005 to allow participants to defer receipt of compensation and payment of certain income taxes. Eligibility to participate in the Deferred Compensation Plan is limited to “management” and “highly compensated employees” as defined in the Employee Retirement Income Security Act of 1974, as amended. The Company may, with Committee approval, make cash contributions to a participant’s account in the Deferred Compensation Plan.

Amounts deferred into the Deferred Compensation Plan No. 2 by a participating officer, or contributed on the officer’s behalf by the Company, can be invested at the officer’s election in an account that tracks, but does not actually invest in, some of the fund elections available under the Company’s 401(k) savings plan. The participating officer bears the investment risk. The Company makes no guaranty as to the return of the principal amount of any funds deferred or of any income thereon. The funds remain subject to the Company’s creditors while in the Deferred Compensation Plan No. 2.

A participant may elect to receive payment of the vested amount credited to his deferral account under the Deferred Compensation Plan No. 2 based on a participant election of a single lump sum or three, five, or ten annual installments. No payments may commence in fewer than five years following the date of the deferral election, except for alternative distributions that may occur in certain defined circumstances including disability, death of participant, separation from service, change of control and unforeseeable emergency, as such terms are defined in the plan. Certain individuals, including plan participants who are Named Executive Officers, must defer distributions from the plan for six months following a separation from service.

POTENTIAL PAYMENTS UPON TERMINATION OR CHANGE OF CONTROL

The Company's Executive Severance Plan (the "Severance Plan") provides that in the event of termination of a participant's employment with the Company or one of its French subsidiaries or business units for any reason other than cause, retirement, disability or death within two years after a change of control of the Company, a participant will be entitled to salary and benefit continuation. A change of control is defined as the date as of which: (a) a third person, including a "group" as defined in Section 13(d)(3) of the Exchange Act, acquires actual or beneficial ownership of shares of the Company having 30% or more of the total number of votes that may be cast for the election of directors of the Company; or (b) as the result of any cash tender or exchange offer, merger or other business combination, sale of assets or contested election, or any combination of the foregoing transactions (a "Transaction"), the persons who were directors of the Company before the Transaction shall cease to constitute a majority of the Board of the Company or any successor to the Company.

In the event of termination as a result of a change of control, the Named Executive Officers employed in the United States would be entitled to receive:

i. a cash payment in an amount equal to three times the highest annual compensation (base salary and annual incentive awards) paid or payable within the three year period ending on the date of termination; and

ii. health and dental benefits from the Company for a period of 3 years.

A participant employed by one of the Company's French subsidiaries or business units is entitled to essentially the same payments and benefits as a United States participant, subject to certain adjustments which take into account the differences between the respective compensation, benefit and pension plans and programs in the United States and France.

Upon a change of control, all restricted stock, stock options and corporate deferred compensation plan contributions that have been granted, but not yet vested, vest automatically. Under the AIP, in the event the participant is terminated without cause within two years following a change of control, the participant is entitled to payment of a pro rata portion of the incentive award at the target performance percentage, without regard to achievement of pre-established objectives.

For participants added before 2012, the Company shall pay the participant an additional gross-up payment to compensate such participant for the excise tax liability under Section 4999 of the Internal Revenue Code. As a result, this provision applies to Mr. Villoutreix, but has been eliminated for individuals who commenced participation on or after February 23, 2012, including Messrs. Cook, Dunmead and McMullen.

The Severance Plan also provides that, if a Named Executive Officer's employment with the Company or an affiliate terminates for a reason other than death, retirement, voluntary resignation or cause, in each case, absent a change of control, the Company will pay the Named Executive Officer an amount equal to one times or, in the case of Mr. Villoutreix, two times his base salary as a cash lump sum. The Severance Plan does not provide for additional benefits in this circumstance. A participant cannot receive both this payment as well as compensation under the Severance Plan's change of control provisions. Named Executive Officers are also eligible to receive one-year of salary continuation in the event of death or disability.

