

MCCORMICK & CO INC
Form DEF 14A
February 14, 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 (Amendment No. __)**

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

Check the appropriate box:

Preliminary Proxy Statement

CONFIDENTIAL, FOR USE OF THE COMMISSION ONLY (AS PERMITTED BY RULE 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

McCORMICK & COMPANY, INCORPORATED

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

No fee required.

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

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

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

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11

(set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials.

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

(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

McCORMICK & COMPANY, INCORPORATED

24 Schilling Road, Suite 1, Hunt Valley, Maryland 21031

February 14, 2019

I am pleased to invite you to attend the March 27, 2019, Annual Meeting of Stockholders, which will again be held at the Martin's Valley Mansion, 594 Cranbrook Road, Hunt Valley, Maryland 21030.

The meeting will start promptly at 10:00 a.m. Please arrive as early as 9:00 a.m. to enjoy tea and coffee and visit with friends.

Prior to the meeting, I encourage you to review the Company's Annual Report to Stockholders for the 2018 fiscal year.

We are building the McCormick of the future with our keen focus on growth, performance and people.

Growth – McCormick is a global leader and is differentiated by our broad portfolio. Our focus on growth is relentless as we continue to drive McCormick forward.

Performance – We deliver industry leading financial performance while doing the right thing for people, communities and the planet. We achieved top tier performance in 2018. Through the execution of our strategies, we achieved strong double-digit sales, adjusted operating profit and adjusted earnings per share growth. We also delivered substantial cost savings, expanded adjusted operating margin and generated strong cash flow. A 10% increase to the quarterly dividend was authorized. We have paid dividends every year since 1925 with annual increases in each of the past 33 consecutive years.

People – Our people remain our best and brightest asset bringing our best attributes to bear as we bring the joy of flavor to life. Our Company has a firm foundation that is based on a participative, multiple management culture. We have the right people and culture to build the McCormick of the future.

McCormick's Board of Directors and leadership team continue to direct our strategy and set our course for growth. Mike Fitzpatrick will be retiring from our Board as of the Annual Meeting. Mike has served as a director since 2001 and we sincerely appreciate his contributions and service.

Your vote is important. Whether or not you plan to attend the Annual Meeting, please vote your shares via the internet, by telephone, or by signing and returning the proxy card so that your shares are represented at the meeting.

Thank you for your continued confidence in our Company. I look forward to seeing you at the meeting!

Best regards,

Lawrence E. Kurzius

Chairman, President and Chief Executive Officer

Notice of Annual Meeting of Stockholders

March 27, 2019

10:00 a.m.

Martin's Valley Mansion, 594 Cranbrook Road, Hunt Valley, Maryland 21030

The Annual Meeting of Stockholders (the "Annual Meeting") of McCormick & Company, Incorporated ("McCormick") will be held at the **Martin's Valley Mansion, 594 Cranbrook Road, Hunt Valley, Maryland 21030** at 10:00 a.m. on March 27, 2019, for the purpose of considering and acting upon:

- (1) the election of directors from the nominees named in the proxy statement to act until the next Annual Meeting of Stockholders or until their respective successors are duly elected and qualified;
- (2) the ratification of the appointment of Ernst & Young LLP as the independent registered public accounting firm of McCormick to serve for the 2019 fiscal year;
- (3) the approval, on a non-binding advisory basis, of McCormick's Named Executive Officer compensation for fiscal 2018 (a "say-on-pay" vote);
- (4) the approval of an amendment to our 2013 Omnibus Incentive Plan, as amended, (the "2013 Plan") to increase the shares of Common Stock authorized for issuance thereunder by 2,284,341 shares; and
- (5) any other matters that may properly come before such meeting or any adjournments thereof.

The Board of Directors has fixed the close of business on **December 31, 2018**, as the record date for determining the stockholders entitled to notice of, and to vote at, the Annual Meeting or any adjournments thereof. **Only holders of Common Stock (NYSE Ticker Symbol: MKC-V) are entitled to vote.** Holders of Common Stock Non-Voting (NYSE Ticker Symbol: MKC) are welcome to attend the Annual Meeting.

If you are a holder of Common Stock, a proxy card is enclosed. Please vote your proxy promptly by internet, telephone or by mail as directed on the proxy card in order that your stock may be voted at the Annual Meeting.

