

WESTLAKE CHEMICAL CORP
Form PRE 14A
March 09, 2017

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A
Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

WESTLAKE CHEMICAL CORPORATION

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

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

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

- (2) Aggregate number of securities to which transaction applies:

- (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

- (4) Proposed maximum aggregate value of transaction:

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Fee paid previously with preliminary materials.

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

- (1) Amount Previously Paid:

- (2) Form, Schedule or Registration Statement No.:

- (3) Filing Party:

(4) Date Filed:

WESTLAKE CHEMICAL CORPORATION

2801 Post Oak Blvd.

Houston, Texas 77056

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To Be Held on May 19, 2017

To the Stockholders:

The annual meeting of stockholders of Westlake Chemical Corporation (the Company or Westlake) will be held at the Westlake Center Annex, 2801 Post Oak Blvd., Houston, Texas 77056, on Friday, May 19, 2017 at 9:00 a.m. local time for the following purposes:

- (1) To elect the two members of the Board of Directors named in this Proxy Statement for the terms described in the Proxy Statement;
- (2) To hold an advisory vote on named executive officer compensation;
- (3) To hold an advisory vote on the frequency of the advisory vote on named executive officer compensation;
- (4) To approve a proposed amendment to the Company's Amended and Restated Certificate of Incorporation to increase the maximum size of the Board of Directors to fifteen directors;
- (5) To ratify the appointment of PricewaterhouseCoopers LLP to serve as our independent registered public accounting firm for the fiscal year ending December 31, 2017;
- (6) To amend and restate the 2013 Omnibus Incentive Plan to add an annual limit on compensation to non-employee directors and to re-approve the performance goals under such Plan; and
- (7) To act upon any other matters that may properly come before the annual meeting.

The Board of Directors has fixed the close of business on March 20, 2017 as the record date for the determination of stockholders entitled to notice of, and to vote at, the annual meeting.

We are using the Securities and Exchange Commission's Notice and Access proxy rule, instead of mailing a printed set of materials to each stockholder. On [], we mailed to stockholders of record a Notice Regarding the Availability of Proxy Materials, with instructions on how to access the Company's proxy materials via the Internet (or to request a printed copy) and how to vote online, by telephone or in person at the annual meeting.

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All stockholders are requested to be present in person or by proxy. Please vote your proxy whether or not you plan to attend the annual meeting. You can vote your proxy either by the Internet, telephone or by requesting a printed copy of the materials and returning the proxy card enclosed with the printed materials in the envelope furnished for that purpose. Any stockholder may revoke a proxy for any reason and at any time before it is voted at the annual meeting.

Voting by the Internet or telephone is fast, convenient and your vote is immediately confirmed and tabulated. By using the Internet or telephone you help the Company reduce postage and proxy tabulation costs.

Your cooperation is appreciated as a majority of the common stock must be represented, either in person or by proxy, to constitute a quorum for the conduct of business.

By Order of the Board of Directors

L. Benjamin Ederington

Vice President, General Counsel,

Chief Administrative Officer and Secretary

Dated: []

Important Notice Regarding the Availability of Proxy Materials for the Stockholder Meeting to be Held on May 19, 2017:

This Proxy Statement, our annual report to stockholders and other proxy materials are available on the Internet at www.proxyvote.com and at www.westlake.com/proxy2017.

WESTLAKE CHEMICAL CORPORATION

2801 Post Oak Blvd.

Houston, Texas 77056

PROXY STATEMENT

For the Annual Meeting of Stockholders to be Held on May 19, 2017

GENERAL MATTERS

This Proxy Statement and the accompanying form of proxy are being furnished to the stockholders of Westlake Chemical Corporation (the Company or Westlake) on or about [] in connection with the solicitation of proxies by our Board of Directors for use at the annual meeting of stockholders to be held on Friday, May 19, 2017 at 9:00 a.m. local time at the Westlake Center Annex, 2801 Post Oak Blvd., Houston, Texas 77056, and any adjournment of the annual meeting.

The following matters will be acted upon at the annual meeting:

- (1) To elect the two members of the Board of Directors named in this Proxy Statement for the terms described in the Proxy Statement;
- (2) To hold an advisory vote on named executive officer compensation;
- (3) To hold an advisory vote on the frequency of the advisory vote on named executive officer compensation;
- (4) To approve a proposed amendment to the Company's Amended and Restated Certificate of Incorporation to increase the maximum size of the Board of Directors to fifteen directors;
- (5) To ratify the appointment of PricewaterhouseCoopers LLP to serve as our independent registered public accounting firm for the fiscal year ending December 31, 2017;
- (6) To amend and restate the 2013 Omnibus Incentive Plan to add an annual limit on compensation to non-employee directors and to re-approve the performance goals under such Plan; and
- (7) To act upon any other matters that may properly come before the annual meeting.

Our Board of Directors does not know of any other business to be brought before the annual meeting, but if any other business is properly brought before the annual meeting, proxies will be voted upon those matters in accordance with the judgment of the person or persons acting under the proxies.

All shares represented by validly authorized proxies will be voted in accordance with the instructions contained in the proxies. The Board of Directors recommends a vote:

- (1) FOR the nominees for director listed in these materials and on the proxy;
- (2) FOR the approval of the nonbinding resolution on named executive officer compensation;
- (3) FOR the approval of holding the advisory vote on the frequency of the advisory vote on named executive officer compensation every three years;
- (4) FOR the approval of a proposed amendment to the Company's Amended and Restated Certificate of Incorporation to increase the maximum size of the Board of Directors to fifteen directors;
- (5) FOR the ratification of the appointment of the Company's independent registered public accounting firm; and
- (6) FOR the approval to amend and restate the 2013 Omnibus Incentive Plan to add an annual limit on compensation to non-employee directors and to re-approve the performance goals under such Plan.

