

MCCORMICK & CO INC
Form DEF 14A
February 15, 2018

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:

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Fee paid previously with preliminary materials.

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

(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

MCCORMICK & COMPANY, INCORPORATED

18 Loveton Circle, Sparks, Maryland 21152

February 15, 2018

I am pleased to invite you to attend the March 28, 2018, 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 2017 fiscal year.

At McCormick, our focus continues to be on growth, performance and people.

Growth – We are capitalizing on the global consumer interest in great taste and healthy eating. We strengthened our flavor leadership this year advancing to a leading position in condiments with the acquisition of Reckitt Benckiser's Food Division (RB Foods). We expect to grow annual sales 4% to 6% long-term and are driving this growth through our base business, new products and acquisitions. We are also focused on profit realization led by our Comprehensive Continuous Improvement program. From 2016 to 2019, we expect to achieve \$400 million in cost savings, and we are well on our way to achieving this goal with \$226 million delivered through 2017.

Performance – We deliver industry leading financial performance while doing the right thing for people, communities and planet. We achieved record results in 2017, exceeding our goals to grow sales, adjusted operating income, both in constant currency, and adjusted earnings per share. Our cash flow from operations reached a record \$815 million and an 11% increase to the quarterly dividend was authorized. We have paid dividends every year since 1925 with increases in the past 32 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. This has led to success and high performance across the organization – for our employees, our customers and our stockholders.

McCormick's Board of Directors and leadership team are directing our strategy and setting our course for growth. Departing from our Board is Alan Wilson, who has served as a director since 2007 and chaired our Board from 2009 until February 1, 2017. We sincerely appreciate his contributions and service. We are pleased to have another new independent director join McCormick's Board in 2017: Tony Vernon, the retired Senior Advisor and Executive Director, and former Chief Executive Officer, of Kraft Foods Group, Inc.

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 28, 2018

10:00 a.m.

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

The Annual Meeting of Stockholders of McCormick & Company, Incorporated will be held at the **Martin's Valley Mansion, 594 Cranbrook Road, Hunt Valley, Maryland 21030** at 10:00 a.m. on March 28, 2018, 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 2018 fiscal year;
- (3) the approval, on a non-binding advisory basis, of McCormick's Named Executive Officer compensation for fiscal 2017 (a "say-on-pay" vote); and
- (4) 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 **January 2, 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 are entitled to vote.** Holders of Common Stock Non-Voting 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 15, 2018

Jeffery D. Schwartz

Vice President, General Counsel & Secretary

By Internet

By Telephone

By Mailing Your Proxy Card

Vote your shares online at www.proxyvote.com.

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

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 28, 2018:

The proxy statement and McCormick's Form 10-K for the 2017 fiscal year are available at www.proxyvote.com. These materials are also available on McCormick's Investor Relations website at ir.mccormick.com under "Financial Information," then "Proxy Materials."

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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 2017 fiscal year.

Select Business Highlights for 2017

Top Line / Bottom Line Results

Strong financial performance	In 2017, net sales rose 10% with minimal impact from currency rates, adjusted EPS grew by 13% and we generated a record \$815 million of cash flow from operations. Our focus on growth, performance and people led to another year of outstanding results and we exceeded each of our long-term financial goals.
Increased stockholder return	Total annual stockholder return has risen 12% or more for the past 1, 5, 10 and 20 year periods.
Our flavor leadership is expanding	With the purchase of RB Foods, McCormick advanced to a leading position in condiments. We now have leading positions in categories that consumers use most to flavor fresh foods. McCormick is a global leader in flavor with a growing and advantaged business platform.
32 years of uninterrupted dividend increases	We have paid dividends every year since 1925 and have increased our dividend in each of the past 32 years, placing McCormick among the S&P 500's Dividend Aristocrats. In 2017, our dividend paid reached \$1.88 per share. The quarterly dividend increase to \$0.52 is more than double the quarterly amount paid in 2010. During the past five years, we have increased our dividend per share at a compound annual rate of 9%.

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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 financial performance goals over both the short-and long-term. Those financial performance goals should be drivers of stockholder value over both the short-and long-term.

Both adjusted Earnings Per Share (EPS) and adjusted operating income growth globally were strong and each exceeded its target in fiscal 2017, positively impacting annual incentive payouts.

Cumulative net sales growth is the metric that determines the earned share awards under the Long Term Performance Plan (LTPP), which represents the cumulative growth rate for continuing operations over the 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 11%. The metric that determines the cash payout in the LTPP is Total Shareholder Return (TSR) (not displayed on this graph), relative to our peer companies. Both our absolute and our relative TSR were strong in fiscal 2017, achieving 78th percentile ranking among our peer companies.

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 this graph – 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 LTPP. Total compensation, including the value of pension changes, stock option grants, and all other compensation for all Named Executive Officers, can be found in the Summary Compensation Table on page 31. The adjusted EPS and adjusted operating income referenced in the above graph and narrative are non-GAAP financial measures which are 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 2017 fiscal year under “Non-GAAP Financial Measures” beginning on page 40 in the “Management’s Discussion and Analysis” section.

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SELECTED DEFINITIONS

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

Earnings Per Share (EPS) – 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 2017.” 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, Malcolm Swift, and Alan D. Wilson.

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.

Peer Group – those manufacturers of food products listed under “Elements of Executive Compensation.” 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 2018 Annual Meeting of Stockholders is January 2, 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) – stock price appreciation over a given period of time plus dividends paid on the stock over the same time period.

2018 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 2018 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 15, 2018 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 2018 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 10,008,182 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 18 Loveton Circle Sparks, Maryland 21152	1,923,457 ⁽²⁾	19.2%

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

(2) 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 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.

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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 President, Licensed Stores, U.S. and Latin America 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 2017, all commercial transactions between McCormick and Starbucks Coffee Company amounted to less than \$1,800,000,

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 products 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 2017, 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 2017, all commercial transactions between McCormick and The Hershey Company amounted to less than \$1,200,000, 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 products 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 between McCormick and Aptar Group since their inception; and

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(3) the products supplied by Aptar Group to McCormick are readily available from other sources of supply. For fiscal 2017, all commercial transactions between McCormick and Aptar Group amounted to less than \$500,000, 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 products 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 Chief Executive Officer ("CEO") and Chief Financial Officer ("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.

During fiscal year 2017, as part of McCormick's authorized share repurchase program, McCormick repurchased 200,000 shares of its stock from the estate of Hugh P. McCormick Jr., former McCormick executive who retired in 1983 and former beneficial owner of more than five percent of the Common Stock of the Company, for \$21,383,223. The repurchase price per share was equal to the average of the high and low trading price of the Common Stock Non-Voting on the date of purchase. The shares repurchased from the estate of Hugh P. McCormick, Jr. are less than 16 percent of the \$137,759,709 in share repurchases made by the Company in fiscal 2017 under its authorized share repurchase program.

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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. As well, 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

18 Loveton Circle, Sparks, Maryland 21152

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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

18 Loveton Circle, Sparks, Maryland 21152

Board Membership

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. As well, the Committee is 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 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.