You may revoke the proxy at any time before it is voted by submitting a later dated proxy card or by subsequently voting via internet or telephone or by attending the Annual Meeting and voting in person.

February 14, 2019

Jeffery D. Schwartz

Vice President, General Counsel & Secretary

By Internet

Vote your shares online at
www.proxyvote.com.

By Telephone

Vote your shares
by calling **1-800-690-6903.**

By Mailing Your Proxy Card

Vote by mail by marking, dating and
signing your proxy card or voting
instruction form and returning it in the
postage-paid envelope.

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE
STOCKHOLDERS MEETING TO BE HELD ON MARCH 27, 2019:**

The proxy statement and McCormick's Form 10-K for the 2018 fiscal year are available at www.proxyvote.com.
These materials are also available on McCormick's Investor Relations website at ir.mccormick.com under "Resources."

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PROXY SUMMARY

This summary highlights selected information contained in this proxy statement. It does not contain all the information you should consider and as such we urge you to carefully read the proxy statement in its entirety prior to voting. For additional information, please review the Company’s Annual Report to Stockholders for the 2018 fiscal year.

Select Business Highlights for 2018

| | |
|---|--|
| Outstanding financial performance | In 2018, net sales rose 12% with a 1% favorable impact from currency rates and we generated a record \$821 million of cash flow from operations. Our focus on growth, performance and people led to another year of strong results. |
| Increased stockholder return | Total annual stockholder return has been 14% or more for the past 1-, 5-, 10- and 20-year periods. |
| 33 years of uninterrupted dividend increases | We have paid dividends every year since 1925 and have increased our dividend in each of the past 33 years, placing McCormick among the S&P 500’s Dividend Aristocrats. In 2018, our dividend paid reached \$2.08 per share. The quarterly dividend increase to \$0.57 is more than double the quarterly amount paid in 2011. During the past five years, we have increased our dividend per share at a compound annual rate of 9%. |

CASH FLOW FROM OPERATIONS ON 3-YEAR ROLLING BASIS* (millions)

DIVIDENDS PAID*

McCormick has increased its dividend in each of the past 33 years. We have paid a dividend every year since 1925.

*At fiscal year end

*At fiscal year end

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Executive Compensation and Performance Alignment Summary

Our pay-for performance philosophy requires that a substantial portion of each executive’s total compensation should be performance-based and dependent on the achievement of stretch financial performance goals over both the short-and long-term. We pay for performance and the retention of key talent with the requirement that our financial performance goals should be drivers of stockholder value over both the short-and long-term.

Our executive compensation programs, that are aligned with our strategy and performance, include an annual performance-based incentive program and a Long-Term Incentive Plan (“LTIP”).

Our annual incentive cash payments are based on a formula that includes adjusted EPS growth and operating income growth, adjusted for working capital charges.

As part of our LTIP, performance-based awards are made under the Long-Term Performance Plan (“LTTP”) in the form of shares and cash. Cumulative net sales growth is the metric that determines the earned share awards under the LTTP, which represents the cumulative growth rate for continuing operations over a three-year period, adjusted for items including foreign currency and the incremental sales impact from acquisitions. Cumulative net sales growth exceeded the three-year target of 12% for the most recently completed LTTP cycle. The metric that determines the cash payout in the LTTP is Total Shareholder Return (“TSR”) relative to our peer companies. Both our absolute and relative TSR were strong for the three-year period ending in fiscal 2018, with McCormick ranking first among our peer companies with a TSR of 84.9%, as compared with 43.8% for the peer company at the 85th percentile and 1.7% for the peer company at the 50th percentile.

Our three-year performance for relative TSR and cumulative sales growth, which are metrics tied to our LTTP, and one year adjusted EPS growth, which is a metric tied to our annual performance-based incentive program, all exceeded set targets.

| | | |
|--|---|---------------------------------------|
| 84.9% | 14.3% | 16.7% |
| 3 YEAR TOTAL SHAREHOLDER RETURN | 3 YEAR CUMULATIVE SALES GROWTH | 1 YEAR ADJUSTED EPS GROWTH |

For purposes of demonstrating that CEO pay is well aligned with company performance, only three elements of direct compensation are included in CEO Paid Compensation on the graph below – 1) Base salary, 2) Annual bonus earned, 3) Cash and stock (based on the market value on the vesting date) earned at the end of the three-year cycle for the LTTP. Total compensation, including the value of pension changes, stock option grants, restricted stock unit grants and all other compensation for all Named Executive Officers, can be found in the Summary Compensation Table on page 33. The adjusted EPS growth referenced herein is a non-GAAP financial measure that is prepared as a complement to our financial results prepared in accordance with United States generally accepted accounting principles (“GAAP”). An explanation of the adjustments may be found in our Form 10-K for the 2018 fiscal year under “Non-GAAP Financial Measures” beginning on page 36 in the “Management’s Discussion and Analysis” section.

