

METTLER TOLEDO INTERNATIONAL INC/  
Form DEF 14A  
March 15, 2019

**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
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**METTLER-TOLEDO INTERNATIONAL INC.**

(Name of Registrant as Specified in its Charter)

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

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- No Fee Required.
  - Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
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(1) Amount Previously Paid:

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## **Mettler-Toledo International Inc.**

**Im Langacher 44  
8606 Greifensee  
Switzerland**

**1900 Polaris Parkway  
Columbus, Ohio 43240  
USA**

March 15, 2019

Dear Fellow Shareholder:

You are cordially invited to attend the 2019 Annual Meeting of Shareholders of Mettler-Toledo International Inc. to be held on Thursday, May 9, 2019, at 8:00 a.m. at the offices of Fried, Frank, Harris, Shriver & Jacobson LLP on 375 Park Avenue, New York, New York.

The Secretary's notice of the meeting and the proxy statement which appear on the following pages describe the matters to be acted upon at the meeting.

We have distributed a Notice of Internet Availability of Proxy Materials instead of delivering paper copies to shareholders who have elected to receive such notice. The notice provides information about accessing the proxy materials online and describes the voting methods available to all shareholders. Shareholders receiving the notice will also have the opportunity to request a paper copy of the proxy materials through the instructions provided. Any shareholders that do not receive the notice will receive a paper copy of all proxy materials through the mail. To change the way you receive proxy statements in the future please make a request in the appropriate space on the proxy card.

Please sign and return your proxy as soon as possible so that your vote will be counted. You may also vote over the Internet or by telephone by following the instructions on your proxy card.

Sincerely yours,

Robert F. Spoerry  
Chairman of the Board

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## Mettler-Toledo International Inc.

### Notice to Shareholders of Annual Meeting

<b>Time:</b>	8:00 a.m. on Thursday, May 9, 2019
<b>Place:</b>	Fried, Frank, Harris, Shriver & Jacobson LLP, 375 Park Avenue, New York, New York
<b>Items of Business:</b>	<ol style="list-style-type: none"><li>1.</li><li>2. To elect eight directors</li><li>3. To ratify the appointment of PricewaterhouseCoopers LLP as independent registered public accounting firm</li><li>4. Advisory vote to approve executive compensation</li></ol>
<b>Who Can Vote:</b>	To transact any other business properly brought before the meeting You can vote if you were a shareholder of record on March 11, 2019
<b>Annual Report:</b>	A copy of our 2018 Annual Report is enclosed
<b>Date of Mailing:</b>	On or about March 15, 2019
	By order of the Board of Directors

Michelle M. Roe  
General Counsel and Secretary

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING TO BE HELD ON MAY 9, 2019: This proxy statement and our 2018 Annual Report are available at the Internet address set out on your proxy card.**

**Whether or not you plan to attend this annual meeting, please complete the enclosed proxy card and promptly return it in the accompanying envelope. You may also vote over the Internet or by telephone by following the instructions on your proxy card.**

**This proxy statement is furnished in connection with the solicitation of proxies by Mettler-Toledo International Inc. on behalf of the Board of Directors for the 2019 Annual Meeting of Shareholders.**

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## **ABOUT THE MEETING AND VOTING**

### **Proposals to be Voted On**

Shareholders will vote on the following proposals at the meeting. The board has not received proper notice of, and is not aware of, any additional business to be transacted at the meeting other than as indicated below.

#### **Proposals**

1. The election of eight directors for one-year terms
2. The ratification of the appointment of PricewaterhouseCoopers LLP as the company's independent registered public accounting firm
3. Advisory vote to approve executive compensation

We know of no other matter to be brought before the annual meeting. If other matters requiring a vote of the shareholders come before the meeting, it is the intention of the persons named in the proxy to vote the proxies with respect to those matters in accordance with their reasonable judgment.

### **Shareholders Entitled to Vote**

Each share of common stock outstanding as of the close of business on March 11, 2019 (the record date) is entitled to one vote at the annual meeting on each matter properly brought before the meeting. As of the record date, 24,838,096 shares of common stock were outstanding.

A quorum needs to be present at the meeting in order to hold the meeting. A quorum is a majority of the company's outstanding shares of common stock as of the record date. Your shares are counted as present at the meeting if you attend the meeting and vote in person, vote by Internet, vote by telephone, or properly return a proxy card by mail. Abstentions shall also be counted in determining whether a quorum is present.

If you do not provide a proxy or vote the shares yourself, your shares will not be voted. Proxies that are signed and returned but do not contain instructions will be voted FOR proposals one, two, and three.

### **How to Vote**

**BY PROXY** You may vote your shares by proxy. If you vote your shares by proxy, you are legally designating another person to vote your shares in accordance with your instructions. To vote by proxy, complete, sign, and return the enclosed proxy card by mail as described on your proxy card. Alternatively, you may vote over the Internet or by telephone by following the instructions on your proxy card.

**IN PERSON** You may vote your shares by attending the meeting and voting your shares in person. The meeting is being held at the offices of Fried, Frank, Harris, Shriver & Jacobson LLP at the address indicated in the Notice to Shareholders.

Even if you plan to attend the meeting, we encourage you to vote your shares by proxy. This will enable us to receive votes in advance of the meeting to ensure that a quorum is present for the meeting. If you vote by proxy and subsequently decide to change your vote, you may revoke your proxy at any time before the polls close at the meeting. However, you may only do this by signing another proxy with a later date, completing a written notice of revocation and returning it to the address on the proxy card before the meeting, or voting in person at the meeting.

## **Vote Tabulation; Voting Results**

The company appoints an independent inspector of election, who also tabulates the voting results. The meeting's voting results will be disclosed promptly following the meeting in a Form 8-K filed with the Securities and Exchange Commission.



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## **ABOUT THE MEETING AND VOTING**

### **PROPOSAL ONE: ELECTION OF DIRECTORS**

The nominees for the Board of Directors are listed below. If elected, each nominee will hold office until next year's annual meeting of shareholders and until their successors have been duly elected and qualified. Except for Mr. Gadola, all nominees are currently directors. The Board of Directors has no reason to believe any nominee would be unable or unwilling to serve if elected. In the event a nominee is unable to serve, the persons designated as proxyholders for the company will vote for the remaining nominees and for such other persons the Board of Directors may nominate.

A director is elected if a majority of the votes cast with respect to the director are voted FOR. However, if the number of nominees exceeds the number of directors to be elected, a director is elected by the affirmative vote of a plurality of the votes cast. Votes cast shall include votes for or against a director. An abstention shall not count as a vote cast with respect to a director. If a majority fails to reelect an incumbent director when a majority vote is required, he or she shall continue to serve until the next annual meeting and until his or her successor is duly elected; or until the Board of

Directors accepts his or her resignation or removes him or her, if earlier. If the Board of Directors accepts an incumbent director's resignation, or if a non-incumbent nominee for director is not elected, the Board of Directors, in its sole discretion, may fill any resulting vacancy, or may decrease the size of the Board of Directors, in each case pursuant to the provisions of Sections 1 and 2 of Article II of the company's by-laws.

### **Qualifications of Director Nominees**

The members of our Board of Directors have had diverse backgrounds and experiences during the course of their careers. These individual backgrounds and experiences better enable the board to perform its duties.

**Wah-Hui Chu** is 67 years old and has been a director since January 2007. He serves on the Nominating and Corporate Governance Committee. He has a Master's in Business Administration from Roosevelt University. He is a member of the Board of the SIX listed SIG Combibloc Group AG, and since August 2018 is the Co-Founder and Chairman of iBridge TT International Limited, a Hong Kong based private company.

In 2013, Mr. Chu served as Chief Executive Officer of Tingyi Asahi Beverages, the largest soft drink company in China with over \$6 billion in revenue, and was its Executive Director until February 2014. He served as a Director of Beijing-based sportswear company Li Ning Company Limited from July 2007 through December 2012; and was Executive Director and Chief Executive Officer of Next Media Limited, the leading publicly traded media company in Hong Kong that focuses on the greater China region, from October 2008 to October 2011. He also served as Chairman of PepsiCo Investment (China) Limited from January 1999 to March 2007 and again from March 2012 to December 2013.

Mr. Chu spent many years as an executive at PepsiCo, serving as: non-executive Chairman of PepsiCo International's Asia Region from April 2007 to April 2008; and President of PepsiCo International's China Beverages Business Unit

from March 1998 to March 2007.

Mr. Chu has extensive professional experience in management positions at leading U.S. companies Asian businesses, having spent a substantial majority of his time since 1980 in Asia with Quaker Oats Company, H.J. Heinz Company, Whirlpool Corporation, Monsanto Company, and PepsiCo. We have significant operations in Asia and are making significant investments in Asia, particularly China, and a person with Mr. Chu's background provides valuable assistance and insight to our company.

**Olivier A. Filliol** is 52 years old and has been a director since January 2009. He has a Master's (lic. oec.) and Ph.D. (Dr. oec.) in Business Administration from the University of St. Gallen, Switzerland, and has completed executive education at the Business School of Stanford University. He has been President and Chief Executive Officer of the company since January 1, 2008.

Prior to his current role with the company, Mr. Filliol served the company as: Head of Global Sales, Service and Marketing from April 2004 to December 2007; Head of Process Analytics from June 1999 to December 2007; and General Manager of the U.S. checkweighing operations from June 1998 to June 1999. Prior to joining the company, Mr. Filliol was a Strategy Consultant with the international consulting firm Bain & Company working in the Geneva, Paris, and Sydney offices.

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## PROPOSAL ONE: ELECTION OF DIRECTORS

Mr. Filliol has broad experience across many of the company's businesses. He led one of the company's divisions over an eight-year period and he was the principal architect behind the company's growth initiative in sales and marketing.

He has particular strengths in both strategy development and execution. As CEO of the company, Mr. Filliol also brings the board the necessary insights into understanding the global operations of the company.

*Elisha W. Finney* is 57 years old and has been a director since November 2017. She serves as Chair of the Audit Committee. She has a Bachelor's of Business Administration in Risk Management and Insurance from the University of Georgia, and a Master's in Business Administration from Golden Gate University.

Ms. Finney is a Director and member of the Audit Committee of NanoString Technologies, Inc., iRobot Corporation, ICU Medical, Inc., and Cutera, Inc. She chairs the Audit Committees of ICU Medical and Cutera. She previously was a Director of Altera Corporation until December 2015.

Ms. Finney was the Chief Financial Officer of Varian Medical Systems Inc. from 1999 until her retirement in June 2017. She joined Varian in 1988 and served in a variety of finance roles prior to her appointment as CFO.

Ms. Finney is an experienced CFO. Under her financial leadership, Varian achieved and sustained decades-long growth in revenues and profitability. She also has significant leadership and corporate governance experience from her time at Varian, and her service on other boards of directors.

*Richard Francis* is 50 years old and has been a director since May 2016. He serves on the Compensation Committee. He has a Bachelor of Arts in Economics from the Manchester Metropolitan University. He has been Division Head and Chief Executive Officer of Sandoz, the Generics Division of Novartis, since 2014, and is a member of the Executive Committee of Novartis.