The Committee establishes the eligibility criteria for participation and, from time to time, designates key employees as participants in the Severance Plan. Subject to certain conditions, the Severance Plan may be amended or terminated by resolution of the Board, but no such amendment or termination shall be effective during the two-year period following a change of control of the Company without the consent of all participants.

In addition, in the event of termination, retirement, death or disability, the Named Executive Officer is also entitled to his benefits discussed above under "Non-Qualified Deferred Compensation Plans" and "2014 Pension Benefits," as applicable.

The maximum amounts payable upon termination pursuant to the Severance Plan, assuming that a change of control of the Company and/or a qualifying termination of employment had occurred on December 31, 2014, are set forth in the following tables for all Named Executive Officers.

Potential Payments to Frédéric P. Villoutreix upon Retirement, Termination or Change of Control as of December 31, 2014

Executive Benefits and Payments Upon Termination	Type of Payment	Early Retirement ($)	Normal Retirement ($)	Involuntary Not for Cause Termination ($)	Termination as a Result of Change of Control ($)	Death or Disability ($)	Change of Control ($)
Compensation:							
Base Salary	Lump sum cash	--	--	1,560,000	2,340,000	780,000	--
Incentive Compensation Short-Term Incentive	Lump sum cash	--	--	--	3,510,936	1,170,312	--
Long-Tern Incentive – Performance Shares	Shares	--	--	--	3,786,442	3,786,442	3,786,442
Restricted Stock	Shares	--	--	--	--		
Benefits and Perquisites:							
Health Care		--	--	--	46,890	--	--
Dental Care		--	--	--	5,586	--	--
Disability Benefits		--	--	--	21,480	--	--
Life Insurance		--	--	--	7,200	--	--
Accrued Vacation Pay 4 weeks	Lump sum cash	--	--	60,000	180,000	60,000	--
Excess 401(k) in Deferred Comp	Lump sum benefit	101,719	101,719	101,719	101,719	101,719	101,719
Total Executive Severance		101,719	101,719	1,721,719	10,000,253	5,898,473	3,888,161

Potential Payments to Jeffrey A. Cook upon Retirement,
Termination or Change of Control as of December 31, 2014

Executive Benefits and Payments Upon Termination	Type of Payment	Early Retirement ($)	Normal Retirement ($)	Involuntary Not for Cause Termination ($)	Termination as a Result of Change of Control ($)	Death or Disability ($)	Change of Control ($)
Compensation:							
Base Salary	Lump sum cash	--	--	345,050	1,035,150	345,050	--
Incentive Compensation:							
Short Term Incentive	Lump sum cash	--	--	--	908,097	302,699	--
Long Term Incentive – Performance Shares	Shares	--	--	--	749,189	749,189	749,189
Restricted Stock	Shares	--	--	--	250,850	250,850	250,850
Benefits and Perquisites:							
Health Care		--	--	--	51,885	--	--
Dental Care		--	--	--	5,586	--	--
Disability Benefits		--	--	--	23,532	--	--
Life Insurance		--	--	--	3,600	--	--
Accrued Vacation Pay – 4 weeks	Lump sum cash	--	--	26,542	79,626	26,542	--
Excess 401(k) in Deferred Comp	Lump sum benefit	23,565	23,565	23,565	23,565	23,565	23,565
Total Executive Severance		23,565	23,565	395,157	3,131,080	1,697,895	1,023,604

Potential Payments to Stephen D. Dunmead upon Retirement, Termination or Change of Control as of December 31, 2014

Executive Benefits and Payments Upon Termination	Type of Payment	Early Retirement ($)	Normal Retirement ($)	Involuntary Not for Cause Termination ($)	Termination as a Result of Change of Control ($)	Death or Disability ($)	Change of Control ($)
Compensation:							
Base Salary	Lump sum cash	--	--	485,000	1,455,000	485,000	--
Incentive Compensation:							
Short-Term Incentive	Lump sum cash	--	--	--	1,384,092	461,364	--
Long-Term Incentive – Performance Shares	Shares	--	--	--	1,228,513	1,228,513	1,228,513
Restricted Stock	Shares	--	--	--	501,700	501,700	501,700
Benefits and Perquisites:							
Health Care		--	--	--	79,890	--	--
Dental Care		--	--	--	5,586	--	--
Disability Benefits		--	--	--	17,958	--	--
Life Insurance		--	--	--	3,600	--	--
Accrued Vacation Pay 4 weeks	Lump sum cash	--	--	37,308	111,924	37,308	--
Excess 401(k) in Deferred Comp	Lump sum benefit	41,482	41,482	41,482	41,482	41,482	41,482
Total Executive Severance		41,482	41,482	563,790	4,829,745	2,755,367	1,771,695

