

COMPASS MINERALS INTERNATIONAL INC
Form DEF 14A
March 21, 2017

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**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:

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- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material under §240.14a-12

Compass Minerals International, Inc.

(Name of Registrant as Specified In Its Charter)

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

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-

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**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD MAY 3, 2017**

To our Stockholders:

We cordially invite you to attend the 2017 annual meeting of stockholders of Compass Minerals International, Inc. The meeting will take place at our headquarters, located at 9900 West 109th Street, Suite 100, Overland Park, Kansas 66210, on Wednesday, May 3, 2017, at 9:00 a.m. We look forward to your attendance either in person or by proxy.

At the meeting, our stockholders will be asked to consider and act upon the following items of business:

1. Elect three directors, each for a term of three years;
2. Approve, on an advisory basis, the compensation of our named executive officers;
3. Approve, on an advisory basis, the frequency of the advisory approval of our named executive officer compensation;
4. Ratify the appointment of Ernst & Young LLP as our independent registered accounting firm for 2017; and
5. Consider any other business that may properly come before the meeting and any postponement or adjournment of the meeting.

Only stockholders of record as of the close of business on March 6, 2017, may vote at the meeting or any postponements or adjournments of the meeting. We have elected to provide access to our proxy materials over the Internet under the Securities and Exchange Commission's "notice and access" rules again this year. This process reduces the costs of printing and distributing our proxy materials while reducing the environmental impact of our annual meeting. If you would like more information, please see the Questions and Answers section of this proxy statement.

Your vote is very important. Please vote regardless of whether or not you plan to attend our annual meeting.

By Order of the Board of Directors,

Diana C. Toman

Senior Vice President, General Counsel
and Secretary

March 21, 2017

To make it easier for you to review the proxy statement and vote, we offer four options:

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**via the
Internet**

Visit www.proxyvote.com.

by mail

Sign, date and return your proxy card or voting instruction form.

by phone

Call the telephone number on your proxy card, voting instruction form or notice of internet availability.

in person

Attend the annual meeting and bring photo identification (beneficial owners must also bring a legal proxy from a record holder).

Important Notice Regarding the Availability of Proxy Materials: This Notice of Meeting, this Proxy Statement and our 2016 Annual Report are available at www.proxyvote.com (with your investor identification number) and www.compassminerals.com.

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PROXY STATEMENT SUMMARY

This summary highlights information contained elsewhere in this Proxy Statement. It does not contain all of the information you should consider, and you should read the entire Proxy Statement carefully before voting. References in this Proxy Statement to the "Company," "Compass Minerals," "we," "us" and "our" refer to Compass Minerals International, Inc.

2017 Annual Meeting of Stockholders

Date:	May 3, 2017
Time:	9:00 a.m., local time
Place:	Compass Minerals' headquarters, located at 9900 West 109 th Street, Suite 100, Overland Park, Kansas
Record Date:	March 6, 2017
Voting:	Stockholders as of the close of business on March 6, 2017 (the record date) are entitled to one vote per share of common stock

Voting Matters and our Board of Director's Recommendation

	Agenda Item	Board Vote Recommendation	Page Reference
Item 1:	Elect three directors	FOR each Director Nominee	8
Item 2:	Approve, on an advisory basis, the compensation of the Company's named executive officers	FOR	27
Item 3:	Approve, on an advisory basis, the frequency of the advisory approval of the Company's named executive officer compensation	EVERY "1 YEAR"	28
Item 4:	Ratify the appointment of Ernst & Young LLP as the company's independent registered accounting firm for 2017	FOR	63

In addition to these matters, stockholders may be asked to vote on such other business as may properly come before our 2017 annual meeting of stockholders (the "Annual Meeting").

Director Nominees

Stockholders are being asked to elect Valdemar L. Fischer, Richard S. Grant and Amy J. Yoder as directors, who have each been nominated by our Board of Directors (our "Board of Directors" or "Board").

