

POLYONE CORP
Form DEF 14A
March 29, 2018

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549
SCHEDULE 14A
(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

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

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 Rule 14a-12

POLYONE 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:

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- (4) Proposed maximum aggregate value of transaction:

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- (3) Filing Party:

- (4) Date Filed:

**NOTICE OF 2018
ANNUAL MEETING OF SHAREHOLDERS
AND PROXY STATEMENT**

PolyOne Corporation

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MESSAGE FROM OUR CEO

March 29, 2018

Dear Fellow Shareholder:

You are cordially invited to attend the PolyOne Corporation Annual Meeting of Shareholders (the Annual Meeting), which will be held at 9:00 a.m. on Thursday, May 17, 2018, at PolyOne Corporation s corporate headquarters located at PolyOne Center, 33587 Walker Road, Avon Lake, Ohio 44012.

A Notice of the 2018 Annual Meeting of Shareholders, a proxy summary and the Proxy Statement follows. Please review this material for information concerning the business to be conducted at the Annual Meeting and the nominees for election to our Board of Directors (the Board).

You will also find enclosed a proxy and/or voting instruction card and an envelope in which to return the card. Whether or not you plan to attend the Annual Meeting, please complete, sign, date and return your enclosed proxy and/or voting instruction card, or vote by telephone or over the Internet as soon as possible so that your shares can be voted at the meeting in accordance with your instructions. **Your vote is very important.** You may, of course, withdraw your proxy and change your vote prior to or at the Annual Meeting by following the steps described in the Proxy Statement.

I appreciate the strong support of our shareholders over the years and look forward to seeing you at the meeting.

Sincerely,

Robert M. Patterson

Chairman, President and Chief Executive Officer

PolyOne Corporation

Please refer to the accompanying materials for voting instructions.

NOTICE OF 2018 ANNUAL MEETING OF SHAREHOLDERS

Thursday, May 17, 2018

9:00 a.m. Eastern Standard Time

PolyOne Center, 33587 Walker Road, Avon Lake, Ohio 44012

We are pleased to invite you to join our Board, senior leadership and other associates of PolyOne Corporation (PolyOne or the Company) for the Annual Meeting. The purposes of the Annual Meeting are to:

1. Elect ten nominees to our Board;
 2. Approve, on an advisory basis, our Named Executive Officer compensation;
 3. Ratify the appointment of Ernst & Young LLP (EY) as our independent registered public accountants for 2018; and
 4. Consider and transact any other business that may properly come before the Annual Meeting.
- The Board set March 20, 2018 as the record date for the Annual Meeting and owners of record of shares of common stock of PolyOne as of the close of business on that date are eligible to:

Receive this notice of the Annual Meeting; and

Vote at the Annual Meeting and any adjournments or postponements of the Annual Meeting. Please ensure that your shares are represented at the Annual Meeting by promptly voting and submitting your proxy by telephone or over the Internet, or by completing, signing, dating and returning your proxy form in the enclosed envelope.

March 29, 2018

For the Board of Directors

Lisa K. Kunkle

Secretary and General Counsel

Important Notice regarding the availability of Proxy materials for the

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Annual Meeting to be held on May 17, 2018:

The proxy statement, proxy card and annual report to shareholders for the fiscal year ended

December 31, 2017 are available at our Internet website, www.polyone.com, on the

Investor Relations page.

PROXY SUMMARY

PROXY SUMMARY

This summary does not contain all of the information that you should consider, and you should read the entire proxy statement carefully before voting.

VOTING AND MEETING INFORMATION

Your vote is important to the future of the Company. Please carefully review the proxy materials for the Annual Meeting, which will be held on Thursday, May 17, 2018 at 9:00 a.m. Eastern Standard Time at PolyOne Center, 33587 Walker Road, Avon Lake, Ohio 44012. Follow the instructions below to cast your vote on all of the voting matters.

We are mailing this proxy statement and the enclosed proxy card and, if applicable, the voting instruction card, to shareholders on or about March 29, 2018. Our telephone number is (440) 930-1000.

Who is Eligible to Vote

You are entitled to vote if you were a shareholder of record at the close of business on March 20, 2018, the record date for the Annual Meeting. Each share of common stock is entitled to one vote for each Board of Director nominee and one vote for each of the other proposals to be voted on.

Advance Voting Methods

Even if you plan to attend our Annual Meeting in person, if you are a registered holder, please cast your vote as soon as possible using one of the following advance methods:

Visit www.proxyvote.com to vote your proxy **OVER THE INTERNET** until 11:59 p.m. (ET) on May 16, 2018.

Call 1-800-690-6903 to vote your proxy **BY TELEPHONE** until 11:59 p.m. (ET) on May 16, 2018.

Sign, date and return your proxy card/voting instruction form to vote **BY MAIL**.

Each shareholder's vote is important. Please complete, sign, date and return your proxy or voting instruction form, or submit your vote and proxy by telephone or over the Internet.

Attending and Voting at the Annual Meeting

All registered holders may vote in person at the Annual Meeting. Beneficial owners may vote in person at the meeting if they have a legal proxy.

PROXY SUMMARY**Company Operating Performance**

PolyOne again delivered earnings growth in 2017, driven by broad-based organic revenue growth of 7% and record-setting performances from our Color, Additives and Inks (CAI), Performance Products and Solutions (PPS) and Distribution (POD) segments. Strong revenue growth and record operating income helped to overcome substantial raw material inflation and supply chain disruptions resulting from Hurricane Harvey. Additional 2017 Company financial performance highlights include:

Full year 2017 Generally Accepted Accounting Principles (GAAP) earnings per share increased to \$2.11 in 2017, compared to \$1.96 in 2016.

Increased commercial resources by nearly 20% in the last three years, which led to 2017 organic revenue growth of 7%, representing the highest level of organic sales expansion since coming out of the recession in 2010. We also expanded our specialty solutions portfolio through several highly innovative

Adjusted earnings per share in 2017 increased to \$2.21, an all-time record and a 7% increase from \$2.06 in 2016. ⁽¹⁾

acquisitions.

Our Company has delivered eight consecutive years of significant adjusted earnings per share growth.

Increased our dividend 30% to \$0.175 per quarter, representing the seventh consecutive year of increases, and announced a plan to increase our dividend 60% or more cumulatively over the next three years.

Record performance in our CAI, PPS and POD segments, which delivered operating income of \$138.6 million, \$77.1 million and \$72.6 million, respectively, in 2017.

Strong balance sheet and free cash flow, as total cash and liquidity ended the year at \$244 million and \$574 million, respectively. Since 2011, we have returned nearly \$950 million to shareholders through dividend and share repurchases.

Divested Designed Structures and Solutions (DSS) and reinvested the proceeds in specialty color acquisitions.

(1) Adjusted earnings per share reported in this proxy statement differs from what is reported under United States GAAP. See Appendix A for an explanation of management's use of non-GAAP financial measures and a reconciliation of non-GAAP financial measures to our results as reported under GAAP.

Our Company Culture

Our strong performance reflects the Company culture we strive to create, which is made possible through the dedication and hard work of our global associates. Our mission is to become the world's premier provider of specialized polymer materials, services and solutions, as we execute our proven four-pillar strategy of Specialization, Globalization, Commercial Excellence and Operational Excellence. We, in turn, support our associates' efforts by investing in them and aligning compensation accordingly.

Our core values of Collaboration, Innovation and Excellence, and our personal values of Integrity, Honesty and Respect are critical to our culture and underpin all that our associates do.

A continuous focus on safety is one way we can take care of our people, and our 0.69 injury incidence rate last year is five times better than the industry average. To help us improve and progress on our journey, we recently sought and obtained the American Chemistry Council's Responsible Care certification. This was one of our greatest accomplishments in 2017.

While we are proud of our safety and financial performance, we welcome the challenge of continually building upon our positive momentum, which is why we are always refining our culture. We do this by hiring the best and brightest people through robust campus and mid-career recruiting, as well as by developing talent from within through unique leadership development opportunities. One such initiative is LEAD by Women, a leadership development initiative where PolyOne associates build their skills with the goal of advancing diversity and inclusion at all levels of the Company.

PROXY SUMMARY

More commentary on our work in culture and sustainability can be found in the Letter to Shareholders in the 2017 Annual Report.

Share Appreciation

Our Company has delivered a positive return to shareholders over time that significantly outperforms our peer group, as reflected below.

Impact of Our Performance on Named Executive Officer 2017 Compensation

Our 2017 compensation reflected our pay-for-performance philosophy of aligning executive compensation directly with our financial performance.

Annual Incentive Plan

We set aggressive goals for each of our performance measures in our 2017 annual cash incentive program (the 2017 Annual Incentive Program) under the PolyOne Corporation Senior Executive Annual Incentive Plan, as amended and restated (the Annual Plan). Our strong operational performance in 2017 resulted in the executive officers named in the 2017 Summary Compensation Table of this proxy statement (the Named Executive Officers) earning an above target payout under the 2017 Annual Incentive Program, with the exception of Mr. Nikrant s payout which was below target.