Prior to his current position, Mr. Francis spent 13 years at Biogen Idec, where he held various global and country leadership positions. Immediately prior to leaving Biogen in 2014, Mr. Francis was Senior Vice President of their US commercial organization. From 1998 to 2001, he held various marketing roles at Sanofi.

Mr. Francis has in-depth knowledge of the generics, pharmaceutical, and biotechnology industry sectors, which are important market segments for the company. He also has significant leadership and international expertise and will provide useful insights to our global organization.

*Marco Gadola* is 55 years old and is nominated for director for the first time. If elected, he will serve on the Audit Committee. He has a degree in Business Administration and Economics from Basel University, and has completed various programs at the London School of Economics and at IMD in Lausanne.

Since 2013, Mr. Gadola has been the Chief Executive Officer of Straumann AG, a global leader in implantable, restorative, and regenerative dentistry. From 2006 to 2008 he served as Straumann's Chief Financial Officer and Executive Vice President of Operations. In between his time at Straumann, Mr. Gadola was at Panalpina World Transport, starting as its Chief Financial Officer and, from 2012, serving as its Regional CEO for Asia/Pacific. Prior

to 2006 he held executive finance positions at Hilti and Hero Group.

Mr. Gadola is a Director at Calida Group and MCH Group, both are SIX listed companies. He heads the Audit Committees at both companies and serves as Vice Chairman of the Board at Calida Group.

Mr. Gadola is an experienced CEO and CFO. He has a track record of leading successful and highly innovative global companies in different industries. Under his leadership, Straumann became the global market leader in its field and achieved excellent operating margins. He has expertise in R&D, operations, sales and marketing, and finance, and also has broad international experience.

**Michael A. Kelly** is 62 years old and has been a director since July 2008. He serves on the Audit and Compensation Committees. He has completed executive education at The Wharton School of the University of Pennsylvania. He is a Director of HERC Holdings Inc.

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## **PROPOSAL ONE: ELECTION OF DIRECTORS**

Mr. Kelly spent many years as an executive at 3M Company, serving as Executive Vice President of the Electronics and Energy Business from October 2012 to January 2016, and Executive Vice President of the Display and Graphics Business from October 2006 to October 2012. He served in various management positions in the U.S., Singapore, Korea, and Germany since he joined 3M in 1981.

In his role as the Executive Vice President of 3M's Electronics and Energy Business, Mr. Kelly had global responsibility for all operational and strategic elements of a \$6 billion business, including the Electronic Materials, Electrical Markets, Communications Markets, Renewable Energy, and Display Materials Systems Businesses of 3M. Mr. Kelly's business also encompassed all film manufacturing for 3M. As a result of running this complex and highly technical set of global businesses, Mr. Kelly has experience in several topics relevant to the company, including strategic planning, restructuring, shifting business focus to emerging markets, and operational matters generally.

**Thomas P. Salice** is 59 years old and has been a director since October 1996. He is considered one of the board's financial experts, and serves on the Audit Committee and as Chairman of the Compensation Committee. He has a Master's in Business Administration from Harvard University. Mr. Salice is a co-founder, principal, and Managing Member of SFW Capital Partners, LLC, a private equity firm. He is a Director of Waters Corporation and the privately-held companies Filtec, Ltd., and Gerson Lehrman Group, Inc. (where he serves as Co-Chairman).

Mr. Salice has been a Managing Member of SFW Capital Partners since January 2005. From June 1989 to December 2004, he served in a variety of capacities with AEA Investors, Inc., including Managing Director, President and Chief Executive Officer, and Vice-Chairman.

Mr. Salice has more than 25 years private equity experience, including as an investor in the analytical tools sectors and related service businesses, which has given him extensive operational, industry, and strategic knowledge in key company business areas. Mr. Salice led the team at AEA Investors in the acquisition of the company in 1996 and has served on the board since that time. Mr. Salice has in-depth experience in strategic planning, corporate finance, investor relations, mergers and acquisitions, and other topics that are relevant to the board.

**Robert F. Spoerry** is 63 years old and has been a director since October 1996. He has been Chairman of the Board of Directors of the company since May 1998. He has a Master's in Mechanical Engineering from the Federal Institute of Technology in Zurich, Switzerland, and a Master of Business Administration from the University of Chicago.

Mr. Spoerry was President and Chief Executive Officer of the company from 1993 to 2007 and served as its Executive Chairman in 2008, and has been its non-executive Chairman since 2009. Mr. Spoerry is also a Director of Conzzeta Holding AG, and Sonova Holding AG, where he has served as Chairman since March 2011. Mr. Spoerry was previously a Director of Geberit AG, from 2009 to April 2016.

As the former President and CEO of the company, Mr. Spoerry has long-standing experience in the global precision instrument industry and a deep knowledge of the company, including its organization, products, markets, customers, and competitors. He has a strong technical background and experience with innovation-driven companies. Mr. Spoerry has broad international experience across industries and businesses relevant to the company, including by

virtue of his service on several other boards of directors.

Mr. Spoerry's deep understanding of the company, its markets, customers, and competitors, which was developed over more than thirty years of service, is a unique and valuable qualification that we believe provides a substantial benefit to the company and its shareholders.

**The Board of Directors recommends that you vote *FOR* the election of each of the directors listed above.  
Proxies will be voted **FOR** each nominee unless otherwise specified in the proxy.**

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## **BOARD OF DIRECTORS    GENERAL INFORMATION**

### **Composition of the Board; Board Leadership Structure**

The company's by-laws require the Board of Directors to consist of between five and ten directors. As of the annual meeting, the number of directors will be fixed at eight, consisting of the CEO, an independent, non-executive Chairman, and six other independent directors. Except for the CEO, all directors are non-employee directors. Each director holds a one-year term until the next annual meeting of shareholders. The board has three committees: the Audit Committee, the Compensation Committee, and the Nominating and Corporate Governance Committee.

The primary tasks of the board include oversight of the company's strategy and governance matters, review of the company's financial matters, and evaluation of how the company executes against targets. Management's tasks include setting strategy and running the company's operations. The Chairman functions as an important liaison between management and the board, helping ensure the board fulfills its oversight responsibilities.

Though the Chairman is independent, because he is the company's former CEO the board has also established a lead independent director (the Presiding Director) who oversees executive sessions of the other independent directors and all meetings of directors at which the Chairman is not present. Mr. Salice currently serves as the Presiding Director.

### **Corporate Governance Guidelines**

The board has established corporate governance guidelines that contribute to the overall operating framework of the board and the company. These guidelines cover topics including director qualifications, the director nomination process, the responsibilities of directors (including with respect to leadership development and management succession), meetings of non-management directors, and director compensation. The guidelines are available on the company's website at [www.mt.com](http://www.mt.com) under About Us/Investor Relations/Corporate Governance and are available in print to any shareholder who requests them. Shareholders may request copies free of charge from Investor Relations, Mettler-Toledo International Inc., 1900 Polaris Parkway, Columbus, OH 43240, USA, telephone +1 614 438 4748.

### **Responsibility of the Board of Directors in Governance & Role in Risk Oversight**

The company operates an ethics and compliance program that is designed to reinforce performance with integrity and compliance with the company's code of conduct and relevant laws and regulations. The Board of Directors is knowledgeable about the content and operation of the program so as to exercise reasonable oversight regarding the implementation and effectiveness of the program.

All actions of the company's Board of Directors, executive officers, and employees are governed by the company's code of conduct. The board did not approve any waiver of the code of conduct by an executive officer or director in 2018. A copy of the code of conduct is available at [www.mt.com](http://www.mt.com) under About Us/Investor Relations/Corporate Governance and is available in print to any shareholder who requests it.

The board is involved in the oversight of the company's risk management process as follows: Each year, the company conducts an enterprise risk assessment, which includes management of cybersecurity risks, under the supervision of the Chief Financial Officer. The full board receives the results of the assessment, including an evaluation of risks and

a description of actions taken by the company to mitigate risk. The Audit Committee reviews the results in detail and reports on its review to the board.

## **Compensation-Related Risk**

Management and the Compensation Committee have evaluated the company's compensation programs generally at different levels throughout the organization. Among other things, we considered that for executives who have the largest potential incentive compensation, a significant portion of total compensation is comprised of stock options that vest over five years and have a ten-year life, which drives emphasis on long-term performance. We also considered the applicability of the various situations described in Item 402(s) of Regulation S-K. We concluded from our evaluation that risks arising from our compensation policies and practices for our employees are not reasonably likely to have a material adverse effect on the company.



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## **BOARD OF DIRECTORS    GENERAL INFORMATION**

### **Minimum Qualifications for Directors**

Members of the Board of Directors must demonstrate integrity, reliability, knowledge of corporate affairs, and an ability to work well together. We also consider diversity in business background, area of expertise, gender, and ethnicity when selecting board nominees. The company's corporate governance guidelines contain additional details.

The Nominating Committee evaluates current and prospective directors according to a skills and experience competency matrix to ensure that the board has an appropriate mix of relevant skills and experience. The matrix includes criteria relating to executive management expertise, industry-specific know-how, strategic thinking (including M&A), international/regional experience, technology and product development experience (hardware and software), digital expertise, IT expertise, financial expertise, sales/marketing expertise, service expertise, HR expertise, gender diversity, race diversity, and expertise in legal, regulatory, compliance, and corporate governance.

Each board member is evaluated against the criteria in the skills and experience competency matrix. The Nominating Committee uses this information, including when potential gaps are identified, to help inform profiles for new director searches.

### **Independence of the Board**

The board uses the following criteria in evaluating independence: (i) independence under the rules of the New York Stock Exchange; and (ii) no relationships with the company (other than as a director or shareholder) or only immaterial relationships. The independence criteria are contained in the company's corporate governance guidelines. The board solicits information from directors as to any relationship the director or his/her immediate family member has with the company that might affect the director's independence.

The Board of Directors has determined that the following types of relationships are categorically immaterial:

Commercial business relationships where METTLER TOLEDO buys from or sells to companies where directors serve as employees, or where their immediate family members serve as executive officers, and where the annual purchases or sales are less than the greater of \$1 million or 2% of either company's consolidated gross revenues.

In light of these criteria, the board has determined that Messrs. Chu, Francis, Gadola, Kelly, and Salice, and Ms. Finney are independent. The board has also determined that Mr. Spoerry is independent since he meets the above criteria and 10 years have now passed since he was a company executive. Mr. Filliol is not considered independent because he is the current CEO.

### **Meeting of Non-Employee and Independent Directors**

The board schedules regular executive sessions for its non-employee and independent members, typically as part of each board meeting. The Presiding Director leads the meetings of the independent directors.

## **Director Attendance at Board Meetings and the Annual Meeting**

The board expects that its members will attend all meetings of the board and the annual meeting of shareholders. The Board of Directors met four times in 2018. Each director attended at least 75% of all board and committee meetings for which the director was a member. All directors and all nominees for director except Mr. Gadola, who is not yet a director, attended the 2018 annual meeting of shareholders.

## **Policy Limiting Director Service on Other Public Company Boards; Director Resignation**

The board has adopted a policy that directors may not serve on more than five public company boards. The board also has a policy that directors will offer their resignation upon a change in professional position or in circumstances that might affect a director's ability to serve on the board. In such circumstances, the Nominating and Corporate Governance Committee takes the lead on determining the appropriate course of action.