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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 in question is unable to contribute to the decision-making process in that area.

Summary of Skills of Director Nominees

	Michael A. Conway	J. Michael Fitzpatrick	Freeman A. Hrabowski III	Lawrence E. Kurzius	Patricia Little	Michael D. Mangan	Maritza G. Montiel	Margaret M. V. Preston	Gary M. Rodkin	Jacques Tapiero	W. Anthony Vernon
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											
Enhances the diversity of the Board (e.g.,											

gender, race,
ethnicity, &
culture)
Strategic
leadership at a
large,
complex,
organization
High level of
financial
literacy
Governmental
experience;
regulatory
expertise
Merger,
acquisition
and/or joint
venture
expertise
Experience in
aligning
compensation
with
organizational
strategy and
performance

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Director Skills Narrative

Michael A. Conway

Mr. Conway's qualifications include (i) senior executive experience at a publicly traded multinational company, (ii) consumer marketing experience, (iii) general management experience in international operations, and (iv) as a senior executive responsible for a global consumer packaged foods business, a particular knowledge of the business, markets and customers in which McCormick operates. Mr. Conway currently serves as President, Licensed Stores, U.S. and Latin America for Starbucks Coffee Company, which is a publicly traded multinational company. Previously, he served as President, Global Channel Development for Starbucks from 2013 to 2016 responsible for all commercial and business strategy functions and expanding into emerging international markets. Prior to joining Starbucks, he worked at Johnson & Johnson from 2004 to 2013, serving as worldwide President of McNeil Nutritional, a division of Johnson & Johnson from 2010 to 2013; and worked at the Campbell Soup Company from 1994 to 2004, serving as Vice President for the Adult Simple Meals Division of the Campbell Soup Company from 2003 to 2004. At Starbucks, Mr. Conway is a Senior Officer and Executive Team Member with full profit and loss responsibility.

J. Michael Fitzpatrick

Dr. Fitzpatrick's qualifications include (i) senior executive experience at a publicly traded multinational company, (ii) general management experience in international operations, (iii) a high level of financial literacy, and (iv) extensive experience in mergers and acquisitions. Dr. Fitzpatrick currently serves as a director and Chairman of Aurora Plastics, Inc., a privately held company. He was formerly the Chairman and President of Citadel Plastics Holdings, Inc., a privately held company, and formerly served as the President and Chief Operating Officer at Rohm and Haas, which was a public multinational company until its acquisition by Dow Chemical, where he served for over 30 years. Dr. Fitzpatrick's international experience with Rohm and Haas included service in marketing and business management roles in Brazil and Italy, service in general and regional management positions in Mexico and the United Kingdom, and global responsibility for various Rohm and Haas businesses from 1999 to 2005. He has experience both at Citadel Plastics and at Rohm and Haas in overseeing the performance of public accountants in the preparation, auditing and evaluation of financial statements, and has served as a member of the audit committee of the board of directors of Carpenter Technology Corporation. The McCormick Board of Directors has determined that Dr. Fitzpatrick is an "audit committee financial expert" under the rules of the SEC. Service with Rohm and Haas and Citadel Plastics has involved Dr. Fitzpatrick in over 45 acquisitions, dispositions, and joint ventures.

Freeman A. Hrabowski, III

Dr. Hrabowski's qualifications include (i) strategic leadership at a large, complex, organization, (ii) governmental experience, and (iii) consumer marketing experience. Dr. Hrabowski has served as the President of the University of Maryland, Baltimore County (UMBC) since 1992, and his strategic leadership of that organization has been widely recognized. In 2008, he was named one of America's Best Leaders by U.S. News & World Report, which in each of the last six years has ranked UMBC the number one "Up and Coming" university in the nation. In 2009, Time Magazine named him one of America's 10 Best College Presidents, and, in 2012, named him as one of the "100 Most

Influential People in the World.” His career has been devoted to education and to helping students become future leaders in science, technology, and engineering, with a special emphasis on minority and underrepresented groups. In this regard, under former President Obama, Dr. Hrabowski chaired the President’s Advisory Commission on Educational Excellence for African-Americans. Dr. Hrabowski’s governmental experience includes working closely with the National Institutes of Health, the National Academy of Sciences, the National Science Foundation, and the U.S. Department of Education, as well as various agencies of the State of Maryland. Dr. Hrabowski is also a nationally recognized expert on marketing and recruitment in higher education, and works extensively with colleges and universities around the nation on such matters.

Lawrence E. Kurzius

Mr. Kurzius’ qualifications include (i) senior executive experience at a publicly traded multinational company, (ii) consumer marketing experience, (iii) a detailed knowledge of the food industry, (iv) general management experience in international operations, and (v) strategic leadership of a large, complex, organization. Mr. Kurzius serves as the Chairman (since 2017), President (since 2015) and Chief Executive Officer of McCormick (since 2016). He previously served in a variety of other roles with the Company, thereby gaining an understanding of the different aspects of the Company’s operations and the food industry. Prior to assuming his present role, Mr. Kurzius was (a) President and Chief Operating Officer (2015 to 2016) of McCormick, (b) President of the Company’s global consumer business (2013 to 2016), (c) Chief Administrative Officer of the Company (2013 to 2015), (d) President of the Company’s international business (2008 to 2013), (e) President of EMEA (2007 to 2008), (f) President of U.S. Consumer Foods (2005 to 2007), (g) Vice President and General Manager of Sales and Marketing for U.S. Consumer Foods (2005), and (h) President of Zatarain’s (2003 to 2005). Prior to joining the Company upon the acquisition of Zatarain’s by McCormick, Mr. Kurzius was the Chief Executive Officer of Zatarain’s where he worked for 12 years. Mr. Kurzius was also a marketing executive with the Quaker Oats Company and Mars Inc.’s Uncle Ben’s Company. In these various roles, Mr. Kurzius developed a broad knowledge of the Company’s markets – both domestic and foreign, and consumer and industrial – and had senior level responsibility for strategic planning

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and leadership with respect to these businesses. In his present role, Mr. Kurzius is responsible for the strategic leadership of the Company. He has extensive knowledge of consumer goods marketing in general, with a specific knowledge of the business, markets, and customers within the food industry in particular, and has hands-on experience in directing the day-to-day operations of our large, multi-faceted, consumer and industrial foods business.