Messrs. Patterson, Richardson and Garratt s 2017 Annual Incentive Program opportunities were based on consolidated results. Messrs. Crist, Van Hulle and Nikrant s 2017 Annual Incentive Program opportunities were based on business unit-specific results and, while the adjusted operating income performance goals for such opportunities were weighted 60% overall, the opportunities were based two-thirds on business unit-specific results and one-third on consolidated PolyOne adjusted operating income results. Mr. Crist s metrics changed during the year from POD metrics to CAI metrics and, as a result, his 2017 Annual Incentive Program payout was prorated based on his earnings under the respective metrics.

The following table shows, for each Named Executive Officer, other than Mr. Altice, the target 2017 Annual Incentive Program payout opportunity, the percentage of such payout opportunity earned based on 2017 performance, and the dollar value of the ultimate payout. Mr. Altice did not receive a payout under the 2017 Annual Plan due to his separation from service.

PROXY SUMMARY

2017 Annual Incentive Program Payouts

Named Executive Officer	2017		
	Target Opportunity (\$)	Payout %	Payout (\$)
Mr. Patterson	\$1,151,077	113.00%	\$1,300,717
Mr. Richardson	\$370,250	113.00%	\$418,383
Mr. Crist	\$205,827	121.05%	\$249,160
Mr. Garratt	\$224,654	113.00%	\$253,859
Mr. Nikrant	\$232,269	72.60%	\$168,627
Mr. Van Hulle	\$130,900	112.80%	\$147,655

Long-Term Incentive Program

In 2017 the Named Executive Officers earned a 72% cash-settled performance unit payout under the Amended and Restated PolyOne Corporation 2010 Equity and Performance Incentive Plan (the "Long-Term Incentive Plan"). The payout was earned by PolyOne exceeding adjusted earnings per share thresholds over four, equally-weighted performance periods as noted below.

2015 - 2017 Cash-Settled Performance Units**Performance Measure: Adjusted Earnings Per Share**

Performance Periods	Weighting	Target	Result	Payout %
January 1, 2015 - December 31, 2015	25%	\$2.07	\$1.96	69%
January 1, 2016 - December 31, 2016	25%	\$2.42	\$2.13	64%
January 1, 2017 - December 31, 2017	25%	\$2.43	\$2.18	81%
January 1, 2015 - December 31, 2017	25%	\$6.92	\$6.27	74%
Total Attainment				72%

All financial measures (threshold, target and maximum levels, and results) with respect to the incentives described above were calculated with adjustments for acquisitions, divestitures and special items pursuant to the terms of the 2017 Annual Incentive Program and 2015 - 2017 long-term incentive program (the "2015-2017 Long-Term Incentive Program") and as approved by the Compensation Committee.

For information on the terms and conditions of these incentive programs, see the "What We Pay and Why: Elements of Compensation" section of this proxy statement.

Our Director Nominees and Committee Membership

You are being asked to vote on the election of ten Directors. Detailed information about each Director's background, qualifications, attributes, skills and experience can be found beginning on page 9.

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Name	Age	Director Since	Principal Position	Notable Skills and Experiences	Independent	Committee Membership*			
						AC	CC	N&GC	EH&SC
Robert E. Abernathy	63	2018	Retired Chairman and Chief Executive Officer, Halyard Health, Inc.	Financial, International, Industry Experience, Regulatory, Technology, HR, Operations, Environmental, Corporate Governance	Yes	M			

PROXY SUMMARY

Name	Age	Director Since	Principal Position	Notable Skills and Experiences	Independent	Committee Membership*			
						AC	CC	N&GC	EH&SC
Richard H. Fearon	62	2004	Lead Director Vice Chairman and Chief Financial and Planning Officer, Eaton	Financial, International, Industry Experience, Regulatory, Technology, HR, Operations, Corporate Governance	Yes		M	C	
Gregory J. Goff	61	2011	Chairman, President and Chief Executive Officer, Andeavor	Financial, International, Industry Experience, Technology, HR, Operations, Environmental, Corporate Governance	Yes			M	C
William R. Jellison	60	2015	Retired Vice President, Chief Financial Officer, Stryker Corporation	Financial, International, Industry Experience, Regulatory, Technology, Operations, Corporate Governance	Yes	C			
Sandra Beach Lin	60	2013	Retired President, Chief Executive Officer and Director of Calisolar, Inc.	Financial, International, Industry Experience, Regulatory, Technology, HR, Operations, Environmental, Corporate Governance	Yes	M		M	

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Kim Ann Mink	58	2017	Chairman, President and Chief Executive Officer, Innophos Holdings, Inc.	Financial, International, Industry Experience, Regulatory, Technology, HR, Operations, Corporate Governance	Yes				M
Robert M. Patterson	45	2014	Chairman, President and Chief Executive Officer, PolyOne	Financial, International, Industry Experience, HR, Operations, Corporate Governance	No				M
William H. Powell	72	2008	Retired Chairman and Chief Executive Officer of National Starch and Chemical Company	Financial, International, Industry Experience, Regulatory, Technology, HR, Operations, Environmental, Corporate Governance	Yes	C			M
Kerry J. Preete	57	2013	Executive Vice President, Chief Strategy Officer, Monsanto Company	International, Industry Experience, Regulatory, Technology, HR, Operations, Environmental	Yes	M	M		
William A. Wulfsohn	56	2011	Chairman and Chief Executive Officer, Ashland Global Holdings Inc.	Financial, International, Industry Experience, Technology, HR, Operations, Environmental, Corporate Governance	Yes	M	M		

* Reflects Committee membership immediately following the Annual Meeting.

Governance Highlights

As part of our commitment to overall excellence, our Company's governance practices include the following:

Director Independence

Strong commitment to Director independence: Nine out of our ten Director nominees are independent
The independent Directors regularly hold executive sessions, led by the independent Lead Director

Independent Lead Director

The independent Directors have selected Richard H. Fearon to serve as independent Lead Director
Among other responsibilities, the independent Lead Director:

- Chairs executive sessions of the non-employee Directors and provides feedback and perspective to the Chief Executive Officer regarding discussions at these sessions
- Facilitates communications between the Chairman and other members of the Board
- Provides input from the Directors to the Chairman of the Board with regard to agendas and schedules for Board meetings
- Advises the Chairman of the Board as to the quality, quantity and timeliness of the flow of information from management to the Board and regarding the effectiveness of Board meetings
- Interviews all Board candidates, and provide the Nominating and Governance Committee with recommendations on each candidate
- Maintains close contact with the Chair of each standing committee and assists in maintaining communications between each committee and the Board
- Considers the retention of advisers and consultants who report directly to the Board of Directors
- Chairs Board meetings when the Chairman of the Board is unable to do so

Board Oversight of Risk Management

The Board oversees risk management, setting appropriate tone at the top
The Board assesses and analyzes the most likely areas of current and future risk for the Company on an on-going basis
The Board regularly communicates with management regarding materials risks and to convey its expectations clearly

Stock Ownership Requirements

We maintain robust stock ownership requirements

The stock ownership requirement for our Chief Executive Officer is 125,000 shares and for all other directors is 12,500 shares (within five years of onboarding)

Board Practices

Our Board annually conducts an evaluation of its performance, which includes a peer evaluation of each Director

The Nominating and Governance Committee reviews criteria for Board membership and considers changes as needed so that the Board continues to reflect the appropriate mix of skills and experience

Non-employee Directors may not stand for re-election following the date of the Director's 7th birthday, although the Board may waive this limitation if it determines such waiver to be in the best interests of the Company

All Directors stand for election annually

We maintain a majority voting policy for uncontested Director elections

PROXY STATEMENT

POLYONE CORPORATION

PolyOne Center

33587 Walker Road

Avon Lake, Ohio 44012

PROXY STATEMENT

Dated March 29, 2018

Our Board respectfully requests your proxy for use at the Annual Meeting to be held at PolyOne's corporate headquarters located at PolyOne Center, 33587 Walker Road, Avon Lake, Ohio 44012 at 9:00 a.m. on Thursday, May 17, 2018, and at any adjournments of that meeting. This proxy statement is to inform you about the matters to be acted upon at the meeting.

If you attend the meeting, you may vote your shares by ballot. If you do not attend, your shares may still be voted at the meeting if you sign and return the enclosed proxy card or vote by telephone or over the Internet as described below. Common shares represented by a properly signed proxy card will be voted in accordance with the choices marked on the card. If no choices are marked, the shares will be voted: (1) to elect the nominees listed in the Proposal 1 Election of Board of Directors section of this proxy statement; (2) to approve, on an advisory basis, our Named Executive Officer compensation; and (3) to ratify the appointment of EY as our independent registered public accounting firm for the fiscal year ending December 31, 2018.

You may revoke your proxy before it is voted by giving notice to us in writing or orally at the meeting. Persons entitled to direct the vote of shares held by The PolyOne Retirement Savings Plan and the PolyOne Canada Inc. Retirement Savings Program will also receive a proxy and voting instruction card. If you receive a proxy and voting instruction card for one of these plans, you must sign and return the card as indicated on the card in order to instruct the trustee on how to vote the shares held under the respective plan. You may revoke your proxy and voting instruction card before the trustee votes the shares held by it by giving notice in writing to the trustee.