In the absence of voting instructions to the contrary, shares represented by validly executed proxies will be voted in accordance with the foregoing recommendations. A stockholder giving a proxy has the power to revoke it at any time before it is voted at the annual meeting by providing written notice to the Secretary of the Company, by delivering a later-dated proxy, or by voting in person at the annual meeting.

Only stockholders of record at the close of business on March 20, 2017, also referred to as the record date, will be entitled to vote at the annual meeting. At the close of business on the record date, there were [] shares of common stock, par value \$0.01 per share, outstanding, which represent all of the voting securities of the Company. Each share of common stock is entitled to one vote. Stockholders do not have cumulative voting rights in the election of directors.

A majority of the common stock entitled to vote at the annual meeting, present either in person or by proxy, will constitute a quorum. Abstentions and broker non-votes will be counted as present for purposes of determining whether there is a quorum present at the meeting. Shares held by a broker or other nominee as to which they have not received voting instructions from the beneficial owners and lack the discretionary authority to vote on a particular matter are called broker non-votes. Under the rules of the New York Stock Exchange, certain matters, such as the election of directors, the advisory vote on named executive officer compensation, the advisory vote on the frequency of the advisory vote on named executive officer compensation, the vote on the proposed amendment to the Amended and Restated Certificate of Incorporation and the vote on the proposed amendment and restatement of the 2013 Omnibus Incentive Plan are not considered routine matters and, therefore, your broker will not have the discretionary authority to vote your shares on that matter if you have not given your broker specific instructions as to how to vote. Please be sure to give specific instructions to your broker.

Directors are elected by a plurality of the votes cast at the annual meeting, either in person or by proxy. Abstentions and broker non-votes will not be included in the total of votes cast and will not affect the outcome of the vote.

An affirmative vote of a majority of the outstanding shares of the Company's common stock, either in person or by proxy, is required for the approval of the proposal to amend the Amended and Restated Certificate of Incorporation to increase the maximum size of the Board of Directors to fifteen directors. Abstentions and broker non-votes will have the same effect as a vote against this proposal.

An affirmative vote of a majority of the votes cast at the annual meeting, either in person or by proxy, is required to ratify the appointment of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm. Abstentions on the proposal to ratify the appointment of PricewaterhouseCoopers LLP will not be included in the total of votes cast and will not affect the outcome of the vote.

An affirmative vote of a majority of the votes cast on each such proposal at the annual meeting, either in person or by proxy, will be required to approve the amendment and restatement of the 2013 Omnibus Incentive Plan and the nonbinding advisory votes on named executive officer compensation and the frequency of the nonbinding advisory vote on named executive officer compensation. Abstentions and broker non-votes on such proposals will not affect the outcome of the vote.

If your shares are held through a bank, broker or other nominee (i.e., in street name) and you have requested printed versions of these materials, the Company has asked your bank or broker to forward copies of the materials to you and to request your authority for execution of the proxies. The Company will reimburse the banks and brokers for their reasonable out-of-pocket expenses in doing so. Officers and employees of the Company may, without being additionally compensated, solicit proxies by mail, telephone, facsimile or personal contact. All proxy-soliciting expenses will be paid by the Company in connection with the solicitation of votes for the annual meeting. The Company has engaged Broadridge Financial Solutions, Inc. to tabulate voting results.

INFORMATION REGARDING THE BOARD OF DIRECTORS

INDEPENDENCE OF DIRECTORS

As of March 20, 2017, TTWF LP, our principal stockholder, owned []% of the outstanding common stock of the Company. Under the corporate governance rules of the New York Stock Exchange, we are considered to be controlled by TTWF LP. As a controlled company, we are eligible for exemptions from provisions of the New York Stock Exchange's rules requiring a majority of independent directors, nominating and governance and compensation committees composed entirely of independent directors and written nominating and governance and compensation committee charters addressing specified matters. We have elected to take advantage of certain of these exemptions. In the event that we cease to be a controlled company within the meaning of these rules, we will be required to comply

with these provisions after the specified transition periods.

Our Board of Directors has determined, after considering all of the relevant facts and circumstances, that Messrs. Robert T. Blakely, Michael J. Graff, Max L. Lukens, R. Bruce Northcutt and H. John Riley, Jr. are independent from our management, as independence is defined by the rules and regulations of the Securities and Exchange Commission (SEC) and the listing standards of the New York Stock Exchange. This means that none of these directors has any direct or indirect material relationship with us, either directly or as a partner, stockholder or officer of an organization that has a relationship with us and that none of the express disqualifications contained in the New York Stock Exchange rules applies to any of them. In making its independence determinations, the Board of Directors considered the fact that, while such relationship does not preclude independence under the New York Stock Exchange rules, Mr. Graff is an executive officer of a company with which Westlake conducts business in the ordinary course.

EXECUTIVE SESSIONS

The Company's governance guidelines require that non-management directors meet at regularly scheduled executive sessions without management. At these meetings of non-management directors, the non-management directors have decided that the non-management director that presides over the meeting will rotate among the non-management directors.

Since one of the non-management directors is not independent, the Company's governance guidelines require that the independent directors meet at least once a year. At these meetings of independent directors, the independent directors have decided that the independent director that presides over the meeting will rotate among the independent directors.

Stockholders and other interested parties may communicate with the non-management directors or the independent directors in the manner described under "Communications with Directors" below.

COMMITTEES OF THE BOARD OF DIRECTORS

The Audit Committee

The Audit Committee of the Board of Directors is currently comprised of Robert T. Blakely (chairman), Michael J. Graff, Max L. Lukens, R. Bruce Northcutt and H. John Riley, Jr. All current Audit Committee members are independent as defined by the listing standards of the New York Stock Exchange and Section 10A(m)(3) of the Securities Exchange Act of 1934. The board has determined that each of Messrs. Blakely, Graff, Lukens, Northcutt and Riley is an audit committee financial expert as that term is defined by SEC regulations. The primary functions of the Audit Committee are to review the adequacy of the system of internal controls and management information systems, to review the results of our independent registered public accounting firm's quarterly reviews of our interim financial statements, to review the planning and results of the annual audit with our independent registered public accounting firm, and to have oversight of financial risks. This Committee held seven meetings in 2016. The Board of Directors has adopted a written charter for the Audit Committee. The Audit Committee charter is publicly available on our website at: <http://www.westlake.com> under "Investor Relations" Corporate Governance.