COMPANY PERFORMANCE AND CEO COMPENSATION

2016-2018

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SELECTED DEFINITIONS

The following terms are used in the proxy statement and have the meanings noted:

Earnings Per Share (EPS) – calculated as net income divided by the total of the average number of shares of common stock and common stock equivalents (e.g., stock options) outstanding.

Exchange Act – the Securities Exchange Act of 1934, as amended.

Market Group – those consumer products companies listed under “How We Determined Executive Compensation for Fiscal 2018.” The Compensation Committee of the Board of Directors compares the executive compensation programs of these companies to the total targeted compensation for each position occupied by McCormick’s executive officers, including its Named Executive Officers.

Named Executive Officers – individuals who served as the Chief Executive Officer (“CEO”) and the Chief Financial Officer (“CFO”) during the last fiscal year, the Company’s three most highly compensated executive officers, other than the CEO and CFO, who were serving as executive officers at the end of the last completed fiscal year, and up to two additional individuals for whom disclosure would have been provided but for the fact that the individual was not serving as an executive officer at the end of the last completed fiscal year. In this proxy statement, our Named Executive Officers consist of Lawrence E. Kurzius, Michael R. Smith, Brendan M. Foley, Jeffery D. Schwartz, and Malcolm Swift.

Non-Qualified Stock Option – an award that allows the holder, after the award vests, to purchase shares of stock at a specified exercise price. Non-qualified stock options do not qualify for special tax treatment under Sections 422 or 423 of the Internal Revenue Code of 1986, as amended (the “Internal Revenue Code”).

Peer Group – those manufacturers of food products also listed under “How We Determined Executive Compensation for Fiscal 2018.” The Compensation Committee establishes the financial performance targets used by McCormick for its performance-based incentive plans based on an analysis of the financial performance of the Peer Group companies because they are companies with whom we compete for equity investors.

Record Date – the date established by the Board of Directors for determining the stockholders eligible for notice of, and to vote at, the Annual Meeting of Stockholders. The Record Date for the 2019 Annual Meeting of Stockholders is December 31, 2018.

Restricted Stock Unit (RSU) – an award equal in value to, and payable in, a share of company stock. Company stock is not issued at the time of the grant, but generally is issued shortly after the recipient of the RSU satisfies the vesting requirements. Dividends and voting rights begin only upon issuance of the underlying stock.

Total Stockholder Return (TSR) – calculated as stock price appreciation over a given period of time plus dividends paid on the stock over the same time period.

2019 ANNUAL MEETING OF STOCKHOLDERS ADMISSION GUIDELINES

- Please bring a **photo ID** as you may be asked to present it in order to be admitted to the 2019 Annual Meeting of Stockholders.
- The use of cameras, camcorders, videotaping equipment, and other recording devices will not be permitted in Martin's Valley Mansion.
- Attendees may not bring into Martin's Valley Mansion large packages or other material that could pose a safety or disruption hazard.

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PROXY STATEMENT

General Information

This proxy statement is furnished on or about February 14, 2019 to the holders of Common Stock in connection with the solicitation by the Board of Directors of McCormick of proxies to be voted at the 2019 Annual Meeting of Stockholders or any adjournments thereof.

The shares represented by all proxies received will be voted in accordance with the instructions contained in the proxies. Any proxy given may be revoked at any time before it is voted by submitting a later dated proxy card, or by subsequently voting via internet or telephone or by attending the Annual Meeting and voting in person. Such right of revocation is not limited or subject to compliance with any formal procedure. Attending the Annual Meeting will not automatically revoke a stockholder's prior internet or telephone vote or the stockholder's proxy.

The cost of the solicitation of proxies will be borne by McCormick. In addition to the solicitation of proxies by use of the mails, officers and employees of McCormick may solicit proxies by telephone, electronic mail, personal interview, and/or through the Internet. We also may request that brokers and other custodians, nominees, and fiduciaries forward proxy soliciting material to the beneficial owners of shares held of record by such persons, and McCormick may reimburse them for their expenses in so doing.