Patricia Little

Ms. Little's qualifications include (i) senior executive experience at a publicly traded multinational company, (ii) general management experience in international operations, (iii) consumer marketing experience, (iv) a detailed knowledge of the food industry and (v) a high level of financial literacy. Ms. Little has over 25 years of experience across a broad range of roles in accounting, treasury, and finance functions at both the corporate and operating levels. Ms. Little's current service as the Senior Vice President & Chief Financial Officer of The Hershey Company requires management of an internationally-based financial organization. Responsibilities include the oversight of internal controls and financial systems on an international basis, the identification of enterprise risks, the oversight of the performance of the organization's public accountants in the preparation, auditing and evaluation of financial statements, and capital planning for The Hershey Company. As Senior Vice President & Chief Financial Officer, she regularly interacts with the audit committee of the board of directors of that company. Prior to joining The Hershey Company, Ms. Little's service at Kelly Services, Inc. as Executive Vice President & Chief Financial Officer entailed similar responsibilities as at The Hershey Company. Her position at the Ford Motor Company as its general auditor and head of global accounting included responsibilities for managing global internal and external audit functions. As was true of her service with the Ford Motor Company and Kelly Services, her position at The Hershey Company requires travel to, and a detailed understanding of, her company's international operations and the local legal and accounting requirements bearing on her area of oversight. The McCormick Board of Directors has determined that Ms. Little is an "audit committee financial expert" under the rules of the SEC.

Michael D. Mangan

Mr. Mangan's qualifications include (i) senior executive experience at a publicly traded multinational company, (ii) consumer marketing experience, (iii) a high level of financial literacy, and (iv) general management experience in international operations. Mr. Mangan served as the President of the Worldwide Power Tools and Accessories (WPTA) group of The Black & Decker Corporation until its acquisition in 2010 by The Stanley Works. In that role he provided strategic leadership of the WPTA group, and had oversight over the consumer marketing activities of that group in the international consumer marketplace. Service as President of the WPTA group, and past service as the Chief Financial Officer of The Black & Decker Corporation, broadened Mr. Mangan's international experience and provided an in-depth understanding of the company's key international markets. Service as the Chief Financial Officer of The Black & Decker Corporation, and prior service as the Executive Vice President & Chief Financial Officer of The Ryland Group, Inc., included responsibilities for overseeing the performance of those companies' public accountants in the preparation, auditing and evaluation of financial statements, business planning, corporate finance and investments, internal controls, and information systems. Although he no longer serves as a member of the Audit Committee, the McCormick Board of Directors has determined that Mr. Mangan meets the standards of an "audit committee financial expert" under the rules of the SEC.

Maritza G. Montiel

Ms. Montiel's qualifications include (i) strategic leadership at a large, complex, organization, (ii) governmental experience, (iii) a high level of financial literacy, and (iv) experience in developing effective governance and shared responsibility models. Ms. Montiel served for more than 40 years at Deloitte LLP before retiring in June 2014. Her most recent appointment was as Deputy Chief Executive Officer and Vice Chairman of the firm's U.S. business. As Deputy CEO, Ms. Montiel led a variety of strategic initiatives including the transformation of the \$1.4 billion Federal Government Services Practice. She was also a member of the Deloitte Touche Tohmatsu Limited Global Board of Directors. Prior to her most recent role with Deloitte, Ms. Montiel served as Regional Managing Partner for the Southwest Region in which she led the organization through significant growth, from \$600 million in revenue and a 1,800 member team to over \$2 billion in revenue and a team of 9,000. Ms. Montiel was also the Managing Partner responsible for Leadership Development & Succession, as well as Deloitte University where she developed and implemented a \$350 million strategic initiative aimed at transforming Deloitte's professional development curriculum and training the next generation of leaders.

Margaret M.V. Preston

Ms. Preston's qualifications include (i) senior executive experience at a publicly traded multinational company, (ii) strategic leadership at a large, complex, organization, (iii) a high level of financial literacy, and (iv) experience in mergers and acquisitions. Ms. Preston's past service as the Global Chief Financial Officer of Deutsche Bank, Private Wealth Management and as a Managing Director and Regional Executive of US Trust, Bank of America Private Wealth Management, and her current service as a Managing Director of TD Bank Private Wealth Management has afforded to Ms. Preston the opportunity to provide financial oversight and strategic leadership and direction to those organizations. As Treasurer of Alex. Brown Incorporated, Ms. Preston provided direction in the development of a collateral management system for margin loan management, and her role at US Trust included responsibility for the management of compliance and risk at the Private Wealth Management group for over \$20 billion of assets under management at that organization. Ms. Preston has a well-developed experience in mergers and acquisitions, and the integration of acquired businesses, in consequence of her work, first at Alex. Brown as a Merger & Acquisition Manager, and subsequent work on the integration of the Bankers Trust Company and Alex. Brown businesses into Deutsche Bank, and the integration of Merrill Lynch operations into the Bank of America Private Wealth Management platform.

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Gary M. Rodkin

Mr. Rodkin's qualifications include (i) senior executive experience at a publicly traded multinational company, (ii) consumer marketing experience, (iii) a detailed knowledge of the food industry, (iv) strategic leadership of a large, complex, organization, and (v) experience in mergers and acquisitions. Mr. Rodkin is a seasoned and successful former Chief Executive Officer who has led major consumer products goods businesses and companies. Most recently, Mr. Rodkin served as the President and Chief Executive Officer of ConAgra Foods, Inc. from 2005 to 2015, where he transformed ConAgra from a holding company into one unified business with a balanced portfolio of consumer, commercial and private-brand businesses and strong operating capabilities. Prior to joining ConAgra, Mr. Rodkin served as Chairman and Chief Executive Officer of the Beverages and Food division at PepsiCo, Inc., where he was accountable for two lines of business, PepsiCo Beverages North America and Quaker Foods North America. Previously, Mr. Rodkin spent sixteen years with General Mills, Inc. in a variety of management roles. Mr. Rodkin currently serves on the board of Simon Property Group, Inc., an equity real estate investment trust, as well as on the non-profit boards of Feeding America, a hunger-relief charity, and as the Vice Chairman of the Board of Overseers for Rutgers University. Mr. Rodkin is a Fellow of Executive Education at Harvard Business School, and an Executive in Residence at Rutgers University.

Jacques Tapiero

Mr. Tapiero's qualifications include (i) senior executive experience at a publicly traded multinational company, (ii) general management experience in international operations, and (iii) strategic leadership at a large, complex, organization. Mr. Tapiero served as Senior Vice President and President, Emerging Markets of Eli Lilly and Company, the Indianapolis, Indiana-based global pharmaceutical company, from 2009 until his retirement from that company on January 31, 2014, after 31 years of service. He was also a member of the Executive Committee of Eli Lilly. The Emerging Markets Business Unit focused on many of the organization's fastest growing markets, such as China, Russia, Brazil, Mexico, South Korea and Turkey, and Mr. Tapiero was responsible for Lilly's business in more than 70 countries. Prior to becoming President, Emerging Markets, Mr. Tapiero held the position of President of the Intercontinental Region for Lilly, with operations in Asia, Australia, Africa, the Middle East, Canada, Latin America and Russia (2004 to 2009). He also served as President and General Manager of Lilly France (2000 to 2004); President and General Manager of Eli Lilly do Brasil Ltd (1995 to 1999); and Managing Director of Lilly Sweden (1993 to 1995). Mr. Tapiero joined Lilly in 1983 as a financial analyst, and held several financial management, sales and marketing management positions in the United States, Switzerland and France. Mr. Tapiero is a senior advisor to McKinsey and Company Pharmaceuticals and Medical Products practice, and a director of Esteve – Spain (a private chemical and pharmaceuticals group).