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## **BOARD OF DIRECTORS    GENERAL INFORMATION**

### **Director Competencies; Self-Evaluation; Director Retirement Policy**

The board has developed the skills and experience competency matrix described above to identify relevant skills and help determine to what extent directors possess needed skills. Each year, the board conducts a self-evaluation in which each individual director completes a self-evaluation with respect to the board and its committees. The Chairman then holds an individual discussion with each director. The consolidated results of the self-evaluation are then reviewed by the full board.

The Board of Directors has adopted a policy pursuant to which directors will not stand for reelection at the annual meeting that follows their 72<sup>nd</sup> birthday. In adopting this policy, the Board of Directors considered the importance of ensuring a mix of ages among board members and the balance of continuity versus fresh perspectives. More than a third of the board has been refreshed in recent years.

### **Director Share Ownership**

The company's equity ownership guidelines call for non-employee Directors to hold company shares with a value equal to five times their cash retainer within five years of their appointment to the board. All directors currently comply with the ownership guidelines. Additional information provided in the Compensation Discussion and Analysis – Equity Ownership Guidelines, applies to director share ownership.

### **Contacting the Board of Directors**

Interested parties, including shareholders, may contact the Board of Directors, the Presiding Director individually, or the non-management directors as a group via: EMAIL to [PresidingDirector@mt.com](mailto:PresidingDirector@mt.com); or REGULAR MAIL to Mettler-Toledo International Inc., 1900 Polaris Parkway, Columbus, Ohio 43240, Attention: Presiding Director.

### **Director Compensation**

Directors (except for the Chairman, Mr. Spoerry, whose compensation is described separately below, and the CEO, Mr. Filliol, whose compensation is described in the Compensation Discussion and Analysis) are compensated by an annual cash retainer and committee member fees. In 2018 directors also received per meeting fees for board and committee meetings attended, which they will no longer receive beginning in 2019. Board members may also receive a \$750 meeting fee for interviewing board candidates. Directors are reimbursed for traveling costs and other out-of-pocket expenses incurred in attending board and committee meetings. Directors also receive an annual stock option grant and a grant of stock.

The following provides an overview of the elements of 2018 director compensation:

Annual cash retainer	\$	70,000
Fee per board meeting attended	\$	1,000

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Fee per committee meeting attended	\$	750
Annual grant of stock options approximate value	\$	90,000
Annual grant of stock approximate value	\$	45,000
Annual grant of stock to the Presiding Director approximate value	\$	50,000
Committee member fees:		
Audit	\$	10,000
Compensation	\$	7,500
Nominating and Corporate Governance	\$	5,000
Committee Chair fees (in addition to member fees):		
Audit	\$	20,000
Compensation	\$	12,500
Nominating and Corporate Governance	\$	8,000

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## **BOARD OF DIRECTORS      GENERAL INFORMATION**

As Chairman of the Board, Mr. Spoerry receives an annual cash retainer of CHF 312,000, a grant of stock options with a grant date value of \$367,034, and a grant of stock with a grant date value of \$182,760.

Mr. Spoerry's compensation is specifically structured to appropriately and competitively recognize and reward the substantial contributions he makes to the company and its shareholders. As the former President and CEO of the company, Mr. Spoerry has long-standing experience in the global precision instrument industry and a deep knowledge of the company, including its organization, culture, products, markets, customers, and competitors. He has a strong technical background and experience with innovation-driven companies. Mr. Spoerry has broad international experience across industries and businesses relevant to the company, including by virtue of his service on several other boards of directors. This is particularly important given the fact that the company is a US public company with headquarters and substantial operations in Switzerland.

Mr. Spoerry devotes a substantial amount of his time to his service as Chairman of the Board. His deep understanding of the company, which was developed over more than thirty years of service, is a unique and valuable qualification that we believe provides a substantial benefit to the company and its shareholders. Mr. Spoerry's duties and responsibilities are extensive and include, but are not limited to, the following:

Board and committee operations, including coordinating meeting agendas and topics with management and committee chairs; contribution to and participation on several committees; developing the board's skills and experience competency matrix; and conducting board evaluations and new director recruitment;

CEO interactions, including serving as an advisor to the CEO on key strategic and operational matters;

Third party interactions, encompassing responses to shareholder inquiries and requests on corporate governance and social responsibility topics as well as supporting M&A activities upon request from the CEO; and

Chairman of the two Pension Committees – the Swiss pension plan and a separate Swiss pension foundation – with monthly meetings, and chair of the investment committees of the pension plan and pension foundation.

The Compensation Committee's independent compensation consultant, Pearl Meyer & Partners, benchmarked the Chairman's compensation relative to comparably sized and situated companies in Switzerland and found the Chairman's compensation to be competitive and reasonable in relation to Mr. Spoerry's scope of duties and responsibilities.

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The actual amounts paid to each director with respect to 2018 are set out in the following table.

**2018 Director Compensation**

Name	Fees Earned or Paid in Cash	Stock Awards(1)	Option Awards(1)	Total
Wah-Hui Chu	\$ 81,250	\$ 45,244	\$ 89,956	\$ 216,450
Francis A. Contino(2)	40,000	0	0	40,000
Elisha W. Finney	93,667	45,244	89,956	228,867
Richard Francis	83,875	45,244	89,956	219,075
Constance L. Harvey(3)	81,250	45,244	89,956	216,450
Michael A. Kelly	97,500	45,244	89,956	232,700
Hans Ulrich Maerki(4)	95,500	45,244	0	140,744
Thomas P. Salice	102,500	95,250	89,956	287,706
Robert F. Spoerry	319,153	182,760	367,035	868,948

Represents the grant date fair value of stock awards and option awards, respectively, computed in accordance with ASC 718 Compensation Stock Compensation ( ASC 718 ). The valuation assumptions associated with such awards (1) are discussed in Note 12 to the company's consolidated financial statements included in the Form 10-K for the fiscal year ending December 31, 2018.

At December 31, 2018, each director held stock options (vested and unvested) with respect to the following number of shares:

	Stock Options (#)
Wah-Hui Chu	16,008
Francis A. Contino	2,746
Elisha W. Finney	950
Richard Francis	1,782
Constance L. Harvey	2,844
Michael A. Kelly	10,024
Hans Ulrich Maerki	9,550
Thomas P. Salice	16,008
Robert F. Spoerry	65,279

(2) In compliance with the board's retirement policy, the company did not nominate Mr. Contino for re-election and his service on the Board of Directors ended May 3, 2018.

(3) As announced in a Form 8-K filing dated February 8, 2019, Ms. Harvey will not stand for re-election at this year's annual meeting and her service on the Board of Directors will end on May 9, 2019.

(4) As announced in a Form 8-K filing dated February 8, 2019 and in compliance with the board's retirement policy, the company is not nominating Mr. Maerki for re-election and his service on the Board of Directors will end on May 9, 2019.



TABLE OF CONTENTS**BOARD OF DIRECTORS      OPERATION**

The Board of Directors has three committees: the Audit Committee, the Compensation Committee, and the Nominating and Corporate Governance Committee. Each committee has the authority to engage advisors or consultants as it deems appropriate to carry out its responsibilities. The membership and meetings of the committees are described in the following table.

Name	Audit(1)	Compensation	Nominating & Corporate Governance
Wah-Hui Chu			X
Francis A. Contino	X		
Elisha W. Finney	X		
Richard Francis		X	
Constance L. Harvey			X
Michael A. Kelly	X	X	
Hans Ulrich Maerki		X	X
Thomas P. Salice	X	X	
<b>Total meetings in 2018</b>	4	4	3

The board has determined, in accordance with applicable requirements of the New York Stock Exchange, that the simultaneous service of Ms. Finney on the audit committees of more than three public companies, and chairing multiple audit committees, does not impair her ability to effectively serve on the Audit Committee. Mr. Salice and Ms. Finney are each considered financial experts as determined by the Board of Directors pursuant to the relevant (1)SEC definition, and all are independent. Except for Ms. Finney, no Audit Committee member serves on more than two other public company audit committees. Our Chief Financial Officer, Chairman, Chief Executive Officer, Head of Internal Audit, and General Counsel attend Audit Committee meetings at the request of the Audit Committee and give reports to and answer inquiries from the Audit Committee. Mr. Contino served on the Audit Committee through his last day of service on the Board of Directors on May 3, 2018.

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**BOARD OF DIRECTORS OPERATION**

**Committee Charters**

Each committee of the Board of Directors has a written charter setting forth the responsibilities of the committee in detail. The charters are reviewed annually and updated as necessary to comply with relevant regulations. The committee charters can be found on the company's website at [www.mt.com](http://www.mt.com) under About Us/Investor Relations/Corporate Governance and are available free of charge in print to any shareholder who requests them. The primary functions of the committees are as follows:

Audit	Compensation	Nominating & Corporate Governance
Oversees the accounting and financial reporting process of the company	Discharges the responsibilities of the company's Board of Directors relating to compensation of the company's executives	Identifies, screens, and recommends qualified candidates to serve as directors of the company
Assists with board oversight of the integrity of the company's consolidated financial statements, and the sufficiency of the independent registered public accounting firm's review of the company's consolidated financial statements	Reviews and monitors compensation arrangements so that the company continues to retain, attract, and motivate quality employees	Advises the board on the structure and membership of committees of the board
Assists with board oversight of the performance of the company's internal audit function	Reviews an annual report on executive compensation for inclusion in the company's proxy statement	Develops and recommends to the board corporate governance guidelines applicable to the company
Oversees the appointment, engagement, and performance of the company's independent registered public accounting firm	Reviews the Compensation Discussion and Analysis included in the company's proxy statement	Leads the board in its annual review of the board's performance
Assists with board oversight of the company's compliance with		

legal and regulatory  
requirements

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## **AUDIT COMMITTEE REPORT**

The Audit Committee assists the board in overseeing the accounting and financial reporting processes of the company and audits of the consolidated financial statements of the company. The Audit Committee operates pursuant to a written charter, a copy of which can be found on the company's website at [www.mt.com](http://www.mt.com) under About Us/Investor Relations/Corporate Governance. In discharging its oversight role, the Audit Committee discussed the audited consolidated financial statements contained in the 2018 annual report separately with the company's independent registered public accounting firm and the company's management and reviewed the company's internal controls and financial reporting.

The company's independent registered public accounting firm, PricewaterhouseCoopers LLP (PwC), is responsible for auditing the company's consolidated financial statements as well as the company's internal control over financial reporting. PwC issues an integrated audit report that includes opinions as to (1) whether the consolidated financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows of the company and its subsidiaries in accordance with accounting principles generally accepted in the United States of America, and (2) whether the company maintained, in all material respects, effective internal control over financial reporting.

### **Audited Consolidated Financial Statements**

In reviewing the company's audited consolidated financial statements with PwC, the Audit Committee discussed the matters required to be discussed by the Public Company Accounting Oversight Board's Auditing Standard Section 1301, as amended, and other matters including, without limitation:

Understanding the terms of the audit, including the objectives of the audit and the related responsibilities of both PwC and management;

PwC's responsibilities under PCAOB Standards and related rules, including the nature, scope, and results of their audits;

The written disclosures and confirming letter from PwC regarding their independence required under the Public Company Accounting Oversight Board Rule 3526;

Certain matters regarding the company's accounting policies, practices, and critical accounting estimates;

The auditor's evaluation of the quality of the company's financial reporting;

Information related to significant unusual transactions, including the business rationale for such transactions;

An overview of the overall audit strategy, including timing of the audit, significant risks the auditor identified, and significant changes to the planned audit strategy or identified risks;

Any material weaknesses or significant deficiencies in internal controls over financial reporting; and

The extent of any significant accounting adjustments.