The Compensation Committee

The Compensation Committee of the Board of Directors is currently comprised of R. Bruce Northcutt (chairman), Robert T. Blakely, Albert Chao, James Chao, Michael J. Graff, Dorothy C. Jenkins, Max L. Lukens and H. John Riley, Jr. (i.e., all of the members of the Board of Directors). Since Westlake is considered to be controlled by a principal stockholder under New York Stock Exchange rules, all Compensation Committee members are not required to be independent as defined by the listing standards of the New York Stock Exchange. Albert Chao, James Chao and Ms. Jenkins are not independent as defined by those listing standards. The Compensation Committee's primary functions include overseeing our executive compensation, director compensation and equity and performance incentive compensation plans and policies. This Committee held five meetings in 2016. The Compensation Committee has adopted a written charter. The Compensation Committee charter is publicly available on our website at: <http://www.westlake.com> under "Investor Relations" Corporate Governance.

The Nominating and Governance Committee

The Nominating and Governance Committee is currently comprised of H. John Riley, Jr. (chairman), Robert T. Blakely, Albert Chao, James Chao, Michael J. Graff, Dorothy C. Jenkins, Max L. Lukens and R. Bruce Northcutt (i.e., all of the members of the Board of Directors). Since Westlake is considered to be controlled by a principal stockholder under New York Stock Exchange rules, all Nominating and Governance Committee members are not required to be independent as defined by the listing standards of the New York Stock Exchange. Albert Chao, James Chao and

Ms. Jenkins are not independent as defined by those listing standards. The Nominating and Governance Committee's primary functions are (1) to identify individuals qualified to become directors of the Company, (2) to recommend to the Board of Directors director candidates to fill vacancies on the Board of Directors and to stand for election by the stockholders at the annual meeting of stockholders, (3) to recommend committee assignments for directors, (4) to monitor and annually assess the performance of the Board of Directors and its committees, and (5) to develop and recommend to the Board of Directors appropriate corporate governance policies, practices and procedures for the Company. In assessing the qualifications of prospective nominees to serve as directors, this Committee will consider, in addition to any criteria set forth in the Bylaws of the Company, each nominee's personal and professional integrity, experience, skills, ability and willingness to devote the time and effort necessary to be an effective director, and commitment to acting in the best interests of the Company and its stockholders. This Committee held four meetings in 2016. The Nominating and Governance Committee has the authority to retain an executive

search firm as needed to identify director candidates. The Nominating and Governance Committee has adopted a written charter. The charter is publicly available on our website at: <http://www.westlake.com> under Investor Relations Corporate Governance.

The Nominating and Governance Committee will consider nominees recommended by stockholders. Any recommendation should be addressed in writing to the Nominating and Governance Committee, Westlake Chemical Corporation, c/o Corporate Secretary, 2801 Post Oak Blvd., Houston, Texas 77056. Recommendations for potential nominees may come from any source, including members of the Board of Directors, stockholders, self-recommendations or search firms. All persons recommended for a vacant or new Board position will be given equal consideration regardless of the source of the recommendation. The Nominating and Governance Committee takes diversity, broadly defined to include gender, ethnicity, national origin, geographic location, expertise and level and type of career experience, into account in evaluating the qualifications of prospective nominees to the Board.

BOARD LEADERSHIP STRUCTURE

We have separated the positions of chairman of the board and chief executive officer. Mr. James Chao serves as our Chairman of the Board and Mr. Albert Chao serves as our Chief Executive Officer. Our Board has concluded that balance and varying experience and judgment are added to the leadership of the Board by having these two positions filled by different persons.

Mr. James Chao, our Chairman of the Board, is not independent from our management, as independence is defined by the rules and regulations of the SEC and the listing standards of the New York Stock Exchange. Our independent directors meet at least once a year. At these meetings, the independent director that presides over the meeting rotates among the independent directors. See Information Regarding Board of Directors Executive Sessions. We believe that this leadership structure is appropriate because we are controlled by TTWF LP, our principal stockholder.

BOARD ROLE IN CORPORATE RISK OVERSIGHT

The Board of Directors has formed a Corporate Risk Committee of our Board of Directors, which is currently comprised of Michael J. Graff (chairman), Robert T. Blakely, Albert Chao, James Chao, Dorothy C. Jenkins, Max L. Lukens, R. Bruce Northcutt and H. John Riley, Jr. (i.e., all of the members of the Board of Directors). This Committee assists the Board in overseeing overall risks inherent in the operations of the Company and the control processes with respect to those risks. Among other things, this Committee reviews the risk-management structure of the Company and reviews management's identification and assessment of significant risks and its plans to control those risks. The Corporate Risk Committee also reviews management's systems as they relate to enterprise-wide risks posed by the Company's physical assets and operating processes and addresses the findings of regulatory agencies concerning the Company's physical assets and operations. This Committee held four meetings in 2016.

As previously described, our Board's Audit Committee retains responsibility for oversight of financial risks, including integrity of financial statements, internal controls, derivatives transactions, loan covenant compliance, credit, liquidity, insurance and similar areas. Further, our Board's Compensation Committee retains responsibility for oversight of compensation and personnel practices, including succession planning and management development. Finally, our Board of Directors retains ultimate responsibility for corporate risk oversight as a whole as well as responsibility for oversight of specific risks not assigned to the Board's committees. As requested from time to time by the Board and its committees, members of our senior management present reports to the Board and the committees on the risks that we face.