Our stockholders expect our Board to oversee management performance, ensure the long-term interests of our stockholders are being served, monitor risks and adherence to our policies and perform the duties and responsibilities assigned to our Board under our Bylaws and the laws of the State of Delaware, our state of incorporation. To fulfill these responsibilities, our Board is committed to being comprised of directors who bring diverse backgrounds, viewpoints and perspectives. We believe each of our directors' qualifications add to the overall performance of our Board. The following table and charts provide an overview of each of our directors, including our three nominees. Additional information

about each director's background and experience can be found in the "2017 Nominees for Director and Continuing Directors" section of this Proxy Statement.

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Board Snapshot

Corporate Governance Highlights

Our Board of Directors places great value on strong governance controls and regularly evaluates and implements emerging best practices. Set forth below are key highlights of our corporate governance practices that are further discussed beginning on page 14 of this Proxy Statement:

Our Board believes it is appropriately sized with nine members.

Our Board annually reviews its size and composition and assesses its ability to function effectively and with appropriate expertise and diversity. With the acquisition of a Brazilian subsidiary, the Board determined that it needed to increase its size to add a director with Brazilian agricultural experience. In February 2017, the Board appointed Valdemar L. Fischer to the Board to stand for election at our Annual Meeting.

Our Board leadership consists of a Lead Independent Director and independent directors serving as all Board committee chairs. Our Lead Independent Director has a strong role and significant corporate governance responsibilities, including coordinating with our Chief Executive Officer (our "CEO") on Board meeting agendas and approval of final agendas.

All of our directors except our CEO are independent with varying degrees of tenure on our Board.

We value diversity, which is exhibited in the diversity of our directors' genders, ethnicities, areas of professional expertise and backgrounds.

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Our Board met four times in 2016. The Board held executive sessions of independent directors at each regularly scheduled Board meeting and Board committee meeting in 2016. During 2016, each director attended at least 75% of all Board meetings and meetings of each Board committee on which he or she served.

Our Board includes two audit committee financial experts.

Our Board oversees our enterprise risk management process and succession plans for all executive officers.

Our Board recognizes the environmental, health and safety risks that are inherent in our business and actively oversees our compliance with environmental, health and safety initiatives through its Environmental, Health and Safety Committee (the "EHS Committee").

Our anti-hedging policy prohibits all directors, executive officers and employees from engaging in short sales of our securities and from buying, selling or investing in Company-based derivative securities, including entering into any hedging transactions with respect to our securities or engaging in comparable transactions.

Self-evaluations for our Board as a whole, each Board committee and individual directors are conducted on an annual basis.

All directors are in compliance with our Stock Ownership Guidelines requiring significant director ownership of our common stock.

Advisory Approval of Executive Compensation

Stockholders are being asked to approve, on an advisory basis, the compensation of our named executive officers ("NEOs"), commonly referred to as a "say-on-pay vote." Our Board and the Compensation Committee value the opinions expressed by our stockholders and will continue to consider the results of this say-on-pay vote when evaluating our executive compensation program in the future.

Advisory Approval of Frequency of the Advisory Approval on Executive Compensation

Stockholders are being asked to approve, on an advisory basis, a recommendation as to how often we should include a say-on-pay vote in our proxy materials for future annual meetings of our stockholders. Our Board believes say-on-pay votes should be conducted every year (as opposed to every two or three years) so that stockholders may annually express their views on our executive compensation program.

Executive Compensation Highlights

Our executive compensation program is designed to promote stockholder interests by aligning our compensation with the realization of our business objectives and stockholder value. Set forth below are key highlights of our executive compensation program that are further discussed in the "Compensation Discussion and Analysis" section of this Proxy Statement:

Our stockholders affirmed their support of our executive compensation program in 2016 by casting 97.95% of the votes in favor of our NEO compensation.