Record Date. At the close of business on the Record Date, there were 9,545,617 shares of Common Stock outstanding, which constitute all of the outstanding voting shares of McCormick. Except for certain voting limitations imposed by the Charter on beneficial owners of 10% or more of the outstanding shares of Common Stock, each share of Common Stock is entitled to one vote. Only holders of record of shares of Common Stock at the close of business on the Record Date will be entitled to vote at the Annual Meeting or any adjournments thereof.

References in this proxy statement to "Common Stock" do not refer to shares of Common Stock Non-Voting, which are not entitled to vote at the Annual Meeting or any adjournments thereof.

PRINCIPAL STOCKHOLDERS

Set forth below is certain information on certain persons known to us to beneficially own more than five percent of the Common Stock of the Company.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS

| Title of Class | Name & Address of Beneficial Owner | Amount & Nature of Beneficial Ownership⁽¹⁾ | Percent of Class |
|-----------------------|--|--|-------------------------|
| Common Stock | McCormick 401(k) Retirement Plan 24 Schilling Road, Suite 1 Hunt Valley, Maryland 21031 Alan D. Wilson | 1,760,694 ⁽²⁾ | 18.5% |
| Common Stock | 24 Schilling Road, Suite 1 Hunt Valley, Maryland 21031 | 1,113,547 ⁽³⁾ | 10.7% |

(1) All shares beneficially owned as of the Record Date.

Amount of shares of Common Stock shown in the table were held in the trust for the McCormick 401(k) Retirement Plan as of the Record Date. Neither the trustees of the trust nor the plan itself are the beneficial owners of these shares of Common Stock for purposes of the voting limitations described in our Charter. Instead, each plan participant is considered to be the beneficial owner of the shares allocated to such participant's account in the

(2) plan, and no individual participant holds more than five percent of the Common Stock of the Company in his or her plan account. Each plan participant has the right to vote all shares of Common Stock allocated to such participant's plan account. The plan's trustees possess voting discretion over the shares of Common Stock with respect to which plan participants do not direct the trustees how to vote, except that, in the event of a tender offer, no vote shall be made for any shares of Common Stock with respect to which plan participants do not direct the trustees how to tender.

(3) Includes 874,737 shares of Common Stock which can be acquired within 60 days of the Record Date pursuant to the exercise of stock options, and 41,579 shares of Common Stock held in a charitable trust for the Wilson Family Foundation, and 44,600 shares of Common Stock held in two separate grantor retained annuity trusts. Mr. Wilson serves as a trustee of each trust. Also includes 27,371 shares of Common Stock held in the Wilson Family Trust, as well as 5,818 shares of Common Stock held in two separate trusts for the benefit of Mr. Wilson's children, all shares of which Mr. Wilson may acquire voting or investment power within 60 days.

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CORPORATE GOVERNANCE

Corporate Governance Guidelines

McCormick has adopted Corporate Governance Guidelines, which are available on its Investor Relations website at ir.mccormick.com under “Corporate Governance,” then “Corporate Governance Guidelines.” These Guidelines contain general principles regarding the function of McCormick’s Board of Directors and Board Committees. The Guidelines are reviewed on an annual basis by the Nominating/ Corporate Governance Committee of the Board, which submits to the Board for approval any changes deemed desirable or necessary. The Corporate Governance Guidelines make clear that directors and executive officers of the Company may not pledge Company stock as collateral for a loan or otherwise use Company stock to secure a debt, and may not engage in any hedging transactions with respect to Company stock.

Independence of Directors

McCormick’s Corporate Governance Guidelines require that a majority of the Board of Directors be comprised of independent directors. For a director to be considered independent under the Listing Standards of the New York Stock Exchange (the “NYSE”), the Board must affirmatively determine that the director has no direct or indirect material relationship with McCormick. The NYSE’s director independence guidelines are incorporated in McCormick’s Corporate Governance Guidelines, which are used by the Board in making independence determinations. The Board has determined that the following directors are independent: Michael A. Conway, J. Michael Fitzpatrick, Freeman A. Hrabowski, III, Patricia Little, Michael D. Mangan, Maritza G. Montiel, Margaret M.V. Preston, Gary M. Rodkin, Jacques Tapiero and W. Anthony Vernon.