COMPENSATION-RELATED RISK

The Company regularly assesses risks related to its compensation program, including its executive compensation program, and does not believe that the risks arising from the Company's compensation policies and practices are reasonably likely to have a material adverse effect on the Company. Management reports to the Compensation Committee and the Corporate Risk Committee regarding factors that could mitigate or encourage excessive risk-taking in reference to the compensation practices of the Company. In addition, the Compensation Committee has independently engaged Willis Towers Watson as its compensation consultant to provide regular reports to the Committee regarding best practices, risk factors, program design and related matters. The Compensation Committee also considered the attributes of the Company's programs, including:

The mix of compensation types with an emphasis on performance-based programs,

The array of performance metrics to be used in the programs and their alignment with business goals and objectives,

The mix of vesting schedules for long-term incentives to help ensure the recognition and retention of talent and returning value to stockholders, and

The Company's stock ownership, pledging and anti-hedging policy for directors, executive officers and certain other officers and employees, which requires such persons to retain 50% of any vested restricted stock and shares of common stock of the Company acquired through the vesting of restricted stock unit awards, net of shares used to pay applicable taxes, until the total value of such retained stock reaches five times the annual base salary for Messrs. Albert Chao and James Chao, three times the annual base salary for other officers (including Messrs. Bates, Bender and Buesinger) and three times the annual cash retainer for directors, or until such person's employment or service, as the case may be, with the Company terminates. This policy also prohibits our directors and executives from shorting or hedging our securities, and requires directors and executives to provide notice prior to pledging our securities. None of our directors or executives currently pledges any of our securities.

CORPORATE GOVERNANCE

We have a Code of Ethics that applies to our principal executive officer, principal financial officer and principal accounting officer, a Code of Conduct that applies to all directors, officers and employees and Principles of Corporate Governance. You can find the above-referenced documents by visiting our website at: <http://www.westlake.com> under Investor Relations Corporate Governance. We will post on our website any amendments to such documents as well as any waivers that are required to be disclosed by the rules of either the SEC or the New York Stock Exchange.

COMMUNICATIONS WITH DIRECTORS

Any interested party is welcome to communicate with any one or all of our directors by writing to the director or directors, Westlake Chemical Corporation, c/o Corporate Secretary, 2801 Post Oak Blvd., Houston, Texas 77056. The Corporate Secretary will forward these communications to the addressee. If any interested party would like to communicate with the non-management directors or independent directors as a group, the interested party should address such communication as follows: Non-management Directors or Independent Directors (as applicable), c/o Corporate Secretary, Westlake Chemical Corporation, 2801 Post Oak Blvd., Houston, Texas 77056. Upon receipt, Westlake's Corporate Secretary will forward the communication, unopened, to one of the non-management directors or independent directors, as applicable. Such director will, upon review of the communication, make a determination as to whether it should be brought to the attention of the other non-management directors or independent directors, as applicable, and whether any response should be made to the person sending the communication, unless the communication was made anonymously.

MEETING ATTENDANCE

The Board of Directors held twenty-six meetings in 2016. During 2016, all of our directors attended at least 75% of the total number of meetings of the Board of Directors and any committee on which he or she served during the periods that he or she served. Westlake encourages its directors to attend the annual meeting of stockholders. All eight of our directors attended our annual meeting of stockholders in 2016.

COMPENSATION OF DIRECTORS

Directors who are also full-time officers or employees of Westlake receive no additional compensation for serving as directors. In 2016, all other directors who served for the whole year received an annual cash retainer of \$100,000. The Audit Committee chairman received an additional annual retainer of \$20,000, the Compensation Committee chairman received an additional annual retainer of \$15,000, the Nominating and Governance Committee chairman received an additional annual retainer of \$10,000 and the Corporate Risk Committee chairman received an additional annual retainer of \$10,000. Under the 2013 Omnibus Incentive Plan (the 2013 Plan), the Board of Directors, effective August 17, 2016, authorized the issuance of 2,490 restricted stock units to each non-management director. These restricted stock units will vest in three equal installments on August 17, 2017, 2018 and 2019, subject to the grantee's continuous position as a director of Westlake as of the applicable vesting date. Each such restricted stock unit represents a contingent right to receive one share of Westlake's common stock at vesting. The Board of Directors also authorized a one-time payment of \$25,000 and a one-time

grant of 519 restricted stock units (with the same terms as the other restricted stock units described above) to each non-management director in recognition of the significant number of additional meetings that the Board of Directors held in 2016 due to the acquisition of Axiall Corporation.

The following table sets forth a summary of the compensation earned or paid to our non-management directors in 2016:

Name	Fees Earned or Paid				Total (\$)
	in Cash (\$)	Stock Awards (1) (\$)	Option Awards (2) (\$)	All Other Compensation (3) (\$)	
Robert T. Blakely	143,125	145,000	0	2,872	290,997
Michael J. Graff	135,000	145,000	0	2,872	282,872
Dorothy C. Jenkins	125,000	145,000	0	2,872	272,872
Max L. Lukens	125,000	145,000	0	2,872	272,872
R. Bruce Northcutt	140,000	145,000	0	2,872	287,872
H. John Riley, Jr.	135,000	145,000	0	2,872	282,872

- (1) These amounts represent the grant date fair value of the restricted stock units granted to our directors in 2016, calculated in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 718. For a discussion of the related valuation assumptions, please see Note 14 to our consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2016. As of December 31, 2016, Mr. Blakely, Mr. Graff, Ms. Jenkins, Mr. Lukens, Mr. Northcutt and Mr. Riley each had 4,572 unvested restricted stock units.
- (2) As of December 31, 2016, Ms. Jenkins had outstanding options to purchase 18,590 shares of common stock.
- (3) All Other Compensation amounts represent dividend equivalent payments with respect to restricted stock units that were paid to the directors before the vesting of the restricted stock units.