In reviewing the company's audited consolidated financial statements with the company's management, the Audit Committee discussed the same topics listed above with management, including, without limitation, the process used by management in formulating accounting estimates and the reasonableness of those estimates.

Based on the review and discussions referred to above, the Audit Committee recommended to the Board of Directors, and the board approved, that the audited consolidated financial statements be included in the company's Annual Report on Form 10-K for the year ended December 31, 2018.

## Independent Registered Public Accounting Firm Fees

	Audit Fees	Audit-Related Fees	Tax Fees	All Other Fees
<b>2018</b>	\$ 3,913,416	\$ 134,178	\$ 270,523	\$ 8,300
<b>2017</b>	\$ 3,947,000	\$ 260,000	\$ 147,000	\$ 12,000

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## **AUDIT COMMITTEE REPORT**

*Audit Fees* Represents fees for (i) the audit of the annual consolidated financial statements and internal control over financial reporting, (ii) review of consolidated financial statements included in quarterly reports on Form 10-Q, and (iii) audit services provided in connection with statutory audits and certain regulatory filings.

*Audit-Related Fees* Represents fees for (i) due diligence services related to mergers and acquisitions and (ii) employee benefit plan audits.

*Tax Fees* Represents fees for tax consultation and compliance-related services.

*Other Fees* Represents fees for software licenses for technical financial accounting and reporting application.

The Audit Committee has determined that PwC's provision of the services included in the categories *Audit-Related Fees*, *Tax Fees*, and *Other Fees* is compatible with PwC maintaining its independence. All non-audit services were approved in advance by the Audit Committee pursuant to the procedures described below.

### **Audit Committee Approval of Non-Audit Services**

The Audit Committee approves all non-audit services PwC provides in accordance with the following framework:

The Audit Committee is considered to have pre-approved any project in an approved category that is less than \$50,000 in fees. Specific projects in excess of this amount and any potential projects not included in the pre-approval framework are presented to the Audit Committee Chair for advance approval.

On a quarterly basis, PwC reports all non-audit services outside of the pre-approval framework to the Audit Committee and any proposals for non-audit services in the upcoming quarter.

The Audit Committee reviews all non-audit fees at least annually.

The independent registered public accounting firm ensures that all audit and non-audit services provided to the company have been approved by the Audit Committee. Each year, the company's management and the independent registered public accounting firm confirm to the Audit Committee that every non-audit service being proposed is permissible.

### **Independent Registered Public Accounting Firm for 2019**

The Audit Committee has appointed PwC as the company's independent registered public accounting firm to audit and report on the company's consolidated financial statements and internal control over financial reporting for the fiscal year ending December 31, 2019 and to perform such other services as may be required of them.

Respectfully submitted by the members of the  
Audit Committee:

Elisha W. Finney, *Chair*  
Michael A. Kelly  
Thomas P. Salice



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## **AUDIT COMMITTEE REPORT**

### **PROPOSAL TWO:**

## **RATIFICATION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

You are being asked to ratify the appointment of PricewaterhouseCoopers LLP (PwC) as the company's independent registered public accounting firm. The Audit Committee has appointed PwC, independent public accountants, to audit and report on the company's consolidated financial statements for the fiscal year ending December 31, 2019 and to perform such other services as may be required of them. PwC's appointment is ratified if a majority of votes cast, excluding abstentions, with respect to this proposal are voted **FOR**.

### **Auditor Attendance at Annual Meeting**

Representatives of PwC are expected to be present at the annual meeting. They will have the opportunity to make a statement if they desire to do so and will be available to respond to appropriate shareholder questions.

### **Limitation on Amount of Audit Fees**

We have no existing direct or indirect understandings or agreements with PwC that place a limit on current or future years' audit fees. Please see the Audit Committee Report above for further details concerning PwC's fees.

**The Board of Directors recommends that you vote *FOR* ratification of the appointment of PwC as independent registered public accounting firm. Proxies will be voted **FOR** ratification of the appointment of PwC unless otherwise specified in the proxy.**

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# NOMINATING AND CORPORATE GOVERNANCE COMMITTEE REPORT

The Nominating and Corporate Governance Committee assists the board in identifying and recommending individuals to be nominated for election to the Board of Directors by shareholders. The committee is responsible for advising the board on the structure and membership of committees of the board as well as developing corporate governance guidelines applicable to the operation of the company. The Nominating and Corporate Governance Committee operates pursuant to a written charter, a copy of which can be found on the company's website at [www.mt.com](http://www.mt.com) under About Us/Investor Relations/Corporate Governance. We describe below the process the committee established to nominate directors to the Board of Directors as well as some of the committee's recent corporate governance activities.

## Director Nomination Process

When there is an actual or anticipated board vacancy, candidates for the Board of Directors may be recommended by (i) any member of the Nominating and Corporate Governance Committee, (ii) other board members, (iii) third parties engaged for that purpose by the committee, and/or (iv) the company's shareholders. The Nominating and Corporate Governance Committee will consider shareholder recommendations and evaluate them in the same manner as other candidates. Shareholders interested in recommending a person to be a director of the company must make such recommendation in writing. The recommendation must be forwarded to the Secretary of the company at: Mettler-Toledo International Inc., 1900 Polaris Parkway, Columbus, Ohio 43240. Shareholder recommendations must include the information and be sent within the time-frames specified in the company's by-laws, a copy of which can be obtained from the Secretary. Additional details regarding minimum qualifications for director nominees can be found in the corporate governance guidelines on the company's website at [www.mt.com](http://www.mt.com) under About Us/Investor Relations/Corporate Governance.

The Nominating and Corporate Governance Committee proceeds as follows in nominating candidates for a position on the company's Board of Directors.

- The committee begins by working with the Chairman of the Board and the Chief Executive Officer to determine the specific qualifications, qualities, and skills that are desired for potential candidates to fill the vacancy on the board. The committee makes this determination based upon the current composition of the board, the specific needs of the company in light of the director skills and experience competency matrix, and the minimum
- (1) qualifications for directors included in the corporate governance guidelines. These state that the Board of Directors should be composed of successful individuals who demonstrate integrity, dedication, reliability, knowledge of corporate affairs, a general understanding of the company's business, and an ability to work well together. The committee considers diversity in business background, area of expertise, gender, and ethnicity. The committee also evaluates longer-term board succession, taking into account the demographics of respective board members. The Nominating and Corporate Governance Committee will then compile a list of all candidates recommended to fill the vacancy on the board. Candidates who meet the desired qualifications, competencies, and skills will be
  - (2) required to provide information regarding the candidates' background, experience, independence, and other information.
  - (3) Members of the Nominating and Corporate Governance Committee, the Chairman of the Board, the Chief Executive Officer, and, in appropriate cases, other board members, will interview those candidates who have completed the questionnaire.



Following these interviews, the full Nominating and Corporate Governance Committee considers the qualifications (4) of each candidate to ensure that each candidate meets the specific qualifications and skills that are desired. The committee will propose to the Board of Directors for consideration a list of candidates qualified for the position.

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# NOMINATING AND CORPORATE GOVERNANCE COMMITTEE REPORT

During 2018, the Nominating and Corporate Governance Committee evaluated changes in individual Directors professional status to evaluate their ability to continue serving on the board. They also identified and interviewed candidates to nominate to the board. They utilized the board's skills and experience competency matrix in the board's self-evaluation and director search process. With regard to the current board nominees, the Nominating and Corporate Governance Committee has recommended to the board that Mr. Gadola be nominated for election and seven current directors be nominated for re-election.

Respectfully submitted by the members of the  
Nominating and Corporate Governance Committee:

Hans Ulrich Maerki, *Chair*  
Wah-Hui Chu  
Constance L. Harvey

TABLE OF CONTENTS**COMPENSATION DISCUSSION AND ANALYSIS****EXECUTIVE SUMMARY**

This Compensation Discussion and Analysis describes our executive compensation program, focusing on the compensation of our named executive officers.

**Our 2018 Named Executive Officers**

<u>Name</u>	<u>Title</u>
Olivier A. Filliol	President and Chief Executive Officer
Shawn P. Vadala	Chief Financial Officer
Peter Aggersbjerg	Head of Laboratory
Marc de La Guéronnière	Head of European and North American Market Organizations
Simon Kirk	Head of Product Inspection

**Primary Elements of our Executive Compensation Program**

<u>Pay Element</u>	<u>Base Salary</u>	<u>Cash Incentive</u>	<u>Long-Term Incentives</u> <u>Stock Options</u>	<u>Performance Share Units</u>
Type	Cash	Cash	Equity	Equity
Performance Period	1 year	1 year	5-year vesting pro rata; cliff vesting for performance options	3-year performance period, cliff vesting
Performance Measures	N/A	EPS, net cash flow, sales, individual targets	Stock price appreciation, EPS growth for performance options	Relative total shareholder return (rTSR)

**Objectives of our Executive Compensation Programs**

Ensure compensation reflects performance. The company links pay to performance in part by setting challenging, objectively measurable targets, and paying cash incentives designed to reward achievement of those targets. At the same time, when performance is only at or below target, compensation tends to be below market.

Focus executives on achieving financial and operating objectives that provide long-term shareholder value creation. The company does this in part by linking long-term compensation to the company's long-term performance. The annual cash incentive is also tied to relevant metrics, including growth in earnings per share.

Align executives' interests with those of the company's shareholders. The company does this with its long-term incentives, including various performance-based equity grants, and by enforcing the equity ownership guidelines described below.

Attract and retain the best talent. Total compensation must be competitive in the global personnel market in which we operate.

## **Our Executive Compensation Program Follows Best Practices**

We consult independent compensation consultants to ensure our executive compensation is in line with industry and market standards.

We deploy a mix of short- and long-term incentives to ensure compensation aligns with performance and motivates long-term shareholder value creation.

Our long-term incentives include various performance-based equity incentives.

We have an executive compensation clawback policy to ensure that amounts are not erroneously awarded.

We maintain executive share ownership guidelines that align executives' interests with shareholders'.

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## **COMPENSATION DISCUSSION AND ANALYSIS**

We prohibit directors and executives from hedging the ownership of company securities.  
We responsibly manage the use of equity compensation.

### **Results of 2018 Say-on-Pay Vote**

In establishing executive compensation policies the Compensation Committee considers, among other things, the results of the Advisory Vote to Approve Executive Compensation from the prior year's Annual Meeting of Shareholders. The result of last year's advisory vote was very positive with 93% of votes cast in favor of the company's compensation of its named executive officers.

### **Our Executive Compensation is Aligned with Performance**

In 2018, we grew adjusted earnings per share by 16% due to management's execution of its growth and productivity initiatives. In the 20-year period ending December 31, 2018, the company's total return to shareholders has been 1915%, compared with 198% for the S&P 500. Based on the quality of leadership of the management team, and the overall performance of the company, the committee believes management's compensation is appropriate.