You may also submit your proxy by telephone or over the Internet. The telephone and Internet voting procedures are designed to authenticate votes cast by use of a personal identification number. These procedures allow shareholders to appoint a proxy to vote their shares and to confirm that their instructions have been properly recorded. Instructions for voting by telephone and over the Internet are printed on the proxy cards.

ELECTION OF BOARD OF DIRECTORS

PROPOSAL 1 ELECTION OF BOARD OF DIRECTORS

Our Board currently consists of 11 Directors. Pursuant to the Director retirement policy contained in our Corporate Governance Guidelines, Richard A. Lorraine will not stand for re-election at our Annual Meeting. Thus, following the Annual Meeting and, assuming the election of all of the Board nominees, our Board will consist of ten Directors.

Each Director serves for a one-year term until a successor is duly elected and qualified, subject to the Director's earlier death, retirement or resignation. Our Corporate Governance Guidelines provide that all non-employee Directors will retire from the Board not later than the Annual Meeting immediately following the Director's 72nd birthday, although the Board may waive this limitation if it determines that such a waiver is in PolyOne's best interests. At a meeting on March 9, 2018, the Board approved a resolution waiving this policy for William H. Powell for one year, while a search is conducted for a new independent director. The Board concluded that the Company would benefit from his additional year of service as a Director due to his extensive knowledge of the Company and the specialty chemical industry.

A shareholder who wishes to nominate a person for election as a Director must provide written notice to our Secretary in accordance with the procedures specified in Regulation 12 of our Code of Regulations (Regulations). Generally, the Secretary must not receive the notice less than 60 nor more than 90 days prior to the first anniversary of the date on which we first mailed our proxy materials for the preceding year's Annual Meeting. The notice must set forth, as to each nominee, the name, age, principal occupation and employment during the past five years, name and principal business of any corporation or other organization in which such occupation and employment were carried on and a brief description of any arrangement or understanding between such person and any others pursuant to which such person was selected as a nominee. The notice must include the nominee's signed consent to serve as a Director if elected. The notice must set forth the name and address of, and the number of our common shares owned by, the shareholder giving the notice and the beneficial owner on whose behalf the nomination is made and any other shareholders believed to be supporting such nominee.

Following are the nominees for election as Directors for terms expiring in 2018, a description of the business experience of each nominee and the names of other publicly-held companies for which he or she currently serves as a director or has served as a director during the past five years. Each nominee for election as Director was previously elected by our shareholders, other than Robert E. Abernathy. Mr. Abernathy was recommended to our Nominating and Governance Committee for election to the Board by a third-party search firm, Russell Reynolds Associates. Mr. Abernathy was subsequently recommended by our Nominating and Governance Committee to the Board for election as a Director, and the Board elected Mr. Abernathy as a Director on March 7, 2018. The composition of the Board is intended to reflect an appropriate mix of skill sets, experience and qualifications that are relevant to PolyOne Corporation's business and governance over time.

In addition to the information presented below regarding each nominee's specific experience, qualifications, attributes and skills that led our Board to the conclusion that the nominee should serve as a Director, the Board also believes that all of our Director nominees are individuals of substantial accomplishment with demonstrated leadership capabilities. Each of our Director nominees also has the following personal characteristics, which are required attributes for all Board nominees: high ethical standards, integrity, judgment and an ability to devote sufficient time to the affairs of our Company. The information below is current as of March 20, 2018.

**Our Board recommends a vote FOR
all the nominees listed below.**

ELECTION OF BOARD OF DIRECTORS
Robert E. Abernathy

Retired Chairman and Chief Executive Officer of Halyard Health, Inc., a medical technology company that focuses on eliminating pain, speeding recovery, and preventing infection for healthcare providers and patients worldwide. Mr. Abernathy served as Chief Executive Officer of Halyard Health from its spinoff from Kimberly-Clark in October 2014 until his retirement in June 2017, during which time he also served as Chairman. He continued as Chairman until September 2017. Prior to that, he worked for Kimberly-Clark, a global personal care products company. He joined Kimberly-Clark in 1982 and served in numerous roles of increasing responsibility, including President, Global Healthcare from June 2014 until October 2014 and Executive Vice President, from November 2013 to June 2014.

Qualifications, Attributes, Skills and Experience: As our newest Board member, we believe that our Company can capitalize on Mr. Abernathy's significant global experience, particularly in developing markets. Further, Mr. Abernathy's prior role as a Chief Executive Officer of a publicly traded company and service on several other external boards will enable him to provide relevant and topical advice on issues affecting public companies. Mr. Abernathy's unique perspective gained while working in the healthcare and consumer products industries can add value when evaluating our commercial relationships in those industries.

Current Directorships: Haemonetics Corporation

Former Directorships: Halyard Health, Inc., RadioShack Corp., Lubrizol Corp., Kimberly-Clark de Mexico

Age: 63

Director since: 2018

Richard H. Fearon

Lead Director of our Board since May 14, 2015. Chief Financial and Planning Officer of Eaton, a global manufacturing company since April 2002 and Vice Chairman since January 2009. Mr. Fearon is responsible for the accounting, control, corporate development, information systems, internal audit, investor relations, strategic planning, tax and treasury functions of Eaton. Prior to Eaton, Mr. Fearon worked at several large diversified companies, including Transamerica Corporation, NatSteel Limited and The Walt Disney Company. He also serves on the boards of The Playhouse Square Foundation, the Cleveland Museum of Art, and Manufacturers Alliance, a trade organization of leading manufacturing companies.

Qualifications, Attributes, Skills and Experience: We believe that Mr. Fearon's years of experience as Eaton's Chief Financial Officer provide the Board with important insight. He has comprehensive knowledge of financial accounting standards and extensive experience in financial statement preparation, corporate finance, corporate development, risk management and investor relations. As a sitting executive and leader at a multi-national corporation, Mr. Fearon is particularly equipped to advise our Board on current issues facing our Company. Further, given that he has served as Lead Director since 2015, he also provides significant governance expertise.

Current Directorships: Eaton

Former Directorships: Southern Steel Bhd,
Centurion Industries Ltd.

Age: 62

Director since: 2004

Gregory J. Goff

President and Chief Executive Officer since May 2010, and Chairman since December 2014, of Andeavor (formerly Tesoro Corporation), a leading company in the independent refining and marketing business. He is also Chairman and Chief Executive Officer of Andeavor Logistics LP (formerly Tesoro Logistics LP), a NYSE-listed master limited partnership that owns, operates and develops crude oil and refined products and logistics assets, since April 2011. Prior to joining Tesoro in 2010, Mr. Goff worked for ConocoPhillips Corporation, an integrated energy company, where he held a number of senior leadership positions, most recently Senior Vice President Commercial from 2008 to 2010.

Qualifications, Attributes, Skills and Experience: We believe that, as a Board member with proven leadership capabilities and as an executive who has extensive international business experience across Europe, Asia and Latin America, Mr. Goff provides a unique perspective on our strategy and operations. Mr. Goff's deep understanding of the energy industry and specialty chemical businesses provides valuable insight into PolyOne's strategic planning. His experience as the Chief Executive Officer of a large, independent refining and petroleum products marketing company and his participation as a member of national trade associations provide him with valuable experience that can enhance our Board.

Current Directorships: Andeavor, Andeavor Logistics GP, LLC (the general partner of Andeavor Logistics LP)

Former Directorships: DCP Midstream CP, LLC

Age: 61

Director since: 2011

ELECTION OF BOARD OF DIRECTORS
William R. Jellison

Retired Vice President, Chief Financial Officer of Stryker Corporation, one of the world's leading medical technology companies. Mr. Jellison served in this capacity from 2013 to 2016. Prior to joining Stryker, Mr. Jellison served as the Senior Vice President and Chief Financial Officer of Dentsply International, the world's largest manufacturer of professional dental products, from 1998 to 2013, except for a roughly two-year period of time between 2002 and 2005 when he was a Senior Vice President with full P&L responsibilities for some of Dentsply's operating divisions located in the U.S., Europe and Asia. Mr. Jellison began his career with the Donnelly Corporation, a publicly traded international automotive parts supplier, where he served in several senior leadership roles, advancing to Vice President of Finance.

Qualifications, Attributes, Skills and Experience: We believe that Mr. Jellison brings a unique perspective, especially with respect to opportunities to further specialize in the healthcare industry. In addition, Mr. Jellison brings substantial financial experience from a large, publicly-traded company to the Board. And, his experience abroad provides him with diverse operating experiences in international markets, which provides the Board with a meaningful global business perspective. Mr. Jellison is able to use his experience in serving as an executive at a respected medtech company to guide our Board in driving further specialization.

Current Directorships: Young Innovations

Former Directorships: None

Age: 60

Director since: 2015

Sandra Beach Lin

Retired President, Chief Executive Officer and Director of Calisolar, Inc. (now Silicor Materials Inc.), a solar silicon company, from August 2010 to 2011. She was Executive Vice President, then Corporate Executive Vice President, at Celanese Corporation, a global hybrid chemical company, from 2007 to 2010. Prior to Celanese, Ms. Beach Lin held global senior executive positions at Avery Dennison Corporation, Alcoa and Honeywell International.