In connection with these independence determinations, the Board considered the following:

Michael A. Conway is Executive Vice President and President, Canada for Starbucks Coffee Company and a commercial relationship exists between McCormick and Starbucks Coffee Company. However, the Board has determined that the commercial relationship is not material for the following reasons: (1) the payments made between McCormick and Starbucks Coffee Company are substantially less than 2% of the consolidated gross revenues of Starbucks Coffee Company; (2) Mr. Conway does not participate in the negotiation of commercial transactions on behalf of Starbucks Coffee Company, nor has he been involved in the execution of any commercial transactions between McCormick and Starbucks Coffee Company since their inception; and (3) the products supplied by McCormick to Starbucks Coffee Company are readily available from other sources of supply. For fiscal 2018, all commercial transactions between McCormick and Starbucks Coffee Company amounted to less than \$350,000, which is substantially less than 2% of the consolidated gross revenues of Starbucks Coffee Company. All commercial transactions were conducted at arm’s length and consisted of goods or services Starbucks Coffee Company and McCormick purchased from each other.

Freeman A. Hrabowski, III is the President of the University of Maryland, Baltimore County (UMBC) and a relationship exists between McCormick and UMBC. However, the Board has determined that the relationship is not material for the following reasons: (1) the payments made between McCormick and UMBC are substantially less than 2% of the consolidated gross revenues of UMBC; (2) Dr. Hrabowski does not participate in the negotiation of such transactions on behalf of UMBC, nor has he been involved in the execution of any transactions between McCormick and UMBC since their inception; and (3) the funds provided by McCormick to UMBC are readily available from other sources. For fiscal 2018, all transactions between McCormick and UMBC amounted to less than \$10,000, which is substantially less than 2% of the consolidated gross revenues of UMBC. All such transactions were conducted at arm's length and consisted of monies McCormick paid to UMBC to fund McCormick's Unsung Hero Award Scholarship.

Patricia Little is an executive officer of The Hershey Company and a commercial relationship exists between McCormick and The Hershey Company. However, the Board has determined that the commercial relationship is not material for the following reasons: (1) the payments made between McCormick and The Hershey Company are substantially less than 2% of the consolidated gross revenues of The Hershey Company; (2) Ms. Little does not participate in the negotiation of commercial transactions on behalf of The Hershey Company, nor has she been involved in the execution of any commercial transactions between McCormick and The Hershey Company since their inception; and (3) the products supplied by McCormick to The Hershey Company are readily available from other sources of supply. For fiscal 2018, all commercial transactions between McCormick and The Hershey Company amounted to less than \$300,000, which is substantially less than 2% of the consolidated gross revenues of The Hershey Company. All commercial transactions were conducted at arm's length and consisted of goods or services The Hershey Company and McCormick purchased from each other.

Maritza G. Montiel is a member of the Board of Directors of Aptar Group, Inc. and a commercial relationship exists between McCormick and Aptar Group. However, the Board has determined that the commercial relationship is not material for the following reasons: (1) the payments made between McCormick and Aptar Group are substantially less than 2% of the consolidated gross revenues of Aptar Group; (2) Ms. Montiel does not participate in the negotiation of commercial transactions on behalf of Aptar Group, nor has she been involved in the execution of any commercial transactions

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between McCormick and Aptar Group since their inception; and (3) the products supplied by Aptar Group to McCormick are readily available from other sources of supply. For fiscal 2018, all commercial transactions between McCormick and Aptar Group amounted to less than \$20,000, which is substantially less than 2% of the consolidated gross revenues of Aptar Group. All commercial transactions were conducted at arm's length and consisted of goods or services McCormick purchased from Aptar Group. For these reasons, the Board has concluded that Mr. Conway, Dr. Hrabowski, Ms. Little and Ms. Montiel have no direct or indirect material relationship with McCormick that would preclude a determination of independence.