PROPOSAL 1 ELECTION OF CLASS I DIRECTORS

Our Amended and Restated Certificate of Incorporation provides that the Board of Directors be divided into three classes, each consisting, as nearly as possible, of one-third of the total number of directors constituting the Board of Directors, with each class to serve for a term of three years. The following nominees, each of whom is an incumbent Class I director and was nominated by our Nominating and Governance Committee, are proposed for election in Class I, to serve until the annual meeting of stockholders in 2020, or until their successors are elected and qualified:

Dorothy C. Jenkins

Max L. Lukens

Unless instructed otherwise, the proxies will be voted for the election of the two nominees named above. If any nominee is unable to serve, proxies may be voted for a substitute nominee selected by the Board of Directors,

although management is not aware of any circumstance likely to render any of the named nominees unavailable for election.

**THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE ELECTION OF THESE NOMINEES
AS CLASS I DIRECTORS.**

NOMINEES FOR ELECTION AS CLASS I DIRECTORS

Dorothy C. Jenkins (age 71). Ms. Jenkins has been a director since June 2003. For the past five years, Ms. Jenkins has managed her personal investments. She is also a member of the board of various civic and charitable organizations including Wellesley College. Ms. Jenkins is the sister of James Chao and Albert Chao. She is a graduate of Wellesley College and holds a B.A. in Mathematics.

The Board has concluded that Ms. Jenkins should serve as a director of the Company based primarily on her experience on the boards of charitable and community organizations and her position as a member of the Chao family, which controls TTWF LP, our principal stockholder.

Max L. Lukens (age 68). Mr. Lukens has been a director since August 2004. Since May 2006, Mr. Lukens has managed his personal investments. Mr. Lukens served as President and Chief Executive Officer of Stewart & Stevenson

Services, Inc. until May 2006 and prior to that served as its Chairman of the Board from December 2002 to March 2004, and Interim Chief Executive Officer and President from September 2003 to March 2004. He was also previously employed by Baker Hughes Incorporated from 1981 to January 2000, where he served as Baker Hughes Chairman of the Board, President and Chief Executive Officer from 1997 to January 2000. He also served as a director of The Pep Boys Manny, Moe & Jack from August 2006 until October 2007 and again from June 2009 until September 2011. He was also Chairman of the Board of that company from June 2009 until he resigned in September 2011. Mr. Lukens was a director of Blount International, Inc. from July 2015 until it was acquired in April 2016. Mr. Lukens was a Certified Public Accountant with Deloitte Haskins & Sells for 10 years and received both his B.S. and M.B.A. degrees from Miami University.

The Board has concluded that Mr. Lukens should serve as a director of the Company based primarily on his long experience as a chief executive officer of public companies, as well as his service on the boards of other public companies and his earlier career as a certified public accountant.

Class II Directors Serving Until 2018

James Chao (age 69). Mr. Chao has been our Chairman of the Board since July 2004 and became a director in June 2003. From May 1996 to July 2004, he served as our Vice Chairman. Mr. Chao also has responsibility for the oversight of our Vinyls business. Mr. Chao has over 45 years of global experience in the chemical industry. From June 2003 until November 2010, Mr. Chao was the executive chairman of Titan Chemicals Corp. Bhd. Prior to that he served as Titan's Managing Director. He has served as a Special Assistant to the Chairman of China General Plastics Group and worked in various financial, managerial and technical positions at Mattel Incorporated, Developmental Bank of Singapore, Singapore Gulf Plastics Pte. Ltd. and Gulf Oil Corporation. Mr. Chao, along with his brother Albert Chao, assisted their father T.T. Chao in founding Westlake. Mr. Chao is on the board of Baylor College of Medicine and KIPP (Knowledge is Power Program). Mr. Chao received his B.S. degree from Massachusetts Institute of Technology and an M.B.A. from Columbia University.

The Board has concluded that Mr. James Chao should serve as a director of the Company based primarily on his long experience in the global chemicals and plastics industries and his lengthy tenure as a senior officer of the Company. Mr. Chao also brings important perspectives to our board as a member of the Chao family, which controls TTWF LP, our principal stockholder.

R. Bruce Northcutt (age 57). Mr. Northcutt has been a director since May 2013. Mr. Northcutt has been a partner of Navitas Midstream Partners, LLC since November 2013 and the Chairman of the Board, Chief Executive Officer and President of its manager, Navitas Midstream Management, LLC, since May 2014. Mr. Northcutt was the President and Chief Executive Officer and a director of Copano Energy, L.L.C. until its acquisition by Kinder Morgan Energy Partners, L.P. in May 2013. Mr. Northcutt had also served as Copano's President and Chief Operating Officer from April 2003 until November 2009. Mr. Northcutt served as President of El Paso Global Networks Company from November 2001 until April 2003; Managing Director of El Paso Global Networks Company from April 1999 until November 2001 and Vice President, Business Development, of El Paso Gas Services Company from January 1998 until April 1999. From 1988 until 1998, Mr. Northcutt held positions with various levels of responsibility at El Paso Energy and its predecessor, Tenneco Energy, including supervision of pipeline supply and marketing as well as regulatory functions. He began his career with Tenneco Oil Exploration and Production in 1982, working in the areas of drilling and production engineering. Mr. Northcutt holds a Bachelor of Science degree in Petroleum Engineering from Texas Tech University and is a Registered Professional Engineer on inactive status in the State of Texas.

The Board has concluded that Mr. Northcutt should serve as a director of the Company based primarily on his extensive experience in the energy industry and his experience as a chief executive officer.

H. John Riley, Jr. (age 76). Mr. Riley has been a director since November 2007. Mr. Riley served as Chairman of the Board of Directors of Cooper Industries, Ltd., from May 1996 until February 2006 and served as its Chief Executive Officer from September 1995 to May 2005. He was President of Cooper Industries, Ltd. from 1992 to 2004, its Chief Operating Officer from 1992 to 1995 and its Executive Vice President, Operations from 1982 to 1992. He was associated with Cooper Industries, Ltd. for more than 40 years. In addition, from 1997 to May 2013 he served as a director of Baker Hughes Incorporated and, from 1998 to May 2014, he served as a director of Allstate Corporation. He currently serves as a director of Post Oak Bank, N.A., a private bank. He is a trustee of the Museum of Fine Arts in Houston and a trustee of Syracuse University. Mr. Riley holds a B.S. in Industrial Engineering from Syracuse University. He also completed the Harvard University Advanced Management Program.