Qualifications, Attributes, Skills and Experience: We believe that Ms. Lin's extensive senior executive experience, including as a Chief Executive Officer, leading global businesses in multiple industries provides her with valuable skills to serve on our Board. She has a deep understanding of the specialty chemicals industry, a strong operational foundation and wide-ranging international experience. Ms. Lin also serves as a director for two other public companies and one privately-held biomedical polymer company, which provides her with additional experience she utilizes while serving as a valued member of our Board.

Current Directorships: WESCO International, Inc.; American Electric Power Company, Inc.; and Interface Biologics Inc.

Former Directorships: None

Age: 60

Director since: 2013**Kim Ann Mink**

Chairman, President and Chief Executive Officer, Innophos Holdings, Inc., a leading international producer of performance-critical and nutritional functional ingredients, with applications in food, health and industrial specialties markets, since 2015. Prior to joining Innophos, Dr. Mink served as Business President of Elastomers, Electrical and Telecommunications at the Dow Chemical Company, a specialty chemicals provider, from September 2012 to December 2015. She joined Dow in April 2009 as Global General Manager, Performance Materials and President and Chief Executive Officer of ANGUS Chemical Co. (then a fully-owned subsidiary of Dow Chemical). Prior to joining Dow, she was Corporate Vice President and Global General Manager, Ion Exchange Resins at the Rohm and Haas Company (now a fully-owned subsidiary of Dow), where she spent more than 20 years serving in numerous senior roles with increasing responsibilities.

Qualifications, Attributes, Skills and Experience: We believe Dr. Mink provides us with valuable counsel related to her chemical and advanced materials background. Further, her experience as a Chief Executive Officer of a public company provides PolyOne with a diverse perspective when forming strategies to guide the direction of our Company. PolyOne also benefits from her experience and expertise in technology and varied end markets.

Current Directorships: Innophos Holdings, Inc.

Former Directorships: None

Age: 58

Director since: 2017

ELECTION OF BOARD OF DIRECTORS
Robert M. Patterson

Chairman, President and Chief Executive Officer of PolyOne since May 2016. Mr. Patterson served as President and Chief Executive Officer of PolyOne from May 2014 until May 2016, as Executive Vice President and Chief Operating Officer from March 2012 until May 2014, as Executive Vice President and Chief Financial Officer from January 2011 until March 2012, and as PolyOne's Senior Vice President and Chief Financial Officer from May 2008 until January 2011. Prior to joining PolyOne, Mr. Patterson served in leadership roles at Novelis, Inc., an aluminum rolled products manufacturer, and SPX Corporation, a multi-industry manufacturer and developer, after starting his career at Arthur Andersen LLP.

Qualifications, Attributes, Skills and Experience: We believe that, as our Chief Executive Officer and in light of his prior executive experience, Mr. Patterson is particularly well qualified to serve on our Board and as our Chairman, as his past and future service enables him to develop comprehensive knowledge of the various segments of our industry and business and of the critical internal and external challenges we face. His responsibility for developing and executing the annual operating plans and strategic plans provide him with the knowledge and experience needed to provide unique and valuable input to our Board.

Current Directorships: None

Former Directorships: None

Age: 45

Director since: 2014

William H. Powell

Retired Chairman and Chief Executive Officer of National Starch and Chemical Company, a specialty chemicals company. Mr. Powell served in this capacity from 1999 until his retirement in 2006.

Qualifications, Attributes, Skills and Experience: We believe that Mr. Powell's previous employment as a Chief Executive Officer has provided him with the leadership skills that are important in serving as a Director of our Company. His prior employment in the specialty chemicals industry is particularly relevant. This experience gives him the knowledge and insight to provide valuable advice and strategic direction in addressing the issues facing our Company. Mr. Powell also serves as a director of other public companies, which provides him with experiences he can utilize when serving as a member of our Board.

Current Directorships: Granite Construction Incorporated; FMC Corporation

Former Directorships: Arch Chemicals, Inc.

Age: 72

Director since: 2008

Kerry J. Preete

Executive Vice President, Chief Strategy Officer for Monsanto Company, a leading global provider of technology-based solutions and agricultural products that improve farm productivity and food quality, since 2010. Mr. Preete was Monsanto Company's President, Global Crop Protection Division from 2009 to 2010 and Vice President, International Commercial Business from 2008 to 2009. From 1985 to 2008, Mr. Preete served in various roles of increasing responsibility at Monsanto.

Qualifications, Attributes, Skills and Experience: Because of his broad experience at a leading, well-known company, we believe Mr. Preete brings an insightful perspective on running a successful, innovative company. Mr. Preete is specifically adept in not only thinking strategically, but also tactically, and these traits will be valuable to PolyOne as it continues into the future. Further, his global experience and understanding will assist PolyOne in its plans to operate in different regions and cultures, and we believe his global business acumen is relevant and transferable across industries. Mr. Preete's operational foundation, strategic expertise, and global experience are assets to PolyOne's Board.

Current Directorships: None

Former Directorships: None

Age: 57

Director since: 2013

ELECTION OF BOARD OF DIRECTORS

William A. Wulfsohn

Chairman and Chief Executive Officer of Ashland Global Holdings Inc., a global leader in providing specialty chemical solutions to customers in a wide range of customer and industrial markets, since January 2015. He was also Non-Executive Chairman of Valvoline Inc., a majority-owned subsidiary of Ashland Global Holdings and a leading worldwide producer and distributor of premium-branded automotive, commercial and industrial lubricants and automotive chemicals, from September 2016 until September 2017. He did not stand for re-election to the Valvoline Board and ceased serving as a director at the end of January 2018. From July 2010 until December 2014, Mr. Wulfsohn was President and Chief Executive Officer of Carpenter Technology Corporation, a manufacturer of stainless steel, titanium and other specialty metals and engineered products, and was a director of Carpenter from April 2009 until December 2014.

Qualifications, Attributes, Skills and Experience: We believe that Mr. Wulfsohn is a valuable addition to our Board. He is a proven leader, with deep and varied experience in technology and successful business operations. His background in managing operations in Europe and Asia/Pacific provides him with international expertise that can be of value to PolyOne. Further, we believe his experience as a Chief Executive Officer of publicly-traded specialty companies has given him unique skills to assist in providing guidance on PolyOne's continuing transformation.

Current Directorships: Ashland Global Holdings Inc.

Former Directorships: Carpenter Technology Corporation, Valvoline Inc.

Age: 56

Director since: 2011

ADVISORY VOTE**PROPOSAL 2 ADVISORY VOTE TO APPROVE NAMED****EXECUTIVE OFFICER COMPENSATION**

As required under the Dodd-Frank Wall Street Reform and Consumer Protection Act (the Dodd-Frank Act) and Section 14A of the Securities Exchange Act of 1934 (referred to as the Exchange Act), our Board is submitting a Say on Pay proposal for shareholder consideration. While the vote on Named Executive Officer compensation is non-binding and solely advisory in nature, our Board and the Compensation Committee will review the voting results. If there are a significant number of negative votes, we will seek to understand the concerns that influenced the vote and expect to address them in making future decisions about our executive compensation programs.

Currently advisory Say on Pay votes are scheduled to be held once every year. It is anticipated that the next Say on Pay vote will occur at our 2019 Annual Meeting.

As described more fully in the Compensation Discussion and Analysis section of this proxy statement, the Compensation Committee of our Board has structured our executive compensation program to achieve the following key objectives:

Objective	How Our Executive Compensation Program Achieves This Objective
Attract, Motivate and Help Retain Management Pay-For-Performance	Competing effectively to attract, motivate and help retain a management team that leads in setting and achieving the overall goals and objectives of PolyOne Setting a significant portion of each Named Executive Officer's total compensation in the form of variable compensation that is earned when pre-established financial performance goals are achieved
Align Executive Compensation with Shareholders' Interests	Focusing incentive programs on the critical performance measures that determine PolyOne's overall success and reward executives for the attainment of short-term results, balanced with the need for sustainable long-term success

We urge shareholders to read the Compensation Discussion and Analysis section of this proxy statement, which describes in more detail how our executive compensation policies and procedures operate and are designed to achieve our compensation objectives. We also encourage you to review the 2017 Summary Compensation Table and other related compensation tables and narratives in the Executive Compensation section of this proxy statement, which provide detailed information regarding the compensation of our Named Executive Officers. The Board and the Compensation Committee believe that the policies and procedures described and explained in the Compensation Discussion and Analysis section of this proxy statement are effective in achieving our business goals and the compensation of our Named Executive Officers reported in the Executive Compensation section of this proxy statement has supported and contributed to the Company's recent and long-term success.

**Our Board recommends a vote FOR Proposal 2 to
approve, on an advisory basis, our Named Executive Officer compensation.**

We believe you should vote **FOR** our Named Executive Officer compensation program and approve the following resolution because the compensation actually earned by our Named Executive Officers for our 2017 performance was aligned with our pay-for-performance objectives, our Company's performance and shareholder interests:

RESOLVED, that the compensation paid to PolyOne's Named Executive Officers, as disclosed pursuant to Item 402 of Regulation S-K, including the Compensation Discussion and Analysis, compensation tables and related narrative discussion, is hereby **APPROVED**.