Procedure Regarding Transactions with a Related Person

McCormick maintains a written related person transactions procedure that is administered by members of McCormick's management and the Audit Committee of the Board. The written procedure applies to any transaction with a "related person" (defined by Item 404(a) of Regulation S-K under the Exchange Act) in excess of \$120,000 in which the Company is a participant and in which a related person has or will have a direct or indirect material interest, other than:

- (a) a transaction involving compensation to an executive officer if (i) the compensation is reported pursuant to Item 402 of Regulation S-K; or (ii) (A) the executive officer is not an immediate family member of an executive officer or director of the Company and such compensation would have been required to be reported under Item 402 if the executive officer was a "named executive officer" under such regulation, and (B) the compensation was approved by the Board of Directors or the Compensation Committee of the Board of Directors;
- (b) a transaction involving compensation to a director or director nominee that is required to be reported pursuant to Item 402(k) of Regulation S-K;
- (c) a transaction where the related person's interest arises only from (i) such person's position as a director of another entity that is a party to the transaction; or (ii) the direct or indirect ownership by such person and their immediate family, in the aggregate, of less than a 10% equity interest in another entity that is a party to the transaction; or (iii) from both of (c)(i) and (c)(ii) above;
- (d) if the interest of the related person arises solely from the ownership of a class of the Company's stock and all holders of that class of stock of the Company receive the same benefit on a pro rata basis; or
- (e) any other transaction that is not required to be disclosed pursuant to Item 404 of Regulation S-K.

The procedure provides that any actual or potential related person transaction is reviewed and analyzed by McCormick's corporate controllership and legal staff (the "Management Reviewers"). If the transaction in question is determined to be a related person transaction but (i) it is not material to the Company, and (ii) the commercial terms are consistent with the commercial terms of comparable arm's length transactions with unrelated third parties, the Management Reviewers shall refer the proposed transaction to the CEO and CFO for review and appropriate disposition, in their sole discretion. If the CEO or the CFO has a direct or indirect material interest in the transaction or the proposal, then the matter shall be submitted to the Audit Committee for review and disposition (regardless of materiality of the transaction or the reasonableness of the commercial terms).

If the transaction in question is determined to be a related person transaction and (i) it is material to the Company, and/or (ii) the commercial terms are more favorable to the related person than the commercial terms of comparable arm's length transactions with unrelated third parties, the Management Reviewers shall review the transaction with the CEO and CFO, who shall determine whether to ratify or re-negotiate the actual transaction, or in the case of a proposed transaction whether to accept or reject the proposal. If the CEO and the CFO desire to ratify the transaction or accept the proposal on existing terms, the transaction or proposal shall be submitted to the Audit Committee for review and disposition.

As a general rule, any employee or director who has a direct or indirect material interest in an actual or proposed related person transaction will not participate in the review and disposition of the transaction.

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Business Ethics

McCormick's business is conducted by its employees under the leadership of its CEO and under the oversight and direction of its Board of Directors for the purpose of enhancing the long-term value of McCormick for its stockholders. McCormick's management and the Board of Directors believe that the creation of long-term value requires McCormick to conduct its business honestly and ethically as well as in accordance with applicable laws. McCormick has a Business Ethics Policy which was first adopted by the Board more than 30 years ago. The Policy is reviewed annually by management and the Audit Committee of the Board and is amended as circumstances warrant. The Policy is administered by McCormick's General Counsel under the oversight of the CEO and the Audit Committee. McCormick's Business Ethics Policy is available on its Investor Relations website at ir.mccormick.com under "Corporate Governance," then "Business Ethics Policy." The Audit Committee has established procedures for (i) employees to submit confidential and anonymous reports of suspected illegal or unethical behavior, concerns regarding questionable accounting or auditing matters, or violations of McCormick's Business Ethics Policy, and (ii) interested persons to submit concerns regarding accounting, internal controls over financial reporting, or auditing matters. Anonymous reports by employees may be made to a confidential "hotline" service, which may be accessed by telephone or through a dedicated website. Further, concerns regarding such matters may be expressed in e-mails that may be sent to the Chair of the Audit Committee or to the attention of the General Counsel.

Available Information

McCormick makes available free of charge through its website ir.mccormick.com, its annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) of the Exchange Act as soon as reasonably practicable after such documents are electronically filed with, or furnished to, the Securities and Exchange Commission (the "SEC"). McCormick's website also includes McCormick's Corporate Governance Guidelines, Business Ethics Policy and the charters of its Audit Committee, Compensation Committee and Nominating/Corporate Governance Committee.

DIRECTORS

Executive Sessions of the Board of Directors

Pursuant to the Company's Corporate Governance Guidelines, the independent directors meet in regularly scheduled sessions (typically before or after each Board meeting) without the presence of management.