### **Key Components of 2018 Executive Compensation**

**Salaries** Mr. Filliol's base salary did not change. Base salaries for the other named executive officers were moderately increased. Base salaries in all cases were reviewed in light of salary market data, local market conditions, and individual performance.

**Annual Cash Incentives** The average target achievement for our named executive officers in 2018 was 101%, resulting in incentive payments of between 66% and 33% of base salary.

**Long-Term Incentives** The total value of equity granted to the named executive officers, excluding first-time named executive officers, increased by between 4% and 10%.

## **DISCUSSION & ANALYSIS**

### **Role of the Compensation Committee**

The Compensation Committee oversees our executive compensation program and evaluates and sets the compensation of the directors. In carrying out its duties, the Compensation Committee receives information and recommendations from the Chairman, the Head of Human Resources, and the Chief Executive Officer. No executive officer plays a role in making compensation decisions with respect to his or her own compensation.

### **Role of Independent Compensation Consultant**

Pursuant to its charter, the Compensation Committee has the sole authority to retain, terminate, obtain advice from, and compensate its outside advisors, including its compensation consultants. The company has provided appropriate funding to the Compensation Committee to do so. In 2018, the Compensation Committee retained independent compensation consultant Pearl Meyer & Partners. They provide market surveys of executive compensation in

technology firms in comparable industries (including scientific instrument firms), which are considered in setting compensation levels. See the Compensation Committee Report for a discussion of the Committee's review of Pearl Meyer & Partners's independence.

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# COMPENSATION DISCUSSION AND ANALYSIS

## Role of our Compensation Peer Group

In evaluating the competitiveness of the company's executive compensation, the Compensation Committee periodically conducts both broad-based surveys of executive compensation and surveys of the compensation of executives in the instruments and electronics industries. In 2018, Pearl Meyer & Partners provided data using confidential surveys relating to CEO and senior executive compensation at technology companies in comparable industries, including scientific instruments firms, and firms of similar size to the company. They also provided data on peer company compensation at the following peer companies:

Agilent Technologies  
Bio-Rad Laboratories  
Fortive Corp.  
IDEX Corp.  
PerkinElmer  
Rockwell Automation  
Teleflex  
Waters Corp.

AMETEK  
Bruker Corp.  
Hologic  
Intuitive Surgical  
ResMed  
Roper Technologies  
Varian Medical Systems  
Xylem

The Compensation Committee also reviewed CEO compensation data from certain Swiss industrial public companies of a similar size and international organizational structure as the company.

## Compensation Program Elements

The company's compensation program consists of three main elements: base salary, an annual cash incentive, and long-term incentive compensation. The majority of executive compensation is performance-based, and is paid in the form of the annual cash incentive and long-term incentive compensation. Our goal is to ensure that the three main elements of compensation are carefully considered and fair, and that executives are motivated to further the interests of shareholders, both short-term and long-term.

Each year the Compensation Committee separately reviews each of the three elements, as well as total compensation.

The Committee takes into account the company's growth and performance, individual executive performance, and developments in the markets in which we compete for talent.

### Base Salary

The company's goal is to pay base salaries that are approximately at or somewhat below the median. Based on market data, we believe base salaries for our executive officers are generally slightly lower than those at peer companies. Although a competitive base salary is necessary and appropriate to attract and retain high quality talent, we believe the majority of executive compensation should be paid in ways that link pay with performance. We accomplish this through the annual cash incentive and long-term incentives.

The Compensation Committee considered its review of the salary market data referred to above, local market conditions, and individual performance in setting base salaries for 2018. The 2018 base salary for Mr. Filliol did not change. The Compensation Committee increased the base salary for Mr. de La Guéronnière by 2.5% and Mr. Kirk by 1.5%, in each case effective April 1<sup>st</sup>. Mr. Aggersbjerg and Mr. Vadala are first-time named executive officers.

### **Annual Cash Incentive**

We link pay with performance through our cash incentive plan, called POBS Plus. The purpose of the incentive plan is to provide an incentive to key employees of the company to reward them for driving the success of the company as measured based on objective financial criteria. The incentive plan is administered by the Compensation Committee. At the end of each year, the Compensation Committee establishes the performance targets on which each participant's incentive is based for the coming year. The targets used relate closely to our annual plan and budget, which are approved by the full Board of Directors each year. The



TABLE OF CONTENTS**COMPENSATION DISCUSSION AND ANALYSIS**

targets are set taking into account the economic environment, the health of the company's end-user markets, and the challenges and opportunities of the company's various businesses. See *2018 Threshold, Target, Maximum, and Actual Performance* below.

In addition, between 12 and 20 percent of the incentive for each participant in the POBS Plus incentive plan is based on individual objective performance targets relating to the company's annual business objectives. The Compensation Committee directly evaluates the Chief Executive Officer's performance on his individual targets, and reviews the CEO's recommendation on the individual target performance of the other executive officers. The Compensation Committee reviews the audited results of the company's performance against each participant's performance targets and determines the incentive payment, if any, earned by each participant.

**Cash Incentive Payment as % of Base Salary**

Name	Achievement vs. Target Levels		
	<90%	100% (Target)	130% (Maximum)
Olivier A. Filliol		50 %	169.4 %
Shawn P. Vadala		45 %	157.5 %
Other Named Executive Officers		45 %	160.5 %

The plan provides that targets for 100% achievement should be challenging and ambitious, but also realistic and attainable such that it is possible to achieve and exceed them. The impact of over- or under-achieving targets on the annual incentive can be significant. The company and Board of Directors therefore approach the target setting process with care and consideration. We believe targets are set consistently with the philosophy of the POBS Plus plan that they be challenging and ambitious. In the last five years the average target achievement for named executive officers was 107%.

**2018 Threshold, Target, Maximum, and Actual Performance**

<u>2018 Performance Targets</u>	<u>Threshold</u>	<u>Target</u>	<u>Maximum</u>	<u>Actual</u>
Adjusted Non-GAAP Earnings Per Share(1)	\$19.57	\$20.50	\$22.05	\$20.20
Net Cash Flow(2)	\$521.3 million	\$563.6 million	\$634.1 million	\$572.4 million
Group Sales (at budgeted currency rates)	\$2,931 million	\$3,022 million	\$3,173 million	\$3,000 million

Excludes a one-time gain (net of tax) of \$19.2 million associated with the Biotix acquisition contingent consideration, restructuring charges (net of tax) of \$14.5 million, purchased intangible amortization (net of tax) of (1) \$10.0 million, a tax charge of \$3.6 million for the implementation of the Tax Cuts and Jobs Act ( Tax Act ), and a one-time litigation charge (net of tax) of \$2.4 million. Adjusted EPS was also reduced \$0.12 for an adjustment to restate our actual tax rate to our budgeted tax rate before non-recurring items.

(2) Represents cash flow from operations before tax payments and voluntary pension payments less capital expenditures, restructuring payments, and excess tax benefits from share-based payment arrangements. Excludes

deviations for facility expansion and acquisition capital expenditures versus target.

The 2018 weighted performance relative to targets resulted in the following incentive payments as a percent of base salary under the POBS Plus plan for 2018 for each named executive officer:

Mr. Filliol	66	%
Mr. Vadala	56	%
Mr. Aggersbjerg	47	%
Mr. de La Guéronnière	52	%
Mr. Kirk	33	%

**Long-Term Incentives**

Another method we have historically used to link pay with performance is awarding stock options, which we believe aligns management's long-term interests with those of the company's shareholders. Named executive officers' stock options generally vest over five years, 20% per year, starting on the first anniversary

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of the date of grant. The company has also granted performance options with cliff vesting of five years or longer, including a grant of performance options to the CEO in 2016 described below. All options have a term of ten years.

We expect future grants will similarly have vesting schedules of five years and terms of ten years.

The 2016 compensation market data provided by Pearl Meyer & Partners revealed certain gaps in both cash and long-term incentive compensation compared to market and peer companies. The gaps were the result of strong growth in market capitalization, no or minimal increases in cash compensation over the last several years, and long-term incentive increases that were lower than market and peer companies. Reflecting input from Pearl Meyer & Partners on current market practices, the Compensation Committee generally determined to close the equity gaps by granting a new type of performance-based long-term incentive: performance share units, described below. The gap in the CEO's cash compensation was addressed with a one-time grant of performance stock options in 2016, as described below. With these changes, a greater proportion of the named executive officers' total compensation is being made in the form of long-term incentives that further align management's long-term interests with those of the company's shareholders.

Named executive officers received target awards of performance share units, under which the individual will earn shares of common stock in the future if certain performance conditions (including market criteria) are met. The company's performance share units are based on relative total shareholder return (rTSR) over a three-year period, specifically, the company's relative performance against each of the companies that make up the S&P 500 Healthcare Index and the S&P 500 Industrials Index. The units have three-year cliff vesting. The company must achieve at least a 30<sup>th</sup> percentile performance for the performance share units to start vesting. The units will vest at 100% if the company achieves a 60<sup>th</sup> percentile performance, and the units will vest at 200% if the company's relative performance is at the 75<sup>th</sup> percentile or better.

The vesting schedule is shown in this table (linear interpolation is applied between the points shown):

	<u>rTSR Percentile Rank</u>	<u>Shares Earned as % of Target</u>
<b>Threshold</b>	<b>≤ 30%</b>	<b>0%</b>
	45%	50%
<b>Target</b>	<b>60%</b>	<b>100%</b>
	67.5%	150%
<b>Maximum</b>	<b>≥ 75%</b>	<b>200%</b>

The vesting percentage of the performance share units is capped at 100% of target when the company's absolute TSR is negative.

During 2016 the Compensation Committee made a one-time grant of performance stock options to Mr. Filliol. This one-time grant was intended to address an existing cash compensation gap that will not be closed with an increase in cash compensation over the subsequent 5-year period. The performance stock options have a five-year performance period and fully vest in 2022 if the service and performance conditions are met. The performance stock options will only vest if the company has achieved at least 12% compound annual growth in its fully diluted earnings per share, subject to certain adjustments, over the five year period from January 1, 2017 through December 31, 2021. The Compensation Committee determined that at this time it would be appropriate for a greater proportion of the CEO's total compensation to be long-term performance-based and therefore decided to address his existing cash

compensation gap with this one-time performance stock option grant.

In determining the amount of each named executive officer's equity grants, the Compensation Committee evaluates the relative importance of the individual's job, the contribution and performance of the individual, their years of service, and their total compensation, as well as competitive information about equity as described above relative to each individual. In 2018, these factors led to the grant of equity with the grant date fair values each as described in the table Grant of Plan-Based Awards.

The Compensation Committee believes that past performance is just one factor to take into account in determining the size of future awards.

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## COMPENSATION DISCUSSION AND ANALYSIS

### Equity Grant Practices and Policy

The Compensation Committee approves all equity grants. Equity grants are typically made once each year when the overall annual compensation review takes place (typically in late October or early November each year). The Compensation Committee and Board meeting dates are set several years in advance, and the grants are made on the meeting date. In the past, the Committee has also made initial grants to individual executive officers at the time they started serving as executive officers. All options have an exercise price equal to the closing price of the company's shares on the New York Stock Exchange on the date of grant.