W. Anthony Vernon

Mr. Vernon's qualifications include (i) senior executive experience at a publicly traded multinational company, (ii) consumer marketing experience, (iii) a detailed knowledge of the food industry, (iv) strategic leadership of a large, complex, organization, and (v) experience in mergers and acquisitions. Mr. Vernon is a seasoned and successful

former Chief Executive Officer who has led major consumer products goods businesses and companies. Most recently, Mr. Vernon served as the Chief Executive Officer of the Kraft Foods Group from 2012 to 2014 and remained with the company as a Senior Advisor and Executive Director until April 2015. He was the first CEO of the newly formed company when Kraft Foods split its snack and grocery divisions into two independent public companies. Mr. Vernon also served as Executive Vice President of Kraft Foods and President of North America from 2009 to 2012. Prior to joining Kraft, Mr. Vernon served as Healthcare Industry Partner of Ripplewood Holdings LL, a private equity firm. He also held several leadership roles at Johnson & Johnson where he spent 23 years of his career managing some of the company's largest consumer brands including Tylenol, Motrin, Pepcid AC, Imodium and Splenda. Mr. Vernon also served as President of Centocor, a Johnson & Johnson biotechnology company.

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Board Leadership

The Company's Board is led by our Chairman, Lawrence E. Kurzius, who is also our President and Chief Executive Officer. McCormick has historically combined the roles of chairman and chief executive officer, though we have separated the roles based on the needs of the Company and its stockholders at certain times. The Board of Directors believes that the Company currently is and has been well served by a combined structure, as it provides a bridge between management and the Board, thus helping to ensure that both act with commonality of purpose with efficient communication between them. The Board believes that the CEO is best able to bring key business issues and stockholder interests to the Board's attention, given his in-depth understanding of the Company. As well, this structure helps ensure accountability for the actions and strategic direction of the Company, and ensures that the Company presents its message and strategy to stockholders, employees and customers with a unified voice.

The Board also has the position of Lead Director who provides additional independent oversight of senior management and board matters in our current structure where the Chairman is not an independent director. The selection of a lead director is meant to facilitate, and not to inhibit, communication among the directors or between any of them and the Chairman and CEO. Accordingly, directors are encouraged to continue to communicate among themselves and directly with the Chairman and CEO. The independent directors, meeting in executive session in November 2009, selected Michael D. Mangan to serve as the Lead Director, and he continues to act in that role. The duties of the Lead Director are to (i) preside at executive sessions of the Board, and brief the Chairman and CEO, as needed, following such sessions; (ii) preside at meetings of the Board where the Chairman is not present; (iii) call meetings of the independent directors; (iv) provide input on Board agendas and meeting schedules; (v) provide feedback to the Chairman and CEO on the quality of information received from management; and (vi) participate with the Chairman and CEO, and the Nominating/Corporate Governance Committee in interviewing Board candidates. The Lead Director position generally has had a two-year term. In November 2017, the Board determined to extend Mr. Mangan's current term through March 2018 to align the selection of the Lead Director with the annual shareholders meeting and other Board and Committee appointment decisions.

The Board believes that the combined Chairman and CEO structure, coupled with an independent Lead Director, the use of regular executive sessions of the non-management Directors, and the substantial majority of independent directors comprising the Board, allows the Board to maintain effective oversight of the Company.

Board Committees

The Board of Directors has appointed the following Board Committees:

Audit Committee

The Charter of the Audit Committee provides that the Committee is to assist the Board of Directors in fulfilling its oversight responsibility relating to:

the integrity of McCormick's financial statements, the financial reporting process, and the systems of internal accounting and financial controls;

the performance of McCormick's internal audit function;

the appointment, engagement and performance of McCormick's independent registered public accounting firm and the evaluation of the independent registered public accounting firm's qualifications and independence;

compliance with McCormick's business ethics and confidential information policies and legal and regulatory requirements, including McCormick's disclosure controls and procedures; and

the evaluation of enterprise risk management process issues.

In so doing, it is the responsibility of the Audit Committee to maintain free and open communication between the Committee, the independent registered public accounting firm, the internal auditors, and management of McCormick and to resolve any disagreements between management and the independent registered public accounting firm regarding financial reporting. The Committee also performs other duties and responsibilities set forth in a written Charter approved by the Board of Directors. The Charter of the Audit Committee is available on McCormick's Investor Relations website at ir.mccormick.com under "Corporate Governance," then "Board Committees."

The Nominating/Corporate Governance Committee and the Board of Directors have determined that all members of the Audit Committee satisfy the independence requirements of the NYSE's Listing Standards, the rules of the SEC, and McCormick's Corporate Governance Guidelines. No member of the Audit Committee serves on the audit committees of more than three public companies. The Board of Directors has also determined that at least one member qualifies as an "audit committee financial expert" under SEC rules.

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Compensation Committee

The Compensation Committee has the following principal duties and responsibilities:

review McCormick's executive compensation programs to ensure that they (i) effectively motivate the CEO and other executive officers to achieve our financial goals and strategic objectives; (ii) properly align the interests of these employees with the long-term interests of our stockholders; and (iii) are sufficiently competitive to attract and retain the executive resources necessary for the successful management of our businesses;

review trends in executive compensation, oversee the development of new compensation plans (including performance-based, equity-based, and other incentive programs, as well as salary, bonus and deferred compensation arrangements) and, when appropriate, make recommendations to the Board regarding revisions to existing plans and/or approve revisions to such plans;

annually review and approve corporate goals and objectives relevant to McCormick's CEO and other executive officers, evaluate the performance of such individuals against those goals and objectives, and approve the compensation for such individuals;

annually evaluate the relationship between the Company's overall compensation policies and practices and risk;

annually evaluate the compensation of the members of the Board; and

review McCormick's management succession plan for the CEO and other executive officers.

These duties and responsibilities are set forth in a written Charter approved by the Board which is available on McCormick's Investor Relations website at ir.mccormick.com under "Corporate Governance," then "Board Committees."

Pursuant to its Charter, the Committee has the authority to delegate certain of its responsibilities to a subcommittee; however, to date no such delegation has been made. The Committee has the authority to administer McCormick's equity plans for the CEO and other executive officers. The Committee is responsible for all determinations with respect to participation, the form, amount and timing of any awards to be granted to any such participants, and the payment of any such awards.

All members of the Committee qualify as independent directors under McCormick's Corporate Governance Guidelines and the NYSE's Listing Standards, and as "non-employee directors" and "outside directors" for the purposes set forth in the Committee's Charter.

Nominating/Corporate Governance Committee

The Nominating/Corporate Governance Committee assists the Board by:

developing and implementing corporate governance guidelines;

establishing criteria for the selection of nominees for election to the Board, and identifying and recommending qualified individuals to serve as members of the Board;

evaluating and making recommendations regarding the size and composition of the Board and its Committees (including making determinations concerning the composition of the Board and its Committees under the applicable requirements of the SEC and the NYSE); and

monitoring a process to assess the effectiveness of the Board and its Committees.