PROPOSAL 3 RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Audit Committee has appointed EY as our independent registered public accounting firm to audit our consolidated financial statements for the fiscal year ending December 31, 2018. The Board recommends ratification of the Audit Committee's appointment of EY.

The selection of EY as our independent registered public accounting firm is not required to be submitted to a vote of our shareholders for ratification. The Sarbanes-Oxley Act of 2002 requires that the Audit Committee be directly responsible for the appointment, compensation and oversight of our independent auditor. The Board is submitting the appointment to our shareholders for ratification as a matter of good corporate practice. If our shareholders fail to vote on an advisory basis in favor of the selection, the Audit Committee will reconsider whether to retain EY and may retain that firm or another firm without re-submitting the matter to our shareholders. Even if our shareholders ratify the appointment, the Audit Committee may, in its discretion, direct the appointment of a different independent registered public accounting firm at any time during the year if it determines that such a change would be in our best interests and the best interests of our shareholders. The affirmative vote of a majority of the shares voting on this proposal is required for ratification.

A representative of EY is expected to be present at the Annual Meeting. The representative will be given an opportunity to make a statement if desired and to respond to questions regarding EY's examination of our consolidated financial statements and records for the year ended December 31, 2017.

Our Board recommends a vote FOR Proposal 3 to ratify the Audit

**Committee's appointment of EY as our independent registered public
accounting firm for 2018.**

Independent Registered Public Accountant Services and Related Fee Arrangements

Services provided by EY, our independent registered public accounting firm, and related fees in each of the last two fiscal years were as follows:

Audit Fees. Audit services include the annual audit of the consolidated financial statements, the audit of internal controls over financial reporting, the reviews of our quarterly reports on Form 10-Q, the issuance of comfort letters and consents, review of registration statements filed with the Securities and Exchange Commission (SEC), accounting and financial reporting consultations and international statutory audits. Fees for audit services totaled \$3.5 million in both 2017 and 2016. The full Audit Committee or the Chair of the Audit Committee pre-approved all audit services and related fee arrangements for 2017 in accordance with the Audit Committee Pre-Approval Policy for all Audit and Non-Audit Services and Related Fee Arrangements.

Audit-Related Fees. Audit-related services principally include employee benefit plan audits, accounting consultations, attest services that are not required by statute or regulation and other international attest services not

classified as audit fees. Fees for audit-related services totaled \$0.1 million in both 2017 and 2016. The Audit Committee pre-approved all audit-related fee arrangements billed for 2017.

Tax Fees. Tax services include tax compliance, tax advice and tax planning. Fees for tax services totaled \$3.3 million in 2017 and \$3.1 million in 2016. The Audit Committee pre-approved all tax fee arrangements billed in 2017.

All Other Fees. No fees for other services were billed in 2017 and 2016.

Our Audit Committee Pre-Approval Policy for all Audit and Non-Audit Services and Related Fee Arrangements (the Pre-Approval Policy) requires our Audit Committee to pre-approve all audit and non-audit services performed by EY in order to assure that the provision of such services and related fee arrangements do not impair EY's independence. Under the Pre-Approval Policy, the Audit Committee may delegate pre-approval authority to one or

more of its members, and the member or members to whom the Audit Committee delegates such authority must report any pre-approval decisions to the Audit Committee at its next scheduled meeting. The Audit Committee has formally delegated this pre-approval authority to its Chair. Management has no authority to approve services performed by EY that have not been pre-approved by the Audit Committee. The term of any pre-approval is 12 months from the date of pre-approval, unless the Audit Committee specifically provides for a different period.

EY will provide us a description of work scope and supporting back-up documentation regarding the specific services they will provide. At each meeting of the Audit Committee, the current year's previously pre-approved independent auditor fees along with any proposed revisions will be presented for approval. Any interim requests between Audit Committee meetings to provide services that require separate pre-approval will be submitted to the Audit Committee or the Audit Committee Chair by EY and our Chief Financial Officer, or Controller, and must include a statement as to whether, in each of their respective views, the request is consistent with the Commission's rules on auditor independence.

Report of the Audit Committee

The Audit Committee assists the Board in fulfilling its oversight responsibilities to shareholders relating to the integrity of the Company's consolidated financial statements, the Company's compliance with legal and regulatory requirements, the independent registered public accounting firm's qualifications and independence, and the performance of the Company's internal and independent auditors. The Audit Committee's specific responsibilities are described in its charter, which is available on the Company's website at www.polyone.com under the heading "Investors and the subheading "Governance.

The Audit Committee currently consists of four directors, each of whom our Board has determined to meet the NYSE's requirements of independence and financial literacy. All members of the Audit Committee also meet the requirements of an audit committee financial expert as defined by the SEC.

The Audit Committee approves, subject to shareholder ratification, the appointment of the Company's independent registered public accounting firm and pre-approves all audit and non-audit services to be performed by the firm. The Audit Committee has retained EY as the Company's independent registered public accounting firm for 2018. The Audit Committee through its Chairperson is also directly involved in the selection of EY's lead engagement partner, which occurs every five years. The last lead engagement partner rotation occurred in 2017 and is expected to occur next in 2022.

PolyOne's Audit Committee believes that the continued retention of EY to serve as PolyOne's independent registered public accounting firm is in the best interests of PolyOne and its shareholders. In making such determination, the Audit Committee considers, among other things, an evaluation of EY's performance, qualifications, independence, tenure, and appropriateness of fees, as well as the potential impact of changing auditors. EY has been retained as independent registered public accounting firm for PolyOne and its predecessor company, The Geon Company, continuously since 1993.

Management has the primary responsibility for the completeness and accuracy of the Company's consolidated financial statements and disclosures, the financial reporting process and the effectiveness of the Company's internal control over financial reporting. In fulfilling its oversight responsibilities, the Audit Committee reviewed and discussed the audited consolidated financial statements in the Annual Report with management and the independent registered public accounting firm, including any significant changes in the Company's selection or application of

accounting principles.

The Audit Committee also reviewed and discussed with management and the independent registered public accounting firm management's report on internal control over financial reporting, including the significance and status of control deficiencies identified and the results of remediation efforts undertaken, to determine the effectiveness of internal control over financial reporting at December 31, 2017. The Audit Committee reviewed with the independent registered public accounting firm, which has the responsibility for expressing an opinion on the conformity of the consolidated financial statements with generally accepted accounting principles and applicable rules and regulations, their judgments as to the quality, not just the acceptability, of PolyOne's critical accounting principles and estimates and such other matters as are required to be discussed with the Audit Committee under generally accepted auditing standards. The Audit Committee also reviewed with the independent registered public

accounting firm its report on the Company's internal control over financial reporting at December 31, 2017, including the basis for its conclusions.

The Audit Committee reviewed and discussed with the independent registered public accounting firm all communications required by applicable auditing standards. In addition, EY has provided the Audit Committee with the written disclosures and the letter required by the applicable requirements of the Public Company Accounting Oversight Board regarding the independent registered public accounting firm's communications with the Audit Committee concerning independence, and the Audit Committee has discussed with EY their firm's independence from management and PolyOne. The Audit Committee has approved all audit, audit-related and non-audit services and fees provided to the Company by the independent registered public accounting firm in accordance with its pre-approval process. Based upon the Audit Committee's considerations, the Committee has concluded that EY is independent.

The Audit Committee discussed with PolyOne's internal and independent auditors the overall scope and audit plans and evaluated their performance. The Audit Committee meets with the internal and independent auditors, with and without management present, to discuss the results of their examinations, their evaluations of PolyOne's internal control over financial reporting, and the overall quality of PolyOne's financial reporting.

In reliance on the reviews and discussions referred to above, the Audit Committee recommended to the Board (and the Board has approved) that the audited consolidated financial statements and management's assessment of the effectiveness of the Company's internal control over financial reporting be included in the Annual Report on Form 10-K for the year ended December 31, 2017, for filing with the SEC.

All members of the Audit Committee concur with this report.

**The Audit Committee of
the Board of Directors**

William R. Jellison

Sandra B. Lin

Richard A. Lorraine, Chairperson

William A. Wulfsohn

February 14, 2018

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE

Director Independence

Our Corporate Governance Guidelines provide that a substantial majority of the members of our Board should be independent. To be considered independent, the Board, with input and a recommendation from the Nominating and Governance Committee, must affirmatively determine that a given Director is free from any business, family or other relationship that would reasonably be expected to interfere with the exercise of independent judgment as a Director. Under categorical independence standards adopted by our Board, the Board must determine that a Director is not independent if he or she fails to meet the independence standards under the listing standards of the New York Stock Exchange (NYSE).

In addition, our categorical independence standards provide that the following categories of relationships between an outside Director and the Company will be treated as immaterial for purposes of determining a Director's independence.