### Equity Ownership Guidelines

The Compensation Committee feels it is important for senior executives to have a significant portion of their ongoing compensation tied to the interests of shareholders. The Compensation Committee has implemented equity ownership guidelines for executive officers that call for the individuals to accumulate equity ownership as follows:

<u>Category</u>	<u>Value of Equity Ownership Required</u>
CEO	5x base salary
CFO	3x base salary
Other executive officers	2x base salary

The following types of equity count towards the ownership requirement: shares held directly, vested and unvested restricted stock units (if any), and the in-the-money value of vested stock options. Individuals have five years from the date of appointment as an officer to meet the ownership requirement. If an individual does not meet the requirement within the relevant time periods, the Compensation Committee has the discretion not to make further equity grants to that person. If an individual has met their requirement but subsequently falls below due to a drop in share price, they will have 24 months to rebuild their ownership, subject to Compensation Committee discretion. All officers satisfy the equity ownership guidelines.

### Post-Employment Holding Requirement

The CEO is required to hold 15,000 shares until at least one year following his last day of employment. Except when terminated for cause, the named executive officers have a two-year period following their last day of employment (five years in the case of the CEO) to exercise stock options that were vested on their last day of employment.

### Clawback Policy

The board believes it is good corporate governance and in the interests of shareholders to have a recoupment or clawback policy concerning incentive-based compensation, specifically with regard to the company's variable cash compensation, the POBS Plus plan. As a matter of basic fairness, the board wishes to correct for errors in the event of certain accounting restatements affecting incentive-based compensation to ensure that amounts are not erroneously awarded.

In July 2013, the board adopted a clawback policy that applies to all executive officers and certain other individuals. In the event the company is required to prepare an accounting restatement due to the material noncompliance of the company with any financial reporting requirement under the securities laws (other than a restatement caused by a change in applicable accounting rules or interpretations), the board will review the specific facts and circumstances and take such actions as it considers appropriate in its sole discretion with respect to the incentive-based compensation of covered individuals as follows:

With respect to POBS Plus cash incentives, the board will determine the amount that would have been due under the restated financial results, and whether to seek reimbursement of any excess amount that was paid (net of any taxes paid but taking into account any deductions that may be taken upon repayment) for cash incentives paid within the three-year period prior to the determination of the necessary restatement.

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## **COMPENSATION DISCUSSION AND ANALYSIS**

### **Company Equity Hedging Policy**

The board and the company's executive officers, and their designees, are prohibited from any transaction hedging the ownership of company securities, including trading in publicly-traded options, puts, calls, or other derivative instruments that are directly related to company securities. This policy does not apply to employees who are not executive officers.

### **Share Purchase Plan**

Under the Share Purchase Plan, executive officers may purchase company shares using all or a portion of their cash incentive payable under the POBS Plus plan, subject to approval of the Compensation Committee. The issue price for shares under the plan will be equal to the New York Stock Exchange closing price on the date of issuance, which occurs before March 15 of each year. All shares issued pursuant to the plan are restricted for a period of five years from the date of issuance, during which time they may not be sold, assigned, transferred, or otherwise disposed of, nor may they be pledged or otherwise hypothecated, except in the case of death or disability.

### **Tax Treatment Section 162(m)**

Prior to 2018 Section 162(m) of the Internal Revenue Code prohibited the company from deducting compensation in excess of \$1 million paid to certain employees, generally its CEO and its three other most highly compensated executive officers (excluding the CFO), unless that compensation qualified as performance-based compensation. Starting in 2018 there is no performance-based compensation exception to the \$1 million cap, and the pool of relevant employees additionally includes the CFO and any employee subject to the limitation in a prior year. We maintain flexibility to balance the need to fairly compensate the company's executive officers with the company's ability to deduct compensation of relevant officers.

### **Tax Equalization Agreements**

The company is a party to tax equalization agreements with Messrs. Filliol, Aggersbjerg, and Kirk, who are non-U.S. citizens and non-U.S. residents who pay income tax on their earnings in Switzerland. The individuals do not receive any cash benefit from the agreements, the principle of which is to leave the employee in exactly the same position (i.e., no better and no worse off) as if they had not become subject to U.S. taxation on a portion of their income. Under the tax equalization agreements, the company has agreed to pay taxes borne by these executives in respect of incremental taxation being due in the United States by virtue of their work for the company there. Because the individuals are left no better and no worse off than had they not become subject to U.S. taxation, the Compensation Committee does not believe it is appropriate to take into account the U.S. taxes paid by the company under the tax equalization agreements when determining the employees' compensation each year. In cases where the individual's Swiss taxes are lower as a result of the company having paid these U.S. tax amounts, the individual must make a payment to the company under the tax equalization agreement.

## Employment Agreements

The company is a party to employment agreements with each of the named executive officers. These agreements provide for a base salary subject to adjustment and participation in our cash incentive plan and other employee benefit plans. Each agreement prohibits the executive from competing with the company for a period of 6-12 months after termination of employment. The agreements have no fixed term. They have an effective term of 6-12 months because they may be terminated without cause by either party and during the notice period the executive is entitled to full compensation under the agreement, including payment of base salary, target cash incentive, and continuation of benefits.

The equity compensation arrangements are separately described in the sections below entitled Grants of Plan-Based Awards and Outstanding Equity Awards at Fiscal Year-End. The operation of the employment agreements in the context of a termination or a change in control is separately described below under Payments Upon Termination or Change in Control.



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## COMPENSATION DISCUSSION AND ANALYSIS

### CEO Pay Ratio

This information is provided in accordance with the requirements of Item 402(u) of Regulation S-K and the Dodd-Frank Wall Street Reform and Consumer Protection Act, enacted in July 2010.

For this disclosure we identified our median employee as of December 31, 2017, looking at compensation between January 1, 2017 and December 31, 2017. The total employee population considered was approximately 15,400 people; we did not exclude any employees. We used year-end local payroll records to identify the median employee. We did not apply any material assumptions, adjustments, or estimates, did not apply cost of living adjustments, and did not use statistical sampling.

Mr. Filliol's annual total compensation for 2018 was \$7,069,870, as disclosed in the Summary Compensation Table below. Our median employee's annual total compensation, calculated consistent with Summary Compensation Table rules, for 2018 was \$42,416. Accordingly, the ratio of our CEO's pay to our median employee is 167:1.

The pay ratio is influenced by the mix of geographies where the company has operations, and the nature of the work employees perform in the different countries. Approximately 40% of the company's total workforce is located in low cost countries, including in China, India, Mexico, South East Asia, and Eastern Europe. Many of these employees are involved in assembly and manufacturing tasks, particularly in China and Mexico.

Almost all of our employees in the United States, Canada, and China are employed full-time. This is in line with industry practice in these regions. In Europe, we have a number of countries with a larger population of part-time employees (up to approximately 20 percent), in line with local practices.

Salary levels are driven by market and competitive conditions and are overseen by the Compensation Committee of the Board of Directors in the case of senior executive salaries, and by the Global Head of Human Resources in most other cases. The Compensation Committee and the Global Head of Human Resources are responsible for establishing compensation arrangements that allow the company to retain, attract, and motivate employees.

TABLE OF CONTENTS**COMPENSATION DISCUSSION AND ANALYSIS****EXECUTIVE COMPENSATION TABLES****Summary Compensation Table(1)**

Name and Principal Position	Year	Base Salary (\$)	Stock Awards (\$)(2)	Option Awards (\$)(3)	Non-Equity Incentive Plan Compensation (\$)(4)	All Other Compensation (\$)(5)	Total (\$)
Olivier A. Filliol President and Chief Executive Officer	2018	857,827	1,787,174	3,575,455	567,024	282,390	7,069,870
	2017	857,827	1,439,685	3,574,521	1,174,366	229,178	7,275,577
	2016	857,827	1,199,874	5,074,671	968,830	(731,559)	7,369,643
Shawn P. Vadala Chief Financial Officer	2018	362,500	383,542	766,711	201,371	27,100	1,741,224
Peter Aggersbjerg Head of Laboratory	2018	322,218	216,338	433,647	152,989	118,383	1,243,575
Marc de La Guéronnière Head of EU and NA	2018	282,442	340,274	680,361	147,715	79,040	1,529,832
	2017	276,220	246,562	680,615	240,675	77,424	1,521,496
	2016	271,817	184,777	693,888	218,298	75,600	1,444,380
Simon Kirk Head of Product Inspection	2018	324,371	197,271	393,794	107,406	145,574	1,168,416
	2017	320,366	172,256	398,661	304,695	258,260	1,454,238
	2016	322,493	154,216	389,240	289,517	190,399	1,345,865

All amounts shown were paid in Swiss francs, except amounts paid to Mr. Vadala and U.S. tax equalization payments, which were paid in U.S. dollars, and amounts paid to Mr. de La Guéronnière, which were paid in Euros.

(1) For purposes of this table, all amounts paid in Swiss francs were converted to U.S. dollars at a rate of CHF 0.9776 to \$1.00, and amounts paid in Euros were converted to U.S. dollars at a rate of EUR 0.8468 to \$1.00, in each case the respective average exchange rate in 2018.

Represents the aggregate grant date fair value of performance share units for each individual computed in accordance with ASC 718. The valuation assumptions associated with such awards are discussed in Note 12 to the

(2) company's consolidated financial statements included in the Form 10-K for the fiscal year ending December 31, 2018. The following table lists the value of each officer's award assuming the highest level of performance conditions will be achieved:

Name	Year	Maximum Value of Award (\$)
Olivier A. Filliol	2018	\$ 3,574,348
	2017	2,879,370

	2016	2,399,748
Shawn P. Vadala	2018	767,084
Peter Aggersbjerg	2018	432,677
Marc de La Guéronnière	2018	680,549
	2017	493,124
	2016	369,554
Simon Kirk	2018	394,542
	2017	344,511
	2016	308,432

Represents the aggregate grant date fair value of stock option awards for each individual computed in accordance with ASC 718. The valuation assumptions associated with such awards are discussed in Note 12 to the company's consolidated financial statements included in the Form 10-K for the fiscal year ending December 31, 2018. In Mr. Filliol's case, the 2016 total includes a one-time grant of performance stock options with a grant date fair value of \$1.5 million, with the remainder of the value representing the time-based annual stock option grant.

(4) Amounts shown are the annual cash incentive earned under the company's POBS Plus incentive plan. Includes tax equalization payments and other miscellaneous benefits as set out below. As described in the Compensation Discussion and Analysis above, the individuals do not receive any cash benefit from the tax equalization payments. The principle of the tax equalization is to leave the employee in exactly the same position (5) (i.e., no better and no worse) as if they had not become subject to U.S. taxation on a portion of their income. As such, the Compensation Committee does not believe it is appropriate to include these tax equalization amounts when determining the employees' compensation each year. Negative amounts represent payments by the individual to the company, for example as a result of lower Swiss taxes being due by virtue of the U.S. tax payments.

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TABLE OF CONTENTS**COMPENSATION DISCUSSION AND ANALYSIS**

Miscellaneous personal benefits, none of which individually exceeds \$25,000 in value unless otherwise stated, include car allowances, housing allowances, expense allowances, tax equalization calculation, the company's contribution to certain Swiss insurances beyond what is available to all employees, the value of meals in the company cafeteria, and the company's contributions to individual retirement accounts. In Mr. Filliol's case, benefits include a one-time service anniversary award of \$50,123 in 2018. In Mr. Kirk's case, benefits include a schooling allowance of \$45,326 in 2017, and \$48,860 in 2016.