The Committee is also responsible for performing other duties and responsibilities set forth in a written Charter approved by the Board of Directors. The Charter of the Committee and McCormick's Corporate Governance Guidelines are available on McCormick's Investor Relations website at ir.mccormick.com under "Corporate Governance," then "Board Committees."

All members of the Committee qualify as independent directors under McCormick's Corporate Governance Guidelines and the NYSE Listing Standards.

Committee Membership and Meetings

The table below shows the current members of each of the Committees and the number of meetings held by each Committee in fiscal 2017.

Name	Audit Compensation	Nominating/ Corporate Governance
Michael A. Conway		
J. Michael Fitzpatrick		
Freeman A. Hrabowski, III		Chair
Patricia Little	Chair	
Michael D. Mangan ⁽¹⁾	Chair	
Maritza G. Montiel		

Margaret M.V. Preston

Gary M. Rodkin

Jacques Tapiero

W. Anthony Vernon

Number of Committee Meetings Held in Fiscal 2017 9 7 4

(1) *Lead Director.*

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Director Attendance at Meetings

During fiscal 2017, there were six regular meetings, and four special meetings, of the Board. Each incumbent director attended at least 75% of the total number of meetings of the Board and each of the Board Committees on which he or she served. Messrs. Rodkin and Vernon, who were elected to the Board effective January 24, 2017 and May 23, 2017, respectively, attended at least 75% of the Board and Nominating/Corporate Governance Committee meetings following their election to the Board.

Each year, the Board of Directors meets on the same day as the Annual Meeting of Stockholders. Although there is no policy requiring Board members to attend the Annual Meeting of Stockholders, all Board members are encouraged to attend and typically do so. All Board members attended last year's Annual Meeting of Stockholders.

Risk Oversight

A summary of the allocation of general risk oversight functions among management, the Board and its Committees is as follows:

Continuous oversight of overall risks, with emphasis on strategic risks, as well as reputation and operational risks, along with oversight of the Company's risk management and risk mitigation processes at both the full Board and Board Committee levels

Oversees the risk management process, with an emphasis on risk management processes related to financial reporting, internal controls and financial risks

Compensation policies, practices and incentive-related risks, organizational talent and culture, and management succession risks

Governance structure, Board composition and succession risks

Responsible for the day-to-day management of the risks facing the Company

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Board of Directors

The full Board assesses the Company's strategic direction and operational risks throughout the year. In addition, management annually provides the Board with an enterprise risk management ("ERM") review of the strategic risk issues and major trends that may impact business functions and the Company's overall risk profile, with recommendations for responsive action on ERM issues as needed. These plans and related risks are monitored throughout the year as part of the regular financial and performance reports given to the Board and Board Committees by management.

In addition to the formal compliance program, the Board encourages management to promote a corporate culture that incorporates risk management into the Company's corporate strategy and day-to-day business operations.

Audit Committee

The Board has designated the Audit Committee to take the lead in overseeing the risk management process. The Audit Committee makes regular reports to the Board regarding briefings by management and advisors as well as the Committee's own analysis and conclusions regarding the adequacy of the Company's risk management process.

Compensation Committee

The Compensation Committee considers the relationship between the Company's compensation policies and practices for all employees and risk, including whether such policies and practices encourage imprudent risk taking, and/or would be reasonably likely to have a material adverse effect on the Company. In performing its responsibilities, the Committee receives regular reports on compensation matters and trends from the Committee's independent compensation consultant. In 2017, the Compensation Committee evaluated the current risk profile of our executive and broad-based compensation programs, as discussed below in "Performance-Based Compensation and Risk." Additionally, the Compensation Committee reviewed the Company's incentive plans (executive and broad-based) to determine if any practices might encourage excessive risk taking on the part of senior executives. The Committee noted features of the Company's incentive plans (executive and broad-based) that mitigate risk, including the use of multiple measures in our annual and long-term incentive plans, Compensation Committee discretion in payment of incentives in the executive plans, use of various types of long-term incentives, payment caps, significant stock ownership guidelines, and our clawback policy. In light of these analyses, the Compensation Committee believes that the Company's compensation programs (executive and broad-based) provide multiple and effective safeguards to protect against undue risk.

Nominating/Corporate Governance Committee

The Nominating/Corporate Governance Committee oversees risks related to corporate governance and Board composition. The Committee establishes criteria (for approval of the Board) for the selection of nominees for election to the Board, and reviews, evaluates and makes recommendations to the Board about its Committee structure and operations to ensure a commitment to effective governance.

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Certain individuals nominated for election to the Board of Directors hold, or have held in the past five years, directorships in other public companies:

Name	Current	2017	2016	2015	2014	2013
Michael A. Conway	—	—	—	—	—	—
J. Michael Fitzpatrick	Ingevity Corp.	Ingevity Corp.	Ingevity Corp.	—	—	—
Freeman A. Hrabowski, III	T. Rowe Price Group, Inc.	T. Rowe Price Group, Inc.	T. Rowe Price Group, Inc.	T. Rowe Price Group, Inc.	T. Rowe Price Group, Inc.	T. Rowe Price Group, Inc.
Lawrence E. Kurzius	—	—	—	—	—	—
Patricia Little	—	—	—	—	—	—
Michael D. Mangan	Nutrisystem, Inc.	Nutrisystem, Inc.	Nutrisystem, Inc.	Nutrisystem, Inc.	—	—
Maritza G. Montiel	AptarGroup, Inc.	AptarGroup, Inc.	AptarGroup, Inc.	AptarGroup, Inc.	—	—
Margaret M.V. Preston	Royal Caribbean Cruises Ltd.	Royal Caribbean Cruises Ltd.	Royal Caribbean Cruises Ltd.	Royal Caribbean Cruises Ltd.	—	—
Gary M. Rodkin	Simon Property Group, Inc.	Simon Property Group, Inc.	Simon Property Group, Inc.	Simon Property Group, Inc.	Simon Property Group, Inc.	Avon Products, Inc.
Jacques Tapiero	—	—	—	—	—	—
W. Anthony Vernon	Intersect ENT, Inc.	Intersect ENT, Inc.	Intersect ENT, Inc.	Intersect ENT, Inc.	Intersect ENT, Inc.	Kraft Foods Group, Inc.
	Novocure Limited	Novocure Limited	Novocure Limited	Novocure Limited	Novocure Limited	Novocure Limited
	Axovant Sciences, Inc.	Axovant Sciences, Inc.	Medivation, Inc.	Medivation, Inc.	Medivation, Inc.	Medivation, Inc.

WhiteWave WhiteWave Kraft Foods
Foods Company Foods Company Group, Inc.

Stock Ownership and Service on Other Boards

It is expected that each non-management director will acquire, within five years after his or her election to the Board, a number of shares having a value at least equal to four times the annual retainer paid to such member for service on the Board. The annual retainer was \$90,000 during 2017. The annual retainer is paid in quarterly installments with the first quarterly installment upon election to the Board being paid in Common Stock to assist in meeting the Company's stock ownership expectations (subsequent quarterly payments are paid in cash). Such ownership must thereafter be maintained while serving on the Board.