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Potential Payments to Michel Fievez upon Retirement, Termination or Change of Control as of December 31, 2014(1)

Executive Benefits and Payments Upon Termination	Type of Payment	Early Retirement ($)	Normal Retirement ($)	Involuntary Not for Cause Termination ($)	Termination as a Result of Change of Control ($)	Death or Disability ($)	Change of Control ($)
Compensation:							
Base Salary	Lump sum cash	--	--	405,628	1,216,883	--	--
Incentive Compensation:							
Short-Term Incentive	Lump sum cash	--	--	--	764,950	210,105	--
Long-Term Incentive – Performance Shares	Shares	--	--	--	575,851	575,851	575,851
Restricted Stock	Shares	--	--	--	--	--	--
Benefits and Perquisites:							
Health Care		--	--	1,051	3,154	--	--
Dental Care		--	--	--	--	--	--
Disability Benefits		--	--	--	--	--	--
Life Insurance		--	--	4,128	12,384	--	--
Accrued Vacation Pay	Lump sum cash	--	--	33,802	101,407	33,802	--
Supplemental private defined contribution plan	Lump sum benefit	35,853	35,853	35,853	35,853	35,853	--

Additional payment based on Participation' (mandated PS)	Lump sum benefit	33,707	33,707	33,707	33,707	33,707	--
Additional payment based on Interessement' (Gain sharing)	Lump sum benefit	5,416	5,416	5,416	5,416	5,416	--
Total Executive Severance		74,976	74,976	519,585	2,749,605	894,734	575,851

(1) Mr. Fievez's compensation is paid in Euros. The amounts reported in this column have been converted at the December 31, 2014 exchange rate of 1.2136 Euros to the U.S. dollar for 2014.

Potential Payments to Greerson G. McMullen upon Retirement, Termination or Change of Control as of December 31, 2014

Executive Benefits and Payments Upon Termination	Type of Payment	Early Retirement ($)	Normal Retirement ($)	Involuntary Not for Cause Termination ($)	Termination as a Result of Change of Control ($)	Death or Disability ($)	Change of Control ($)
Compensation:							
Base Salary	Lump sum cash	--	--	470,000	1,410,000	470,000	--
Incentive Compensation:							
Short-Term Incentive	Lump sum cash	--	--	--	840,744	280,248	--
Long-Term Incentive – Performance Shares	Shares	--	--	--	318,881	318,881	318,881
Restricted Stock	Shares	--	--	--	351,190	351,190	351,190
Benefits and Perquisites:							
Health Care		--	--	--	79,020	--	--
Dental Care		--	--	--	5,586	--	--
Disability Benefits		--	--	--	17,466	--	--
Life Insurance		--	--	--	3,600	--	--
Accrued Vacation Pay 4 weeks	Lump sum cash	--	--	36,154	108,462	36,154	--
Excess 401(k) in Deferred Comp	Lump sum benefit	34,515	34,515	34,515	34,515	34,515	34,515
Total Executive Severance		34,515	34,515	540,669	3,169,464	1,490,988	704,586

Compensation of Directors

2014 Compensation of Directors

Every other year, the Compensation Committee reviews pay to outside directors to evaluate whether director compensation is consistent with market practices. In 2013, the Compensation Committee retained Towers Watson, an independent compensation consultant, to perform an Outside Director Pay Review based on publicly stated director compensation at the same peer group of companies examined in the 2013 executive competitive compensation analysis. The pay review concluded that total director compensation at the Company ranked at the 38th percentile of peers and was 11% below the peers on a dollar value basis. Accordingly, the Compensation Committee determined, in consultation with Towers Watson, to recommend to the Board that director compensation be brought closer to the targeted market median. Based on such recommendation, the Board determined that directors will receive the following compensation for their service on the Board and its committees, for the January 1, 2014 - December 31, 2015 period:

- An annual Board retainer of $75,000 in stock plus $45,000 in cash. Stock grants are paid quarterly, with valuations based on the closing price on the trading day immediately preceding the grant date.