If the Director is an executive officer, other employee or director of any organization to which the Company made, or from which the Company received, payments for property or services in the current or any of the past three fiscal years where the amount involved in such transaction in any such fiscal year was less than the greater of \$1 million or 2% of the organization's consolidated gross revenues for that year;

If the Director is a director of any organization to which the Company has made, or from which the Company has received payments for property or services, and the Director was not involved in the negotiations of the terms of the transaction, did not, to the extent applicable, provide any services directly to the Company, and did not receive any special benefits as a result of the transaction; or

If the Director, or an immediate family member of the Director, serves as an officer, director or trustee of a foundation, university, charitable or other not-for-profit organization, and the Company's discretionary charitable contributions to the organization, in the aggregate are less than the greater of \$1 million or 2% of that organization's latest publicly available annual consolidated gross revenues.

Our categorical independence standards and the material relationship considerations set forth above are found within our Corporate Governance Guidelines, which are available on our website at www.polyone.com, under Governance on our investor relations page.

Our Board performed its independence review earlier this year. In applying the categorical standards set forth above and assessing the materiality of any relationships, the Board affirmatively determined that each of our directors, with the exception of Mr. Patterson, is independent and meets the categorical independence standards described above, has no material relationship with the Company other than that arising solely from the capacity as a Director and, in addition, satisfies the independence requirements of the NYSE, including the NYSE independence standards applicable to the committees on which each such Director serves.

Lead Director

Our independent Directors meet regularly in executive sessions. Our Corporate Governance Guidelines provide that the independent Directors are to select a Lead Director to preside at executive sessions. The Lead Director acts as the key liaison between the independent Directors and Mr. Patterson as Chairman of our Board and our Chief Executive Officer (CEO). The Lead Director is also responsible for coordinating the activities of the other independent Directors and for performing various other duties as may from time to time be determined by the independent Directors. Mr. Fearon has served as our Lead Director since May 2015.

CORPORATE GOVERNANCE**Board Leadership Structure**

Mr. Patterson is the Chairman of our Board and our CEO. The Board believes that this leadership structure is appropriate for our Company given the experience and active involvement of our independent Directors, our corporate governance practices and our Lead Director's role. Having a Lead Director role helps to ensure greater communication between management and the independent Directors, increases the independent Directors' understanding of management decisions and Company operations and provides an additional layer of independent oversight of PolyOne. The Board believes that this approach serves to strike an effective balance between management and independent Director participation in the board process.

Board's Oversight of Risk

Our Board oversees a company-wide approach to risk management that is designed to support the achievement of our strategic objectives and improve long-term organizational performance, which we believe will enhance shareholder value. The Board believes that risk management is not only understanding the risks we face and what steps management is taking to manage those risks, but also understanding what level of risk is appropriate for PolyOne overall.

Our Board administers its risk oversight function directly and through its Audit Committee and Environmental, Health and Safety Committee. The Audit Committee discusses with management our major financial risk exposures and the steps management has taken to monitor and control such exposures, including our risk assessment and risk management policies. The Environmental, Health and Safety Committee periodically reviews with management the significant risks or exposures faced by PolyOne relating to safety, health, environmental, security and product stewardship standards and practices. Our Board oversees and monitors these committees in exercising their responsibilities relating to risk. Our Board also provides direct oversight on risk management as it relates to our capital structure, our borrowing and repayment of funds, financial policies, management of foreign exchange risk and other matters of financial risk management, including the utilization of financial derivative products, insurance coverage strategies, banking relationships and other financial matters.

Our Board sets the appropriate tone at the top when it comes to risk tolerance and management. Our Board ensures that the risk management processes designed and implemented by our management team are adapted to the Board's corporate strategy and are functioning as directed. The Board also participates in an ongoing effort to assess and analyze the most likely areas of future risk for the Company by asking our management team to discuss the most likely sources of material future risks and how we are addressing any significant potential vulnerability.

The Board as a group is regularly updated on specific risks in the course of its review of corporate strategy, business plans and reports to the Board by management and its respective committees. The Board believes that certain important categories of risk are assigned to committees that consist of independent Directors. These committees receive, review and evaluate management reports on risk, thereby preserving the benefit of independent risk oversight. The Board believes that the leadership structure of our Board is appropriate given the Board's oversight of risk as described above.

Code of Ethics, Code of Conduct and Corporate Governance Guidelines

In accordance with applicable NYSE listing standards and SEC regulations, the Board has adopted a Code of Ethics, Code of Conduct and Corporate Governance Guidelines. These are also posted and available on our website at

www.polyone.com, under Corporate Governance on our investor relations page.

Our Corporate Governance Guidelines contain a policy relating to majority voting. Pursuant to the policy, any nominee for election as a Director of the Board who receives a greater number of votes withheld from his or her election than votes for his or her election in an election of Directors that is not a contested election is expected to tender his or her resignation as a Director to the Board promptly following the certification of the election results. Neither abstentions nor broker non-votes will be deemed to be votes for or withheld from a Director's election for purposes of the policy, regardless of the rules treating broker non-votes as withheld in uncontested elections of Directors. The Nominating and Governance Committee (without the participation of the affected Director) will consider each resignation tendered under the policy and recommend to the Board whether to accept or reject it. The Board will then take appropriate action on each tendered resignation, taking into account the Nominating and

CORPORATE GOVERNANCE

Governance Committee's recommendation. The Nominating and Governance Committee, in making its recommendation, and the Board, in making its decision, may consider any factors or other information that it considers appropriate, including the reasons (if any) given by shareholders as to why they withheld their votes, the qualifications of the tendering Director and his or her contributions to the Board and to PolyOne, and the results of the most recent evaluation of the tendering Director's performance by the other members of the Board. The Board will promptly disclose its decision whether to accept or reject the Director's tendered resignation and, if applicable, the reasons for rejecting the tendered resignation.

Communication with Board

Shareholders and other interested parties who wish to communicate directly with the Board as a group, the non-management or independent Directors as a group, or with any individual Director may do so by writing to the Secretary, PolyOne Corporation, 33587 Walker Road, Avon Lake, Ohio 44012. The mailing envelope and letter must contain a clear notation indicating that the enclosed letter is either a Shareholder-Board of Directors Communication or an Interested Party-Board of Directors Communication, as appropriate.

The Secretary will review all such correspondence and regularly forward to the Board a log and summary of all such correspondence and copies of all correspondence that, in the opinion of the Secretary, deals with the functions of the Board or committees of the Board or that she otherwise determines requires their attention. Directors may at any time review a log of all correspondence we receive that is addressed to members of the Board and request copies of any such correspondence. Concerns relating to accounting, internal controls or auditing matters are immediately brought to the attention of our internal audit department and handled in accordance with procedures established by the Audit Committee for such matters.

Board and Committees

Board Attendance

The Board met six times during 2017, the calendar year being our fiscal year. Each member of our Board attended at least 75% of the meetings held by our Board and the meetings held by the committees of our Board on which such member served during the period for which he or she served as a Director. Each Director is expected to attend the Annual Meeting. In 2017, all of our Directors serving at that time attended the Annual Meeting.

Board Committees

As of the date of this proxy statement, our Board has 11 Directors and the following four committees: Audit, Compensation, Nominating and Governance, and Environmental, Health and Safety. Each committee meets periodically throughout the year, reports its actions and recommendations to the Board, receives reports from senior management, annually evaluates its performance and has the authority to retain outside advisors in its discretion. The primary responsibilities of each committee are summarized below and set forth in detail in each committee's written charter, which is located on our website at www.polyone.com under Corporate Governance on our investor relations page.

CORPORATE GOVERNANCE

Audit Committee Primary Responsibilities and Requirements

Meets with appropriate financial and legal personnel and independent auditors to review our corporate accounting, internal controls, financial reporting and compliance with legal and regulatory requirements	NUMBER OF MEETINGS IN 2017: 10
Exercises oversight of our independent auditors, internal auditors and financial management	COMMITTEE MEMBERS: *
Appoints the independent auditors to serve as auditors in examining our corporate accounts	R.E. Abernathy
All members of the Audit Committee meet (1) the financial literacy and independence requirements as set forth in the NYSE listing standards; and (2) the requirements of an audit committee financial expert as defined by the SEC	W.R. Jellison
PolyOne's common shares are listed on the NYSE and are governed by its listing standards	S.B. Lin
	R.A. Lorraine (C)
	W.A. Wulfsohn

C = Chair of the Committee

* William R. Jellison will serve as Chair of the Audit Committee following the 2018 Annual Meeting.