The Board has concluded that Mr. Riley should serve as a director of the Company based primarily on his long experience as a senior officer, including chief executive officer, of a public company engaged in manufacturing.

Class III Directors Serving Until 2019

Robert T. Blakely (age 75). Mr. Blakely has been a director since August 2004. Mr. Blakely served as Chief Financial Officer of the Federal National Mortgage Association (Fannie Mae) from January 2006 until August 2007. He served as Fannie Mae's Executive Vice President from January 2006 until January 2008. His prior positions include: Executive Vice President and Chief Financial Officer of MCI, Inc. from April 2003 to January 2006; President of Performance Enhancement Group, Ltd. from July 2002 to April 2003; Executive Vice President and Chief Financial Officer of Lyondell Chemical Company from November 1999 to June 2002; Executive Vice President of Tenneco Inc. from 1996 to November 1999 and Chief Financial Officer from 1981 to November 1999; and Managing Director of Morgan Stanley & Co. from 1980 to 1981 and an employee from 1970. He has served on the Board of Directors of Natural Resource Partners L.P. from January 2003 to the present, the Board of Directors of Greenhill & Co., Inc. from April 2009 to the present and the Board of Directors of Ally Financial (formerly GMAC Inc.) from May 2009 to the present. He is a trustee emeritus of Cornell University. From 2007 to late 2012, he served as a Trustee of the Financial Accounting Foundation. He is also a director of the Episcopal Health Foundation and the Baylor St. Luke's Medical Center. He holds a B.M.E. degree in mechanical engineering and an M.B.A. in business administration from Cornell University and a Ph.D. from the Massachusetts Institute of Technology.

The Board has concluded that Mr. Blakely should serve as a director of the Company based primarily on his long experience as a corporate executive of public companies, his prior tenure as a senior officer of a company in the chemicals industry, his service as the chief financial officer of several public companies and his broad background in the field of financial accounting.

Albert Chao (age 67). Mr. Chao has been our President since May 1996 and a director since June 2003. Mr. Chao became our Chief Executive Officer in July 2004. Mr. Chao has over 40 years of global experience in the chemical industry. In 1985, Mr. Chao assisted his father, T.T. Chao, and his brother, James Chao, in founding Westlake, where he served as Executive Vice President until he succeeded James Chao as President. He has held positions in the Controller's Group of Mobil Oil Corporation, in the Technical Department of Hercules Incorporated, in the Plastics Group of Gulf Oil Corporation and has served as Assistant to the Chairman of China General Plastics Group and Deputy Managing Director of a plastics fabrication business in Singapore. Mr. Chao is a trustee of Rice University. Mr. Chao received a bachelor's degree from Brandeis University and an M.B.A. from Columbia University.

The Board has concluded that Mr. Albert Chao should serve as a director of the Company based primarily on his long experience in the global chemicals and plastics industries and his lengthy tenure as a senior officer of the Company. Mr. Chao also brings important perspectives to our Board from his position as a member of the Chao family, which controls TTWF LP, our principal stockholder.

Michael J. Graff (age 61). Mr. Graff has been a director since May 2013. Mr. Graff is Chairman and Chief Executive Officer of American Air Liquide Holdings, Inc. and a Senior Vice President of the Air Liquide Group with responsibility for the Americas, Safety and Industrial Systems Worldwide and is Chairman of the Electronics World Business Line. Mr. Graff joined Air Liquide as President and CEO of Air Liquide USA LLC in April 2007. In January 2009, he took on additional responsibilities and was named President and CEO of American Air Liquide Holdings, Inc. In May 2009, Mr. Graff was named a Corporate Vice President of Air Liquide S.A. and member of the Executive Committee of the Air Liquide Group with responsibilities for North America and Safety and Industrial Systems Worldwide. In January 2010, Mr. Graff's responsibilities were expanded to include responsibility for all of Air Liquide's operations in the Western hemisphere (Americas). In April 2012, Mr. Graff's responsibilities were expanded to include oversight of Air Liquide's electronic business worldwide and he was named Chairman of the Electronics World Business Line. In January 2013 Mr. Graff was named a Senior Vice Present of the Air Liquide Group and in April 2013 he was named Chairman of American Air Liquide Holdings, Inc. Prior to joining Air Liquide, Mr. Graff began his career with Amoco Corporation and then worked for BP plc, where he last served as President and Chief Executive Officer of BP Polymers Americas from 2001 to 2004. Mr. Graff served as a director of The Lubrizol

Corporation from 2009 until it was acquired by Berkshire Hathaway Inc. in 2011. Mr. Graff serves on the Board and the Executive Committee of the American Chemistry Council, the Board of the National Association of Manufacturers and the Board of the U.S. Chamber of Commerce. He is also the Chairman of the Society for Chemical Industries and a principal of the American Energy Innovation Council. Mr. Graff serves on the Board and Executive Committee of Children at Risk. He is also a member of the Greater Houston Partnership and a member of the Energy Forum of the Baker Institute at Rice University and serves on the Board of Trustees of the Illinois Institute of Technology. Mr. Graff holds an M.S. in Chemical Engineering from Purdue University, a B.S. in Chemical Engineering from the Illinois Institute of Technology, has studied business at the University of Chicago and has completed executive management programs at the Wharton School of the University of Pennsylvania, the University of Cambridge and the Stanford University Law School.

The Board has concluded that Mr. Graff should serve as a director of the Company based primarily on his extensive experience in the energy, chemicals and polymers industries and his experience as a chief executive officer.