- Pay for the lead non-management director is $20,000 per year.

- Directors who serve on committees receive an annual retainer, paid quarterly as follows:

•Audit Committee: $30,000 for Chair; $15,000 for members
•Compensation Committee: $20,000 for Chair; $10,000 for members
•Nominating & Governance Committee: $15,000 for Chair; $10,000 for members

A director who is an officer or an employee of the Company or any of its subsidiaries or affiliates does not receive any fees for service as a member of the Board, but is reimbursed for expenses incurred as a result of such service. Each director, other than Frédéric Villoutreix, earned the following compensation in 2014 in addition to reimbursement of his or her actual and reasonable travel expenses.

Name	Fees Earned or Paid in Cash ($)	Stock Awards ($)(1)	Total ($)
Claire L. Arnold	$65,000	$75,000	$140,000
K.C. Caldabaugh	$75,000	$75,000	$150,000
William A. Finn	$75,674	$75,000	$150,674
Heinrich Fischer(2)	$37,775	$51,511	$89,286
Robert McCullough(2)	$23,696	$23,696	$47,392
John D. Rogers	$72,000	$75,000	$147,000
Anderson D. Warlick	$78,737	$75,000	$153,737

(1) As of December 31, 2014, the total number of stock awards outstanding per director, in the form of shares or share units, were as follows: Ms. Arnold 54,872; Mr. Caldabaugh 30,611; Mr. Finn 19,016; Mr. Fischer 1,216; Mr. McCullough 0; Mr. Rogers 14,771 and Mr. Warlick 15,609. These totals also include accumulated dividends on stock units

(2) Mr. McCullough resigned from the Board, effective March 14, 2014, and Mr. Fischer was elected to the Board, effective April 24, 2014. The fees received by both of these directors in 2014 were prorated to reflect their respective service in 2014.

U.S. directors may elect to defer all or part of their compensation to the Deferred Compensation Plan No. 2 for Non-Employee Directors, a non-qualified, deferred compensation plan established in 2005 to allow participants to defer receipt of compensation and payment of certain federal and state income taxes. Each participating director has an individual deferral account that is credited with cash or stock units, which include accumulated dividends. Cash credits accrue market-based investment earnings. The stock units do not have any voting rights. Because of regulatory changes, Deferred Compensation Plan No. 2 replaced the Deferred Compensation Plan for Non-Employee Directors in effect from 2000 to 2004, which operated in a similar manner. The earlier plan was frozen as of December 31, 2004 to stop the accrual of additional unvested benefits, other than market-based investment earnings or losses on individual account balances as of that date. The Company provides no guaranty of repayment of the principal amount deferred or of any earnings on the participants' account balances in either plan.

CORPORATE GOVERNANCE

Board of Directors and Standing Committees

Board Leadership Structure

The Board is led by the Chairman of the Board (the "Chairman") and currently that person is also the Chief Executive Officer. The Board believes that whether to have the same person occupy the offices of Chairman of the Board and Chief Executive Officer should be decided by the Board in its business judgment, periodically, in particular at any time there is a vacancy in either position, after considering relevant factors at the time, including the specific needs of the business and what is in the best interests of the Company and its stockholders. When the same person holds the Chairman and Chief Executive Officer roles or the Chairman is not independent, the independent directors elect a Lead Non-Management Director for a two-year term, after which time he or she becomes ineligible to stand for re-election to that position for at least one term. On April 24, 2014, Anderson D. Warlick was elected for a two-year term as the Lead Non-Management Director.