Communications with the Board of Directors

Stockholders and other interested parties may communicate with one or more members of the Board by writing to the Board, or to a specific director, at:

Board of Directors (or specific director)
McCormick & Company, Incorporated
c/o Corporate Secretary
24 Schilling Road, Suite 1, Hunt Valley, Maryland 21031

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Process for Nominating Potential Director Candidates

The Nominating/Corporate Governance Committee is responsible for selecting potential candidates for Board membership and for recommending qualified candidates to the full Board for nomination; and retains search firms to assist with the selection process.

The Committee also considers recommendations of potential candidates from stockholders. The Committee applies the same standards in evaluating candidates submitted by stockholders as it does in evaluating candidates submitted by other sources. Suggestions regarding potential director candidates, together with the supporting information concerning the potential candidate's qualifications, should be submitted in writing to:

Nominating/Corporate Governance Committee
McCormick & Company, Incorporated
c/o Corporate Secretary
24 Schilling Road, Suite 1, Hunt Valley, Maryland 21031

Board Membership and Effectiveness

Selection Criteria and Qualifications for All Directors

The Nominating/Corporate Governance Committee is responsible for developing the selection criteria to be used in seeking nominees for election to the Board, within the general qualification criteria for director nominees established by the Board in McCormick's Corporate Governance Guidelines. The Nominating/Corporate Governance Committee is also responsible for identifying, screening and selecting potential candidates for Board membership and for recommending qualified candidates to the full Board. The Board will consider qualified candidates recommended by the Nominating/Corporate Governance Committee for election to the Board and will determine which candidates to recommend to the Company's stockholders for election. The Board is responsible for filling vacancies on the Board as they arise.

In evaluating potential candidates, the Board considers the qualifications listed in McCormick's Corporate Governance Guidelines, including the requirement that nominees should possess the highest personal and professional ethics, integrity and values, and the commitment to represent the long-term interests of the stockholders. Nominees are selected on the basis of their business and professional experience, qualifications, public service and availability, and will be experienced at policy-making levels in business, government, finance or accounting, higher education or other fields relevant to the Company's global activities.

Nominees are selected to represent all stockholders rather than special interest groups or any group of stockholders. The Board does not have a formal policy with regard to diversity of Board nominees; however, McCormick's Corporate Governance Guidelines provide that diversity of background is a consideration in selecting Board nominees, and the selection criteria established by the Nominating/Corporate Governance Committee include a preference that candidates enhance the diversity of the Board (for example, with respect to gender, race, ethnicity, and culture). Diversity is valued because the Board believes that a variety of perspectives and experiences contributes to a more enhanced decision-making process.

From time to time, most recently in 2018, the Nominating/Corporate Governance Committee, on behalf of the Board, may retain an independent consultant experienced in corporate governance matters to conduct an in-depth study of the effectiveness of the Board and its Committees and to assist with the annual performance evaluation process. Amongst other things, the consultant typically interviews each director to obtain his or her assessment of the effectiveness of the Board and its Committees, including opportunities for the Board to enhance its effectiveness. The Board and its Committees then discuss the evaluation and determine if any follow-up actions are necessary. The Board and its Committees may then develop and execute plans to take actions based on the results, as appropriate, to ensure the Board and its Committees continue to operate effectively.

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Particular Skills Represented on the Board as a Whole

The Nominating/Corporate Governance Committee and the full Board believe a complementary mix of diverse skills, attributes, and experiences will best serve the Company and its stockholders. The director skills summary that appears below, and the related narrative for each director nominee, notes the specific experience, qualifications, attributes, and skills for each director that the Board considers important in determining that each nominee should serve on the Board in light of the Company’s business, structure, and strategic direction. The absence of a “•” for a particular skill does not mean the director is unable to contribute to the decision-making process in that area.

Summary of Skills of Director Nominees

| | Michael A. Conway | Freeman A. Hrabowski, III | Lawrence E. Kurzius | Patricia Little | Michael D. Mangan | Maritza G. Montiel | Margaret M. V. Preston | Gary M. Rodkin | J. T. ... |
|--|--------------------------|----------------------------------|----------------------------|------------------------|--------------------------|---------------------------|-------------------------------|-----------------------|------------------|
| Senior executive experience (e.g., CEO, COO, CFO) at a publicly traded multinational company | • | | • | • | • | | • | • | • |
| Consumer marketing experience, or a particular knowledge of the food industry | • | • | • | • | • | | | • | |
| General management experience in international operations | • | | • | • | • | | | | |