No director of the Company may serve on the boards of more than four other publicly traded companies while also serving on McCormick's Board.

All nominees are currently in compliance with these Board membership requirements, with the exception of Ms. Montiel and Messrs. Conway, Rodkin and Vernon with respect to the stock ownership requirement. Ms. Montiel and Mr. Conway joined the Board in 2015 and have until 2020 to meet the stock ownership requirement, while Messrs. Rodkin and Vernon joined the Board in 2017 and have until 2022.

Compensation Committee Interlocks and Insider Participation

No member of the Compensation Committee is, or during fiscal 2017 was, an officer or an employee of McCormick or any of its subsidiaries, and no Committee member has any interlocking relationship with McCormick which is required to be reported under applicable rules and regulations of the SEC. For a discussion of insider participation in certain transactions, see "Procedure Regarding Transactions with a Related Person" above.

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The following table sets forth the compensation earned by the non-management directors for services rendered during the fiscal year ended November 30, 2017:

Name	Fees Earned or Paid in Cash (\$) ⁽¹⁾	Stock Awards (\$) ⁽²⁾⁽³⁾	Option Awards (\$) ⁽²⁾	Total (\$)
Michael A. Conway	90,000	100,014	60,015	250,029
J. Michael Fitzpatrick	90,000	100,014	60,015	250,029
Freeman A. Hrabowski, III	105,000	100,014	60,015	265,029
Patricia Little	105,000	100,014	60,015	265,029
Michael D. Mangan	120,000	100,014	60,015	280,029
Maritza G. Montiel	90,000	100,014	60,015	250,029
Margaret M.V. Preston	90,000	100,014	60,015	250,029
Gary M. Rodkin	67,500	122,586	60,015	250,101
Jacques Tapiero	90,000	100,014	60,015	250,029
W. Anthony Vernon	45,000	115,082	60,017	220,099

Lawrence E. Kurzius, Chairman, President & Chief Executive Officer, and Alan D. Wilson, Former Executive Chairman of the Board, are members of the Board of Directors and are or were also executive officers of the Company during fiscal 2017. Messrs. Kurzius' and Wilson's compensation for fiscal 2017 is set forth below under "Compensation of Executive Officers."

(1) Amounts shown include fees deferred at the election of the director as follows: Dr. Hrabowski – \$105,000; Ms. Preston – \$90,000 and Mr. Tapiero – \$90,000.

(2) Amounts shown represent the aggregate grant date fair values computed in accordance with FASB ASC Topic 718 for each director. Awards include grants of RSUs (Stock Awards) and options (Option Awards) under the 2013 Omnibus Incentive Plan. For a discussion of the assumptions used in determining these values, see Note 11 to our 2017 financial statements.

(3) Amounts shown include RSUs granted in 2017 and deferred at the election of the following director: Ms. Preston. The amounts shown for Messrs. Rodkin and Vernon include the value of the Common Stock shares which was paid to them as their first quarterly, pro rated, Board retainer payment (see "Narrative to the Director Compensation Tables" below).

Options and RSUs

The following chart sets forth the number of exercisable and unexercisable options (exercisable for Common Stock and Common Stock Non- Voting, as indicated) and unvested RSUs held by each non-management director that served during fiscal 2017, as of November 30, 2017:

Name	Exercisable Options		Unexercisable Options		Unvested RSUs	
	Common Stock	Common Stock Non-Voting	Common Stock	Common Stock Non-Voting	Common Stock	Common Stock Non-Voting
Michael A. Conway	10,000	0	3,408	0	1,039	0
J. Michael Fitzpatrick	30,000	0	3,408	0	1,039	0
Freeman A. Hrabowski, III	41,250	3,750	3,408	0	1,039	0
Patricia Little	30,000	1,250	3,408	0	1,039	0
Michael D. Mangan	37,500	2,500	3,408	0	1,039	0
Maritza G. Montiel	10,000	0	3,408	0	1,039	0
Margaret M.V. Preston	41,250	3,750	3,408	0	1,039	0
Gary M. Rodkin	0	0	3,408	0	1,039	0
Jacques Tapiero	22,500	0	3,408	0	1,039	0
W. Anthony Vernon	0	0	3,260	0	990	0

Narrative to the Director Compensation Tables

Directors who are employees of McCormick do not receive any fees for their service as a director. Mr. Kurzius was an employee of the Company during the whole of fiscal 2017 and Mr. Wilson was an employee of the Company through January 2017, at which time he began to receive fees for his service as a director.

The cash components of non-management director compensation are: (i) an annual retainer of \$90,000, paid in equal quarterly installments (the first quarterly installment upon election to the Board is paid in Common Stock; subsequent quarterly payments are paid in cash), and (ii) for a director who serves as the Lead Director and/or as a Board Committee chair, an additional annual retainer of \$15,000 in cash (paid in equal quarterly installments). Based on an assessment of compensation for non-management directors conducted in 2017, changes were approved, effective April 1, 2018, to increase the additional annual retainers for the Audit Committee Chair and the Lead Director to \$20,000 and \$25,000, respectively.

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In addition, non-management directors received an annual option grant in whole shares of common stock approximating the value of \$60,000 under the 2013 Omnibus Incentive Plan. The shares subject to these options vest in full on March 15 of the year following the year in which the grant date occurs, provided that the director continues to serve on the Board until such date. Non-management directors also received an annual RSU grant in whole shares approximating the value of \$100,000. The RSUs vest in full on March 15 of the year following the year in which the grant date occurs, provided that the director continues to serve on the Board until such date. All outstanding stock options become fully exercisable and all outstanding RSUs vest in the event of disability or death of the participant, or a change in control of McCormick, while the director is serving on the Board.

Directors are eligible to participate in the McCormick Non-Qualified Retirement Savings Plan. Pursuant to this plan, directors may elect to defer anywhere from 10% to 100% of their cash Board fees. McCormick makes no contributions to the Directors' Non-Qualified Retirement Savings Plan accounts. For all plan participants, including directors, the deferred amounts are recorded in a notional deferred compensation account and change in value based upon the gains and losses of benchmark fund alternatives (one of which tracks the performance of McCormick stock) selected by the participant. Plan participants may generally elect to change their fund choices at any time (there are certain restrictions applicable to participants subject to Section 16 of the Exchange Act). Director participants may elect the deferred amounts plus earnings to be distributed either six months following retirement from the Board or on an interim distribution date. Distributions upon a director's retirement from the Board are paid in either a lump-sum or in 5 year, 10 year, 15 year or 20 year installments, based on the director's distribution election. Interim distributions are paid on a lump-sum basis and the distribution date must be at least four years from the date of the deferral election. If a director leaves the Board prior to the interim distribution date, then his or her plan balance will be paid as either a lump sum distribution or as indicated in the retirement distribution election. Participants may make a change to their distribution election subject to the requirements of the plan and Section 409A of the Internal Revenue Code of 1986, as amended. Amounts deferred under the Non-Qualified Retirement Savings Plan are held in a "rabbi" trust and remain subject to the claims of McCormick's creditors until they are paid.