SECURITY OWNERSHIP OF DIRECTORS AND MANAGEMENT

The following table lists information about the number of shares of common stock beneficially owned by each director and each named executive officer listed in the summary compensation table included later in this Proxy Statement, and all of our directors and executive officers as a group. Shares of stock are beneficially owned by a person if the person directly or indirectly has or shares the power to vote or dispose of the shares, regardless of whether the person has any economic interest in the shares. A person also beneficially owns shares as to which the person has the right to acquire beneficial ownership within 60 days.

All information in the table is as of March 1, 2017 and is based upon information supplied by the directors and executive officers. Unless otherwise indicated in the footnotes and subject to community property laws where applicable, each of the stockholders named in the table has sole voting and investment power with respect to the shares indicated as beneficially owned.

Directors and Named Executive Officers	Amount and Nature of Beneficial Ownership of Common Stock (1)		
	Direct (2)	Other	Percent of Class
Simon Bates	14,930	0	*
M. Steven Bender	178,239	0	*
Robert T. Blakely	14,104	0	*
Robert F. Buesinger	18,973	0	*
Albert Chao	945,260	92,010,554 (3)	72%
James Chao	233,533	92,010,554 (3)	71.5%
Michael J. Graff	3,077	0	*
Dorothy C. Jenkins	59,865	92,010,554 (3)	71.4%
Max L. Lukens	18,875	0	*
R. Bruce Northcutt	3,077	0	*
H. John Riley, Jr.	20,689	0	*
All directors and executive officers as a group (16 persons, including those listed above)	1,598,098	92,010,554 (3)	72.5%

* Less than 1% of the outstanding shares of common stock.

- (1) None of the shares beneficially owned by our directors or executive officers are pledged as security.
- (2) The amounts include shares of common stock that may be acquired within 60 days from March 1, 2017 through the exercise of options held by Mr. Bender (107,996), Mr. Buesinger (9,664), Mr. Albert Chao (671,242), Mr. James Chao (114,564), Ms. Jenkins (18,590), and all directors and executive officers as a group (976,342). Mr. Blakely, Mr. Riley, Mr. Lukens, Mr. Graff and Mr. Northcutt do not hold any options.
- (3) Two trusts for the benefit of members of the Chao family, including James Chao, Dorothy C. Jenkins and Albert Chao, are the managers of TTWFGP LLC, a Delaware limited liability company, which is the general partner of TTWF LP. The limited partners of TTWF LP are five trusts principally for the benefit of members of the Chao family, including James Chao, Dorothy C. Jenkins and Albert Chao and two corporations owned, indirectly or directly, by certain of these trusts and by other entities owned by members of the Chao family, including James

Chao, Dorothy C. Jenkins and Albert Chao. James Chao, Dorothy C. Jenkins, Albert Chao, TTWF LP and TTWFGP LLC share voting and dispositive power with respect to the shares of our common stock beneficially owned by TTWF LP. James Chao, Dorothy C. Jenkins and Albert Chao disclaim beneficial ownership of the 92,010,554 shares held by TTWF LP except to the extent of their respective pecuniary interest therein.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS

The following table sets forth each person known to Westlake who is the beneficial owner of 5% or more of the outstanding shares of our common stock.

Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class
TTWF LP (1) 2801 Post Oak Boulevard Houston, Texas 77056	92,010,554	71.3%

- (1) Two trusts for the benefit of members of the Chao family, including James Chao, Dorothy C. Jenkins and Albert Chao, are the managers of TTWFGP LLC, a Delaware limited liability company, which is the general partner of TTWF LP. The limited partners of TTWF LP are five trusts principally for the benefit of members of the Chao family, including James Chao, Dorothy C. Jenkins and Albert Chao and two corporations owned, indirectly or directly, by certain of these trusts and by other entities owned by members of the Chao family, including James Chao, Dorothy C. Jenkins and Albert Chao. TTWF LP and TTWFGP LLC each have shared voting power and shared dispositive power over 92,010,554 shares of our common stock. As of March 1, 2017, James Chao had sole voting power and sole dispositive power over 233,533 shares of our common stock and shared voting power and shared dispositive power over 92,010,554 shares of our common stock. Dorothy C. Jenkins had sole voting power and sole dispositive power over 59,865 shares of our common stock and shared voting power and shared dispositive power over 92,010,554 shares of our common stock. Albert Chao had sole voting power and sole dispositive power over 945,260 shares of our common stock and shared voting power and shared dispositive power over 92,010,554 shares of our common stock. James Chao, Dorothy C. Jenkins and Albert Chao disclaim beneficial ownership of the 92,010,554 shares of our common stock held by TTWF LP except to the extent of their respective pecuniary interest therein.

COMPENSATION DISCUSSION AND ANALYSIS

A discussion and analysis of the Company's executive compensation philosophy, objectives and underlying program is presented below. This discussion includes a review of the following:

Compensation Committee Oversight

External Advisors

The Deliberative Process

Compensation Philosophy and Program Objectives

Elements of the Program

Prior Votes on Executive Compensation

Establishing Compensation Levels

Post-Employment Programs

Employment Agreements; Severance and Change-in-Control Arrangements

Deferred Compensation Programs

Compensation Committee Oversight

The Board of Directors has established a Compensation Committee (the Committee) to review and provide oversight of the compensation programs of the Company and the compensation of the Principal Executive Officer (the PEO), the other officers named in the Summary Compensation Table (together with the PEO, the Named Executive Officers or the NEOs) and other employees designated as executive officers of the Company (collectively, the Executives).

Since Westlake is considered to be controlled by its principal stockholder under New York Stock Exchange rules, all Committee members are not required to be independent as defined by the listing standards of the New York Stock Exchange. The Committee is currently composed of five independent board members, one of whom serves as the Committee's chair, and three non-independent members of the Board, one of whom is the PEO, one of whom is the Chairman of the Board and the last of whom is the sister of the PEO and the Chairman of the Board.