Name	Year	Tax Equalization	Retirement Contribution	Swiss Insurance	Miscellaneous Benefits
	2018	\$ (17,185 )	\$ 190,385	\$ 22,065	\$ 87,125
Olivier A. Filliol	2017	(27,887 )	190,385	25,520	41,160
	2016	(983,698 )	190,385	25,416	36,338
Shawn P. Vadala	2018	n.a.	17,100	n.a.	10,000
Peter Aggersbjerg	2018	2,000	79,427	10,030	26,926
	2018	n.a.	64,021	n.a.	15,019
Marc de La Guéronnière	2017	n.a.	62,794	n.a.	14,630
	2016	n.a.	60,970	n.a.	14,630
	2018	23,027	79,957	11,060	31,530
Simon Kirk	2017	85,281	78,970	12,994	81,015
	2016	17,730	79,495	12,937	80,237

**Grants of Plan-Based Awards**

Represents the range of cash incentive payments possible under the company's POBS Plus incentive plan in respect of the 2018 fiscal year. The maximum incentive possible is 169.4% of base salary for Mr. Filliol, 157.5% for Mr.

- (1) Vadala, and 160.5% of base salary for the other named officers. The target cash incentive is 50% of base salary for Mr. Filliol and 45% of base salary for the other named officers. The actual incentive earned in each year is included in the Summary Compensation Table above.

Represents the range of stock awards possible under grants of performance share units made under the Mettler-Toledo International Inc. 2013 Equity Incentive Plan. Based on satisfaction of the performance conditions these awards may increase up to the maximum (200% of the target) or decrease to zero. The number of units

- (2) actually received will depend on the company's total shareholder return relative to the total shareholder return of each of the other companies in the S&P 500 Healthcare Index and the S&P 500 Industrials Index. Total shareholder return will be measured over a three year period beginning on the date of grant. Each unit received will be settled with one share of common stock shortly after the performance period closes.
- (3) Option awards made under the Mettler-Toledo International Inc. 2013 Equity Incentive Plan. The option grants vest in five equal annual installments starting on the first anniversary of the date of grant.
- (4) The grant date fair value of the performance share units of \$733.35 per share and of options of \$189.78 per share have been computed in accordance with ASC 718. For the performance share units the company used a Monte Carlo model to determine fair value. For the options the company used the Black-Scholes option pricing model,

based upon the following assumptions: estimated time until exercise of 5.9 years; a risk-free interest rate of 3.09%; a volatility rate of 26%; and no dividend yield. The actual value of the performance share units and stock options may significantly differ from that calculated by these models, and depends on the company's relative share price performance and the excess of the market value of the common stock over the exercise price at the time of exercise, respectively.

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Name	Option Awards(1)						Stock Awards(2)	
	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Grant Date	Option Expiration Date	Equity Incentive Plan Awards: Number of Shares, Units or Rights That Have Not Vested	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Rights That Have Not Vested
Olivier A. Filliol	68,100	0		\$90.76	10/28/2009	10/28/2019	6,694	\$3,785,993
	67,260	0		\$133.00	11/03/2010	11/03/2020		
	65,990	0		\$149.95	11/02/2011	11/02/2021		
	59,930	0		\$169.37	10/31/2012	10/31/2022		
	47,070	0		\$244.99	11/07/2013	11/07/2023		
	34,744	8,686		\$263.62	11/06/2014	11/06/2024		
	23,112	15,408		\$312.36	11/05/2015	11/05/2025		
	12,086	18,129		\$397.95	11/03/2016	11/03/2026		
			12,678	\$397.95	11/03/2016	11/03/2026		
	3,461	13,844		\$671.60	11/02/2017	11/02/2027		
	0	18,840		\$595.31	11/08/2018	11/08/2028		
Shawn P. Vadala							1,205	681,524
	1,180	0		\$133.00	11/03/2010	11/03/2020		
	2,945	0		\$149.95	11/02/2011	11/02/2021		
	3,585	0		\$169.37	10/31/2012	10/31/2022		
	3,770	0		\$244.99	11/07/2013	11/07/2023		
	2,832	708		\$263.62	11/06/2014	11/06/2024		
	1,938	1,292		\$312.36	11/05/2015	11/05/2025		
	1,038	1,557		\$397.95	11/03/2016	11/03/2026		
	355	1,420		\$671.60	11/02/2017	11/02/2027		
	0	4,040		\$595.31	11/08/2018	11/08/2028		

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Peter Aggersbjerg						747	422,488
	232	928	\$ 671.60	11/02/2017	11/02/2027		
	0	2,285	\$ 595.31	11/08/2018	11/08/2028		
Marc de La Guéronnière						1,149	649,851
	9,225	0	\$ 244.99	11/07/2013	11/07/2023		
	6,748	1,687	\$ 263.62	11/06/2014	11/06/2024		
	4,488	2,992	\$ 312.36	11/05/2015	11/05/2025		
	2,346	3,519	\$ 397.95	11/03/2016	11/03/2026		
	659	2,636	\$ 671.60	11/02/2017	11/02/2027		
	0	3,585	\$ 595.31	11/08/2018	11/08/2028		
Simon Kirk						801	453,030
	0	902	\$ 263.62	11/06/2014	11/06/2024		
	0	1,676	\$ 312.36	11/05/2015	11/05/2025		
	0	1,974	\$ 397.95	11/03/2016	11/03/2026		
	386	1,544	\$ 671.60	11/02/2017	11/02/2027		
	0	2,075	\$ 595.31	11/08/2018	11/08/2028		

(1) Each of the options vests ratably over five years starting from the first anniversary of the date of grant, except the performance options granted to Mr. Filliol on November 3, 2016, which vest on March 1, 2022 only if the company achieves 12% compound annual growth in its fully diluted earnings per share, subject to certain adjustments, between January 1, 2017 and December 31, 2021.

(2) Named executive officers, including the CEO, receive a grant of performance share units. The number of shares shown here is each named executive officer's target award. See the Grants of Plan-Based Awards table above for performance and vesting information. The market value figure shown in the Stock Awards column is calculated using the closing share price of \$565.58 on December 31, 2018.

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TABLE OF CONTENTS**COMPENSATION DISCUSSION AND ANALYSIS****Option Exercises and Stock Vested in Fiscal 2018**

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#)	Net Value Realized on Exercise (\$)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting (\$)
Olivier A. Filliol				
Shawn P. Vadala	900	417,880	149	86,675
Peter Aggersbjerg			103	63,252
Marc de La Guéronnière	37,525	17,719,242		
Simon Kirk	3,357	1,030,170		

**Payments Upon Termination or Change in Control**

The named executive officers are not entitled to any payment upon a change in control or upon termination of employment, regardless of the type of termination.

The company may terminate the employment of each of the named executive officers after giving the requisite 6 – 12 months' notice. Named executive officers continue receiving their base salary, cash incentive, and benefits during the contractual notice period. Equity grants continue to vest as scheduled so long as an individual remains employed or serves as a director, and in the case of Mr. Filliol equity grants would vest monthly, pro rata, during the notice period for grants starting in 2018. In all cases vesting ceases on their last day of employment, regardless of the type of termination. Named executive officers forfeit unvested equity grants, and vested equity grants in a termination for cause, on the last day of employment.

Equity grants to the named executive officers do not accelerate and do not vest automatically upon a change in control, except for equity grants made between 2014 and 2017 for Mr. Filliol and Mr. Vadala. The table below shows the value of those options that are still subject to accelerated vesting, assuming a change of control event occurred as of December 31, 2018. The expense associated with this acceleration is the same as absent a change in control, but would be incurred by the company earlier than over the normal course of the vesting period. The values shown below are calculated as the difference between \$565.58, the share price on the last day the markets were open before December 31, 2018, and the respective exercise price.

Name	Net Value of Accelerated Unvested Stock Options



Olivier A. Filliol	\$ 11,688,616
Shawn P. Vadala	801,948
Peter Aggersbjerg	0
Marc de La Guéronnière	0
Simon Kirk	0

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# COMPENSATION DISCUSSION AND ANALYSIS

## COMPENSATION COMMITTEE REPORT

The Compensation Committee assists the board in reviewing and monitoring the compensation of the company's executives. The Compensation Committee operates pursuant to a written charter, a copy of which can be found on the company's website at [www.mt.com](http://www.mt.com) under About Us/Investor Relations/Corporate Governance.

The Compensation Committee is responsible for establishing compensation arrangements that allow the company to retain, attract, and motivate employees. The Compensation Committee reviews the company's total compensation budget, and sets the annual compensation of the company's executive officers, including the Chief Executive Officer. It also evaluates and sets the compensation of the directors. In carrying out its duties, the Compensation Committee receives input and recommendations from the Chairman, Head of Human Resources, and the Chief Executive Officer regarding the amount and form of executive and director compensation.

Pursuant to its charter, the Compensation Committee has the sole authority to retain, terminate, obtain advice from, oversee, and compensate its outside advisors, including its compensation consultant. The company has provided appropriate funding to the Committee to do so. In 2018, the Compensation Committee retained Pearl Meyer & Partners (PM&P) as its independent executive compensation consultant. PM&P reports directly to the Compensation Committee, and the Compensation Committee may replace PM&P or hire additional consultants at any time. PM&P attends meetings of the Compensation Committee, as requested, and communicates with the Chair of the Compensation Committee between meetings; however, the Compensation Committee makes all decisions regarding the compensation of the company's executive officers.

PM&P provides various executive compensation services to the Compensation Committee at its request with respect to the company's executive officers and other key employees, as well as the Board of Directors and Chairman of the Board. The services PM&P provides include advising the Compensation Committee on the principal aspects of the executive compensation program and evolving best practices, and providing market information and analysis regarding the competitiveness of the company's program design and awards in relation to the company's performance.

The Compensation Committee reviews the services provided by its outside consultants and believes that PM&P is independent in providing executive compensation consulting services. The Compensation Committee conducted a specific review of its relationship with PM&P, and determined that PM&P's work for the Committee in 2018 did not raise any conflicts of interest, consistent with the guidance provided under the Dodd-Frank Act, or applicable rules and regulations of the SEC and the NYSE. In making this determination, the Compensation Committee noted that during 2018:

PM&P did not provide any services to the company or its management other than service to the Compensation Committee, and its services were limited to executive compensation consulting. Specifically, it did not provide, directly or indirectly through affiliates, any non-executive compensation services, including, but not limited to, pension consulting or human resource outsourcing;

Fees from the company were less than 1% of PM&P's total revenue during the year of 2018;

PM&P maintains a Conflicts Policy, which was provided to the Compensation Committee, with specific policies and procedures designed to ensure independence;

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## COMPENSATION COMMITTEE REPORT

With regard to whether any of the individuals on the PM&P team assigned to the company has any business or personal relationship with members of the Compensation Committee outside of the engagement, there is just one business relationship which we and PM&P have reviewed and believe does not impact PM&P's independence: Mr. Salice is a member of the Board of Directors of Waters Corporation, which is a client of Mr. Van Putten, the lead consultant from PM&P providing services to the company's Compensation Committee. Additionally, Mr. Salice is Co-Founder and Partner of SFW Capital and, during 2018, PM&P and Mr. Van Putten provided compensation consulting services to one of SFW's portfolio companies.