Prior to the grant of RSUs, directors may elect to defer receipt of the underlying common stock upon vesting. If the director so elects, the director will not be considered the owner of the underlying common stock and will not receive voting rights or dividends on the stock until the deferral period expires, which is a date specified by the director or six months after the director's departure from the Board. At the expiration of the deferral period, the director becomes the owner of the underlying common stock.

[Back to Contents](#)**PROPOSAL 1 ELECTION OF DIRECTORS****Director Nominees**

The persons listed in the following table have been nominated by the Board for election as directors to serve until the next Annual Meeting of Stockholders or until their respective successors are duly elected and qualified. All nominees currently serve as directors. Management has no reason to believe that any of the nominees will be unavailable for election. In the event a nominee is unable to serve on the Board, or will not serve for good cause, the proxy holders will have discretionary authority for the election of any person to the office of such nominee. Alternatively, the Board may elect to reduce the size of the Board. W. Anthony Vernon joined the Board in May 2017 and is standing for election for the first time. Mr. Vernon was identified as a potential director by a third party search firm.

The following table shows the names and ages of all nominees, the principal occupation and business experience of each nominee during the last five years, the year in which each nominee was first elected to the Board, and, as of the Record Date, the amount of McCormick stock beneficially owned by each nominee, and the directors and executive officers of McCormick as a group, and the nature of such ownership. Except as shown in the table or footnotes, no nominee or executive officer beneficially owns more than 1% of either class of McCormick common stock.

Required Vote of Stockholders

The affirmative vote of a majority of all votes cast by holders of the shares of Common Stock present in person or by proxy at a meeting at which a quorum is present is required for the election of each nominee.

The Board of Directors recommends that stockholders vote FOR each of the nominees listed below.

Director Nominees

Name	Principal Occupation & Business Experience	Amount and Nature of Beneficial Ownership ⁽¹⁾	
		Common	Common Non-Voting

Michael A. Conway Age 51 Year First Elected 2015	President, Licensed Stores, U.S. and Latin America (2016 to present); President, Global Channel Development, Starbucks Coffee Company (2013 to 2016); President, McNeil Nutritional, a division of Johnson & Johnson (2010 to 2013)	12,500 <i>10,000</i> ⁽²⁾	0 <i>0</i> ⁽²⁾
J. Michael Fitzpatrick Age 71 Year First Elected 2001	Retired Executive (2012 to present); Chairman (2007 to 2012), Chief Executive Officer (2007 to 2010), Citadel Plastics Holdings, Inc.	73,863 <i>31,500</i> ⁽²⁾	12,702 <i>500</i> ⁽²⁾
Freeman A. Hrabowski, III Age 67 Year First Elected 1997	President, University of Maryland, Baltimore County (1992 to present)	87,441 <i>56,325</i> ⁽²⁾	10,099 <i>5,867</i> ⁽²⁾
Lawrence E. Kurzius Age 59 Year First Elected 2015	Chairman, President & Chief Executive Officer (2017 to present); President & Chief Executive Officer (2016 to 2017); Chief Operating Officer & President (2015 to 2016); President – Global Consumer (2013 to 2016); President – Global Consumer & Chief Administrative Officer (2013 to 2015); President – McCormick International (2008 to 2013); McCormick & Company, Incorporated	363,742 <i>291,236</i> ⁽²⁾ <i>(3.5%)</i>	0 <i>0</i> ⁽²⁾
Patricia Little Age 57 Year First Elected 2010	Senior Vice President and Chief Financial Officer, The Hershey Company (2015 to present); Executive Vice President and Chief Financial Officer, Kelly Services, Inc. (2008 to 2015)	40,497 <i>30,000</i> ⁽²⁾	1,946 ⁽³⁾ <i>1,250</i> ⁽²⁾
Michael D. Mangan Age 61 Year First Elected 2007	Retired Executive (2010 to present); President, Worldwide Power Tools and Accessories, The Black & Decker Corporation (2008 to 2010); Senior Vice President, Chief Financial Officer, The Black & Decker Corporation (2000 to 2008)	52,575 <i>37,500</i> ⁽²⁾	4,617 <i>2,500</i> ⁽²⁾
Maritza G. Montiel Age 66 Year First Elected 2015	Retired Executive (2014 to present); Deputy Chief Executive Officer & Vice Chairman (2011 to 2014) Managing Partner (2009 to 2011), Deloitte LLP	10,000 <i>10,000</i> ⁽²⁾	2,500 <i>0</i> ⁽²⁾

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Name	Principal Occupation & Business Experience	Amount and Nature of Beneficial Ownership ⁽¹⁾	
		Common	Common Non-Voting
Margaret M.V. Preston Age 60 Year First Elected 2003	Managing Director, Private Wealth Management, TD Bank (2014 to present); Managing Director US Trust, Bank of America Private Wealth Management (2008 to 2014)	73,829	11,805
Gary M. Rodkin Age 65 Year First Elected 2017	Retired Executive (2015 to present); President and Chief Executive Officer, ConAgra Foods, Inc. (2005 to 2015)	240 <i>0</i> ⁽²⁾	0 <i>0</i> ⁽²⁾
Jacques Tapiero Age 59 Year First Elected 2012	Retired Executive (2014 to present); Director, Esteve – Spain (2016 to present); Senior Advisor, McKinsey & Company LLC (2014 to present); Senior Vice President and President, Emerging Markets (2009 to 2014); President, Intercontinental Region (2004 to 2009); Eli Lilly and Company	29,164 <i>23,844</i> ⁽²⁾	1,310 <i>0</i> ⁽²⁾
W. Anthony Vernon Age 62 Year First Elected 2017	Retired Executive (2015 to present); Senior Advisor and Executive Director (2014 to 2015) and Chief Executive Officer (2012 to 2014), Kraft Foods Group, Inc.	147 <i>0</i> ⁽²⁾	0 <i>0</i> ⁽²⁾
Directors and Executive Officers as a Group (18 persons)		2,477,427 <i>2,005,738</i> ⁽²⁾ (20.6%)	130,294 <i>78,563</i> ⁽²⁾

Includes (i) shares of Common Stock and Common Stock Non-Voting beneficially owned by directors and executive officers alone or jointly with spouses, minor children, and relatives (if any) who have the same home as the director or executive officer; (ii) shares of Common Stock that are beneficially owned by virtue of participation in (1) the McCormick 401(k) Retirement Plan: Mr. Kurzius – 6,972, Mr. Wilson – 10,801, executive officers as a group – 19,925; and (iii) shares of Common Stock which are beneficially owned by virtue of participation in the Non-Qualified Retirement Savings Plan: Dr. Fitzpatrick – 8,619; Dr. Hrabowski – 11,713; Mr. Kurzius – 13,907, Ms. Preston – 9,447; Mr. Tapiero – 508 and Mr. Wilson – 1,117.