The Committee operates under the provisions of a charter and meets periodically throughout the year. The Committee's duties include the following:

reviewing and approving the corporate goals and objectives relevant to the PEO's compensation annually, evaluating the PEO's performance in light of the goals and objectives and determining the PEO's compensation level based upon the performance evaluation and other relevant factors;

reviewing and approving the PEO's assessment of, and compensation recommendations for, the NEOs and other Executives;

administering and making recommendations to the Board with respect to the design of the Company's incentive compensation plans, equity-based plans and other compensation and benefit plans and the issuance of stock and other awards under these plans;

reviewing and making recommendations to the Board with respect to the fees and other compensation received by directors and board committee members;

reviewing matters related to the succession plan for the PEO and other Executives;

reviewing and approving employment agreements for Executives and change-in-control protection offered to non-Executive employees of the Company, if any; and

producing a compensation committee report to be included in the annual proxy statement of the Company as required by applicable rules and regulations.

External Advisors

To assist the Committee in respect of its oversight responsibilities, the Committee periodically utilizes the services of independent third-party compensation consultants to conduct compensation surveys and determine compensation trends, analyze and assess the Company's compensation systems and programs, review current legal, accounting and administrative matters associated with executive compensation and offer opinions as to the effectiveness and competitiveness of the program. For 2016, the Committee directly engaged the services of Willis Towers Watson as a compensation consultant to advise the Committee on executive compensation matters. Willis Towers Watson assists the Committee by providing updated comparative market data on compensation programs and practices of peer competitors, the broader-based chemical industry and general industry. Willis Towers Watson also assists the Company with general compensation consultation regarding employees other than the NEOs. In 2016, the Company paid Willis Towers Watson approximately \$157,000 for executive compensation advisory services and approximately

\$400,000 for other consulting services (primarily related to acquisition due diligence and integration services in connection with the acquisition of Axiall Corporation). The decision to engage Willis Towers Watson for the non-executive compensation consulting services was determined by management and approved by the Committee. In February 2017, the Committee assessed whether the work of Willis Towers Watson for the Company during 2016 raised any conflict of interest and concluded that no conflict of interest exists.

The Deliberative Process

In establishing target executive compensation, the Committee has selected a set of peer group companies (the Peer Group) that is used as one of the means in helping to establish executive compensation targets. The companies that comprise the Peer Group are selected annually from among companies within the chemical industry of relative comparable size to Westlake, with executive positions of similar scope and responsibility and from among companies with which Westlake may compete for executive talent. The following companies make up the Peer Group as adopted by the Committee in 2016:

Air Products and Chemicals, Inc.	Huntsman Corporation
Albemarle Corporation	The Mosaic Company
Ashland Inc.	Olin Corporation
Axalta Coating Systems Ltd.	PolyOne Corporation
Celanese Corporation	Praxair, Inc.
CF Industries Holdings, Inc.	RPM International Inc.
The Chemours Company	The Sherwin-Williams Company
Eastman Chemical Company	Trinseo S.A.
FMC Corporation	The Valspar Corporation

As a result of changes in the Peer Group and in order to take into account the size and complexity of the Company's organization (including as a result of the Company's acquisition of Axiall Corporation), the Peer Group was adjusted in November 2016 by adding Axalta Coating Systems Ltd., The Chemours Company, Huntsman Corporation, Praxair, Inc. and The Sherwin-Williams Company to, and removing Axiall Corporation (which was acquired by the Company), Cabot Corporation, International Flavors & Fragrances and W.R. Grace & Co. from, the Peer Group. The Committee may add or replace companies in the Peer Group as warranted to reflect changes in the size, business profile and publicly-listed status of the companies in the Peer Group to help ensure that companies more comparable in size and business profile to the Company are included.

In addition to referring to the Peer Group, Willis Towers Watson utilizes survey data from its proprietary general industry and chemical industry databases, including, but not limited to, the Willis Towers Watson CDB Executive Survey as well as the Hay Group Chemicals Industry survey and other relevant market information, that compare the

compensation of executives at numerous companies in similar positions as the NEOs (the Market Survey). The Market Survey is used in conjunction with the Peer Group data (collectively, the Reference Points) to help validate the market findings and more specifically establish market compensation rates for positions for which there are limited Peer Group data and/or for positions that are not industry-specific and for which the Company would need to recruit on a broader basis (for instance, Chief Financial Officer). Finally, in establishing the target executive compensation, the Committee takes a total compensation view to include base pay, cash bonuses and long-term incentive and equity awards, so that as long as the composite total compensation of an NEO is competitive with the Reference Points, individual components may fall below or above the median of the Reference Points. In conducting its surveys for the Reference Points, Willis Towers Watson reports directly to the Committee on each component and on a composite total compensation basis.

The Committee meets annually in February to specifically address the compensation of the PEO, other NEOs and other Executives. During this meeting, the Committee reviews the achievement of the Company's goals and objectives, including the Company's performance relative to its competitors within the commodity chemical industry, including those direct competitors within the Peer Group, and the Committee reviews the Reference Points as well as other relevant factors established by the Committee for the PEO and the factors established by the PEO in setting and approving the other NEOs' compensation. During this annual review meeting, the PEO also presents his recommendations to the Committee regarding the compensation to be provided to the other NEOs and other Executives. The PEO and the Committee, after considering data from the Reference Points and other relevant factors, set the compensation for these Executives.

Compensation Philosophy and Program Objectives

The Company has designed and maintains a comprehensive executive compensation program as a means of:

attracting, rewarding and retaining top executive talent in support of the Company's vision, mission and objectives;

maintaining market competitiveness with the Company's peer group compensation programs and practices;

encouraging and rewarding the achievement of specific individual, business segment and corporate goals and objectives;

placing a significant portion of total compensation at risk through variable pay components, including upside potential where targeted objectives are exceeded, to promote management action to create added stockholder value;

aligning management interests with the interests of the stockholders; and

balancing short-term objectives with long-term strategic initiatives and thinking thr