Compensation Committee Primary Responsibilities and Requirements

Reviews and approves the compensation and other benefits afforded our executive officers and other highly-compensated personnel, and has similar responsibilities with respect to non-employee Directors, except that the Compensation Committee's actions and determinations for Directors are subject to the approval of the Board	NUMBER OF MEETINGS IN 2017: 5
Works with PolyOne senior management in human resources, legal and finance departments to provide oversight for all of our broad-based compensation and benefit programs and provides policy guidance and oversight on selected human resource policies and practices	COMMITTEE MEMBERS:
Directly engages the resources of one or more independent outside compensation consultants to assess the competitiveness and overall appropriateness of our executive compensation programs*	R.H. Fearon
Assesses the independence of its consultants **	W.H. Powell (C)
Oversees the process by which the Board annually evaluates the performance of the CEO	K.J. Preete
All members of the Compensation Committee have been determined to be independent as defined by the NYSE listing standards	W.A. Wulfsohn
May delegate responsibilities (including ministerial duties) from time to time, as necessary, to subcommittees or management, but is limited in its ability to delegate authority with respect to matters impacting executive officers and non-employee directors	

C = Chair of the Committee

* In 2017, Willis Towers Watson (the Consultant) provided the Compensation Committee with comparative compensation information with respect to base salaries and annual and long-term incentive targets to provide the Compensation Committee with a general understanding of current compensation practices in the market. More detailed information about the compensation awarded to our Named Executive Officers in 2017, and the role of compensation consultants and management in determining or recommending the amount or form of executive compensation, is provided in the Compensation Discussion and Analysis section of this proxy statement. The Consultant maintains regular contact with the Compensation Committee and interacts with management to gather the data needed to prepare reports for Compensation Committee review.

**The Compensation Committee periodically reviews the relationship with the Consultant including the level and quality of services provided, as well as fees for those services. In addition, expenses for other consulting services

CORPORATE GOVERNANCE

provided to PolyOne by the Consultant that are not related to executive compensation are monitored to ensure that executive compensation consultant independence is maintained. The Consultant provided us with services under \$120,000 that were in addition to the services provided in connection with its advice and recommendations on the amount or form of executive and Director compensation.

The Compensation Committee considered all relevant factors, specifically including six consultant independence factors under Rule 10C-1(b)(4)(i) through (vi) under the Exchange Act, in assessing the independence of the Consultant. The Compensation Committee reviewed each factor as well as information provided by the Consultant that related to and was responsive to each factor, which assisted in the assessment. Upon completing this assessment, the Compensation Committee also determined that no conflicts of interest have been raised by the work performed by the Consultant.

Nominating and Governance Committee Primary Responsibilities and Requirements	
Identify individuals qualified to become Board members, consistent with criteria approved by the Board**	NUMBER OF MEETINGS IN 2017: 3
Select, or recommend that the Board select, the Director nominees for the next Annual Meeting	
Consider and recommend to the Board annual Committee assignments	COMMITTEE MEMBERS:*
Develop, review and recommend to the Board corporate governance guidelines applicable to PolyOne and directorship practices	
Oversee the annual evaluation of the Board	R.H. Fearon (C)
All members of the Nominating and Governance Committee have been determined to be independent as defined by the NYSE listing standards	G.J. Goff
	R.A. Lorraine
	K.J. Preete

C = Chair of the Committee

* Sandra Beach Lin will serve as a member of the Nominating and Governance Committee following the 2018 Annual Meeting.

** The Nominating and Governance Committee will consider shareholder suggestions for nominees for election to our Board. A shareholder that wishes to suggest a Director candidate for consideration by the Nominating and Governance Committee should follow the same procedures described for shareholder nominations for Director in the Proposal 1 Election of Board of Directors section of this proxy statement. The Nominating and Governance Committee uses a variety of methods for identifying and evaluating nominees for Directors, including third-party search firms, recommendations from current Board members and recommendations from shareholders. Nominees for election to the Board are selected on the basis of the following criteria:

Business or professional experience;

Knowledge and skill in certain specialty areas such as accounting and finance, international markets, physical sciences and technology or the polymer or chemical industry;

Personal characteristics such as ethical standards, integrity, judgment, leadership and the ability to devote sufficient time to our affairs;

Substantial accomplishments with demonstrated leadership capabilities;

Freedom from outside interests that conflict with our best interests;

The diversity of backgrounds and experience each member will bring to the Board; and

Our needs from time to time.

The Nominating and Governance Committee believes that having a diverse Board leads to more innovation, unique thinking and better governance. We consider diversity to include differences in race, gender and national origin, as well as differences in viewpoint, background, experience and skills. Diversity is a key characteristic that we will consider, and instruct any third-party search firm we use to consider, in searches for future Board members.

The Nominating and Governance Committee also considers such other relevant factors as it deems appropriate, including the current composition of the Board, the balance of management and independent Directors, the need for

CORPORATE GOVERNANCE

Audit Committee expertise and the evaluations of other prospective nominees. The Nominating and Governance Committee has established these criteria that any Director nominee, whether suggested by a shareholder or otherwise, should satisfy. A nominee for election to the Board who is suggested by a shareholder will be evaluated by the Nominating and Governance Committee in the same manner as any other nominee for election to the Board. Finally, if the Nominating and Governance Committee determines that a candidate should be nominated for election to the Board, the Nominating and Governance Committee will present its findings and recommendation to the full Board for approval.

The Nominating and Governance Committee is responsible for ensuring that the Board evaluates its performance on an annual basis. The Director evaluation process includes self-evaluation of the Board as a whole and of each Board committee, as well as a peer evaluation. In addition, the Lead Director discusses overall Board effectiveness with each individual Director on an annual basis.

Environmental, Health and Safety Committee Primary Responsibilities and Requirements

The Environmental, Health and Safety Committee exercises oversight with respect to our environmental, health, safety, security and product stewardship policies and practices and our compliance with related laws and regulations

**NUMBER OF
MEETINGS IN 2017: 2
COMMITTEE
MEMBERS: ***

G.J. Goff (C)

S.B. Lin

K.A. Mink

R.M. Patterson

C = Chair of the Committee

* William H. Powell will replace Sandra Beach Lin as a member of the Environmental, Health and Safety Committee (when she moves to the Nominating and Governance Committee) following the 2018 Annual Meeting.

Board Refreshment

The Nominating and Governance Committee is charged with reviewing the composition of the Board and refreshing the Board as appropriate. In the past five years, the Committee has brought on five new independent Directors. The chart below shows the percentage of our Directors following the Annual Meeting (assuming all nominees are elected) who have tenure in each of the following categories: five or fewer years of service; five to ten years of service; and more than ten years of service.

Our Corporate Governance Guidelines provide that non-employee Directors may not stand for re-election following the date of the Director's 72nd birthday, although the Board may waive this limitation if it determines such waiver to be

in the best interests of the Company. Further, the Board annually assesses its effectiveness through a robust evaluation process, as described above.

NON-EMPLOYEE DIRECTOR COMPENSATION**2017 NON-EMPLOYEE DIRECTOR COMPENSATION**

In 2017, we paid our non-employee Directors a retainer at an annual rate of \$210,000 (payable in quarterly installments in arrears) consisting of \$95,000 in cash and \$115,000 in value of fully vested common shares. In 2017, the Compensation Committee analyzed competitive market data provided by the Consultant relating to both the cash retainer and the equity award value. These compensation elements were benchmarked against PolyOne's peer group as well as a general industry group consisting of 90 comparably-sized general industry (excluding financial services) companies with median revenues of approximately PolyOne's size. This analysis demonstrated that the Directors' compensation was appropriate compared to our peer group. As a result, no changes were made to the Directors' cash retainer and equity award value for the balance of 2017.

We pay individual meeting fees only as follows: \$2,000 for each unscheduled Board and committee meeting attended; and \$1,000 for participation in each unscheduled significant telephonic Board and committee meeting. In addition, the Lead Director and chairpersons of the following committees receive the additional fixed annual cash retainers (payable in quarterly installments in arrears) listed below, which were not increased in 2017. We reimburse Directors for expenses associated with each meeting attended.

Role	Annual Cash Retainers
Lead Director	\$25,000
Chair, Audit Committee	\$20,000
Chair, Compensation Committee	\$15,000
Chair, Environmental, Health and Safety Committee	\$10,000
Chair, Nominating and Governance Committee	\$10,000

Non-employee Directors may defer payment of all or a portion of their annual cash retainer under our Deferred Compensation Plan for Non-Employee Directors ("Deferred Compensation Plan"), which was amended and restated effective May 20, 2014. Directors may also elect to have their cash retainer converted into our common shares. These shares, as well as the annual retainer consisting of fully vested common shares, may also be deferred under the Deferred Compensation Plan. In 2017, we awarded shares to Directors under our prior Long-Term Incentive Plan and our 2017 Long-Term Incentive Plan (as defined herein). Deferred compensation, whether in the form of cash or common shares, is held in trust for the participating Directors. Interest is earned on the cash amounts and dividends, if any, on the deferred common shares are accrued for the benefit of the participating Directors.

2017 Director Compensation Table

Name	Fees Earned or Paid in		Total
	Cash	Stock Awards	
	(a)	(b)	(c)
	(\$)	(\$)	(\$)
R.H. Fearon	131,000	115,020	246,020

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G.J. Goff	106,000	115,020	221,020
W.R. Jellison	96,000	115,020	211,020
S.B. Lin	97,000	115,020	212,020
R.A. Lorraine	117,000	115,020	232,020
K.A. Mink	78,583	93,915	172,498
W.H. Powell	110,000	115,020	225,020
K.J. Preete	96,000	115,020	211,020
F.M. Walters	34,451	41,734	76,185
W.A. Wulfsohn	96,000	115,020	211,020

NON-EMPLOYEE DIRECTOR COMPENSATION**Fees Earned or Paid in Cash (column (a))**

Non-employee Directors may defer payment of all or a portion of their annual cash retainer (payable in quarterly installments in arrears), as well as meeting and committee chairperson fees, into the Deferred Compensation Plan. Fees are prorated based upon time served as a Director or committee chairperson in any applicable quarter.