The Chairman collaborates with the Lead Non-Management Director in establishing the Board’s meeting schedule and agenda. The Lead Non-Management Director presides at all meetings of the Board at which the Chairman is not present and at all executive sessions of the non-management or independent directors. The Lead Non-Management Director has the authority to call meetings of the non-management or independent directors. The Lead Non-Management Director acts as liaison between the Chairman and the independent directors.

The Lead Non-Management Director or non-management directors as a group can retain such independent expertise they deem to be necessary or desirable, with the costs borne by the Company. There is also total freedom of communication between any director and the Chairman and Chief Executive Officer and any other member of management and such communications are not required to go through the Lead Non-Management Director or the Chairman, in the case of director communication with other members of management. The Lead Non-Management Director will be available for consultation and direct communication if requested by any major stockholder of the Company.

The Board has functioned with this structure and in this manner for a number of years and has to-date found that it provides an appropriate balance to the functioning of the Board in addressing its oversight functions, consideration and understanding of the tactical and strategic matters that must be understood and addressed by the Board and between the respective interests of the Company and its stockholders.

Director Independence

The Board unanimously adopted the following standard for director independence at its December 2002 meeting:

An independent director is a person who is free from any relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. Annually, the Board will assess the independence of each non-management director based on the existence or absence of a material relationship with the Company (either directly or as a partner, stockholder or officer of an organization that has a relationship with the Company). The following persons shall not be considered independent:

a. A director who is employed by the Company or any of its affiliates for the current year or any of the past five (5) years.

b. A director who is, or in the past five (5) years has been, affiliated with or employed by a (present or former) auditor of the Company (or of an affiliate).

c. A director who is, or in the past five (5) years has been, part of an interlocking directorate in which an executive officer of the Company serves on the compensation committee of another company that concurrently employs the director.

d. A director who is, or in the past five (5) years has been, a Family Member of an individual who was employed by the Company or any of its affiliates as an executive officer. The term "Family Member" shall mean a person's spouse, parents, children, siblings, mothers and fathers-in-law, sons and daughters-in-law, brothers and sisters-in-law, and anyone (other than household employees) who shares such person's home.

e. A director who, during the current fiscal year or any of the past five (5) fiscal years, personally provided services to the Company or its affiliates that had an annual value in excess of $60,000; or who was paid or accepted, or who has a non-employee Family Member who was paid or accepted, any payments from the Company or any of its affiliates in excess of $60,000 other than compensation for board service, benefits under a tax-qualified retirement plan, or non-discretionary compensation.

f. A director who is a partner in, or a controlling stockholder or an executive officer of, any organization (profit or non-profit) to which the Company made, or from which the Company received, payments (other than those arising solely from investments in the Company's securities) that exceed one percent (1%) of the recipient's annual consolidated gross revenues in the current year or any of the past five (5) fiscal years; unless, for provisions (e) and (f), the Board expressly determines in its business judgment that the relationship does not interfere with the director's exercise of independent judgment.

Based on the foregoing standard and the applicable standards for independence articulated by the NYSE and the SEC, the Board affirmatively determined by resolution dated February 26, 2015 that the following directors, who collectively constitute 85.7% of the full Board and represent 100% of the membership of the Standing Committees, are independent:

Claire L. Arnold	Heinrich Fischer
K.C. Caldabaugh	John D. Rogers
William A. Finn	Anderson D. Warlick

Prior to Robert McCullough ceasing to serve as a director on March 14, 2014, the Board had determined that he was an independent director under the applicable independence standards as well. Mr. Villoutreix is a member of management and is not independent.

Financial Experts

The Board affirmatively determined by resolution, dated February 26, 2015, that Messrs. Caldabaugh, Finn and Rogers qualify as "audit committee financial experts" as such term is defined in Item 407(d)(5)(ii) of Regulation S-K.

Standing Committees

The Audit Committee, the Compensation Committee and the Nominating & Governance Committee are the three "Standing Committees" of the Board. Each Standing Committee is composed entirely of independent directors.

The following table lists the current members, principal functions and meetings held in 2014 for each of the Standing Committees:

Members	Principal Functions