The performance of our executive officers is essential to achieving our goal of increasing stockholder value. Our executive compensation program has a significant portion of at-risk short-term and long-term components to ensure alignment of executive officer and stockholder interests.

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Our executives' total direct compensation consists of three principal elements (base salary, annual cash incentive bonuses based on Company and individual objectives and long-term equity incentives). Our Compensation Committee regularly reviews each of our NEO's total direct compensation to ensure they

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are tied to performance, competitive in comparison to our peers and appropriate to attract and retain top talent.

Our 2016 targeted fixed compensation for our CEO was 23% of his total direct compensation package, and for our other NEOs (other than John D. Craft, who is serving as Interim Chief Financial Officer), the targeted fixed compensation was 37% of their total direct compensation.

Variable compensation, which is comprised of cash incentive bonuses and long-term equity, was targeted for 2016 to constitute 77% of our CEO's total direct compensation and 63% of the total direct compensation of our other NEOs (other than Mr. Craft).

Our Management Annual Incentive Program ("MAIP") is our annual cash incentive bonus program, which rewards our executive officers for achieving stretch targets that emphasize Company-wide, business unit and individual executive performance. In 2016, our annual cash bonus under our MAIP paid out at 79% of target on average for our NEOs.

There were no discretionary bonuses to any of our NEOs.

A significant portion of our executive compensation is tied to long-term performance with 100% of our long-term incentive awards denominated and paid in equity rather than cash.

All executive officers are in compliance with our Stock Ownership Guidelines, which require significant executive ownership of Compass Minerals common stock.

Our Compensation Clawback Policy requires repayment of bonus or other incentive-based or equity-based compensation awarded or paid under our incentive plans in the event of a financial restatement. Our executives are subject to a strong "no fault" policy whether or not the executive officer's actions involve misconduct.

Under our 2015 Incentive Award Plan and our Corporate Governance Guidelines, stockholder approval is required to reprice any previously granted stock options.

Ratification of Auditors

Stockholders are being asked to ratify the selection of Ernst & Young LLP as our independent registered accounting firm for 2017.

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COMPASS MINERALS INTERNATIONAL, INC.
9900 West 109th Street, Suite 100
Overland Park, Kansas 66210
(913) 344-9200

2017 PROXY STATEMENT

Compass Minerals is a leading provider of essential minerals that solve nature's challenges, including salt for winter roadway safety and other consumer, industrial and agricultural uses; specialty plant nutrition minerals that improve the quality and yield of crops; and specialty chemicals for water treatment and other industrial processes. As of December 31, 2016, we operated 22 production and packaging facilities, including:

The largest rock salt mine in the world in Goderich, Ontario, Canada;

The largest dedicated rock salt mine in the U.K. in Winsford, Cheshire;

A solar evaporation facility located in Ogden, Utah, which is both the largest sulfate of potash ("SOP") specialty fertilizer production site and the largest solar salt production site in the Western Hemisphere;

Several mechanical evaporation facilities producing consumer and industrial salt; and

Multiple facilities producing essential agricultural nutrients and specialty chemicals in Brazil.

We provide highway deicing salt and other salt products to customers in the United States, Canada and the U.K. Our plant nutrition business produces and markets specialty plant nutrition products to distributors and retailers of crop inputs, as well as growers worldwide. Our principal plant nutrition product in North America is SOP. In October 2016, we significantly expanded our plant nutrition business with the acquisition of Produquímica Indústria e Comércio S.A. ("Produquímica"), which operates two primary businesses in Brazil agricultural productivity, which manufactures and distributes a broad offering of specialty plant nutrition solution-based products, and chemical solutions, which manufactures and markets specialty chemicals, primarily for the chemical and industrial markets and for use in the water treatment industry. In the U.K., we operate a records management business utilizing excavated areas of our Winsford salt mine with one other location in London, England.