Stock Awards (column (b))

Our non-employee Directors' stock compensation consisted of an annual award (payable in quarterly installments in arrears) of fully vested common shares, which the Directors could elect to defer. We determined the number of shares to be granted each quarter by dividing the applicable dollar value by the arithmetic average of the high and low stock price on the last trading day of each quarter and rounding to a whole share as partial shares are not issued. We used the following quarterly per share fair market values, calculated in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718 (FASB ASC Topic 718), in calculating the number of shares: March 31, 2017 \$34.150 (842 shares); June 30, 2017 \$38.860 (740 shares); September 30, 2017 \$40.280 (714 shares); and December 31, 2017 \$43.825 (656 shares). The value of the stock award is prorated based upon time served as a Director in any applicable quarter.

Option Awards Outstanding and Fully-Vested Deferred Shares

As of December 31, 2017, there were no outstanding stock options held by non-employee Directors, and no stock option exercises were conducted by our Directors in 2017. The number of fully-vested deferred shares held in an account for each Director at the end of the fiscal year is set forth below:

**Deferred Stock Awards:
Number of Deferred Shares⁽¹⁾**

Name	(#)
R.H. Fearon	-
G.J. Goff	-
W.R. Jellison	13,242
S.B. Lin	17,770
R.A. Lorraine	65,313
K.A. Mink	2,342
W.H. Powell	52,218
K.J. Preete	12,767
F.M. Walters	-
W.A. Wulfsohn	24,115

- (1) Dividends paid on shares held in the Deferred Compensation Plan are reinvested in shares of PolyOne stock through a dividend reinvestment feature of the Plan. The number of deferred shares includes shares acquired through dividend reinvestment from 2011 through 2017 (including the fourth quarter dividend declared on October 12, 2017 to shareholders of record on December 15, 2017, which was paid on January 10, 2018).

OWNERSHIP OF POLYONE SHARES**OWNERSHIP OF POLYONE SHARES****Beneficial Ownership of Our Common Shares**

The following table shows the number of our common shares beneficially owned on February 28, 2018 (including shares the individuals have a right to acquire within 60 days of that date) by each of our Directors, each of the executive officers named in the 2017 Summary Compensation Table below and by all Directors and executive officers as a group.

Name	Number of Shares	Right to Acquire	Total Beneficial
	Owned ⁽¹⁾	Shares	Ownership
Robert E. Abernathy	(2)	(2)	(2)
Richard H. Fearon	89,206	-	89,206
Gregory J. Goff	23,116	-	23,116
William R. Jellison	20,242 ⁽⁴⁾	-	20,242
Sandra B. Lin	19,774 ⁽⁴⁾	-	19,774
Richard A. Lorraine	65,313 ⁽⁴⁾	-	65,313
Kim Ann Mink	2,342 ⁽⁴⁾	-	2,342
William H. Powell	84,569 ⁽⁴⁾	-	84,569
Kerry J. Preete	19,455 ⁽⁴⁾	-	19,455
William A. Wulfsohn	24,115 ⁽⁴⁾	-	24,115
Robert M. Patterson	257,545	105,621 ⁽⁵⁾	363,166
Bradley C. Richardson	32,638	11,606 ⁽⁵⁾	44,244
Mark D. Crist	26,269	7,171 ⁽⁵⁾	33,440
Michael A. Garratt	9,650	5,798 ⁽⁵⁾	15,448
Craig M. Nikrant	58,713	27,244 ⁽⁵⁾	85,957
Richard N. Altice ⁽³⁾	-	4,301 ⁽⁵⁾	4,301
John V. Van Hulle ⁽³⁾	19,757	6,938 ⁽⁵⁾	26,695
23 Directors and executive officers as a group	829,889	220,459 ⁽⁵⁾	1,050,348

- (1) Except as otherwise stated in the following notes, beneficial ownership of the shares held by each individual consists of sole voting power and sole investment power, or of voting power and investment power that is shared with the spouse or other immediate family member of the individual or with certain trusts. It includes an approximate number of shares credited to the Named Executive Officers' accounts in our Retirement Savings Plan (as defined herein), a tax-qualified defined contribution plan. The number of common shares allocated to these individuals from the Retirement Savings Plan is provided by the administrator in a statement for the period ending February 28, 2018, based on the market value of the applicable units held by the individual. Additional common shares may have been allocated to the accounts of participants in the Retirement Savings Plan since the date that the last statement was received from the administrator. No Director or executive officer beneficially owned, on February 28, 2018, more than 1% of our outstanding common shares. As of that date, the Directors and executive officers as a group beneficially owned approximately 1.3% of the outstanding common shares.

- (2) Mr. Abernathy was elected to the Board of Directors on March 7, 2018 (after the date used in this table for determination of ownership).
- (3) Messrs. Altice and Van Hulle served as PolyOne's Senior Vice Presidents during 2017. Beneficial ownership information for the number of shares owned for each of Messrs. Altice and Van Hulle is based on information contained in the last Form 4 with respect to PolyOne filed by them.
- (4) With respect to the Directors, beneficial ownership includes shares held under the Deferred Compensation Plan for Non-Employee Directors as follows: W.R. Jellison, 13,242 shares; S.B. Lin, 17,770 shares; R.A. Lorraine, 65,313 shares; K.A. Mink, 2,342 shares; W.H. Powell, 52,218 shares; K.J. Preete, 12,767 shares; and W.A. Wulfsohn, 24,115 shares.

OWNERSHIP OF POLYONE SHARES

(5) Includes the number of shares that would be acquired if the individuals' outstanding and exercisable stock-settled stock appreciation rights were exercised within 60 days of February 28, 2018 at \$41.31, the closing market price of PolyOne's common shares on February 28, 2018.

The following table shows information relating to all persons who, as of February 28, 2018, were known by us to beneficially own more than five percent of our outstanding common shares based on information provided in Schedule 13Gs and 13Ds filed with the SEC:

Name and Address	Number of Shares	% of Shares
BlackRock, Inc. 55 East 52nd Street New York, New York 10055 ⁽¹⁾	8,465,552	10.5%
The Vanguard Group, Inc. 100 Vanguard Boulevard Malvern, Pennsylvania 19355 ⁽²⁾	7,078,858	8.76%

(1) As of December 31, 2017, based upon information contained in an amendment to the Report on Schedule 13G filed with the SEC by BlackRock, Inc., which reported that BlackRock, Inc., together with certain of its affiliates, had sole voting power with respect to 8,282,667 of these shares and sole dispositive power with respect to all of these shares.

(2) As of December 31, 2017, based upon information contained in an amendment to the Report on Schedule 13G filed with the SEC by The Vanguard Group, Inc., which reported that The Vanguard Group, Inc., together with certain of its affiliates, had sole voting power with respect to 156,839 of these shares, sole dispositive power with respect to 6,918,635 of these shares, shared voting power with respect to 10,249 of these shares and shared dispositive power with respect to 160,223 of these shares.

Stock Ownership Guidelines for Non-Employee Directors

The purpose of our stock ownership guidelines (referred to as the Guidelines) is to better align our Directors' financial interests with those of our shareholders by requiring our Directors to own a minimum level of our shares. In order to reflect the Board's commitment to share ownership, the required share ownership level for non-employee Directors is a minimum of 12,500 shares.

The Directors are expected to make continuing progress towards compliance with the Guidelines and to comply fully within five years of becoming subject to the Guidelines. For purposes of our Guidelines, the following types of share ownership and equity awards are included as shares owned: shares directly and indirectly held; shares and phantom shares held in our deferral plans; and restricted stock units. As of the date of this proxy statement, all Directors are

either meeting, or are on track to meet, the Guidelines. All Directors are required to retain 100% of all shares obtained through us, as compensation for services provided to us, with such percentage to be calculated after any reduction in the number of shares to be delivered as a result of any taxes and exercise costs relating to the shares (if applicable). This requirement to retain 100% of all shares obtained from us ceases once the Director has met the Guidelines, as long as the Guidelines continue to be met. Similar policies, as they relate to our Named Executive Officers, are set forth in the **Other Aspects of Our Compensation Programs** section of this proxy statement.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires that certain of our officers, our Directors and persons who own more than 10% of a registered class of our equity securities file reports of ownership and changes in ownership with the SEC. These officers, Directors and greater than 10% shareholders are required by SEC rules to furnish us with copies of all forms they file. Based solely on our review of the copies of such forms received by us and written representation from certain reporting persons, we believe that, during 2017 and until the date of this proxy statement, all Section 16(a) filing requirements applicable to those officers, Directors and 10% shareholders were satisfied.

COMPENSATION DISCUSSION AND ANALYSIS

COMPENSATION DISCUSSION AND ANALYSIS

Executive Summary

This section highlights significant Compensation Committee and Company actions that occurred in 2017. In addition, it illustrates the relationship between the compensation of our Named Executive Officers and how we measure Company performance. Our Named Executive Officers for 2017 were:

Name