⁽²⁾ *Number of shares included in the above number which can be acquired within 60 days of the Record Date pursuant to the exercise of stock options and/or the vesting of RSUs and/or shares earned under the LTPP.*

⁽³⁾ *Includes 201 shares held for a family member in a separate household over which Ms. Little exercises voting and investment control.*

[Back to Contents](#)**EXECUTIVE OFFICERS****Named Executive Officers**

The following table shows, as of the Record Date, the names, ages and positions of the executive officers named in the Summary Compensation Table (the “Named Executive Officers”), the amount of Common Stock and Common Stock Non-Voting beneficially owned by each such executive officer, and the nature of such ownership. Except as shown in the table, no executive officer owns more than 1% of either class of McCormick common stock. Mr. Kurzius is also included in the director nominee table.

Name	Principal Position	Amount and Nature of Beneficial Ownership ⁽¹⁾	
		Common	Common Non-Voting
Lawrence E. Kurzius Age 59	Chairman, President & Chief Executive Officer	363,742	0
		291,236 ⁽²⁾ (3.5%)	0 ⁽²⁾
Michael R. Smith Age 53	Executive Vice President & Chief Financial Officer (2016 to present); Senior Vice President, Corporate Finance (2015 to 2016); Senior Vice President, Finance Capital Markets & Chief Financial Officer North America (2014 to 2015); Chief Financial Officer & Vice President Finance EMEA (2012 to 2014); Vice President, Treasury & Investor Relations (2011 to 2012); McCormick & Company, Inc.	69,359	7,924
		53,459 ⁽²⁾	4,575 ⁽²⁾
Brendan M. Foley Age 52	President, Global Consumer and Americas (2017 to present); President, Global Consumer and North America (2016 to 2017); President, North America (2015 to 2016); President, U.S. Consumer Foods Division (2014 to 2015); McCormick & Company; President North American Zone (2013 to 2014); President U.S. Consumer Products (2012 to 2013); President, U.S. Food Service (2008 to 2012); H.J. Heinz Co.	51,604	0
		49,824 ⁽²⁾	0 ⁽²⁾
Jeffery D. Schwartz Age 48	Vice President, General Counsel & Secretary (2014 to present); Associate General Counsel & Assistant Secretary (2011 to 2014); Associate Counsel & Assistant Secretary (2009 to 2011); McCormick & Company, Inc.	32,648	203
		30,367 ⁽²⁾	0 ⁽²⁾
Malcolm Swift Age 57	President, Global Industrial and McCormick International (2016 to present); President, Global Industrial (2015 to 2016); President – EMEA and Asia Pacific (2014 to present); President – EMEA (2008 to 2014); McCormick & Company, Inc.	115,566	268
		105,024 ⁽²⁾	0 ⁽²⁾
Alan D. Wilson Age 60	Retired Executive (2017 to present); Executive Chairman of the Board (2016 to 2017); Chairman (2009 to 2016); Chief Executive Officer (2008 to 2016); President (2007 to 2015); McCormick & Company, Incorporated	1,425,212 ⁽³⁾	75,567 ⁽³⁾
		1,197,801 ⁽²⁾ (12.7%)	58,600 ⁽²⁾

Includes: (i) shares of Common Stock and Common Stock Non-Voting beneficially owned by the executive officers alone or jointly with spouses, minor children and relatives (if any) who have the same home as the executive officer; (ii) shares of Common Stock which are beneficially owned by virtue of participation in the McCormick 401(k) Retirement Plan: Mr. Kurzius – 6,972, Mr. Smith – 2,152 and Mr. Wilson – 10,801; and (iii) shares of Common Stock which are beneficially owned by virtue of participation in the Non-Qualified Retirement Savings Plan: Mr. Kurzius – 13,907 and Mr. Wilson – 1,117.

(2) Number of shares included in the above number which can be acquired within 60 days of the Record Date pursuant to the exercise of stock options and/or the vesting of RSUs and/or shares earned under the LTTP.

Includes 1,425,212 shares of Common Stock (1,197,801 shares of which can be acquired within 60 days of the Record Date) and 75,567 of Common Stock Non-Voting (58,600 shares of which can be acquired within 60 days of the Record Date) beneficially owned by Alan D. Wilson, as well as, 35,579 shares of Common Stock and 11,081 shares of Common Stock Non-Voting, respectively, held in a charitable trust for the Wilson Family Foundation, (3) and 47,075 shares of Common Stock held in two separate grantor retained annuity trusts. Mr. Wilson serves as a trustee of each trust. Also includes 25,646 shares of Common Stock held in the Wilson Family Trust, as well as 5,818 shares of Common Stock and 34 shares of Common Stock Non-Voting, respectively, 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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COMPENSATION OF EXECUTIVE OFFICERS

COMPENSATION DISCUSSION AND ANALYSIS

Introduction

The purpose of this Compensation Discussion and Analysis (CD&A) is to provide stockholders with a description of the material elements of McCormick's compensation program for its executive officers, including the Named Executive Officers, for fiscal 2017 and the policies and objectives which support the program. The compensation details are reflected in the compensation tables and accompanying narratives which follow.

The CD&A is divided into the following sections:

Our Executive Compensation Philosophy and Practices

Principles of McCormick's Executive Compensation Policy

Overview of Our Executive Compensation Program for Fiscal 2017

How We Determined Executive Compensation for Fiscal 2017

Elements of Executive Compensation

Performance-Based Compensation and Risk

Our Executive Compensation Philosophy and Practices

The core principles of McCormick's executive compensation program continue to be pay for performance while retaining key talent. McCormick's compensation program is designed to align McCormick's executive compensation with long-term stockholder interests. The framework of our executive compensation programs includes the governance features and other specific elements discussed below:

Compensation Practice

Pursued at McCormick?

Best Practice

Independent Compensation Committee and Consultant

YES. McCormick’s Compensation Committee is comprised solely of independent directors. As well, the Committee’s compensation consultant, Exequity L.L.P., (i) is retained directly by the Committee; (ii) performs no consulting or other services for McCormick; and (iii) is independent and there are no conflicts of interest with regard to the work of Exequity L.L.P.

Compensation Risk Assessments

YES. The Compensation Committee’s annual review and approval of McCormick’s compensation strategy includes a review of compensation-related risk management. In this regard, the Compensation Committee annually considers the relationship between the Company’s overall compensation policies and practices for employees, including executive officers, and risk, including whether such policies and practices (i) encourage imprudent risk taking, and/or (ii) would be reasonably likely to have a material adverse effect on the Company. The Committee believes that the Company’s compensation programs (executive and broad-based) provide multiple and effective safeguards to protect against undue risk.

Favorable Risk Assessment for Fiscal 2017

YES. Exequity L.L.P., the Compensation Committee’s independent consultant, assessed the Company’s compensation policies and practices in fiscal 2017 and concluded that they do not motivate imprudent risk taking.

Limited Perquisites and No Tax Gross-Ups

YES. The NEO’s receive a limited number of personal benefits and the Company does not provide tax gross-ups for personal benefits making these benefits fully taxable to the recipient.