None of the PM&P consultants working on the company engagement, or PM&P, had any business or personal relationship with executive officers of the company; and

None of the PM&P consultants working on the company engagement directly own company stock.

The Compensation Committee monitors the independence of its compensation consultant on an annual basis.

The Compensation Committee has reviewed and discussed with management the Compensation Discussion and Analysis contained in this Proxy Statement. On the basis of such review and discussions, the Compensation Committee recommended to the Board of Directors, and the board approved, that the Compensation Discussion and Analysis be included in this Proxy Statement.

Respectfully submitted by the members of the  
Compensation Committee:

Thomas P. Salice, *Chair*  
Richard Francis  
Michael A. Kelly  
Hans Ulrich Maerki

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## **PROPOSAL THREE: ADVISORY VOTE TO APPROVE EXECUTIVE COMPENSATION**

Under the Dodd-Frank Wall Street Reform and Consumer Protection Act enacted in July 2010 (the Dodd-Frank Act ), the shareholders of the company are entitled to vote at the annual meeting to approve the compensation of the company's named executive officers, as disclosed in this proxy statement pursuant to Item 402 of Regulation S-K under the Securities Act and the Exchange Act.

As described more fully in the Compensation Discussion and Analysis section of this proxy statement and accompanying tables and narratives, our compensation program consists of three main elements: base salary, an annual cash incentive, and long-term incentive compensation. Our goal is to ensure that the three main elements of compensation are carefully considered and fair, and that executives are motivated to further the interests of shareholders, both short-term and long-term. The company has in the past sought approval from shareholders regarding the incentive plans that we use to motivate, retain, and reward our executives. Those incentive plans, including the POBS Plus Incentive System for Group Management and the 2013 Equity Incentive Plan, make up a majority of the pay that the company provides to our executives.

We have a long track record of delivering superior results for our shareholders. In the 20-year period ending December 31, 2018, the company's total return to shareholders has been 1915%, compared with 198% for the S&P 500. Our executive compensation programs have played a material role in our ability to drive strong financial results and attract and retain a highly qualified team to run the company.

We believe our executive compensation programs are transparent, consistent with current best practices, appropriately benchmarked to peers, and effective in supporting our company and our business objectives.

Our compensation programs are substantially tied to the achievement of key business objectives and to long-term shareholder returns.

Both our short-term and our long-term incentives are performance-based.

Performance is objectively measured.

Targets are set at challenging levels.

Stock options granted to executives have a ten-year term and vest over five years, which helps management focus on sustainable and long-term value creation.

We carefully monitor the compensation of executives from companies of similar size and complexity to help us to ensure our programs are within the range of market practices.

The company seeks your advisory vote on our executive compensation programs. Shareholder advisory votes on our executive compensation programs will occur annually. After the 2019 Annual Meeting of Shareholders, the next such shareholder advisory vote will occur at the 2020 Annual Meeting of Shareholders. We ask that you support the compensation of our named executive officers as disclosed in the Compensation Discussion and Analysis section and the accompanying tables and narratives contained in this proxy statement. Because your vote is advisory, it will not be binding on the Board of Directors. However, the board will review the voting results and take such results into consideration when making future decisions regarding executive compensation. Accordingly, we ask our shareholders to vote **FOR** the following resolution at the annual meeting:

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

**The Board of Directors recommends that you vote *FOR* the approval of the compensation of our named executive officers as disclosed in this proxy statement pursuant to the compensation and disclosure rules of the Securities and Exchange Commission.**

TABLE OF CONTENTS**SHARE OWNERSHIP**

This table shows how much of the company's common stock is owned by directors, executive officers, and owners of more than 5% of the company's common stock as of the record date March 11, 2019 (December 31, 2018 in the case of 5% shareholders):

Name of Beneficial Owner	Shares Beneficially Owned(1)			
	Number	Percent		
<b>5% Shareholders:</b>				
The Vanguard Group 100 Vanguard Blvd. Malvern, PA 19355	2,714,860	10.8		
FMR LLC 245 Summer Street Boston, MA 02210	2,314,447	9.2		
BlackRock, Inc. 55 East 52 <sup>nd</sup> Street New York, NY 10055	1,709,674	6.8		
WCM Investment Management 281 Brooks Street Laguna Beach, CA 92651	1,497,423	6.0		
	Direct Number	Indirect(2)	Total	Percent
<b>Directors:</b>				
Robert F. Spoerry(3)	237,720	50,636	288,356	1.2 %
Wah-Hui Chu	2,854	12,912	15,766	*
Olivier A. Filliol	16,279	313,653	329,932	1.3 %
Elisha W. Finney	93	238	331	*
Richard Francis	330	1,070	1,400	*
Marco Gadola	0	0	0	*
Constance L. Harvey	245	238	483	*
Michael A. Kelly	1,454	9,312	10,766	*
Hans Ulrich Maerki	6,887	0	6,887	*
Thomas P. Salice(4)	124,272	9,312	133,584	*
<b>Named Executive Officers:</b>				
Shawn P. Vadala	5,010	16,973	21,983	*
Peter Aggersbjerg	254	232	486	*
Marc de La Guéronnière	11,985	23,466	35,451	*
Simon Kirk	1,075	386	1,461	*
<b>All Directors and Executive Officers as a Group (17 persons):</b>	408,458	465,703	878,161	3.5 %

\*

The percentage of shares of common stock beneficially owned does not exceed one percent of the outstanding shares.

- Calculations of percentage of beneficial ownership are based on 24,838,096 shares of common stock outstanding on March 11, 2019. Information regarding 5% shareholders is based solely on Schedule 13Gs filed by the holders.
- (1) For the directors and officers, the calculations assume the exercise by each individual of all options for the purchase of common stock held by such individual that are exercisable within 60 days of the date hereof.
    - (2) Represents shares subject to stock options that are exercisable within 60 days.
  - (3) Includes 221,826 shares held by Mr. Spoerry's children (with respect to which Mr. Spoerry has beneficial ownership, including full voting and dispositive control) and 10,000 shares held by Mr. Spoerry's spouse.
    - (4) Includes 29,636 shares held by a family foundation and over which Mr. Salice shares voting and investment power with his spouse as trustees, and 40,000 shares owned by a limited liability company in which Mr. Salice has voting and investment power. Mr. Salice disclaims beneficial ownership of the shares held by the family foundation and the limited liability company except to the extent of his pecuniary interests therein.

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## **SHARE OWNERSHIP**

### **ADDITIONAL INFORMATION**

#### **Compensation Committee Interlocks and Insider Participation**

The Compensation Committee is comprised of Messrs. Francis, Kelly, Maerki, and Salice, none of whom were officers or employees of the company or its subsidiaries or had any relationship requiring disclosure by the company under Item 404 of the Securities and Exchange Commission's Regulation S-K during 2018. No interlocking relationship exists between the members of Mettler-Toledo's Board of Directors or the Compensation Committee and the board of directors or compensation committee of any other company, nor has any such interlocking relationship existed in the past.

#### **Section 16(a) Beneficial Ownership Reporting Compliance**

Section 16(a) of the Securities Exchange Act of 1934 requires the company's executive officers and directors, and persons who own more than ten percent of a registered class of the company's equity securities, to file reports of ownership and changes in ownership with the Securities and Exchange Commission (the SEC) and The New York Stock Exchange. Executive officers, directors and greater than 10% shareholders are required by SEC regulation to furnish us with copies of all Section 16(a) forms they file. Based on our review of the copies of such forms we received, or written representations from certain reporting persons, we believe that in the last fiscal year our executive officers, directors, and greater than 10% shareholders complied with all applicable filing requirements.

#### **Availability of Form 10-K and Annual Report to Shareholders**

The company's Annual Report to shareholders for the fiscal year ended December 31, 2018, including consolidated financial statements, accompanies this proxy statement. The Annual Report is not to be regarded as proxy soliciting material or as a communication by means of which any solicitation is to be made.

The Annual Report is available on the company's website at [www.mt.com](http://www.mt.com) under About Us/Investor Relations/Annual Report. Upon written request, the company will furnish, without charge, to each person whose proxy is being solicited a copy of the Annual Report on Form 10-K for the fiscal year ended December 31, 2018, as filed with the SEC.

Requests in writing for copies of any such materials should be directed to Investor Relations, Mettler-Toledo International Inc., 1900 Polaris Parkway, Columbus, Ohio 43240-2020, USA, telephone +1 614 438 4748.

#### **Electronic Delivery of Annual Report and Proxy Statement**

If you wish to receive future annual reports, proxy statements and other materials, and shareholder communications electronically via the Internet, please follow the directions on your proxy card for requesting such electronic delivery. An election to receive materials electronically will continue until you revoke it. You will continue to have the option

to vote your shares by mail, by telephone, or via the Internet.

## **How to Submit Shareholder Proposals**

Shareholders may present proposals which may be proper subjects for inclusion in the proxy statement and for consideration at an annual meeting. To be considered, proposals must be submitted on a timely basis. We must receive proposals for next year's annual meeting no later than November 15, 2019. Proposals and questions related thereto should be submitted in writing to the Secretary of the company. Proposals may be included in the proxy statement for next year's annual meeting if they comply with certain rules and regulations promulgated by the SEC and in connection with certain procedures described in our by-laws, a copy of which may be obtained from the Secretary of the company. Any proposal submitted outside the processes of these rules and regulations will be considered untimely for the purposes of Rule 14a-4 and Rule 14a-5.

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## **ADDITIONAL INFORMATION**

### **Expenses of Solicitation**

The cost of soliciting proxies will be borne by the company. In addition to the solicitation of proxies by use of the mail, some of our officers, directors, and employees, none of whom will receive additional compensation therefore, may solicit proxies in person or by Internet or other means. As is customary, we will, upon request, reimburse brokerage firms, banks, trustees, nominees, and other persons for their out-of-pocket expenses in forwarding proxy materials to their principals.

### **Delivery of Documents to Shareholders Sharing an Address**

If you are the beneficial owner, but not the record holder, of shares of METTLER TOLEDO stock, your broker, bank, or other nominee may only deliver one copy of this proxy statement and our 2018 annual report to multiple shareholders who share an address unless that nominee has received contrary instructions from one or more of the shareholders. We will deliver promptly, upon written or oral request, a separate copy of this proxy statement and our 2018 annual report to a shareholder at a shared address to which a single copy of the documents was delivered. A shareholder who wishes to receive a separate copy of the proxy statement and annual report should submit this request by writing to Investor Relations, Mettler-Toledo International Inc., 1900 Polaris Parkway, Columbus, OH 43240, USA or by calling +1 614 438 4748. Shareholders sharing an address who are receiving multiple copies of proxy materials and annual reports and who wish to receive a single copy of such materials in the future should contact their broker, bank, or other nominee to request that only a single copy of each document be mailed to all shareholders at the shared address in the future.

### **Other Matters**

We know of no other matter to be brought before the annual meeting. If any other matter requiring a vote of the shareholders should come before the meeting, it is the intention of the persons named in the proxy to vote the proxies with respect to any such matter in accordance with their reasonable judgment.

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**ADDITIONAL INFORMATION**

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