Our Board of Directors is providing you this Proxy Statement in connection with the solicitation of proxies on its behalf for the Annual Meeting. The meeting will take place at our headquarters, 9900 West 109th Street, Suite 100, Overland Park, Kansas 66210 on Wednesday, May 3, 2017, at 9:00 a.m. local time. At the meeting, stockholders will vote on the election of three directors, advisory approval of the compensation of our NEOs, advisory approval of the frequency of the advisory approval of the company's NEO compensation and ratification of the appointment of Ernst & Young LLP as our independent registered accounting firm for 2017. In addition, stockholders will transact any other business that may properly come before the meeting, although we know of no other business to be presented.

By submitting your proxy, you authorize Diana C. Toman and Zoe A. Vantzog, both officers of Compass Minerals, to represent you and vote your shares at the meeting in accordance with your instructions. If you do not provide instructions, they will vote your shares consistent with the Board's recommendations. They also may vote your shares to adjourn the meeting and will be authorized to vote your shares at any postponements or adjournments of the meeting. Please note that if you are a beneficial owner of shares, you must obtain a legal proxy from the record holder and bring it to the meeting in order to vote in person.

Our proxy materials include this Proxy Statement, our 2016 Annual Report to Stockholders (the "Annual Report"), which includes our Annual Report on Form 10-K for the fiscal year ended December 31, 2016, and the proxy card or a voting instruction form. The Annual Report and the information contained on our website do not constitute a part of the proxy solicitation materials and are not incorporated by reference into this Proxy Statement.

YOUR VOTE IS VERY IMPORTANT. WHETHER OR NOT YOU PLAN TO ATTEND THE ANNUAL MEETING, WE ENCOURAGE YOU TO READ THIS PROXY STATEMENT AND SUBMIT YOUR PROXY OR VOTING INSTRUCTIONS AS SOON AS POSSIBLE.

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QUESTIONS AND ANSWERS ABOUT THE ANNUAL MEETING

What is the purpose of the Annual Meeting?

The purpose of the Annual Meeting is to consider and act upon the following proposals:

1. Elect three directors, each for a term of three years;
2. Approve, on an advisory basis, the compensation of our named executive officers;
3. Approve, on an advisory basis, the frequency of the advisory approval of our named executive officer compensation;
4. Ratify the appointment of Ernst & Young LLP as our independent registered accounting firm for 2017; and
5. Consider any other business that may properly come before the meeting and any postponement or adjournment of the meeting.

Members of our management team and a representative of Ernst & Young LLP are expected to be present at the meeting to respond to questions from stockholders.

Why did I receive a one-page notice in the mail regarding the Internet availability of proxy materials instead of a full set of proxy materials?

In accordance with rules adopted by the Securities and Exchange Commission (the "SEC"), we have elected to provide access to our proxy materials over the Internet. Accordingly, we are sending a Notice of Internet Availability of Proxy Materials (the "Notice of Internet Availability") to our stockholders. All stockholders will have the ability to access the proxy materials on the website referred to in the Notice of Internet Availability or request to receive a printed set of the proxy materials. Instructions on how to access the proxy materials over the Internet or to request a printed copy may be found in the Notice of Internet Availability. In addition, stockholders may request to receive proxy materials in printed form by mail or electronically by email on an ongoing basis.

How can I get electronic access to the proxy materials?

The Notice of Internet Availability will provide you with instructions regarding how to view our proxy materials for the Annual Meeting on the Internet and how to instruct us to send future proxy materials, including the Notice of Internet Availability, to you electronically by email. Our proxy materials are also available on our website at www.compassminerals.com.

What does it mean if I receive more than one Notice of Internet Availability of Proxy Materials or proxy card?

It means that your shares are held in more than one account at the transfer agent and/or with banks or brokers. Please vote all of your shares by voting by telephone or Internet with respect to each Notice of Internet Availability you receive, or by completing and returning each proxy card you receive.

How can I request and receive a paper or email copy of the proxy materials?